

LUXURY INSTITUTE: Luxury Institute Retailer Survey Finds Nordstrom Rated #1 in Customer Experience

Wealthy customers voted Nordstrom the brand that delivers the best customer experience with a category-leading rating of 84 in the new Luxury Customer Experience Index survey (LCEI) from New York-based Luxury Institute. Bergdorf Goodman and Neiman Marcus were second and third with respective scores of 81 and 80.

Wealthy customers rated seven of the largest luxury retail brands based on direct individual experiences with each company. These included (alphabetical order): Barney's, Bergdorf Goodman, Bloomingdale's, Brooks Brothers, Neiman Marcus, Nordstrom, and Saks Fifth Avenue.

"Nordstrom achieved the highest purchase incidence among luxury retailers rated, with 51% purchase incidence among responders, also achieving top ratings in customer experience," said Milton Pedraza, CEO, the Luxury Institute. "This is a significant achievement. It is very challenging to be a large luxury retailer and deliver a consistent, best-in-class customer experience, as rated by your own wealthy consumers. However, the rewards are worth the effort. Nordstrom Customer Retention index of 87 rates five points higher than its' nearest competitor. Its 'Price Worthiness' index led all retailers. It is also the luxury retailer best able to generate 'Customer Referrals' from wealthy customers."

Bergdorf Goodman was rated highly by the 5% of wealthy consumers who had recent purchase experience. The brand's LCEI rating is competitive with Nordstrom among consumers under age 50 and those with annual household incomes of at least \$500,000.

This new Luxury Customer Experience Index (LCEI), delivers measures and indices that capture critical drivers for Customer Experience, as rated by each brand's customers, and goes far beyond traditional customer satisfaction measures. The LCEI delivers metrics based on four "pillars" of a Customer's Experience including: Experience Drivers, Price Worthiness, Customer Retention and Customer Referral for each brand in a category. The Experience Drivers section includes metrics of the brand's effectiveness, brand attitude, brand environment, and the brand's problem resolution index.

As the Voice of the Wealthy Consumer, the Luxury Institute is the pioneer in developing objective customer-centric performance metrics for the luxury goods and services industry. The new Luxury Customer Experience Index survey (LCEI) complements the Luxury Institute's brand reputation survey (Luxury Brand Status Index survey, or LBSI). The new LCEI is the result of requests from luxury CEOs to deliver to them an objective and independent set of customer experience results with benchmarking data for the luxury industry. For the LCEI, the Luxury Institute surveyed a nationally representative valid and reliable statistical sample of more than 2,100 households with a minimum of \$200,000 in gross annual income and minimum net worth of \$750,000 (including home equity).

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