

RETAIL

Neiman Marcus revenues rise 4pc in Q1

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Neiman Marcus' revenues were up this last quarter. Image credit: Neiman Marcus

By STAFF REPORTS

In the first quarter of its 2018 fiscal year, retail group Neiman Marcus saw its first comparable revenue increase since the 2015 fiscal year.

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Neiman Marcus Group's total revenues grew 3.8 percent in the quarter ended Oct. 28, compared to the same period of the previous year. The company attributes its resumed growth to the implementation of its Digital First strategy, as well as its investments in technology and marketing.

Selling strategy

Neiman Marcus' comparable revenues for the 2017 fiscal year were down 5.2 percent from the previous year.

Despite its yearly results, Neiman Marcus Group was optimistic about its efforts to drive growth. While Neiman Marcus Group is remaining cautious about the current challenges in retail, its fourth quarter comparable revenues were only 0.5 percent behind the figures for the same period in 2016, which it saw as a move in a positive direction ([see story](#)).

This past quarter, the retailer's efforts came to fruition with growth.

Neiman Marcus Group's total revenues for the first quarter were \$1.12 billion. While this figure was up from \$1.08 billion the previous year, the company's net loss of \$26.2 during the first quarter of fiscal 2018 was up from \$23.5 million in 2017.

In addition to reported revenue increases, Neiman Marcus' comparable revenues grew 4.2 percent.

During the quarter, Neiman Marcus Group's online sales were up 14 percent. The flagship Neiman Marcus brand saw a 22 percent growth in new ecommerce customers, while Bergdorf Goodman attracted 55 percent more first-time online shoppers.



Neiman Marcus' online sales are growing. Image credit: Neiman Marcus

Today, online represents about a third of the group's total sales. In addition to conversions that happen online, 85 percent of the retailer company's customers browse online before visiting a store.

Part of Neiman Marcus Group's Digital First strategy revolves around this online experience. For instance, a new online stylist program looks to replicate the customer service that a shopper would experience in-store in the online environment.

Those who use the service have an average order value that is 2.5 times the average ecommerce purchase, and more than half become repeat clients. Stylist clients also convert 32 percent of the time, a figure more in-line with bricks-and-mortar sales than online sales made without the service.

"As we head further into the second quarter, our momentum continues to build," said Karen Katz, CEO and president of Neiman Marcus Group, during an earnings conference call. "We remain focused on driving our day-to-day business while also successfully advancing our Digital First strategy."

The group is also prepping for some executive changes, as John Koryl, president of Neiman Marcus stores, leaves the company. Following his last day on Nov. 30, executive vice president of Neiman Marcus stores Neva Hall and Lindy Rawlinson, senior vice president of Neiman Marcus online, will report directly to Ms. Katz.

Neiman Marcus also began construction on its new Hudson Yards store in New York. This location is expected to open in March 2019.

"We are confident that Neiman Marcus Hudson Yards will define the store of the future as a place where technology enhances the luxury and fashion shopping experiences in new and compelling ways," Ms. Katz said.