

RETAIL

Neiman Marcus personalizes in-store experience by giving employees strong digital tools

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Neiman Marcus gives each sales associate a mobile app full of customer data. Image credit: Neiman Marcus

By DANNY PARISI

NEW YORK Digital has changed the way consumers interact with bricks-and-mortar stores, and no sector has felt this more than luxury retail.

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Speaking at the National Retail Federation's Big Show on Jan. 16, the CEO of Neiman Marcus spoke about the ways that digital and mobile multichannel tools have fundamentally changed the ways consumers shop. What has become clear is that customers are coming in to stores with more knowledge than ever before.

"We start with the assumption that before she steps in the store, the customer has done a lot of work up front," said Karen Katz, president and CEO of **Neiman Marcus**. "Eighty-one percent of people go to our site before they enter the store.

"All of that changes how we think about her store experience," she said. "We are all about selling beautiful luxury products that have a sensory relationship with the customer."

Multichannel retail

Luxury retailers are in a unique situation. Their customers tend to be wealthy, digitally connected and have a good idea of what they want when they come into a store.

Combining these aspects has led luxury retailers to embrace more multichannel tools as a way bringing those customers in and giving them a more seamless experience.

One strategy that Neiman Marcus has embraced is giving all of its sales associates the digital tools to usher customers through the in-store purchasing process with the same level of care and personalization that they get from online shopping.

"Over five years ago, we developed an app called iSell," Ms. Katz said. "All of our sales associates are issued an iPhone and what this app does is aggregate all customer information of their clients.



Neiman Marcus' online store. Image credit: Neiman Marcus

"Eventually we will be able to add how social influencers work for the data of the customer," she said. "It becomes an even more personalized experience for them."

Additionally, luxury consumers tend to be much more interested in paying through credit or debit rather than cash, leaving luxury retailers room to focus on other forms of payment such as contactless payment.

While retailers have begun expanding their ability to process contactless payment, much work still needs to be done.

"The reality is that the U.S. is behind many other countries in terms of NFC payment or other mobile pay options," said Alfred Kelly, CEO of [Visa](#). "We have made a lot of progress recently, though."

"By the end of this year 50 percent of terminals will be contactless and 95 percent of new ones coming out are set up for contactless payments," he said.

Digital tools

Ms. Katz spoke at length about the ways that Neiman Marcus has evolved over the years. After 30 years at Neiman Marcus, Ms. Katz has announced her retirement as president and CEO, but will remain on the board of directors.

Ms. Katz will retire from her roles at Neiman Marcus on Feb. 12, and will be succeeded by Geoffroy van Raemdonck, who will become CEO effective that day to ensure a seamless transition process. The appointment of Mr. van Raemdonck is part of Neiman Marcus' long-term leadership succession planning process to ensure continued growth and evolution of the company ([see story](#)).

She is leaving the company in a good position. In the first quarter of its 2018 fiscal year, Neiman Marcus saw its first comparable revenue increase since the 2015 fiscal year.



Neiman Marcus has focused on multichannel retail. Image credit: Neiman Marcus

Neiman Marcus Group's total revenues grew 3.8 percent in the quarter ended Oct. 28, compared to the same period of the previous year. The company connects its resumed growth to the implementation of its Digital First strategy, as

well as its investments in technology and marketing ([see story](#)).

Ms. Katz attributes this growth to the retailer's focus on integrating digital and offline tools in the shopping experience, primarily with a focus on empowering sales associates with more information about customers.

"We do believe that the combination of giving them data based on their whole behavior online and offline combined makes them more knowledgeable," Ms. Katz said.

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