

RETAIL

25pc of full-price Nordstrom sales came through ecommerce last year

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Image courtesy of Nordstrom

By STAFF REPORTS

Retail group Nordstrom saw record sales of \$14.5 billion in fiscal 2016, a 2.9 percent increase from 2015.

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After challenges earlier in the year ([see story](#)), the fourth quarter ended Jan. 28 exceeded the retailer's expectations with a 2.4 percent increase in sales. Looking ahead at 2017, the retailer is optimistic for growth, projecting a 3-4 percent increase in net sales.

Making a change

Nordstrom made a number of operational changes in 2016 aimed at improving profitability.

In April, Nordstrom planned a reduction of 350-400 jobs in its corporate center and regional support offices to better position itself for growth.

The layoffs will be happening in phases, with the completion in the second quarter of this year. Nordstrom says the cuts will give it more flexibility to respond and react to the changing retail environment and deliver on service, estimating that the reduction in jobs would result in \$60 million saved throughout the 2016 fiscal year ([see story](#)).

These are beginning to pay off, but the retailers net earnings of \$354 million were behind 2015's net earnings of \$600 million.

During 2016, Nordstrom also furthered its expansion into Canada, with a total of five stores in the country today. These additional locations contributed \$300 million in sales.

Forty-four percent of Nordstrom's business comes from those enrolled in Nordstrom Rewards. This loyalty program now has 7.8 million active members, a rise of 56 percent.



Nordstrom Rewards

One of the best performing categories for the fourth quarter were women's apparel and beauty, particularly collections aimed at younger consumers.

Nordstrom has been reaching out to these shoppers through its marketing.

The department store chain showcased this season's looks for men and women through a female lens.

Nordstrom's effort, which broke Feb. 6, was shot by 24-year-old Canadian photographer Petra Collins and features a cast that is diverse in age, ethnicity and experience. The artist's youthful perspective, seen in her snaps of authentic millennial moments, was chosen to portray a sense of newness reflected in both changing fashion and time of year ([see story](#)).

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