



BUSINESS REPORT

# NORDSTROM

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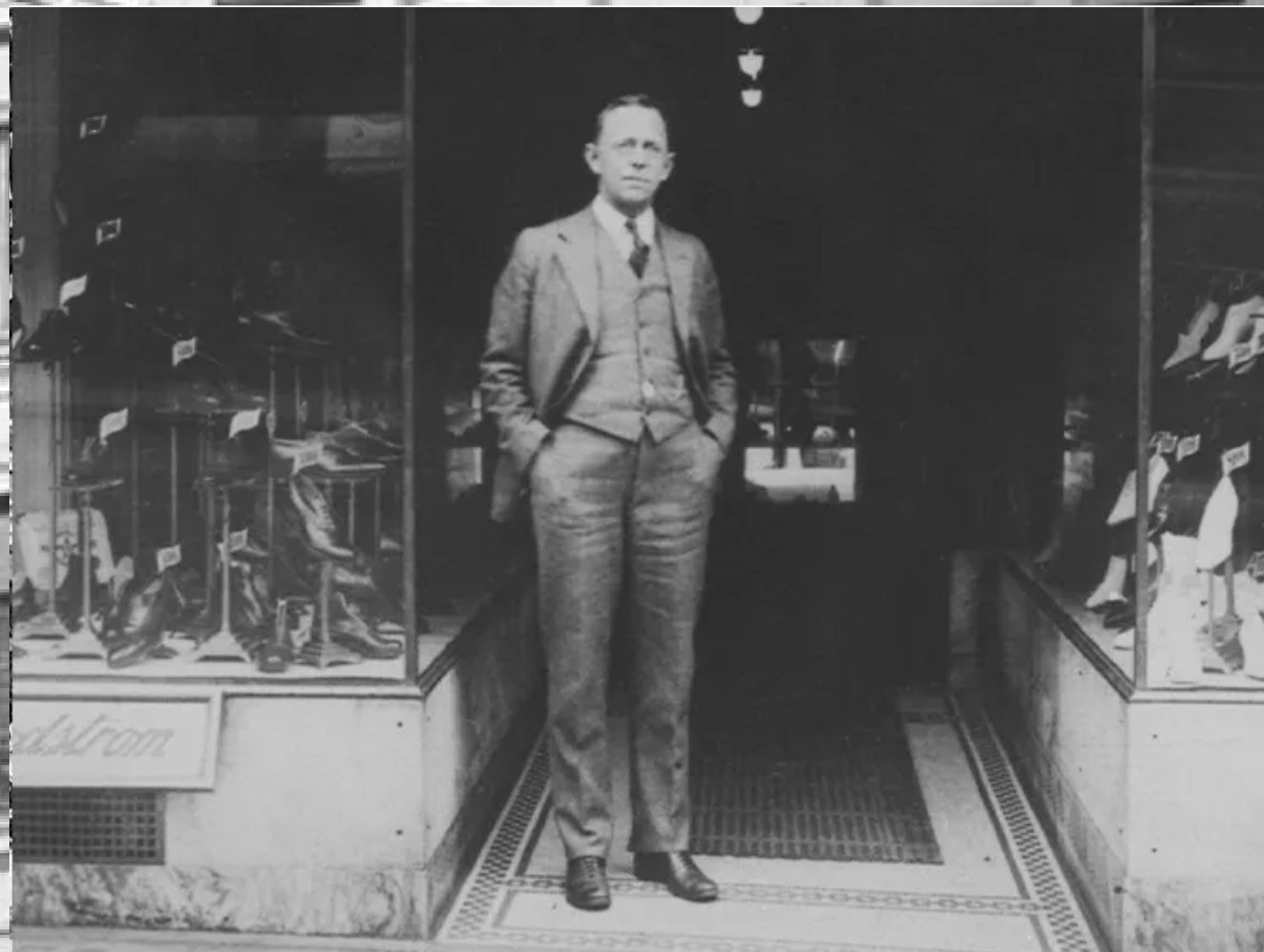
# NORDSTROM

DEPARTMENT

STORE:



# HISTORY



- In 1901, John W. Nordstrom and Carl F. Wallin founded their first shoe store, Wallin & Nordstrom, on Fourth and Pike in Seattle.
- By 1960, the downtown Seattle shoe shop became the largest shoe store in the U.S. with eight new Washington and Oregon locations. They also extended their merchandise to women's apparel in 1963 and added men's and children's wear in 1966.
- In 1971, the company went public and was renamed Nordstrom, Inc. and continued to expand throughout the 1970s and 1990s as its annual sales surpassed \$100 million and became the largest-volume fashion specialty store on the West Coast. And by 1998, Nordstrom launched their online website.
- Nordstrom has continued to expand internationally in the 2000s to the present day, broadening its merchandise selection and obtaining partnerships. Today, Pete and Erik Nordstrom are the co-presidents of Nordstrom, Inc., and manage the company with a team of executives.



# BRAND IDENTITY



- Nordstrom, Inc. is a leading fashion department store chain offering compelling clothing, shoes, cosmetics, and accessories for women, men, and kids. For over 100 years, Nordstrom has been committed to delivering the best possible shopping experience, service, and helping customers express their style. This commitment has taken the company from a small Seattle shoe shop to the fashion retailer today. The company has also been a family-owned company with about 30% of the retailer's stock and closely supervises the chain.
- The fashion retailer has an array of full-line stores, Nordstrom Racks, Jeffrey boutiques, and personal styling services all over the U.S. Also, it features online shopping and a partnership with HauteLook to give customers access to their merchandise
- With that said, Nordstrom identifies fashion as a business of optimism as they continue to grow and evolve. Featuring easy free shipping and return policies and touches such as thank-you notes from employees, the company has earned a reputation for incredible customer service. The fashion retailer is always implementing exciting new retail partnerships to serve its customers further.



# CUSTOMER PROFILE



- Nordstrom has an array of customers who enjoys fashion and appreciates the customer service and brand selection that Nordstrom offers.
- The Nordstrom Rack stores target middle-class consumers and compete with businesses such as Ross and the TJX Companies. The Nordstrom Rack stores offer these types of customers clothing and accessories from major brands and labels at a significant discount.
- Nordstrom also targets Millennials as a part of their main consumer base between the ages of 16 and 34. By introducing labels, such as Topshop, and investing in digital channels, the millennial consumer is one of its online revenue drivers.
- In a 2018 report, roughly 15.41 percent of Nordstrom's customers in the United States are between 18 and 29 years old. Meanwhile, 13.45 percent were 30 to 49 years old. And 3.97 percent were between the ages of 50 to 64.



# MERCHANDIZE

- Nordstrom, Inc. offers a wide selection of apparel, shoes, and accessories for women, men, and children. However, Nordstrom isn't a clothing department exclusively. They also sell home goods, cosmetics, styling, and tailoring services. The 373 stores operate in 40 state locations in the United States, including full-line stores, Nordstrom Racks, Jeffrey boutiques, and clearance stores.



# PRICE POINT



3x Points on Beauty

**MAC Cosmetics**  
Dazzleshadow Liquid Eyeshadow

**\$19.50** (25% off)  
~~\$26.00~~

★★★★★ (350)



**Nordstrom**  
Stretch Pima Cotton Long Sleeve T-Shirt

**\$49.50**

★★★★★ (20)



**Nike**  
Air Force 1 '07 Sneaker (Men)

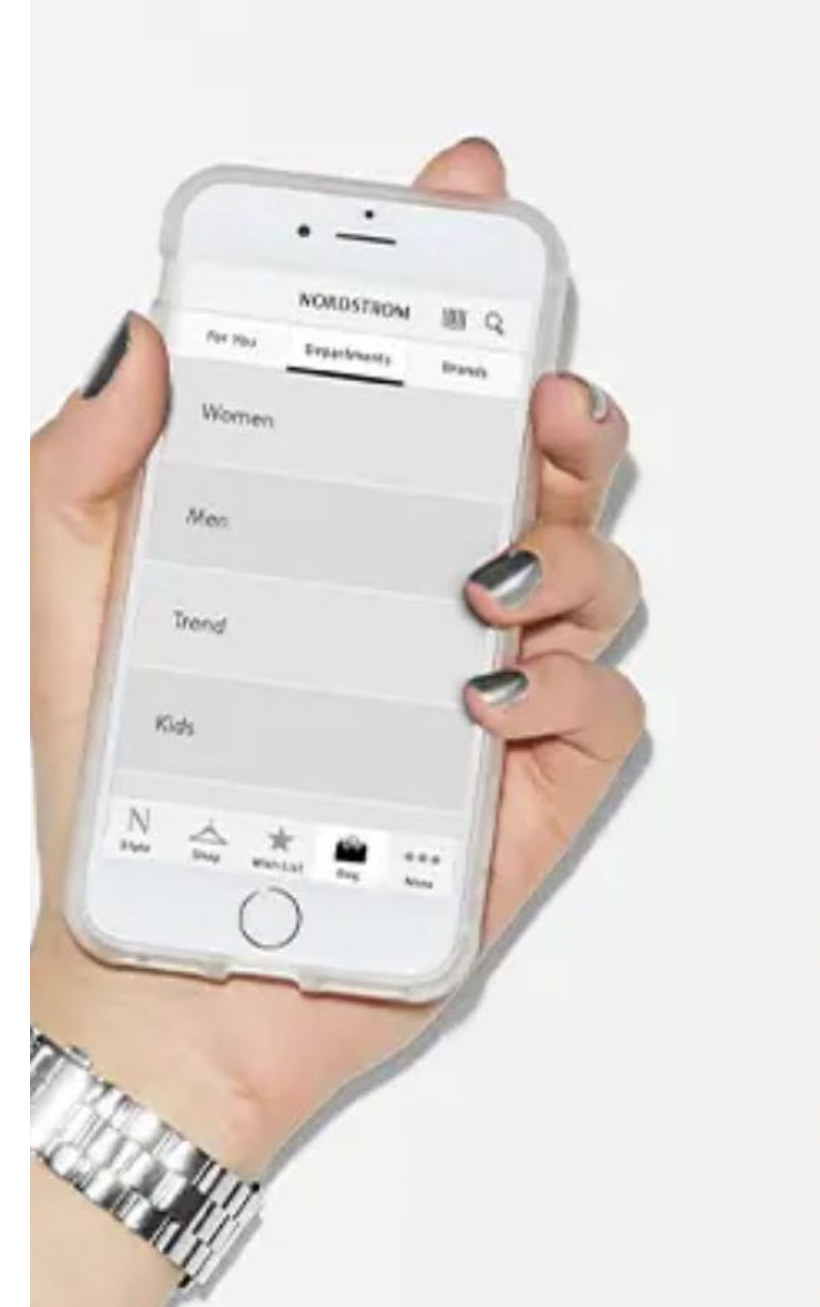
**\$125.00**



**Saint Laurent**  
Cassandra Leather Shoulder Bag

**\$2,850.00**

★★★★★ (1)



# VISUAL MERCHANDIZING STRATEGY



# FIANCIALS

- Before the pandemic, in 2019, Nordstrom had a \$496 million net income and made \$15,860 million yearly revenue and has consecutively increased annual profits each year. Since the beginning of June 2020, its stock has fallen 50% this year, reflecting the pandemic's financial stresses.
- However, it is predicted that Nordstrom will likely bounce back in Q4, despite seeing nearly a \$367 million loss in cash flow. Operating expenses in 2019 included the cost of merchandise, shipping and packaging charges, direct payroll costs, etc., which were a little over \$10 billion, representing 70% of total operating expenses. Based on this information, experts calculate that the Nordstrom will most likely break-even if 2020 revenue falls by -15% vs. 2019.
- On Sep 23rd, 2020, CEO Erik B. Nordstrom held 2,808,083 in shares at the price of \$12.23 per share, adding up to a total of approximately \$33.5 million. Thus, creating Nordstrom's investment value decreased by about 30 percent and lost \$14.8 million in the past quarter.

# CITATION

## All Images: Google.com & Nordstrom.com

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