

Cécile: Setting the Pace With Mail-order Mastery

By Sara Suzuki

Newspaper readers in Japan are more than familiar with the ubiquitous insert known as an "advertisement special." Laid out like a regular newspaper page and written in journalistic style, the "special" usually runs to four pages, all of which can be used freely by the advertiser to explain and promote its products. Unlike regular newspaper advertisements, the special can often get its message across without the reader ever noticing that it is a paid advertisement.

Cécile Co., a women's underwear mail-order company headquartered in Takamatsu City, Kagawa Prefecture, last year used advertisement specials to snatch the No. 1 position in the women's underwear market away from Wacoal Corp. Sales by Cécile in the business term ended last October 31 totaled ¥133.5 billion, easily sailing past Wacoal's ¥107.5 billion. Those sales were up 28.5% over the preceding year, while the company's recurring profits of ¥2.8 billion were up 44.4% in one year. Cécile now ranks top in sales not only among women's underwear makers but also among all mail-order companies, far outdistancing the runner-up in both categories.

Secret of success

The advertisement special is widely believed to be the secret behind Cécile's success. Cécile's specials are attractive, four-page, full color productions. The first page carries a conversation between Cécile President Michikazu Masaoka and such popular Japanese actresses as Sayuri Yoshinaga and Keiko Matsuzaka. The remaining pages illustrate some of Cécile's products, including a clip-out order form on the last page.

The special is full of women's underwear and accessories, and also includes some children's and men's underwear. Prices are 30-50% lower than comparable store prices, and some are unbelievably cheap—nylon stockings for ¥65 and

brassieres for ¥500. Far from giving the impression that Cécile is trying to discreetly sell goods through the mail, the colorful advertisements suggest the company is giving readers the pleasure of selecting what they want from a cornucopia of products.

To create this aura of luxury around the low-priced items it sells, Cécile last fiscal year spent ¥5.88 billion on advertising and publicity, a full 5% of total sales and a remarkable 70% increase over the preceding term. Cécile inserted its specials in national newspapers and major regional papers four times last year, or once every season, and even sponsored dramas aimed at women viewers on television.

Another major publicity expenditure is Cécile's high-quality catalog running more than 600 color-printed pages. All the models are non-Japanese, and fabric samples are attached to some pages. Published twice annually, the catalog is mailed to every customer who has ever ordered a Cécile product. Cécile takes a classical approach to advertising, but it has skillfully grasped the psychology of consumers.

Explains a marketing expert at a major advertising agency: "In the mail-order business, success is determined by the size of the company's list of prospective customers. Cécile uses its newspaper flyer to attract new customers and add new buyers to its customer list. If the new customers like the quality of what they

order, they further spread Cécile's reputation by word of mouth. Cécile then mails its catalog to everyone on its list and turns them into long-term customers."

Cécile prints 7 million copies of its catalog, of which about 4.6 million are sent to regular customers. Data on individual purchases are computerized so information on who bought what when can be retrieved almost immediately. With purchasers of Cécile products increasing about 15 times over the past two years, Cécile introduced a FACOM M-780 computer system last September that can process 200,000 slips a day and control a customer list of 10 million.

The key to Cécile's low prices lies in short distribution channels. It purchases raw materials directly from Southeast Asia, commissions the sewing to 380 contracted factories at home and abroad, and sends the products directly to consumers. By maintaining no stores, the company dispenses with personnel, land and store management costs.

Customer's comments

"At first, I was suspicious about the quality of their products, but I ordered some anyway because they were so cheap," says one Cécile customer, Mrs. Haruko Mitsui, 38, of Osaka City. "I was surprised and relieved to find them to be of fair quality, bearing in mind they are expendables that are going to be washed



Cécile's mail-order catalog, a major publicity expenditure, uses only non-Japanese models. Some 7 million copies are printed.

time and again. After all, they're not meant for someone else to look at." Mrs. Mitsui's 40-year-old husband is a salaried worker, and they have two daughters, one a fifth-grader and the other a third-grader. Although she presently has no job, she is very busy, what with taking lessons in flower arranging, playing tennis and attending PTA meetings. To busy housewives like her, the mail-order system is like having a store at home open 24 hours a day all year round. Until a short time ago, she bought only Wacoal underwear. She switched because of the convenience, and even more, because of the low prices.

"I think that Wacoal products are very good, and I like the luxury of shopping in an attractive store and talking with the sales girls," she admits. "But I think this luxurious mood is built into the prices. I find Cécile underwear good enough for everyday because I feel almost as comfortable in Cécile as in Wacoal, and the prices are only half as much. But when I dress up I wear Wacoal, because it makes me feel fashionable."

Wacoal appears unperturbed about being surpassed by Cécile. "We limit our mail-order sales to an extremely restricted number of items, such as underwear for the aged," says the firm's public relations manager. "We do not intend to

adopt mail-order sales in a big way in the future, either. We want our customers to try on our foundation garments before they buy them. We will continue to prize our relations with retail stores."

Toyoko Miyamoto, a consumer specialist at the Living Science Research Institute of Hyogo Prefecture, says the growth of mail-order operations like Cécile has much to do with women's efforts to economize on their housekeeping chores in order to enjoy life more.

She breaks down women's shopping into three types: (1) shopping for excitement (buying accessories and hobby items), (2) reluctant shopping (buying daily necessities), and (3) specific shopping (buying a specific brand, or shopping at a famous, long-established store). Most women turn to mail-order sales for the reluctant shopping category.

Time games

"Women consider it a waste of time to go shopping for daily necessities," says Miyamoto. "Even ordinary housewives unconsciously feel as if they are being paid by the hour." An institute survey on consumer use of mail-order sales three years ago supports her theory. The survey found the most common mail-order purchases to be toilet paper, underwear, panty hose and seasonings.

"From now on, in addition to the *zai-tech* money game, we'll be seeing more of *toki-tech*, or the time management game," predicts Miyamoto. "There are people who have money and people who don't. But everybody has time in equal measure. I think people are becoming more interested in how to use their time effectively. And this is largely because more than half of all married women today have jobs."

Cécile has certainly keyed into this need. Yet while his company reacts quickly to the trend of the times and enjoys a progressive image, Cécile President Michikazu Masaoka remains little known to the public.

Indeed, the 50-year-old Masaoka does not have quite the background one might expect of one of the most powerful arbiters of Japanese women's underwear

fashion. After graduating from Ohmi Senior High School in Hikone City, Shiga Prefecture, Masaoka did not head straight for the fashion industry, but spent two years with Japan's Self Defense Forces. After leaving the SDF, he moved to Osaka where he worked at a tire sales company owned by his older brother. After changing jobs 12 times, he established Asia Bussan in 1972 to sell panty hose and undergarments to company employees directly at their place of work. Cécile's know-how was thus acquired by Masaoka in the school of hard knocks. The idea behind Asia Bussan worked, and in 1974 it changed its name to Cécile.

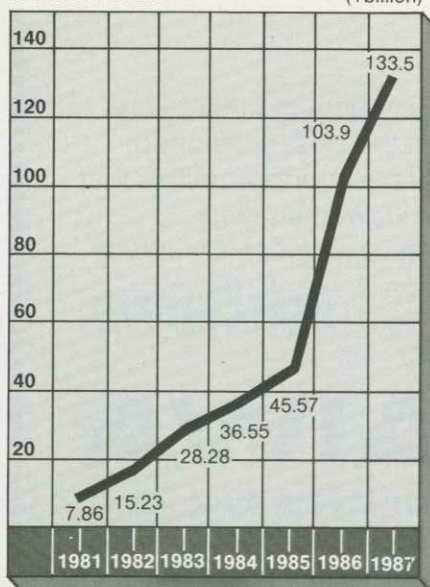
Despite his guest appearances on the covers of Cécile's advertising specials, Masaoka is well known for his intense dislike of the mass media. The only time he has met reporters was in November 1987, when Cécile overtook Wacoal in sales to become No. 1 among Japan's women's underwear makers.

At this press conference, Masaoka was confident and very aggressive. His next goal, he declared, was to compete with Renown and Kashiyama for top place in the women's apparel industry.

It was not an idle boast. Cécile has since begun to market designer-brand dresses by 20 special-contract designers. With a 10% share of the panty hose market, where annual sales run some one billion pairs, and nearly 17% of the ¥600 billion underwear market, it is probably only natural that the company should now go after the market for other kinds of clothes as well.

It will not be easy. Consumer reaction to Cécile's dresses has not been particularly encouraging. For the moment, at least, most women seem to feel they can hardly be seen around town in mail-order dresses. But Cécile is a company which has already attained astonishing growth in a very short time. Masaoka and his staff can be expected to do their best to prove it can be done again. ■

Sales of Cécile (¥billion)



Sara Suzuki is a free-lance writer specializing in women's lifestyles and social affairs.