

Customer Service at Nordstrom: A Way to Mitigate Potential Conflict?

Customer service can become a contentious situation when employees are confronted with dissatisfied or disgruntled patrons. How employees handle these situations will affect customer loyalty, the company's reputation, and its profitability. Handled well, such situations can result in reduced conflict with customers and can strengthen a company's relationship with its customers. Handled poorly, these situations can erode customer relationship management and perhaps destroy the company.

Nordstrom, an upscale retailer headquartered in Seattle, Washington, and operating almost 200 stores in about three-fifths of the states in America,¹ provides some valuable clues on how to do customer service the right way. "While Nordstrom was growing nationally, it focused on catering to customers' needs, individually. Instead of categorizing departments by merchandise, Nordstrom created fashion departments that fit individuals' lifestyles. Today, Nordstrom has grown from one downtown Seattle shoe store into a nationwide fashion specialty chain with renowned services, generous size ranges and a selection of the finest apparel, shoes and accessories for the entire family. The company's philosophy has remained unchanged for more than 100 years since its establishment by John W. Nordstrom in 1901: offer the customer the best possible service; selection, quality, and value."²

Nordstrom is famous for its exceptional customer service. Whether true or not, a classic story about Nordstrom's service tells the public a lot about the high-end retailer's approach to customer relationship management. According to the story, "[a] man walked into the *Nordstrom* department store in Fairbanks, Alaska, with two snow tires. He approached the counter, put the tires down and asked for his money back. The clerk, who'd been working there for two weeks, saw the price on the side of the tires, reached into the cash register and handed the man \$145. It didn't matter that *Nordstrom* sells upscale clothing and not tires. The customer wanted to return the tires. The clerk accepted the return because that is what the customer wanted."³ John Nordstrom, one of three brothers in

senior executive positions at the retailer, "claims he was there and that the refund took place in a former tire store that had been converted [into] a *Nordstrom* outlet."⁴

Nordstrom handles customer returns on a case-by-case basis.⁵ Sometimes *Nordstrom* will replace items years after their purchase to keep the customer happy.⁶ "We really think a reason our customers shop with us is that we stand behind our merchandise," says a *Nordstrom* spokesperson.⁷ "Returns of *Nordstrom* products do not have to include a sales invoice or a *Nordstrom* price tag. . . . *Nordstrom* knows it's not the price but the customer service that gains and retains loyal customers that generate strong profits."⁸

Nordstrom's sales associates keep close tabs on their clientele so they can provide excellent customer service, especially to patrons who are frequent shoppers and who spend considerable sums of money. Associates carry a clientele book with them onto the selling floor and they refer to it when a recognized or high-valued customer comes into the store. The clientele book contains information about the specific customer's recent purchases, important dates, and fashion tastes, among other data items.⁹

More recently, *Nordstrom* has begun "issuing mobile devices that workers on the sales floor can use to scour the company's inventory for a garment in a size a customer is requesting. The shopper pays on the spot, with no need to locate and wait at a cash register."¹⁰

Nordstrom increasingly uses its large store network and large, centralized distribution hub to ship online orders quickly to customers.¹¹ In recent years, *Nordstrom* has invested heavily in integrating its online and store divisions, which has had the effect of providing better customer service because of merchandise being out of stock less frequently.¹²

Another way in which *Nordstrom* effectively serves its customers is by seeking feedback from them. Luxury retailers like *Nordstrom* have "embraced online customer reviews, . . . opening their websites—and the brands they sell—to the slings and arrows of public opinion."¹³ *Nordstrom*, being a leader among luxury