

Burt Tansky Talks Luxury Shopping

by [DAVID MOIN](#)

Posted **FRIDAY MARCH 25, 2011**

From [WWD ISSUE 03/25/2011](#)

[CLIPPRINT](#)

A- A A+

[Add a Comment](#)



Email



Share

NEW YORK — Burt Tansky may be retired, but he hasn't changed his sharp point of view on luxury and what it takes to grow the business.

It's about catering to aspirational customers, providing quality product every season without fail, and extending high levels of service to build relationships with customers, the former Neiman Marcus Group chairman and chief executive officer said Wednesday night at the first installment of the Luxury Education Foundation's "Conversations on Luxury" at Columbia University Business School here.

"How you nurture an aspirational customer is the most important issue," said Tansky, who retired last October and continues as Neiman's non-executive chairman, during the Q&A with WWD's executive editor and chief fashion critic Bridget Foley.

NMG, he said, has been working hard to entice aspirational customers — those shopping prices a rung or two under designer and potentially becoming designer customers as they age, accumulate wealth and gain exposure to the cream of the fashion crop. Clearances lure the aspirational customer, but getting designers to provide products at lower or opening prices is also critical, helping to widen the appeal and value.

"We have opening prices in virtually everything in the store. We have reinforced opening prices. This is not trading down," Tansky stressed. "The recession actually allowed us to work out issues with vendors and designers. They were very understanding and open." The recession "forced them into a stronger and stronger partnership mode." Pre-recession, "Aspirational customers pushed themselves over the top to buy some semblance of luxury." And post-recession, "We are recovering" them.

"Over the last five or six years, the luxury customer is essentially the same — she's rich, well-educated and traveled. She understands and appreciates fashion, and most of all, she is demanding of quality and service."

Tansky underscored the enormous pressure designers have to create and deliver quality product season after season. "It's like being required to hit a home run every time they step up to the plate. They must design quickly. It has to be right, season-in, season-out. There is no room for error....At the end of the day, it's all about product. Consumers want product right on target.

"Essentially, we build relationships with customers. Relationships have to be built. We are not traffic stores. We are not Macy's Herald Square."

Despite the pressures, “specialty stores, Neiman Marcus, Saks, Bergdorf Goodman and Nordstrom will continue to prosper” due to selling “great product in handsome environments with high levels of service. Department stores have failed at the service level. Service is important at every level.”

Among Tansky’s litany of predictions:

- “Small” China cities (of eight million or so people) “will offer enormous opportunities for designers.”
- A “terrific fallout” from all the texting, tweeting and twittering in the social media/high-tech world. “Why would a million people want to follow Ashton Kutcher?”
- Tom Ford is building a fashion business by “taking it slow, step by step, doing it in a way that it will be profitable.”
- LVMH Moët Hennessy Louis Vuitton will lead “a more aggressive expansion” of Bulgari.
- Flash sales are “a very easy genre to get into. There are a lot of Johnny-come-latelies. There is plenty of investor money. You will see a lot more of these, but you better have your arms around all the designer names.”
- “The challenge of the design world is to figure out how to produce goods and flow it more evenly.”

Tansky also presented a strong point of view on a variety of other subjects, including:

- Fashion shows: “They’ve become a circus. People expect to see theatrics. The show itself overwhelms the product — that worries me.”
- Knockoffs: “They don’t take the edge off luxury.”
- His advice to the students: “Decide what industry you want to be in and stay focused. You can never build a reputation by jumping from industry to industry.”
- Becoming a buyer: “It takes a lot of energy, a lot of hard work. It’s a trying task.”
- His favorite store, other than Neiman’s: “Costco. They are the Neiman Marcus of stuff. No one ever leaves without spending less than \$100. No one gets out of Neiman’s for less than \$3,000.”
- Women’s shoes: “My best mantra is no woman ever has enough shoes.”
- The most difficult designer he ever dealt with: “The list is very long,” he grinned.