

MARKETING

Nordstrom outranked by Macy's, Target in social engagement

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Nordstrom's mobile app. Image credit: Nordstrom

By BRIELLE JAEKEL

Previously top-ranked in consumer engagement, department store chain Nordstrom has been pushed out by mass-market retailers, according to Engagement Labs.

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The high-end department store previously held the third spot in Engagement Labs' TotalSocial rankings, but it has now dropped to spot 20 after it received negative backlash from dropping the Ivanka Trump's namesake apparel and accessories line. The drop in ranking, however, left room for mass retailers Macy's and Target to swoop in, with both seeing significant gains.

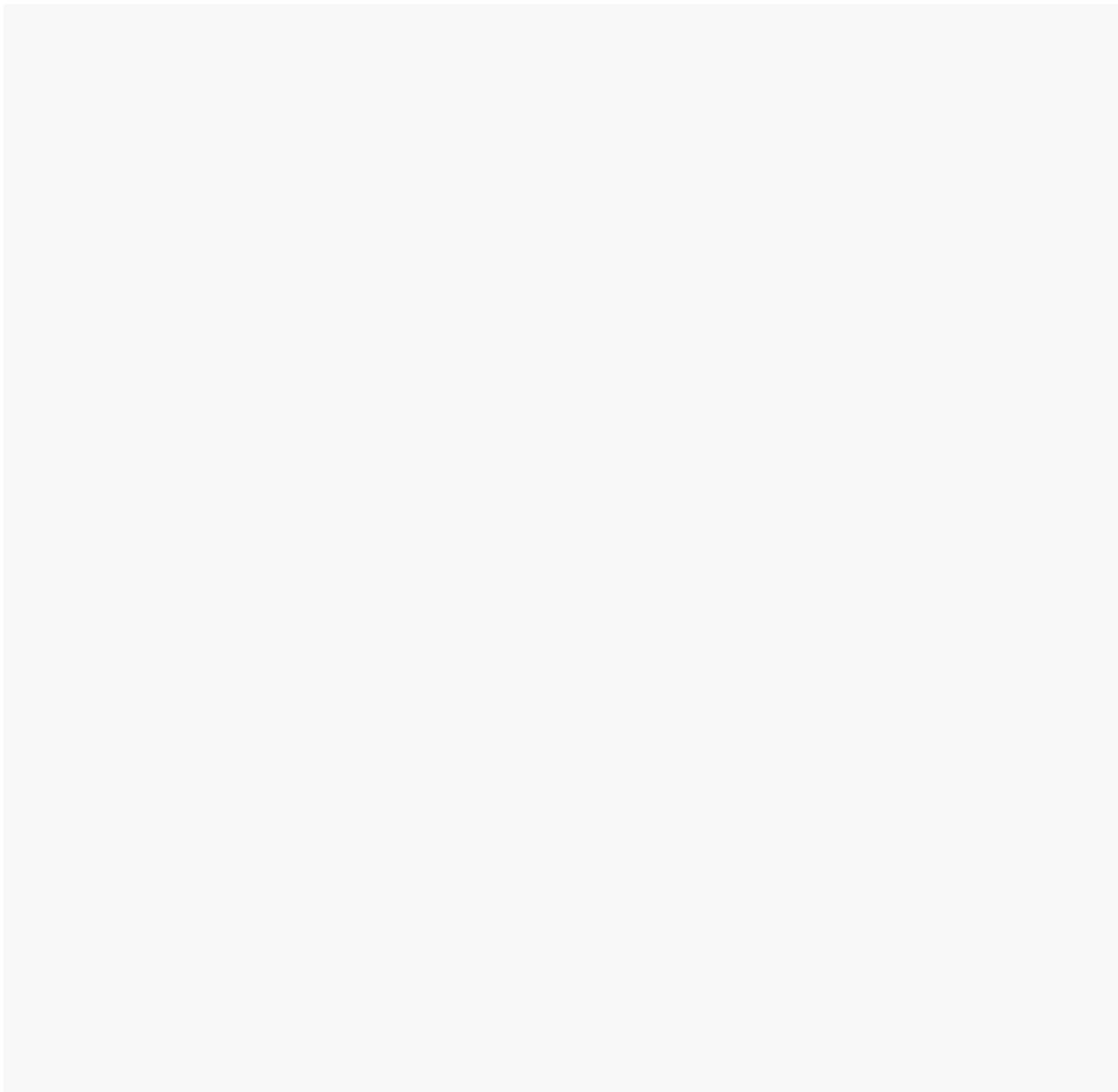
"There is a misconception amongst brand marketers that what someone says about their brand online is indicative of what is said about their brand offline, but this is not the case as the conversations are very different," said Ed Keller, CEO of **Engagement Labs**. "By understanding what consumers are saying both online and offline, it will help brands uncover opportunities to improve business performance.

"The key take away from these findings is that retail and apparel stores need to continually keep consumers engaged with their brand through marketing initiatives that spark an interest and start a conversation," he said. "Doing so will keep consumers talking, and more importantly get them in the door or onto their websites.

"Stores that have been around for years, such as Macy's and Target, are staying relevant by connecting with consumers and filling their needs."

Rise and fall

Department store Macy's climbed up ten spots to the fourth position these past few months due to its increase in online sentiment. Earlier this year, the department store announced a new strategy focusing on ecommerce and digital, which has caused social media users to discuss the brand in a positive light.



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A post shared by Macy's (@macys) on Dec 20, 2017 at 6:16am PST

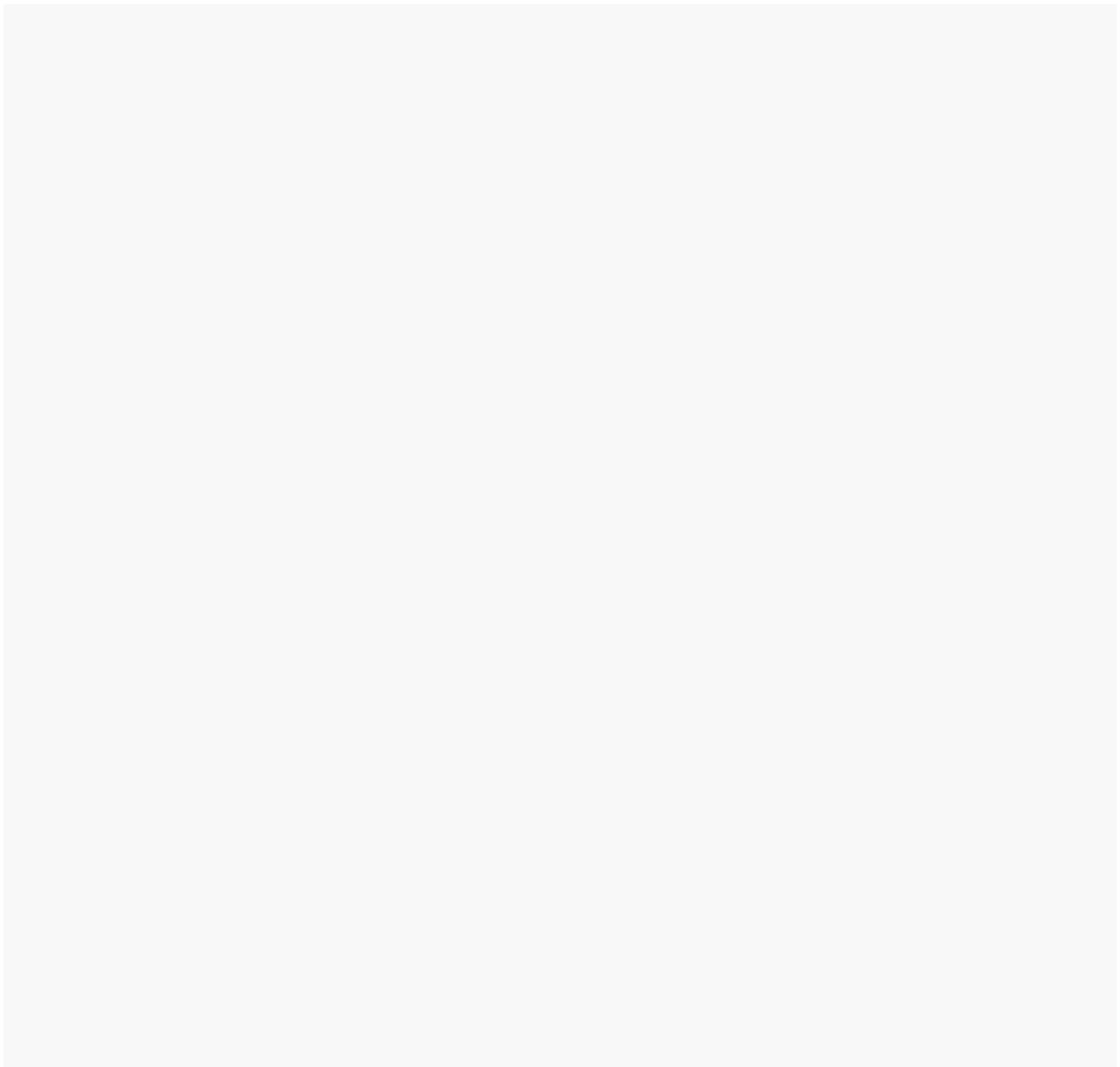
Retailer Target entered the top ten for the first time, coming from spot 18 to number nine after increases in its online and offline brand sharing and positive consumer discussion online.

The mass retailer's success is likely due to its recent significant price drops and new innovations such as an in-store application that allows store associates order a product for customers if it is out of stock.

LVMH-owned beauty retailer Sephora, athletic brand Nike and ecommerce giant Amazon all kept their positions at sixth, second and first, respectively.

Luxury brands were significantly lacking from the top ten list.

While Nordstrom saw backlash after dropping Ms. Trump's brand from its stores, but it was not the only brand to see discourse relating to the White House.



x = #topshop

A post shared by Nordstrom (@nordstrom) on Dec 20, 2017 at 4:29am PST

Under Armour dropped to spot 22 after previously holding positions within the top ten. Engagement Labs believes it could be in relation to the company's CEO announcing he would join the White House Manufacturing Council.

The athleticwear brand saw a significant decline in offline influence. Consumers also spoke negatively about the brand's collaboration with NBA player Steph Curry regarding its design.

These findings are extremely influential as word-of-mouth recommendations from trusted sources have more sway over consumers' buying choices than any form of marketing, according to another survey by Influence Central.

Consumers are increasingly relying on reviews and social media to inform their purchase decisions, with 74 percent of shoppers saying they are more likely to ask their social network for opinions before buying than they were three years ago. With more information readily at their fingertips than before thanks to the Internet and smartphones, consumers are digging deeper than traditional media or the brand's own channels ([see more](#)).

Nordstrom numbers

While Nordstrom may have seen some backlash on social media and its retail group comparable sales were slightly down in the third quarter of fiscal 2017, its net sales grew.

For the third quarter, which ended Oct. 28, the company reported net sales of \$3.5 billion, up 2 percent from the same

quarter of the previous year. With a focus on the customer and innovation, the group has launched a number of new concepts and services to provide new experiences to its shoppers ([see more](#)).

"The most surprising finding is Macy's moving into the top 10 while Nordstrom's drops out of the ranking," Mr. Keller said. "Macy's moved up in ranking based on the strength on their online sentiment, fueled by a zeroed in marketing strategy by their new CEO.

"At the same time, Nordstrom dropped out of the top 10 due to a decline in online sentiment, driven by controversy the brand has had to endure over the past year," he said. "The same metric (online sentiment) proved to be powerful to both of these retailers."

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