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RESEARCH

Nordstrom tops customer experience rankings: study

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By RACHEL LAMB

Department store chain Nordstrom is top of the list in terms of retail customer experience, according to findings from the American Customer Satisfaction Index.



Nordstrom beat out other retailers such as J.C. Penney's and Macy's, and it was the only luxury retailer in the top 10. Nordstrom's triumphs are included in the overall study report that claims retail was up in 2011 and will likely continue to see progress.

"We will likely see the strength of ecommerce and the online space versus the bricks-and-mortar space," said David VanAmburg, managing director of the ACSI, Ann Arbor, MI. "It still excels the bricks-and-mortar business by convenience of shopping online and the ability of merchandisers to create attractive promotions.

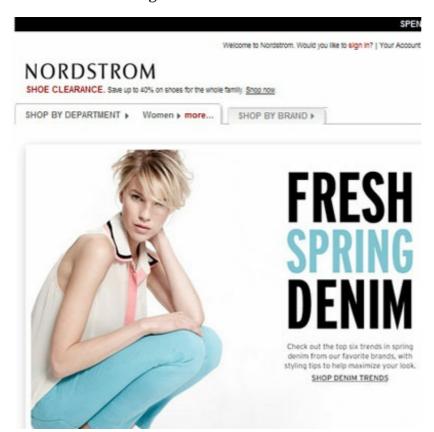
"However, keeping satisfaction with online retail is very high relative to the traditional instore shopping experience," he said.

Details in retail

Nordstrom came out on top in terms of customer satisfaction in the retail division.

On an average score of 77 points, Nordstrom pulled ahead of the pack with 84 overall points.

Nordstrom's score from 2011 was ahead of the baseline again, averaging a score of 84 whereas the average retail score was 76.



Nordstrom's ecommerce site

"Nordstrom is at the top of that industry because despite the fact that people are paying more for the products, they are of very high value and in almost all cases this a more important driver in the satisfaction than price," Mr. VanAmburg said.

"Assuming that people have the means to spend, they will get a quality experience out of it at a store like Nordstrom in terms of type of customer service," he said. "Nordstrom has been a leader for a number of years, so this is not at all surprising."

However, customer satisfaction is up in general, approximately 0.1 percent to 75.8 points for the fourth quarter of 2011.

The fourth quarter gain brings the yearly change for 2011 up to 0.7 percent, a mild improvement that is in sync with a very slowly recovering U.S. economy, per the study.

In the numbers

There have been a number of recent studies published detailing the effectiveness and importance of luxury brand customer service.

For example, luxury labels need to use digital media to target and retain affluent consumers as they move through the purchase funnel by means of offering terrific customer service to set them apart from competitors, according to findings from a study by Boston Consulting Group (see story).

Affluent consumers are used to a high-touch, tactile experience that comes with an instore experience.

However, since ecommerce is not going anywhere but up, it is important for luxury marketers to use this channel as another form of customer service.

Luxury marketers such as Rolls-Royce, Jaguar, Prada and Gucci have dramatically decreased the loading times on their Web pages in the fourth quarter of 2011, positioning themselves as tech-savvy and boosting availability for busy affluent consumers (see story).

"[Non-luxury brands] have somewhat of a different business model, but if there is something to be learned from luxury retailers, it would be the commitment to customer service," Mr. VanAmburg said.

"Nordstrom is a huge example of that," he said. "High-end retailers are typically distinguished by their commitment to customer service, and that's something that the Targets and J.C. Penney's could certainly invest in and pursue to make the overall experience even higher than it is now."

Final Take

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