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Nordstrom reports anticipated holiday sales dip, expects growth in Q1

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During the holiday season, Nordstrom continued to leverage its assets to provide convenient shopping experiences for its customers. Image credit: Nordstrom

By LUXURY DAILY NEWS SERVICE

U.S. department store chain Nordstrom has reported its holiday sales results, reflecting sequential improvement despite a 22 percent decrease.

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The company expected a decrease in the low-twenties percentage range for the combined November and December sales. Adjusting for the shift of the Nordstrom Anniversary Sale from the second to third quarter, sales trends increased sequentially by nearly 500 basis points.

"We're encouraged by the increasing momentum throughout and following the holiday season as we continue to unlock new ways to better serve customers on their terms with greater convenience and connection," Erik Nordstrom, chief executive officer of Nordstrom, Inc., in a statement. "By leveraging order pickup and store fulfillment capabilities across our two brands of Nordstrom and Nordstrom Rack, we're seeing benefits to our customers as well as to our business.

"We're deeply appreciative of our team's focus on providing customers with a strong holiday offering during these challenging times."

Reflecting on the holidays

During the holiday season, Nordstrom continued to leverage its digital and physical assets to provide a breadth of merchandise selection across brands, price points and styles and convenient shopping experiences for customers.

December sales across the Nordstrom and Nordstrom Rack brands reflected improvement from November with momentum continuing into January.

Digital sales grew 23 percent over last year and represented 54 percent of total sales compared with 34 percent from the same period in fiscal 2019.



The department store seems confident with 2020 financial results, despite effects of the global health crisis. Image credit: Nordstrom

Approximately 11 percent of Nordstrom.com orders were picked up in-store, which accelerated to more than 20 percent during the week preceding Christmas. Nearly 9 percent of Nordstromrack.com orders were picked up in-store, which was enabled by the integration of Nordstrom Rack store and online inventory in October.

More than 30 percent of online orders were fulfilled from Nordstrom and Nordstrom Rack stores, and as a result of expanded gifting selection, gifting items made up 67 percent of sales, an increase of 600 basis points from the prior year.

Nordstrom is expected to hold its virtual investor event on Feb. 4, and report its fourth quarter and full-year 2020 financial results on Mar. 2.

The department store reported positive growth for its third quarter earnings in November, citing that improved merchandise margin trends and new cost structures allowed the company to generate earnings of more than \$100 million ([see story](#)).

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