Nordstrom is 2017 Luxury Retailer of the Year

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Nordstrom's new magalog replaces its older traditional digital catalog. Image credit: Nordstrom

By STAFF REPORTS

Department store chain Nordstrom is *Luxury Daily*’s 2017 Retailer of the Year for its innovative take on how the physical store can keep up with the changing digital landscape of modern retail.

Nordstrom was named over the runners-up Neiman Marcus and Farfetch, with an honorable mention for Colette. Together, these three retailers exemplified the innovative new directions that retail is going as the business attempts to bridge the gap between ecommerce and bricks-and-mortar shopping.

The Luxury Retail of the Year award was decided based on retailers’ use of impeccable strategy, tactics, creative, executive and results. All candidates selected by the *Luxury Daily* editorial team had to have appeared in *Luxury Daily* coverage this year. Judging was based purely on merit.

**Online to offline**

Seattle-based Nordstrom was selected as the first runner’s up for *Luxury Daily*’s 2016 Luxury Retailer of the Year due to the creative methods it used to reach a younger generation of consumers. Tactics included a Snapchat activation and a number of experiential retail touchpoints as well as customer service offerings intended to attract millennials, but also restore the waning allure of bricks-and-mortar retail (see story).

In the year since, Nordstrom has only maintained its momentum by further orchestrating new services, focusing on experiences and broadening its merchandising, from body positive and inclusive sizing (see story) to introducing South Korean products (see story). Personalization has also been a priority in Nordstrom’s marketing arsenal.

Amid a retail climate where consumers want to feel catered to and understood by the brands they shop, Nordstrom has emerged as a personalization leader. At the heart of Nordstrom’s personalization efforts is its recreation of in-store customer service assistance online.
Nordstrom includes more varied sizes and differently sized mannequins in its stores. Image credit: Nordstrom

Likewise, Nordstrom’s strategy bolsters detailed customer reviews, a word cloud of consumer comments and content related to accurate fit and sizing information to ensure shoppers’ needs are well-met and understood. Providing a solution for a consumers’ need ahead of time, possibly before the seed of expectation is even planted, can lead to brand affinity.

An example of Nordstrom’s readiness to heed the call of consumers, the department store will soon ease the stress of the holidays by offering 24-hour curbside pickup for the week leading up to Christmas Eve.

Between Dec. 16-24, select Nordstrom locations will offer 24/7 curbside pickup to help consumers through the often hectic gift-buying season. Nordstrom’s introduction of 24/7 curbside pickup is part of the retailer’s effort to improve its shopping experience during a time when consumers ought to be with friends and family, and not stressed, rushing store to store (see story).

Also, Working with Give Back Box and Goodwill, Nordstrom launched an apparel and accessories solution to help give new life to used clothing straight from their consumers’ closets. Consumers are increasingly conscious of their own environmental footprint, and are more inclined to shop brands and retailers that mirror their sustainability efforts (see story).

Nordstrom has created a link between digital browsing and the in-store shopping experience with the expansion of an omnichannel service.

Starting last fall, the retailer piloted a Reserve Online & Try In-store feature for six of its locations in its home state of Washington, allowing consumers to reserve items they see on its ecommerce platform in a dressing room at a nearby store. This service, which brings the convenience and speed of online shopping to the tactile bricks-and-mortar environment, is now being extended to about 40 stores across the United States (see story).

Nordstrom has expanded this strategy into how it governs its physical spaces as well.

The new concept store is a hub for Nordstrom’s personal styling and tailoring services. Image credit: Nordstrom

Nordstrom is offering a new take on the department store model by focusing more on services and less on products.

Dubbed Nordstrom Local, the store will not have a dedicated inventory of products, and instead will focus on personal services such as manicures, tailoring and personal styling. The smaller, more bespoke experience is
meant to be a more exclusive version of the traditional Nordstrom shopping procedure (see story).

This year Nordstrom also embraced media and digital publishing as a viable marketing strategy. The retailer ventured into the world of digital publishing with the release of the first issue of its new online magazine, called simply "n."

The digital publication is a combination of editorial and catalog aspects, bringing customers not just images and prices of new products, but also putting those goods in the context of outfits and seasons. Nordstrom joins the many upscale retailers who now publish their own digital magalogs (see story).

In-store experiences and exclusive merchandizing opportunities were prevalent throughout the year at Nordstrom, with the retailer attracting top brands that do not often pair with a department store for a pop-up shop.

For example, Nordstrom partnered with French leather goods maker Herms for a shop-in-shop promoting the brand’s silks and jewelry.

Nordstrom’s downtown Seattle flagship served as the host to a temporary pop-up shop Oct. 18 through the end of 2017. The nearly yearlong "Nordstrom Welcome Herms" shop-in-shop will stick to selling Herms accessories, including silks for men and women and an edit of its jewelry range (see story).

The Herms pop-up at Nordstrom marks the first time the French heritage brand has held a temporary point of sale, of which it has organized many, within the floor plan of a mono-brand retailer.

Similarly, Chanel brought its homage to Greek architecture to downtown Seattle through a temporary boutique at Nordstrom’s flagship.

On Nov. 29, Chanel unveiled the Chanel x Nordstrom pop-up shop, which was only the brand’s second temporary store in the United States. Located on the second floor of Nordstrom’s Pine Street store, the ephemeral concept reflected the theme of Chanel's "The Modernity of Antiquity" cruise 2017-18 collection, shown at Paris’ Grand Palais in May.

The Chanel x Nordstrom concept had four distinct areas offering a curated mix of ready-to-wear, costume jewelry, footwear and handbags from the cruise 2017-18 collection. The pieces featured within the boutique were only available in-store, and were not sold via Nordstrom ecommerce (see story).

First runner’s-up: Neiman Marcus

In 2017, department store chain Neiman Marcus expended significant effort on finding and supporting emerging brands and designers, in addition to continuing to carry the staple brands that have been with the retailer for years.

In November, Neiman Marcus opened a new Trending Beauty shop stocked with brands discovered using nontraditional scouting methods.

With a bricks-and-mortar presence at Neiman Marcus’ NorthPark Center store in Dallas and placement on the retailer’s ecommerce site, Trending Beauty features modern labels in makeup, skin care and self care. Recently, in an effort to cater more to the next generations of shoppers, retailers have focused on finding new, more under-the-radar merchandise (see story).

Neiman Marcus also gave a select group of niche apparel brands their first major bricks-and-mortar point of sale through a new boutique-style edit.
Aimed at attracting a younger audience, the retailer's Luxe Labs is debuting in the fine apparel department at 14 of Neiman Marcus' stores, with a corresponding online presence on its ecommerce site. Department stores pride themselves on the ability to scout out unique fashions, which helps them to differentiate themselves in what has become an increasingly crowded retail field courtesy of ecommerce (see story).

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

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 (see story).

Second runner-up: Farfetch

Ecommerce Web site Farfetch spent this past year cultivating a series of partnerships with some of the biggest names in the luxury business.

For example, Kering-owned label Saint Laurent enhanced its Chinese ecommerce capabilities with help from Farfetch.

Saint Laurent was the first brand to leverage the newly formed partnership between Farfetch and JD.com, which allows the former to benefit from JD’s logistics, marketing and service capabilities designed to cater to local clientele (see story). Farfetch’s Shanghai-based team will tap into the company’s relationships with both JD and WeChat to better market and sell to the Chinese consumer, particularly millennials (see story).

Similarly, Cond Nast worked with Farfetch to host the combination of commerce and editorial content previously hosted on Style.com after the media group ceased operation of the site (see story).

Farfetch furthered efforts to humanize the retail experience by closing the loop between digital and in-store selling with its Store of the Future launch.

Unveiled April 12 at Farfetch’s invite-only FarfetchOS conference in London (see story), Store of the Future (SoF) is in beta, and will link together the online and offline worlds through data touch points that enhance and personalize the retail experience for consumers while presenting sales associates with chances to become in-store influencers.
As luxury retail is reconfigured to respond to modern consumers’ shifting behavior and expectations, technology has gone from a hindrance to an empowerment tool (see story).

Honorable mention: Colette
The honorable mention for Retailer of the Year goes to Colette, the iconic Paris retailer that is closing its doors after 20 years in business.

The store, which has been a frequent fashion and luxury collaborator throughout its history, will end its run on Dec. 20. In a statement from the brand, Colette explained that its namesake founder Colette Roussaux is stepping down to “take her time,” leading to the closing (see story).

Inside Colette. Image credit: Colette

Over the last two decades, Colette has created unique, inspired retail experiences, working with major luxury brands to expand the notion of what a luxury retailer can do.

For its final month in operation, Chanel partnered with Colette to create a farewell pop-up store. Karl Lagerfeld has reportedly been Colette's number one client for the last two decades.

Chanel hosted a month-long pop-up shop from Oct. 30 to Nov. 25 as a farewell to the Paris retailer (see story).

Colette’s contributions to the world of luxury retail are significant and with its closure, the retail world loses a daring and imaginative establishment.

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