

RESEARCH

## Lexus and Sephora lead among luxury brands on Forrester's CX report

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Overall rank	Brands	Score		Industry
		2020	2019	
1	USAA*	83.9	80.9	Credit card issuers
2	Navy Federal Credit Union*	82.4	82.9	Banks (multichannel)
3	Navy Federal Credit Union	81.4	—	Credit card issuers
4	Trader Joe's	80.7	77.1	Retailers (multichannel)
5	USAA*	80.0	78.9	Auto/home insurers
6	Zappos.com*	79.3	78.7	Retailers (digital)
7	Lexus*	78.6	80.0	Auto manufacturers (luxury)
8	USAA*	78.6	81.0	Banks (direct)
9	Lincoln	78.5	74.3	Auto manufacturers (luxury)

*The top 5 percent of brands on Forrester's CX report. Image courtesy of Forrester*

By DIANNA DILWORTH

Automakers and retailers were held by market researcher Forrester as the luxury sectors delivering good customer experiences, which consists of consistently meeting customers' needs, hitting the right emotional notes and even having the goodwill among customers to forgive mistakes.

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Lexus was the only luxury brand to rank on Forrester's new Customer Experience report's top top list, coming in at No. 7 with a score of 78.6, a drop from a score of 80 last year. Sephora earned a 77.4, jumping from 72.8 last year.

"While many brands just recently improved the experiences they deliver, a few have distinguished themselves over many years by consistently delivering industry-leading CX," Forrester said in the report. "Companies like Lexus, Navy Federal Credit Union and USAA are well positioned to serve their customers as they adapt to the new normal brought about by COVID-19."



## Retailers (multichannel)

RANK			PERFORMANCE	
2020	2019	BRAND	2020	2019
1 ▲	2	<b>Trader Joe's</b>	<b>80.7*</b>	77.1
2 ▲	3	<b>Barnes &amp; Noble</b>	<b>78.3</b>	76.7
3 ▲	9	<b>Costco Wholesale</b>	<b>78.1*</b>	73.8
4 ▲	5	<b>PetSmart</b>	<b>77.8*</b>	75.4
5 ▲	7	<b>ALDI</b>	<b>77.7*</b>	73.9
6 ▲	15	<b>Sephora</b>	<b>77.4*</b>	72.8
7 ▼	4	<b>Hobby Lobby</b>	<b>77.2</b>	76.4
8 ▲	23	<b>Ulta Beauty</b>	<b>77.2*</b>	71.3
9 ▼	1	<b>Neiman Marcus</b>	<b>76.7</b>	77.2

Forrester's CX Report retail rankings. Image courtesy of Forrester

### Retail rankings

Sephora ranked No. 6 on Forrester's list of multichannel retailers CX Index and Neiman Marcus ranked No. 9.

U.S. department store chain Neiman Marcus' score dropped just a bit from last year earning a 76.7 versus a 77.2 but was the only luxury retailer to place in the top 10. Forrester noted that Good scores were 75-84 and Excellent scores were 85-100.

The majority of brands (65 percent) only earned an OK score (65-74), the same as last year. A growing number of brands (20 percent) earned a Good score, up from 17 percent last year. The top three retailers on the list are Trader Joe's (80.7), Barnes & Noble (78.3) and Costco Wholesale (78.1).

U.S. department store chain Nordstrom ranked at No. 19, but dropped a tiny bit from 73.7 to 73.6 this year.

Saks Fifth Avenue, another U.S. department store chain, held the No. 28 spot, up from the No. 37 spot last year. The retailer's CX score grew significantly from 68.3 last year to 72.1 this year.

"The core tenets of a good customer experience haven't changed," said Michelle Yaiser, director of customer experience analytics at Forrester, New York. "Companies still must meet their customers' needs in ways that are easy for customers to use.

"They must achieve both of those requirements while making their customers feel good," she said.

"Emotion remains the most influential aspect of any experience and is even more important now. Customers will forgive some missteps and accept changes to the ways they must engage with brands as long as those brands continue to make them feel good."



## Auto manufacturers (luxury)

RANK			PERFORMANCE	
2020	2019	BRAND	2020	2019
1 —	1	<b>Lexus</b>	<b>78.6</b>	80.0
2 ▲	4	<b>Lincoln</b>	<b>78.5*</b>	74.3
3 ▼	2	<b>Mercedes-Benz</b>	<b>77.2</b>	76.6
4 ▼	3	<b>Audi</b>	<b>76.1</b>	75.0
<b>Industry average</b>			<b>75.1</b>	<b>74.3</b>
5 ▲	7	<b>Acura</b>	<b>74.7</b>	73.0
6 ▼	5	<b>Volvo</b>	<b>74.5</b>	73.8
7 ▲	9	<b>BMW</b>	<b>74.4*</b>	71.3
8 —	8	<b>Infiniti</b>	<b>72.2</b>	72.0
9 ▼	6	<b>Cadillac</b>	<b>69.9*</b>	73.1

Forrester's CX Report auto rankings. Image courtesy of Forrester

## Automotive winners

Lexus (78.6), Lincoln (78.5), and Mercedes-Benz (77.2) held the top three spots for customer experience among luxury auto manufacturers.

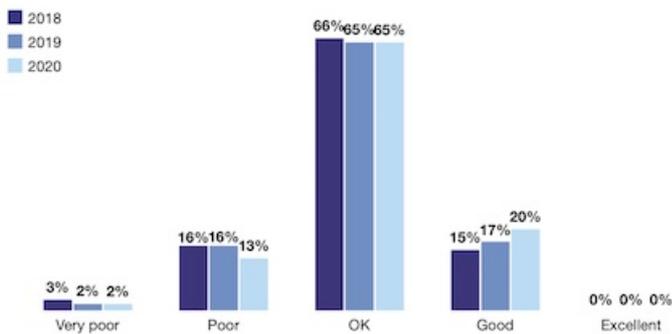
Audi ranked No. 4 with a score of 76.1, Acura ranked No. 5 with a score of 74.7, Volvo ranked No. 6 with a score of 74.5.

BMW ranked No. 7 on the list with a score of 74.4, representing a jump from last year's score of 71.3.

"Each brand understands who their customers are and what they want," Ms. Yaiser said. "They fine-tune their approaches to delivering high quality experiences to meet and exceed their specific customers' expectations.

"Each has offered customers new opportunities to engage in ways that go beyond the vehicle and the dealership," she said. "New services, like pickup and delivery, are so easy and convenient that customers feel like the brands appreciate and respect the demands of their daily lives."

FIGURE 17 The Distribution Of US CX Index Scores, 2018, 2019, And 2020



*Forrester's CX distribution of U.S. CX Index scores. Image courtesy of Forrester*

## Building brand experience

As brands continue to navigate the challenges of marketing to consumers during the pandemic, Forrester recommends focusing on customer experience to build connections.

U.S. consumers are expressing feeling anxious, with 61 percent concerned about a severe economic recession or depression, and 42 percent reporting anxiety around their current economic situation.

Customers will reward brands that help ease their worries by making them feel appreciated, happy and valued, and not annoyed and frustrated.

The report found that when customers feel appreciated, 76 percent say they will keep their business with the brand, 80 percent say they will spend more with the brand and 87 percent will recommend the brand to friends and family members.

Conversely, when customers are disappointed, only 18 percent said they will continue to be customers of the brand, 18 percent will increase their spending and just 15 percent will recommend the brand to their friends and family members.

"If businesses are to emerge from this global crisis, they must build experiences that help them empathetically engage with their customers, building a well of CX equity," Forrester said in the report.