

The  
Nordstrom  
Way  
to  
Customer  
Experience  
Excellence

**Creating a Values-Driven  
Service Culture**

# Frederick & Nelson



This is NOT a presentation about  
selling shoes.

This is a presentation about personalization;  
about focusing on one customer at a time.

“Customers expect a personalized experience that merges the richness of stores with the convenience of online.”

—Blake Nordstrom

This is a presentation about retail  
because each one of you is a  
merchant

“There is no one who is not in some degree a merchant; who has not something to buy or something to sell.”

--SAMUEL JOHNSON (1709-1784)

# Welcome to America's Capital of Customer Service









“Seattle’s reputation for customer service started with Nordstrom. They set the bar for the rest of us.”

--Jeff Brotman, co-founder, Costco Wholesale

The Nordstrom story is a culture story

Nordstrom as metaphor

# The Nordstrom of...

- Hot tubs
- Tanning salons
- Funeral Homes
- Car repair
- Tree farms
- Plumbers
- Real Estate
- Dentists
- Cloud Computing
- Health care
- Property Management
- Thermal Tools
- Software
- Garbage

Nordstrom follows a set of core values that guides a culture of perpetual change and improvement

Cultures  
require  
symbols



# NORDSTROM BY THE NUMBERS

1901: FOUNDED AS A SHOE STORE

4 GENERATIONS OF FAMILY LEADERSHIP

1967: EXPANDED INTO APPAREL

1971: BECAME A PUBLIC COMPANY

40 STATES + 3 PROVINCES

100 FULL-LINE STORES

250 NORDSTROM RACK

5 NORDSTROM LOCAL SERVICE CONCEPTS

NORDSTROM.COM, NORDSTROMRACK.COM

\$15.5 BILLION IN SALES



# CLOSER TO YOU



VISION: the *head* of your business

MISSION: the *heart*

VALUES: the *soul*

# Values

- Principles or standards of behavior.
- Judgment of what is important in life.

“Your beliefs become your thoughts,  
Your thoughts become your words,  
Your words become your actions,  
Your actions become your habits,  
Your habits become your values,  
Your values become your destiny.”

– Mahatma Gandhi

# The Nordstrom Way

Establish a culture of values

Stay true to the values of the culture

Attract people who share those values

Teach and train based on those values


Shared values  
determine culture

Strategies must change.  
Values must never change.

# The Customer Service Department



Every person in this room is  
in the Customer Service  
Department



Welcome to the  
Customer Service  
Department!

Everything Nordstrom does to improve  
the customer experience is viewed  
through the lens of the customer

“We always ask ourselves one question:  
*What would the customer want?*”

—Blake Nordstrom

# Values

1. Trust
2. Loyalty
3. Respect
4. Communication
5. Innovation & Adaptation
6. Humility

1

Trust

*“We succeed when everyone feels trusted.”*  
—Blake Nordstrom

Our number one goal is to provide outstanding customer service. Set both your personal and professional goals high. We have great confidence in your ability to achieve them, so our employee handbook is very simple. We have one rule:

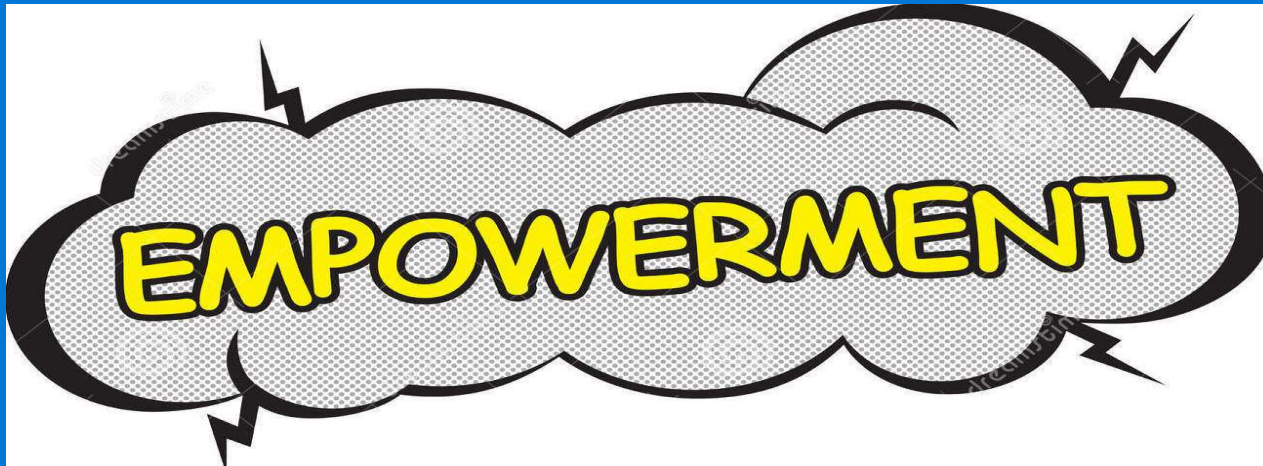
OUR  
ONE  
RULE





USE GOOD  
JUDGMENT  
IN ALL SITUATIONS

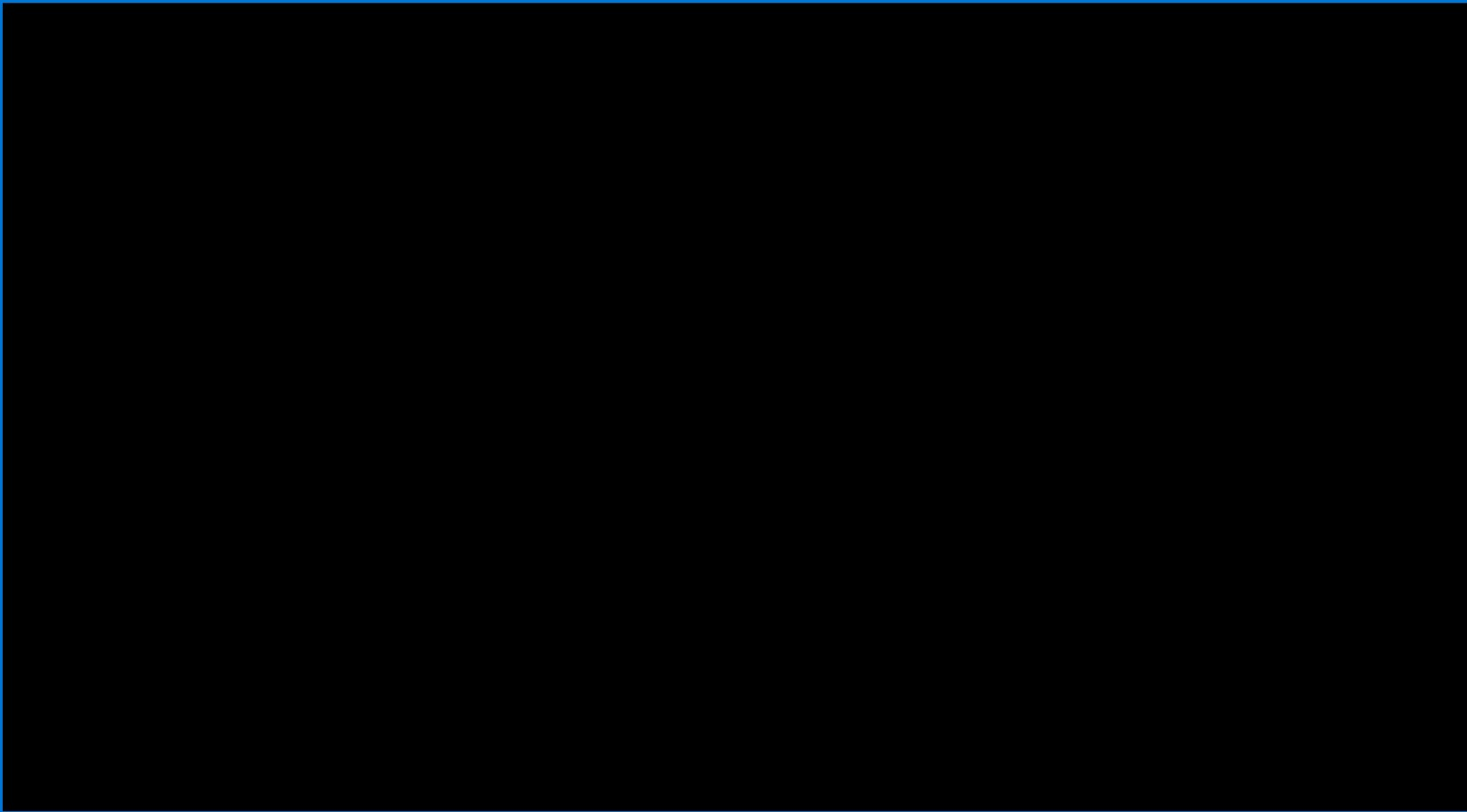
Please feel free to ask your manager or  
Human Resources any questions at any time.



What does it look like?

“At Nordstrom, you learn  
to live in the gray area.”

Every interaction, every touchpoint, is an opportunity to create a meaningful moment, an emotional, enduring connection, a relationship.



Did Eric, Tom and Bart enhance Mrs. Shaw's experience in a meaningful way?

Did they contribute to the bottom line?

Did they create loyalty?

2

Loyalty

# Loyalty

The capital of past trust



How are you spending your capital of past trust?

*“Loyalty is earned, not expected.”*

--Elmer Nordstrom

Loyalty enables institutions to gradually decline because customers don't abandon you overnight.

Loyalty also allows institutions to repair themselves because customers don't abandon you overnight.

# Employee Loyalty

Culture determines the employee experience

# Employee Experience Determines Customer Experience



## The Employee Experience

- FORTUNE: 100 BEST COMPANIES TO WORK FOR
- HUMAN RIGHTS CAMPAIGN: BEST PLACES TO WORK
- INDEED: TOP RATED WORKPLACES
- CAREERBLISS: HAPPIEST RETAILERS IN AMERICA
- GLASSDOOR: 50 BEST PLACES TO WORK FOR IN AMERICA
- FORBES: WORLD'S BEST EMPLOYERS
- FORBES: BEST EMPLOYERS FOR NEW GRADS
- FORBES: BEST EMPLOYERS FOR WOMEN

3

Respect



Be a team that nourishes an internal service culture, where every person feels respected and important regardless of rank or role.

Every job is important

# Nurture employees and co-workers



Consumers are statistics.

Customers are people.

Respect every customer.

Every customer is important

Convenience:  
“How much time do you have?”

## THE CONVENIENCE CENTER

As our customers lifestyle are becoming more busy, they expect Nordstrom to support their retail needs at any point of their purchase journey.

How might Nordstrom provide a One-stop-shop for the Time Starved and Self Directed Shoppers?



SPEED & CONVENIENCE



CUSTOMERS IN CONTROL



SERVE CUSTOMERS ON THEIR OWN TERM

RVICCE BAR

GET FREE STYLE ADVICE

from someone who gets you



## IN STORE TEST

We tested the experience at selected stores locations where we conducted customer and employee research through observation, intercepts, and interviews

NORDSTROM  
XPRESS RETURNS  
IN A HURRY?  
DROP OFF YOUR RETURNS HERE



ENTER  
YOUR DETAILS



PLACE THE  
ITEMS AND  
LABEL IN A BAG







4

Communication



“The single biggest problem in communication is the illusion that it has taken place.”

– **George Bernard Shaw,**

Irish playwright & Co-founder of the London School of Economics (1905-1998)

Transparency

# Communication



*"Imparting and exchanging information or news"*

# “Advances” in Communication



Over communicate

# Use the Human Touch

- Hand-written notes
- Phone calls



How do you collaborate with patients to understand their unique needs and expectations?

By asking them

Accenture Global Consumer Pulse Survey

83%



of all customers prefer to interact with a person when dealing with a customer service issue.

Listen

Assume Nothing

# 5

## Innovation & Adaptation

# Shoe-Fitting Fluoroscope



# 3D Foot Scanning





NORDSTROM

# Nordstrom App



# Personal Stylists

I could really use  
an expert's opinion.  
Can you help?

yes.



We style. You shine. Get style advice, professional tailoring, lingerie fittings, shoe care and more.

Nordstrom Stylists

Alterations & Tailoring

Can I get quick style  
advice online?

yes.



Our online Personal Stylists can help with everything from a little fashion advice to a whole new wardrobe. It's fun, fast and free—with zero pressure.



- Enables Nordstrom to send personalized text messages and notifications so that consumers can easily make purchases from their phones
- Drives sales and leverages consumer data

***"No department store has been more successful than Nordstrom at embracing technology."***

*-Fortune Magazine*

**Nordstrom uses technology not to replace salespeople but to give them additional tools to enhance customer service and to make more money for Nordstrom**

**amazon**

The Amazon logo, featuring the word "amazon" in a bold, black, lowercase sans-serif font. Below the text is a curved orange arrow that starts under the letter 'a' and points to the right, ending under the letter 'n'.







DAY ONE



"Day 2 is stasis.  
Followed by irrelevance.  
Followed by decline.  
Followed by painful decline.  
Followed by death.  
And *that* is why it's always Day 1."

JEFF BEZOS

6

Humility

“Eyes may be the windows to the soul, but shoes are the gateway to the psyche.”

--Linda O'Keefe,

*Shoes: A Celebration of Pumps, Sandals, Slippers & More*



“We were raised selling shoes, which is a humble occupation. You’re down on your hands and knees, waiting on customers, which is an appropriate position for our level of service.”

**--Bruce Nordstrom**



“Humility is not thinking less of yourself, but thinking of yourself less.”

– C.S. Lewis

“We don't know anything the other guys don't know. We know that we can always do better. Our salespeople are the real stars.”

—John N. Nordstrom

“Be the kind of boss that you  
would want to work for.”

– Jim Nordstrom



“Our frontline people don’t work for us.  
We work for them.  
Our job is to support them in their job.”

--Jim Nordstrom

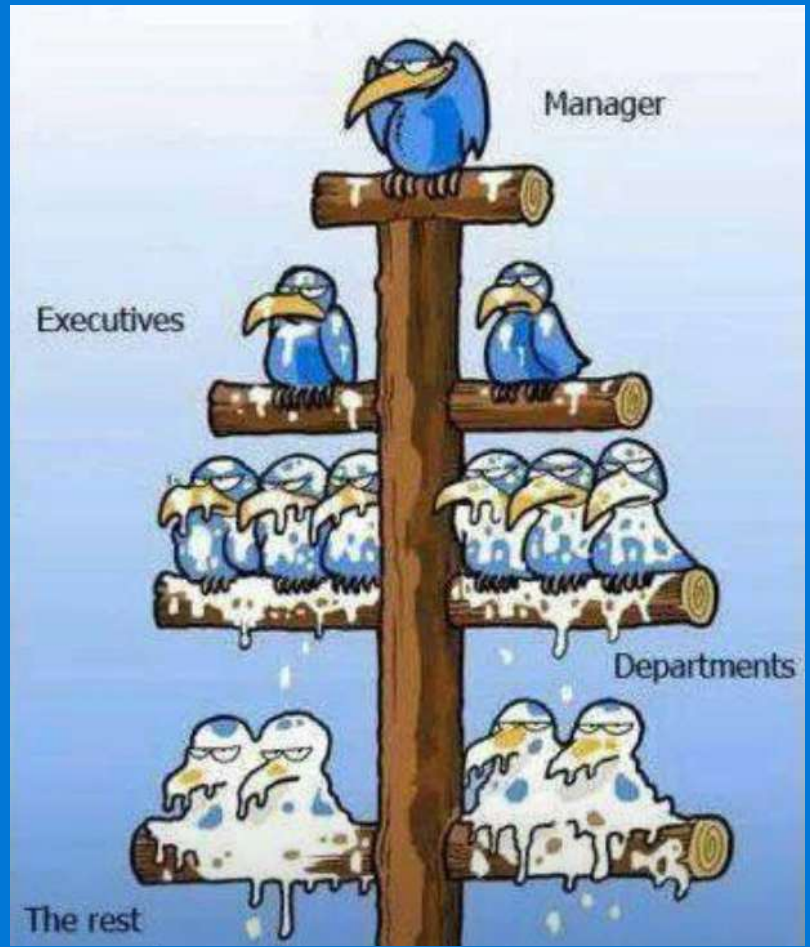
CUSTOMERS

SALES & SUPPORT PEOPLE

DEPARTMENT MANAGERS

STORE MANAGERS, BUYERS, ETC.

BOARD OF DIRECTORS



# Servant Leadership

“Part of my job as a servant leader is to serve my team.

Respect flows from the bottom of the Inverted Pyramid all the way up to the top.”

*--Nordstrom manager*

# WSJ: “The Best Bosses Are Humble Bosses”



# Humble People

- Aware of their own weaknesses
- Eager to improve themselves
- Appreciative of others' strengths
- Focus on goals beyond their own self-interest
- Don't flaunt it

# Humble Leaders Inspire:

- Truthfulness
- Sincerity
- Teamwork
- Rapid learning
- High performance

# Values

1. Trust
2. Loyalty
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BE NICE

**Thank You!**



Robert Spector

FUN  
INFORMATIVE  
UNFORGETTABLE



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