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Nordstrom Rewards members drove 47pc of group sales in Q1

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Nordstrom marquee sign

By STAFF REPORTS

Retail group Nordstrom's sales were up 2.7 percent in the first quarter of fiscal 2017 to \$3.3 billion.

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Nordstrom's full-line brands saw a sales decrease of 1.7 percent, which was offset by growth in the group's off-price Nordstrom Rack brand. Reflecting the industry-wide trend of ecommerce growth outpacing total sales, Nordstrom.com's sales grew 11 percent during the quarter, with online transactions accounting for 24 percent of total net sales.

Selling strategy

Nordstrom has been working to court new customers and retain existing clientele, focusing on its loyalty program. Compared to the same period last year, the company's customer count is up.

Also, Nordstrom Rewards' move to allow members to earn benefits regardless of their payment method has helped increase enrollment. The number of customers enrolled is now up 70 percent from where it was five years ago, and these members account for almost half of sales.

The Seattle-based company found its best results in the western part of the country, both for its full-line and off-price arms.



Image source Nordstrom

Nordstrom Rack has been expanding its bricks-and-mortar presence at a faster rate than its full-line sibling. So far in fiscal 2017, the off-price brand has opened six stores, while the mainline Nordstrom closed one door.

The group's comparable sales were down 0.8 percent, reflecting the challenges seen last year. The brand has been undergoing cost cutting measures to increase profitability ([see story](#)), but it anticipates that sales will only grow 3-4 percent this year.

Earlier this year, Nordstrom created a new executive position to lead the brand into the future.

Nordstrom has appointed Geevy Thomas, a long-time leader in the company, as the first chief innovation officer, who will focus on strategizing the store of the future. Retail is moving toward omnichannel, and with declining sales, retailers have been pressured to rapidly adapt through experiential and digital touchpoints or become obsolete ([see story](#)).

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