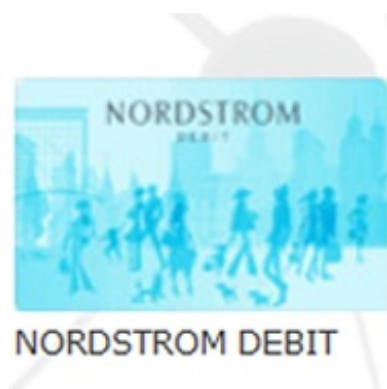


COMMERCE

Nordstrom redesigns rewards program for stronger customer ties

January 12, 2012



By KAYLA HUTZLER

Department store chain Nordstrom is looking to strengthen its customer relationships with a newly-redesigned fashion rewards program that puts more control in the hands of the shopper.

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The new program will give all Nordstrom cardholders access to tailoring services and the ability to accumulate reward points more quickly. Additionally, the amount of points needed to be promoted to a higher status level has been decreased.

“Fashion rewards is one of the most important tools that we have to serve our customers and we wanted to make these changes to improve the service experience we offer them throughout the program,” said Colin Johnson, a **Nordstrom** spokesperson, Seattle.

“A big focus was giving customers more control over how and when they can earn rewards and we hope to extend these benefits to more customers,” he said.

In the cards

With the new fashion rewards program, Nordstrom cardholders will be given a pre-selected amount of credit towards Nordstrom’s tailoring services.

Now, tailor-service credits start at \$100 for level-one cardholders and go up to an

unlimited amount of free tailoring for top-level cardholders.

Cardholders are also able to choose days on which they would like to earn triple reward points.

Based on their level, a fashion rewards program member will be given one to four "personal days" on which they will earn three times the bonus points.

These will come in addition to the previously-offered days selected by Nordstrom each year.

Shoppers will also be able to earn bonus reward points when they shop at Nordstrom Rack. The outlet line was previously not included.

Nordstrom has also decreased the amount of dollars a customer needs to spend to reach top-level status.

According to the new policies, when shoppers spend \$5,000, they will be promoted to level three. After \$10,000, they will be promoted to level four.

The level entries were previously \$10,000 and \$20,000, respectively.

"With this relaunch of their program, they have been able to combine the best elements of a reward and recognition program – by offering added value experiences and rewards based on tier levels and ultimate customer spend," said David Langton, global marketing manager at [ICLP Loyalty](#), London.

"It's good to see a retailer being more creative and taking this approach and utilizing their wider brand assets from the department store to give relevant value rewards back to customers, rather than solely offering points," he said.



Take note

Nordstrom has also kept many of its mainstay offerings despite the redesign.

Level three and four cardholders will still have access to the Nordstrom Concierge which can aid customers in planning parties, obtaining tickets to shows, making dinner reservations, securing spa appointments and planning customized vacation packages.

Additionally, Nordstrom will still be inviting cardholders to experience pre-access to exclusive sales and in-store events.

Top-level cardholders are also given the opportunity to choose one of six complementary private shopping party experiences for the cardholder and friends.

Experiences include a limo-and-lunch package, a couple's personal styling session, a spa escape package and a teen fashion party that includes a live DJ and personal styling.

Every fashion rewards program member over level two also receives free standard shipping throughout the year.

Additionally, every cardholder will continue to receive a \$20 Nordstrom Note for every \$2,000 spent at the department store.

The reward program redesign is likely to prove beneficial for Nordstrom.

"There are constant challenges of competitor activity," Mr. Langton said. "However, historically it has been proven that a brand that has a reward program in place will retain more customers and increase transactional value.

"Reward programs are enticing if designed correctly from the outset and if it is in keeping with the core brand promise and it offers relevance and value to customers," he said.

Nordstrom is marketing the new program through social media and posting a link to the program outline on its Facebook page.

This is likely a good idea since fans of the brand on Facebook probably will be more interested in the reward program for loyal shoppers.

"It starts with Nordstrom notes but it's about much more than just points," Nordstrom's Mr. Johnson said.

"We hope this [redesign] will help improve the way we can serve our customers," he said.

"We want to build relationships with our customers over the long run."

Final Take

Kayla Hutzler, editorial assistant on Luxury Daily, New York