

RETAIL

Neiman Marcus revenues down 4.2pc in Q3

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Photo of VivaLuxury courtesy of Bergdorf Goodman

By STAFF REPORTS

In the third quarter of its fiscal year, ended April 30, Neiman Marcus Group saw revenues of \$1.17 billion, a drop from the \$1.22 billion in the same period of 2015.

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So far, fiscal year 2016 has been challenging for the retailer, with year-to-date revenues of \$3.82 billion down 2.7 percent from the previous year. Looking to turn its results around, Neiman Marcus plans to drive growth through sales, improving margins and controlling its expenses.

Gain plan

Neiman Marcus' net earnings for the third quarter were \$3.8 million, down from \$19.8 million for the third quarter of fiscal year 2015.

Neiman Marcus will revisit its inventory, looking to reduce the amount of markdowns by aligning the number of SKUs with consumer demand.

While online is growing, in-store traffic is down. Neiman Marcus' ecommerce clientele tends to be lower spenders who would be more apt to look for clearance items.

Neiman Marcus Group is also involved in a number of store remodels, including renovations on its Bergdorf Goodman storefront in New York. At Bergdorf Goodman, the number of entrances have been reduced in the midst of construction, which has lowered foot traffic.

The retailer will also be looking for ways to reduce costs in its operating expenses.

With a challenging retail environment, Neiman Marcus is not alone in its stalled growth. Retailers' stock values are plummeting, with stocks reaching historic lows as earnings falter.

Nordstrom stock stood at more than \$82 a share on March 20, 2015, but on May 20, 2016, opened at \$37.25, its lowest in almost six years, and its competitors have had even rougher fortunes. Retailers are trying a variety of strategies to get out of the rut, but broader economic turmoil has walloped the industry, and no clear solutions are visible ([see story](#)).