

NORDSTROM

Nordy Club 101: Q&A with Scott Meden

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THE Nordy CLUB

Have you heard of [The Nordy Club](#)? It's so much more than just a loyalty program, so we sat down with Scott Meden, our chief marketing officer, to talk through how this program is unlocking the best Nordstrom experience for customers and driving growth for the business.

How do you describe The Nordy Club?

The Nordy Club is our loyalty program for Nordstrom. The idea is to give the best Nordstrom experience for our most engaged customers through membership in the program. One of the foundational reasons we're able to do that is we can gather data from members to learn their preferences so we can curate their Nordstrom experience. For example, if we know what brands and styles a customer loves the most, then we can give them first access to shop that brand if they're launching a collection or having an event.

How is The Nordy Club different from the previous rewards program?

We had a great program before, but it was somewhat transactional, centering around earning points for spending. We heard from customers that while they enjoy the points, they really loved the other aspects of the program like alteration benefits and early access to sales. We took that feedback, focused on enhancing engagement and experiential features, and built The Nordy Club. Members can now earn more points, redeem rewards faster and access a broader array of product launches, events and services.

The Nordy Club reflects who we are as a company – one that has an emotional connection with our customers. We want this program to be about how we leverage what we do as a company to give our loyalty members the best possible Nordstrom experiences, particularly on the dimensions that are experiential and personalized. In doing so, we're spurring engagement with customers and building a stronger emotional connection, while driving higher spend and loyalty over time.

How are customers engaging in the program?

Five years ago, 35% of our business was done through our loyalty program. Today, the 11-million Nordy Club members make up one-third of our customer base and 56% of our sales. Feedback has been positive, which makes sense because we kept the best parts of our old program and added new personalized and experience based elements. Also, in 2016, we started allowing people to use cash or non-Nordstrom credit cards and still be a part of the reward program, which enabled us to engage with younger customers. Now with the Nordy Club, we kept that same model but added a 50% increase in earn rate for Nordstrom cardholders while still offering one point per dollar for non-cardholders.

Is the program still evolving?

Absolutely. We realized we hadn't done enough to keep refreshing the previous program, so with The Nordy Club, we will learn what customers enjoy the most and build on that – there is no finish line. We will continue to personalize the program based on customer responses and their preferences including brands they love, where they live and events they attended. With that in mind, the next stage of evolution taking place later this year we're calling "Nordstrom Knows Me." The idea is to build on our ability to personalize by showing customers relevant experiences, brand launches and services based on what we know about them.

We're also adding earn for engagement in the near future. For example, we know many customers value speed and convenience, so we might provide points for someone to try our services like Reserve Online Try-On In-Store or Buy Online, Pick Up in Store.

We couldn't be more excited about this program, but we're just getting started. The more customers use it, the better we will understand them, allowing us to provide the very best personalized experience. The better the experience, the more customers will engage with us, which generates significant lifetime value for the business.