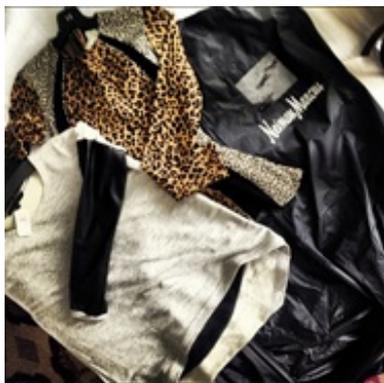


MULTICHANNEL

Neiman Marcus exec: Digital helps to develop deeper consumer relationships

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Consumer entry for Neiman Marcus' InCircle contest

By SARAH JONES

MIAMI – Even as more consumers are shopping online, the in-store experience is still at the heart of retail, and luxury retailers need to find ways to bridge the gap between channels, according to panelists at The New York Times Luxury Conference on Dec. 3.

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The panelists agreed that the retail is still centered on the consumer, and allowing her to shop with them how they want, which often still involves the physical store. Ecommerce and other digital efforts therefore serve more to supplement an in-store experience, rather than replace it entirely.

“I think that the customer today, there’s no question she’s changed the way she shops, and digital is an important component in the way she shops, but it’s not taking her away from the store,” said Karen Katz, president and CEO of [Neiman Marcus Group](#).

“I think that in many ways, the Web sites and what we do through social media has drawn her into the store,” she said.

“We’re lucky—we’re not selling commodities, we’re selling luxury goods, and there’s a touch and feel and a smell and a taste that comes along with something like that.

"Some of that can be achieved in the ecommerce environment, but a lot of it is maximized when the customer can come into the store."

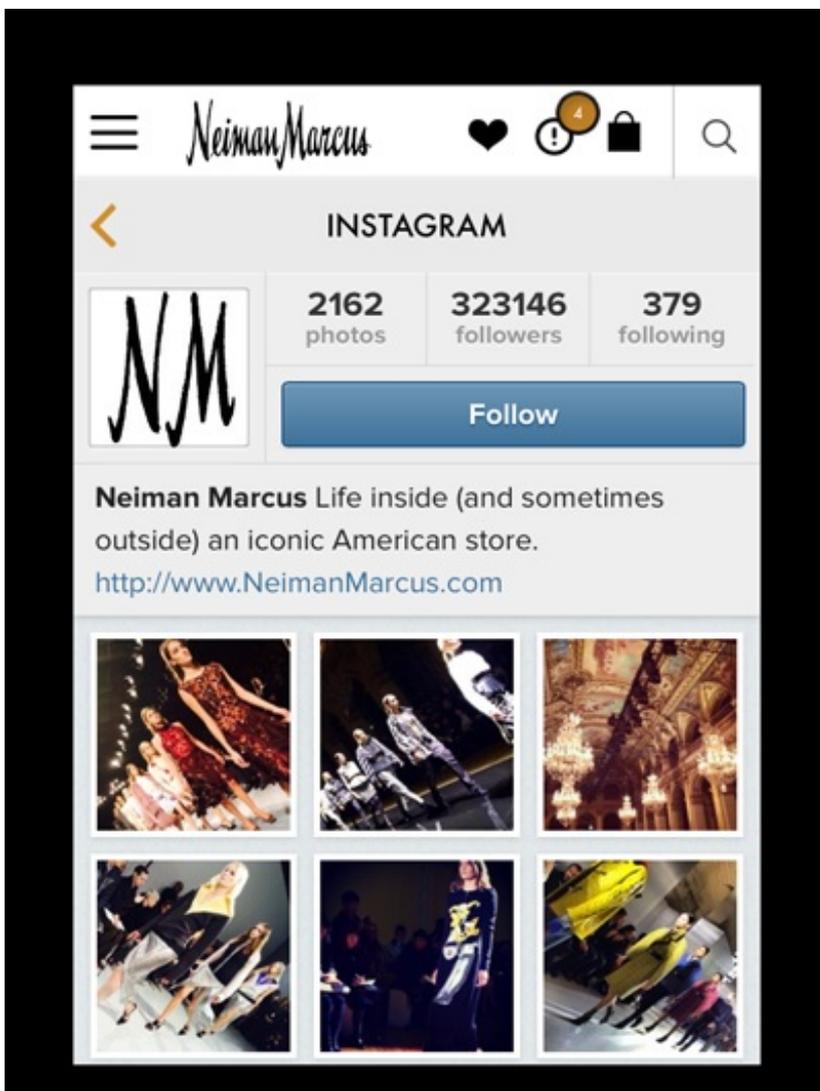
Romancing the store

Neiman Marcus works to provide a unique experience to its customers in each store, whether through the collection of artwork decorating its walls, the array of fashion available to them or their interaction with sales associates.

Online sales have grown to be almost 25 percent of the retailer's business, making Neiman Marcus the largest luxury ecommerce business in the world.

Within the experience and entertainment, tech is just another way to engage consumers.

Three years ago, Neiman Marcus gave all of its sales associates their own personal iPhones. In addition to allowing for easy contact with consumers, these devices have further connected sales associates to consumers, as they share Instagram images back and forth of new products and purchases.



Screenshot of Neiman Marcus app

Technology is often integrated into the social shopping experience. Neiman Marcus is testing smart mirrors in three of its stores, which take photos of the consumer in different outfits in the fitting room to help her decide.

The company is currently renovating Bergdorf Goodman and building the first Neiman Marcus in New York. Ms. Katz said that the retailer thinks about how technology will look in a couple of years as they design the stores.

Yoox, as an online only retailer, needs to find ways to make an emotional connection with consumers without being able to meet in person. To create a form of holiday window display online, Yoox has introduced shoppable videos of dinner parties, offering up a "menu" of gift ideas.



Screenshot of Yoox dinner party feature

Yoox also works with its brand clients who have bricks-and-mortar stores to enhance the in-store experience.

Federico Marchetti, founder and CEO of Yoox Group, said that the biggest disappointment that comes out of an in-store shopping trip is not being able to find a size. Removing this sense of let down via ecommerce reinstates that feeling of entertainment.

Brazilian mall chain Iguatemi has taken the in-store environment and expanded it, adding fitness centers and event spaces to attract consumers.



Panel, from left: Carlos Jereissati Filho, Karen Katz and Federico Marchetti

Iguatemi uses technology to understand more about its customers. If consumers have the mall's app on their phones, the company can then track their path through the store, giving a better idea of what they are looking for.

Citizenship

Part of connecting with consumers is by taking up the causes near to them. Iguatemi CEO Carlos Jereissati Filho said that by not participating, you lose your customers.

For about three years, Yoox has been using only recycled packaging for its shipments.

Neiman Marcus focuses on being a good community citizen, thinking about its energy use and recycling. It also does outreach through charitable donations.

For a few years, Neiman Marcus has created a curated holiday collection, donating ten percent of proceeds to benefit 41 art-based youth charities around the country.

The 37 gifts last year were selected by Neiman fashion director Ken Downing for the campaign, and ranged in price from \$28 to \$1,795 and included brands such as Alexander McQueen, Chanel and Moncler. As holiday shopping gains momentum, retailers will continue to differentiate themselves with escalated charity endeavors ([see story](#)).

"If you really want to be connected to your customers nowadays, with all the beliefs that they have, you have to address that and as a company, you have to move in that direction, or else you're going to lose that customer," Mr. Filho said.

"For us, as a citizen you have to do because you live in that place," he said. "As a business person you have to address those questions. Otherwise, you'll be out of business sometime in the future."

Final Take

Sarah Jones, editorial assistant on Luxury Daily, New York

Embedded Video: [//www.youtube.com/embed/33B4RjGX7w8](https://www.youtube.com/embed/33B4RjGX7w8)

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