



AGENDA

Saks Fifth Avenue

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Executive Summary

About Saks and their Marketing Strategy

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EXECUTIVE SUMMARY

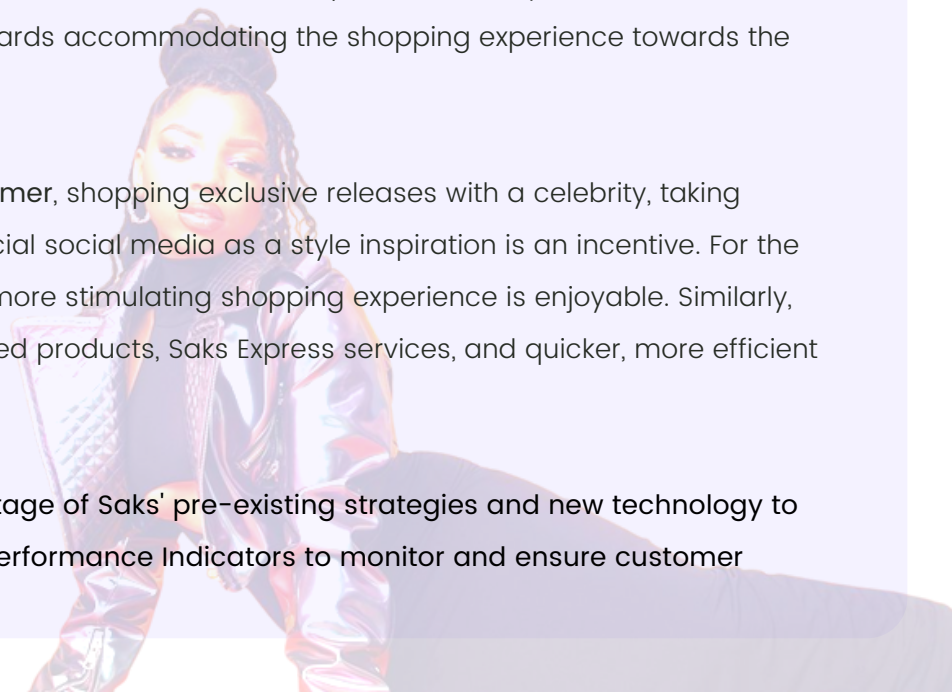
Saks Fifth Avenue is reputed for its status as a premium destination for luxury shopping. However, more recently, the perception of the brand has changed. Hundreds of customers have complained about **poor customer service and lack of satisfaction** on multiple complaint websites, negatively affecting both the brand's image and the customer's sense of loyalty.

The brand has a pre-existing points-based loyalty program. However, customer dissatisfaction, the threat of being cannibalised by its subsidiary and its recent decision to separate its online and offline administration pose a threat. To retaliate, Saks can actively improve customer experience and **ensure that the customer is educated** about their efforts. Saks can be transformed into an **experiential and social hot spot** by generating social buzz, creating a sense of comfort and familiarity, and accommodating our customer's needs seamlessly.

Everyone is welcome to Saks. Integrating customer service on both online and offline fronts can improve efficiency, incentivise the staff, and inspire a sense of loyalty within the company. By actively working towards accommodating the shopping experience towards the differently abled, we can ensure a sense of **comfort for everyone**.

The Saks customer is varied. For the aspirational and **status-driven customer**, shopping exclusive releases with a celebrity, taking masterclasses by celebrity stylists, visiting ateliers, and being on Saks' official social media as a style inspiration is an incentive. For the **tech buff**, using E.R. Technology and RFID tags to ensure a smoother and more stimulating shopping experience is enjoyable. Similarly, geo-location tracking to reserve products and trial rooms, auto-replenished products, Saks Express services, and quicker, more efficient transactions and service is imperative for **busy customers**.

The Marketing proposal aims to boost customer loyalty by taking advantage of Saks' pre-existing strategies and new technology to anticipate and accommodate needs and desires and use data as Key Performance Indicators to monitor and ensure customer satisfaction.



ABOUT

- Saks Fifth Avenue is a department store chain of 41 that is based in America.
- Premier destination for luxury fashion.
- Synonymous with customer service and luxury fashion.
- Acquired by Hudson's Bay Company in 2013, privately operated
- Separated their brick-and-mortar and e-commerce operations in 2021

MISSION

To help customers express themselves through relevant and inspiring styles.

STRENGTHS

- Saks First member: 4-tiered loyalty program
- Location-based promotions: Saks x InStyle x Foursquare
- Increased investment in e-commerce
- Diverse seasonal celebrity campaign
- Accelerator Program supports high-potential independent brands and highlights labels by BIPOC designers.

ABOUT

PROMOTION

- T.V. commercials, billboards, Saks Spring book, print advertisements, store displays, Collaborative promotions
- Social media marketing, SEO, content marketing, direct emails, influencer marketing, personal selling via stylists and YouTube advertisements.

WEAKNESSES

- Customer complaints and dissatisfaction
- Inconsistent pricing
- Low production content
- Discount marketing and promotions clash with Saks Off Fifth.
- Outdated Loyalty Program

CUSTOMER PROFILE



 **America & Canada**

DEMOGRAPHIC

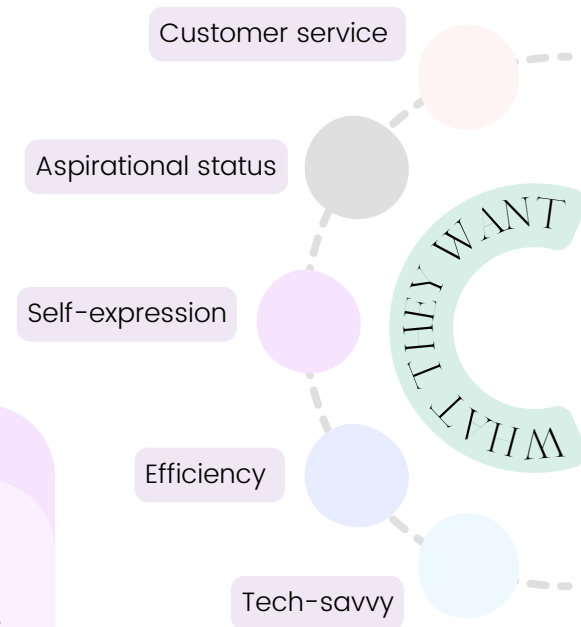
- Age: 25 - 45 years
- Gender Neutral, predominantly female
- Financial managers, marketing executives, doctors, homemakers and other professionals.
- Upper-middle-class to Upper-Class
- Mid-high disposable income

PSYCHOGRAPHIC

- Interests: Arts and Culture, working out, vacationing, new technologies.
- Places of interest: Museums, Art galleries, Chic Cafes, Restaurants.
- They are not afraid to invest in statement pieces to elevate everyday looks.
- Value independence and self-expression through clothes.
- Proving their competence and earning respect is crucial for them.

BEHAVIORAL

- They are interested in acquiring wealth and are socially motivated to shop.
- Care about quality and craftsmanship.
- They have a high standard of living and high expectations for the service they receive.
- They like to stay ahead of the curve.
- Tech-savvy and time-efficient due to busy schedules.



You can follow them on



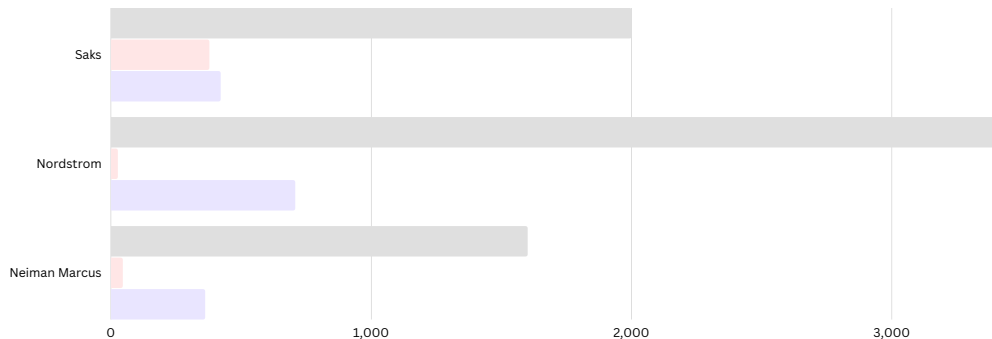
INDUSTRY ANALYSIS

Neiman Marcus

- Online - Facebook, Instagram, TikTok, YouTube, Twitter, application, Facebook, neimanmarcus.com
- Heavy-handed marketing campaign - ads on NBCU, YouTube, Instagram, Content Marketing, and Influencer Marketing.
- The Book: 200 pages, images and interviews of designers, Donatella Versace -
- Introduced 40 new luxury brands.
- Daz McColl, CMO, emphasised the aim to be “relevant” to customers.



Social Media Share in thousands



NORDSTROM

- Online - HauteLook, nordstromrack.com, Nordstrom.com, Facebook, Tiktok, Instagram, YouTube, application.
- Nordstrom Locals
- 2019 - accepting returns of online orders from competitors
- The Nordy Club: 4-tier loyalty program
- Omni-Chanel Geo-location
- Personalised experiences and services - NYC Men's Store got a liquor license for clients.
- Good customer service

FOUR SEASONS

- No traditional loyalty program.
- “...distinction between recognition and rewards...”
- J. Allen Smith, CEO

Indirect Competitor

STRATEGIES

"Shop With The Stars"

A non-traditional campaign aimed to increase foot traffic by inviting celebrities to interact with clients while they shop at Saks.

- Scheduled around the beginning and end of each season
- Appearances will be disclosed on the day of via celebrity and Saks' social media accounts to maintain excitement and novelty

OBJECTIVES

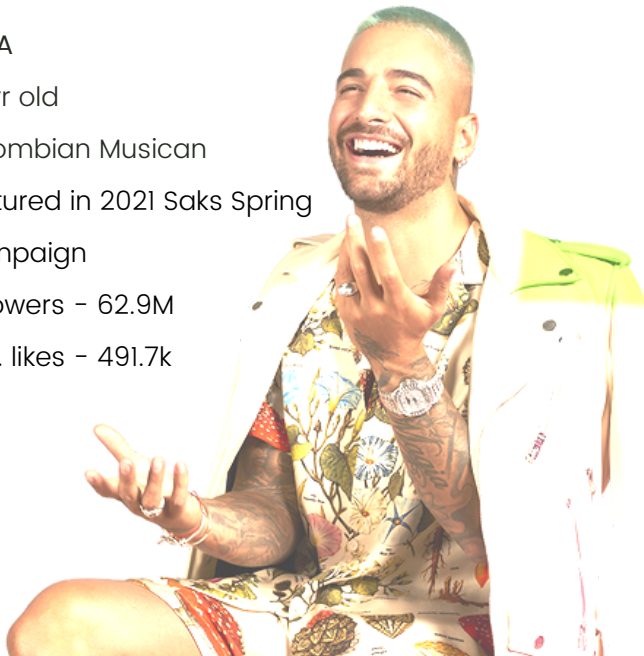
Boost loyalty by accommodating and anticipating the client's needs

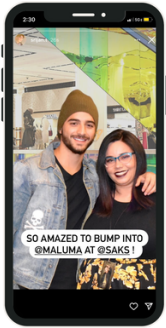
Increase brand awareness and engagement

Promote foot traffic and turn going to Saks into a social event

MALUMA

- 28 yr old
- Colombian Musician
- Featured in 2021 Saks Spring Campaign
- Followers - 62.9M
- Avg. likes - 491.7k



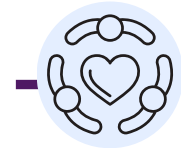


Flagship store in NYC

"No time? No Problem!"

Using technology to increase efficiency and maintain novelty

- Extended Reality (E.R.) to explore collections in different filters or 'settings' (e.g. Workplace, Runway to Retail), activated using application and in-store mirrors.
- 'Saks Express' windows - returns, pick-up, gift-wrapping, alterations and free personalisation.
- Auto-replenishment
- Geo-Location tracking - Reserve items for trial 0.2 miles before arrival and greet guests with a drink
- RFID tags on apparel racks and shelves, 'check-in' poles - check-in & out of departments, style recommendations, trail-room availability, conveying instructions, and self-checkout.



"Follow your friend - Saks"

A social media campaign aimed to increase brand engagement using community events and content marketing

- Masterclasses by celebrity stylists for Diamond and Platinum tier members
- Increase investment in the quality of content production
- Invite designers from the Accelerator Program for video interviews
- Week-long destination Pop-Up shops for the holiday seasons. Guests feature in 'Season's must-have' columns/videos.
- Strengthen Vendor relationships - exclusive releases, designer 'must-have' content, and some clients to visit ateliers.



H.R. Investments required

"Sustainability is never out of Style"

Foster an Internal economy by allowing clients to buy and sell pre-loves bags and accessories on the Saks e-commerce platforms.

- Saks will conduct quality checks, determine the price, and professionally repair all goods
- Products must be checked for authenticity
- Transactions will occur via Saks' paywall to prevent fraud and scams
- Goods will be dropped off and picked up at 'Saks Drop Off Windows'

"Let's look out for US"

A philanthropy-inspired campaign that aligns with the values of the client and Saks to boost our brand image, sustainability efforts and sense of community

- Integrate customer service (online & offline)
- Turn staff into Store Ambassadors via incentives - bonuses and vacation days
- Improve accessibility - providing sensory/anxiety rooms, outfit recommendations, audio-aided website, accommodations for the colour blind on the app and website design, mandatory sensitivity training for staff, ASL translators in the styling and retail department of all stores
- Competitions & Scholarships - high school and college students, winners debut a collection with Saks and enrol in the Accelerator Program if eligible.
- Competition - Accelerator Program designers find waste-free fur alternatives. Align with Sak's commitment to going Fur-free and commitment to supporting BIPOC designers.
- Use E.R. Packaging to go Paper-free - virtual; receipts, warranty cards, and user manuals.



MARKETING TIMELINE

Always On

1 month trial*

6 months trial*

October '22 to January '23	Integrate Customer service, incentivise staff, investment in content production	Invite Accelerator Program Designers for video interviews.	Shop With The Stars Master classe by celebrity stylist
February '23 to July '23	Disability accommodation, auto-replenish	Pop-Up shop and Content marketing	Saks Express Window, E.R. filters in tourist stores
August '23 to January '24	Geo-location tracking in tourist stores		Adopt Don't Shop - internal economy of pre-loved bags and accessories
February '24 to July '24	Competitions and Scholarships for Accelerator Program		

*If the strategy is successful, it will continue until 2026.

Always On

1 month trial*

6 months trial*

August '24 to January '25	Competitions and Scholarships for students		Virtual E.R. filter on mobile app
February '25 to July '25	Geo-location tracking in all stores		Launch E.R. Packaging
August '25 to January '26		Strengthen Vendor relationship: Exclusive releases, 'Collections Must Haves', clients visit ateliers	
February '26 to December '26	RFID tags: mobile app, hangers, product racks and shelves		

*If the strategy is successful, it will continue until 2026.

KEY PERFORMANCE INDICATORS

CUSTOMER SERVICE

- Increased Employee Net Performance scores
- Improving Client reviews
- Reduced Average Response Time
- Amount of Refunds
- Turnover rate - 10%
- Increased Internal Promotion Rate

CUSTOMER ENGAGEMENT

- Average foot traffic
- Sales Qualified Leads
- New customers
- First-time shoppers
- List of guests and number of attendees, for events
- Reward redemption rate
- Average order value
- Refunds, pick-ups, alterations, and gift wrapping
- Customer effort score

SOCIAL MEDIA REACH

- Follower count
- Audience growth rate
- Bounce rate,
- Return on Ad Spend
- Active engagement rate,
- Cost per thousand impressions (CPM),
- UGC - 'stitches', # count,
- Post reach percentage
- PR reviews
- Qualitative analysis - comments/retweets
- App downloads
- Scan frequency

SENSE OF COMMUNITY

- Purchases and sales - 'Adopt Don't Shop'
- CES (customer effort score)
- Sense of Community Index
- Paper usage, scholarship and competitions ROI
- P.R Reviews

*Parameters for metrics shall depend upon internal Performance data, that is currently unavailable to the public.



APPENDIX

Initial Complaint
05/30/2022

Complaint Type: Problems with Product/Service
Status: Answered

This is regarding Saks Case #*****, Order #*****. On February 11, I purchased 6 dresses from Saks Fifth Avenue at a total cost of \$6,223.10 using *****. Then, I returned all of the dresses - these are for my wedding, so, yes, I am being particularly scrutinizing - and started receiving return notifications on March 9. The return notification I received indicates that all of the dresses were returned, as they were - that is not a question here; both parties agree all dresses were returned. In this email, it estimates a refund of \$6,213.15 - I assume less a \$10 return fee, which is fine. However, I have to this date received only \$4585.40 in refund, a difference of \$1637.70. I have called Saks approximately 5 times with regard to this matter, and on two separate occasions, we -- a customer service associate and I -- spoke with ***** customer service who affirmed that ***** returned to me the entire amount of the refund issued to it. Even when provided the transaction ID from Saks, ***** determined that it received an amount less than what Saks alleges it issued to *****. In any case, every time I have called Saks about this matter, I have been told that the issue needs to be escalated; not a single time have I received an update from any person at Saks. To receive an update, I have found I must call again -- and, then, the customer service agent informs me that the return has been issued and we repeat the same conversation and it is escalated in the same way. I am truly at wit's end and shocked that a luxury goods company like Saks Fifth Avenue could possibly lose touch with this matter so many times. And, at the end of the day, I do not care if it Saks' fault or *****'s fault that the money has not been returned to me - what is not disputed is that I did not receive the full amount of my refund, and as a customer-facing company, Saks needs to rectify this and, at the most humane level, provide me with an update into their investigation.

Overview

Saks Fifth Avenue has a consumer rating of 2.14 stars from 181 reviews indicating that most customers are generally dissatisfied with their purchases. Consumers complaining about Saks Fifth Avenue most frequently mention customer service, credit card and business days problems. Saks Fifth Avenue ranks 42nd among Designer Clothes sites.

Service 4.9
Value 4.5
Shipping 4.2
Returns 3.5
Quality 3.2

Positive reviews (last 12 months): 5.5%
View ratings trends

Rating Details

301 rated reviews

Diversity of Products or Services ★★★★★ 2/5
Location ★★★★★ 2/5
Price Affordability ★★★★★ 2/5
Website ★★★★★ 2/5
Value for money ★★★★★ 2/5

Customer Satisfaction >

Sep 06, 2022 PissedConsumer3925572 of Plymouth Meeting, PA

THE WORST CUSTOMER SERVICE!!!!
★☆☆☆☆ 1.0

Had a problem placing an online order ... they made me cancel my order and start again instead of just updating my order ... and when I went to replace my order ... my product was no longer available ... I asked to speak with a manager and they said it would take over an hour on hold to talk to a manager! THAT is unacceptable ... and just bad customer service ... I am a good customer ... I wish you were a good vendor!
User's recommendation: BEWARE of POOR CUSTOMER SERVICE!

Consumer Complaints:

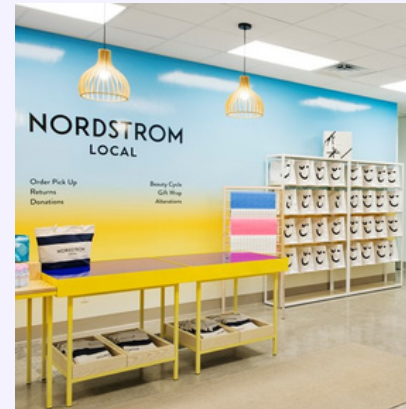
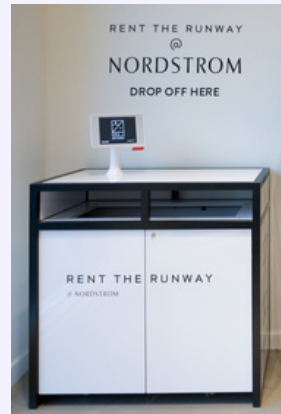
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Nordstrom Analysis

- Linked inventory together markets provide a deeper and broader selection of customers and services such as next-day delivery, order pickup, curbside pickup and more.
- Three showroom-like, merchandise-free concept stores- Nordstrom Locals - offer online pickup, alterations, and styling appointments. Customers who visit Nordstrom Local spend 2.5x more on average.
- Started accepting returns of online orders from competitors such as Kohls and Macy's in 2019.
- Personalised experiences and services - NYC Men's Store, monogrammed denim.
- Good Customer service, 6 Sales events per year.



Saks Fifth Avenue

- Founded by Horace Saks and Bernard Gimbel in 1924.
- In 2013, Saks Inc. was acquired by Canadian-owned Hudson's Bay Company.
- In 2021, they separated their brick-and-mortar and e-commerce operations.
- They have a 4-tiered loyalty program called SaksFirst member that awards access to points, special offers, sales, and events, among other perks.
- Saks x InStyle x Foursquare drove customers to different stores via location-based promotions. After visiting 2+ InStyle 'hotspots', guests can claim their free Nars lipstick.
- Saks Fifth Avenue has committed to stop selling fur by 2023

	PREMIER UP TO \$2.5K	ELITE \$2.5K TO \$10K	PLATINUM \$10K TO \$25K	DIAMOND OVER \$25K
ANNUAL SAKS SPEND				
SaksFirst Points Events	●	●	●	●
Member-Only Events	●	●	●	●
Personal Styling	●	●	●	●
SaksFirst Beauty	●	●	●	●

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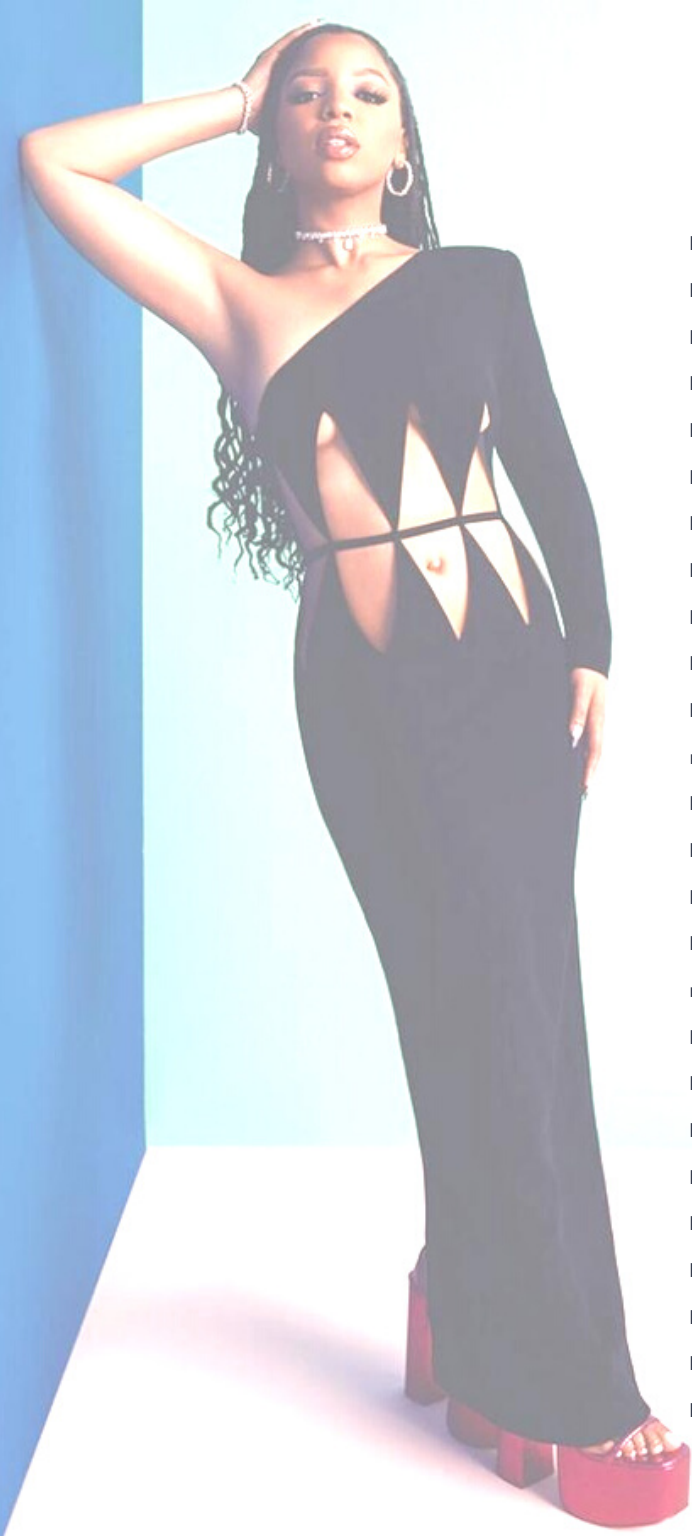
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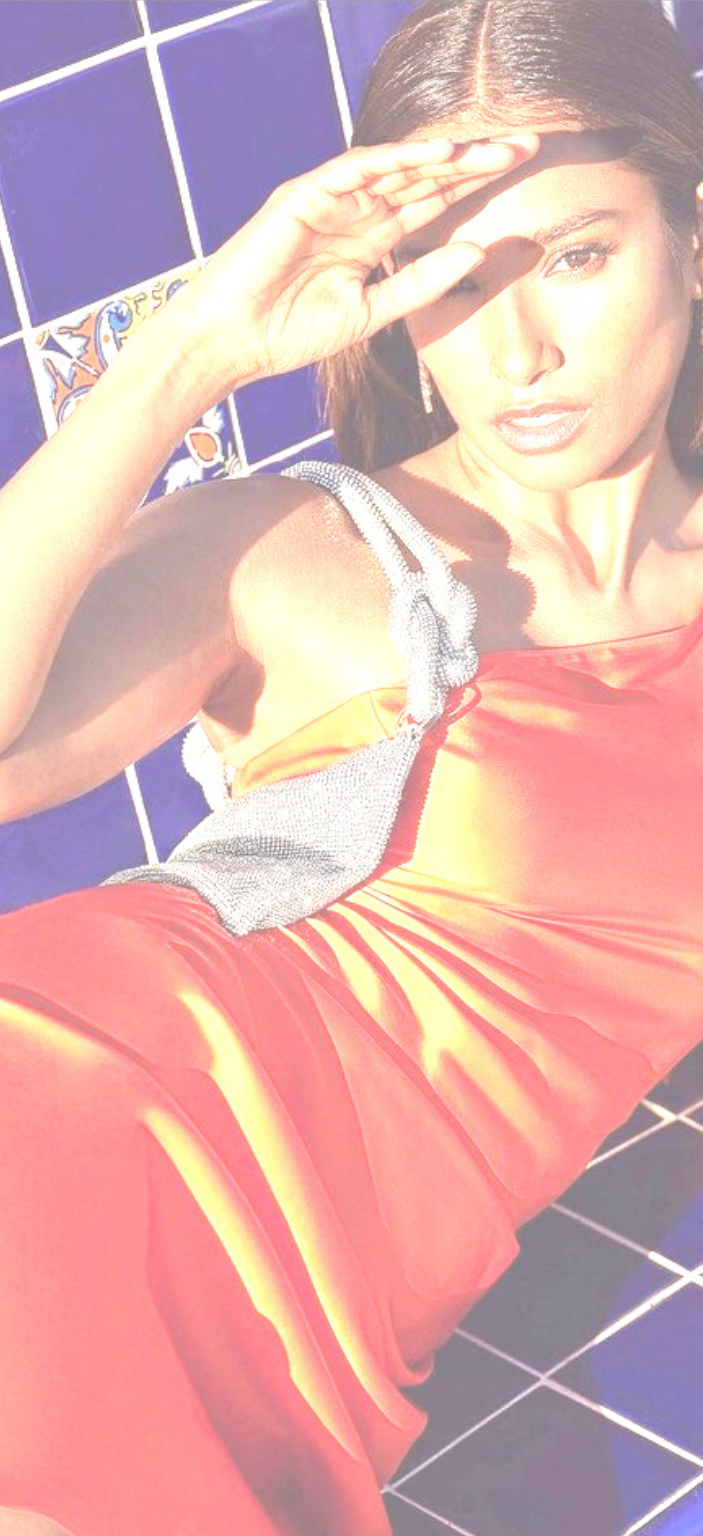
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