

RETAIL

Nordstrom, Sephora among leaders in consumer connection

October 4, 2018



Nordstrom is one of the retail leaders for quality customer service. Image credit: Nordstrom

By SARAH RAMIREZ

Department store chain Nordstrom is among the brands offering the best customer service experiences and emotional connectivity, according to a new report by global customer agency C Space.

Subscribe to **Luxury Daily**
Plus: just released
State of Luxury 2018 **Save \$246 ▶**

Consumers prefer to spend their money on emotionally-cognizant companies that provide quality customer service, directly benefiting brands' bottom lines. The more emotionally connected shoppers are, the more likely they are to make frequent purchases and recommendations.

"Luxury brands are already ahead of the game when it comes to creating emotional connections with their customers," said Bill Alberti, chief client officer at C Space. "By definition, they deliver on many of the emotional cues that our research shows create the best customer experiences: they're authentic, easy to do business with and deliver emotional rewards"

C Space surveyed 26,000 U.S. consumers and asked them to evaluate companies against 21 emotional cues. The study collected opinions on more than 1,000 top companies across 19 industries.

Customer experiences

Consumers want to patronize brands that are relatable or have a strong mission. Among the emotional traits considered by respondents were intelligence, appreciation and intuition.

Luxury and mass-market brands in a variety of sectors were evaluated.



Nordstrom relaunched its rewards program. Image credit: Nordstrom

With a score of 7.9, Nordstrom ranked fifth overall for best customer service experience and was the top-scoring department store or retailer.

The retailer recently revamped its loyalty program to include additional personalization and more convenient ways to shop.

All Nordy Club members receive early access to brand and product launches, attendance to beauty and style workshops and free basic alterations. They can also reserve online and try on in-store or use curbside pick-up ([see story](#)).

Ecommerce giant Amazon closely followed Nordstrom, placing seventh with a score of 7.66 out of 10. Amazon was praised for appearing to be unbiased, trustworthy and providing consumers with a reliable service.

Google, an Internet trailblazer which has expanded beyond search to a host of productivity tools and tech devices, received accolades for helping customers better manage their tasks and personal time.



Sephora's emphasis on personalization attracts younger consumers. Image credit: Sephora

Notably, beauty retailer Sephora scored 6.24 to place 21st in the overall rankings as it was outscored by Dove in the personal care and beauty category. Sephora often engages consumers through personalization, whether enabling virtual try-ons via smart mirrors and smartphone screens or customizing a shopper's browsing experience ([see story](#)).

Hospitality brands Hilton and Marriott also appeared in the top 25 for best customer service experiences, ranking 9th and 12th respectively. Respondents considered Hilton's customer services to be consistent across the globe.

Elsewhere in the hospitality and travel space, consumers appreciated the sense of belonging found through Airbnb's home-sharing service. With the recent launch of its new luxury tier, Beyond by Airbnb, the platform will also offer custom-designed trips, including personalized experiences along with high-end rentals ([see story](#)).

"Luxury players who wish to stand out from the competition and thrive would do well to map the emotional experiences they create against their competitors' to identify the cues against which they can differentiate,"

Mr. Alberti said. "As they adapt to a digital landscape, there is also an urgent need for them to find ways to create the same emotive experiences they are known for, at scale and through a screen."

Emotional spending

While luxury brands understand that emotional connections with consumers are valuable, not all luxury companies are on the same playing field.

According to a study by Motista, emotionally-connected customers remain loyal to brands for longer, and spend up to two times more in a year. Coupled with a growth in annual spend, creating deeper relationships can lead to a greater lifetime value for retailers.

Motista's report found that within the luxury business, consumers who are satisfied spend an average of \$699 per year, while those who have an emotional connection spend \$1,423 ([see story](#)).

In the Luxury Institute's annual rankings of brands with the most emotional intelligence according to affluent consumers, Nordstrom came out on top, beating out other large retailers including Amazon. Emotional intelligence is a key factor for brands and retailers today, helping them engage with customers and keep them loyal.

Nordstrom inspires loyalty and a deep personal connection with consumers thanks to its personality-filled marketing and the ways in which it cultivates relationships with consumers ([see story](#)).

"When your customers do business with you, when they buy your product or use your service, they are choosing you," Mr. Alberti said. "Choice is a powerful force, but it isn't entirely rational.

"Choice is made in the context of experience – past, present and projected," he said. "So, it stands to reason that we are more likely to choose companies that offer the best experiences – that exceed our emotional needs as well as our functional ones."