

EVENTS / CAUSES

Mercedes, Bergdorf push through the storm via Sandy relief efforts

November 2, 2012



By TRICIA CARR

New Jersey-based Mercedes-Benz USA and Toyota Corp.'s Lexus are each donating \$1 million to the American Red Cross to aid in Tropical Storm Sandy relief, while New York-based retailers are continuing to boost the city hosting their flagship stores via digital efforts.

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Luxury marketers such as Mercedes, Lexus, Bergdorf Goodman and Saks Fifth Avenue are taking part in supporting the East Coast by encouraging donations and sharing news and advice. Luxury retailers are not expected to suffer much in terms of sales, but these efforts will likely keep brands top of mind to consumers in affected areas as the state of retail begins to return to normal.

“The opportunities for retailers to deal with repercussions of the storm is starting off with finding opportunities to help, whether it is focusing on fundraising, donations or information on the current status and how to recover,” said Dalia Strum, president of Dalia Inc., New York. “Right now is the core time to focus on recovery efforts and banding together.

“Consumers are dealing with a few issues such as they are not able to conveniently travel to retail locations due to lack of transit, limited gas available or massive amounts of

increased traffic,” she said. “Another issue is, not only do most consumers not have electricity, most companies and fulfillment centers do not either.

“This has led to a decrease of email marketing, as well as online communication and delay in current orders. Mobile shopping is also at a decrease because consumers are trying to conserve battery longevity as they are weary of when they will be able to charge.”

Marketers to the rescue

Mercedes-Benz USA’s \$1 million donation was likely triggered from its corporate locations in the proximity of sections hit by Tropical Storm Sandy.

The automaker’s United States headquarters is in Montvale, NJ. There is a regional office in Parsippany, NJ; a parts distribution center in Robbinsville, NJ; and a vehicle preparation center in Baltimore, MD.

Mercedes also has 83 dealerships throughout Northeast U.S.

Also, the automaker is offering time off from work so that qualified employees can volunteer in their local communities.

Mercedes posted to its Facebook page Wednesday, Oct. 31, “Hurricane Sandy has devastated many of the communities in which we live and work. Many of you have been personally affected by the storm or know people who were.”

The brand continued, “While authorities are still assessing the damage and the cost will run into billions of dollars, we wanted to offer some immediate relief and support.”

The posted included a link to donate to the American Red Cross.



Hurricane Sandy has devastated many of the communities in which we live and work. Many of you have been personally affected by the storm or know people who were. Mercedes-Benz USA today announced a donation of \$1,000,000 to the American Red Cross to aid in the relief efforts. While authorities are still assessing the damage and the cost will run into billions of dollars, we wanted to offer some immediate relief and support.

For more information on how to support the American Red Cross please visit: <http://www.redcross.org/support/donating-fundraising/donations>.

Mercedes Facebook post

Lexus also announced its contribution of \$1 million to the American Red Cross relief efforts Wednesday, Oct. 31.

The automaker posted via Facebook, "The devastation caused by Hurricane Sandy is being felt far and wide across the country. We know there is a long road to recovery and

we're here to help."



The devastation caused by Hurricane Sandy is being felt far and wide across the country. We know there is a long road to recovery and we're here to help. Lexus has contributed \$1 million in relief efforts to the American Red Cross. Our thoughts and prayers are with all the communities and families so greatly affected. <http://bit.ly/UlaUKB>

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13

592 people like this.

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Lexus Facebook post

Meanwhile, New York-based department store Bergdorf has transformed its Twitter feed into a news source for New Yorkers. It provided information about making donations and the status of public transportation.

As the store reopened Wednesday, Oct. 31, the retailer posted to Twitter, "Don't forget: if you're looking for the perfect spot to regroup, BG Restaurant has delicious coffee & gorgeous views."



Bergdorf tweets

Bergdorf continued to encourage consumers to stop by to recharge electronics and use its wireless Internet via Twitter and Facebook.

Good evening Fashion City!

Our doors will re-open tomorrow, including BG Restaurant & Goodman's Cafe (if you want to digitally reconnect w family in a cozy spot with wifi & Central Park views).

Thinking of all affected - continue to be careful & stay safe!

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 2

 245 people like this.

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Bergdorf Facebook post

In addition, the retailer is encouraging consumers to help out in any way that they can through a blog post on its 5th/58th blog titled, “[After Hurricane Sandy: Easy Tips on How to Help.](#)”

For instance, one tips tells consumers to donate “extra water, canned goods, extra pet food and such. Visit NYC.gov for locations still needing donations.”

Saks Fifth Avenue is another New York-based retailer that is focusing many of its social media posts on the state of New York and surrounding areas.

In addition to well wishes to its followers and keeping them updated on store hours, Saks is showcasing images taken recently for its 10022-SHOE Tumblr blog that show New York landmarks such as Brooklyn Bridge, Rockefeller Center and South Street Seaport.

The retailer said via Facebook Wednesday, Oct. 31, “In reviewing these photographs after the devastation of Hurricane Sandy, the images took on a whole new meaning. The pictures show much more than shoes.”

Saks continued, “To us, they capture the essence of New York and its legendary energy. So what was once a celebration of fabulous shoes has become – in portfolio form – an ode to our city and its resilient people. Our thoughts are with everyone affected by Sandy across the Eastern Seaboard.”

Consumers could be more inclined to purchase from marketers that are being supportive during this time, per Brittany Mills, director of client services for [B Culture Media](#), Atlanta.

“I think there is a fine line between getting back to normal and being inconsiderate,” Ms. Mills said. “Going from one day sending condolences and then the next to talking about a new product when your customers are still feeling the effects of a disaster like Sandy is not being genuine.”

“Brands need to still have an ongoing conversation with their customers and the online viewers on the aftermath and can position in new products and brand messaging

accordingly," she said. "Bergdorf is doing a great job of staying genuine during this disaster.

"Offering ways to help out with those affected is a perfect way to slowly transition back to normal communications."

Indeed, it is key that brands and retailers do not cross a fine line. Seeming mercenary at this time of ordeal for New York and New Jersey consumers and others on the East Coast might cause a bad taste in the mouth.

"Instead of sending a spam offer today I would send emails and texts to clients and see how we might help even in the simplest ways," said Milton Pedraza, CEO of the [Luxury Institute](#), New York.

"If we have large resources, then get vans downtown New York and bring cupcakes and games for kids," he said. "Set up something to give people help and hope and even entertainment to get them into a better mood."

Business as usual

Barneys New York was the first luxury retailer in New York to reopen after the storm passed. Bergdorf, Saks and Bloomingdale's reopened their Manhattan stores Wednesday, Oct. 31, though Bloomingdale's SoHo store remained closed due to the power outage.

Barneys, however, stressed safety as its first priority.

The retailer posted to Facebook, Tuesday, Oct. 30, "The safety of our employees is of the utmost importance to Barneys. Work today was entirely voluntary for those who could safely make it to the store. Our thoughts are with those affected by the storm."



Hi all, The safety of our employees is of the utmost importance to Barneys. Work today was entirely voluntary for those who could safely make it to the store. Our thoughts are with those affected by the storm.

Like · Comment · Share

3

451 people like this.

View all 19 comments

Barneys Facebook post

Overall, "estimated shopping could be down as much as 40 percent for the week in affected areas," according to an article on [The New York Times](#).

The article also stated that "November comparable-store sales could be down by as much as 2-3 percent."

While the piece of this percentage that applies to luxury retail is unknown at this time, it is

likely that consumers are deferring planned purchases or turning to ecommerce.

“I do not think ecommerce numbers will rise due to the storm,” B Culture’s Ms. Mills said. “It is important, however, that the brands stay engaged in the conversation so that customers continue to build that relationship and loyalty to their favorite brands.”

On Monday, Oct. 29, the storm brewing in the Northeast region of the U.S. brought luxury retail and travel to a halt, but retailers are not likely to suffer as consumers shift purchases to ecommerce or are willing to wait it out for the in-store experience.

Affluent consumers and visitors to New York will likely postpone planned store visits and purchases in favor of storm preparation and only return to the in-store shopping environment that they prefer when they can ([see story](#)).

The most vital type of brand communication is customer service at this time, per Christine Kirk, CEO of [Social Muse Communications](#), Los Angeles.

“A brand should expect that by participating in current event conversations online that they are building relationships and goodwill with their customers over the long-term, which will impact ecommerce numbers down the road,” Ms. Kirk said.

Many consumers in the affected parts of New York are without power. Therefore, the in-store shopping experience could serve as a distraction.

Retailers likely realize this and were eager to get their doors open as soon as possible even though the attention of many consumers in New York is focused on recovery.

“At this current state, repairs and recovery are a main priority for consumers,” Dalia Inc.’s Ms. Strum said. “However, Hurricane Sandy came early enough before the holiday season that retailers should be able to recover to meet their fourth-quarter expectations.”

Final Take

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