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Nordstrom sales return to pre-pandemic levels, but digital stalls

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Nordstrom increased its inventory ahead of the holiday season. Image credit: Nordstrom

By LUXURY DAILY NEWS SERVICE

U.S. department store chain Nordstrom continued to see improving foot traffic during the third quarter, with net sales up 3 percent from the same period in 2019.

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For the third quarter ended Oct. 30, Nordstrom banner net sales are up 11 percent from Q3 2020, in part because one week of this year's Anniversary Sale fell into the fiscal period. However, falling sales at Nordstrom Rack has impacted the company's overall growth.

"In the third quarter, we made continued progress toward our strategic and financial goals, driven by strong digital growth, the integrated capabilities enabled by our market strategy and increased net sales in our Nordstrom banner stores, but we are focused on accelerating our transformation and improving results," said Erik Nordstrom, CEO at [Nordstrom, Inc.](#), in a statement.

Mixed results

Nordstrom, Inc.'s Q3 2021 net earnings of \$64 million is up from Q3 2020's \$53 million, but down from Q2 2021's net earnings of \$80 million ([see story](#)).

The retail group saw digital sales, which accounted for 40 percent of third quarter sales, fall 12 percent year-over-year. Digital sales are up 20 percent from Q3 2019, however an indication that while ecommerce growth may have slowed as shoppers returned to bricks-and-mortar, digital will continue to play a major role in Nordstrom's strategy.



Nordstrom recently partnered with Gen Z-fave ASOS. Image credit: Nordstrom

According to analytics platform Placer.ai, department store visits may continue to climb well into the end of the year, despite the challenges retailers have faced due to the COVID-19 pandemic. Nordstrom is one of several luxury retailers that have seen significant improvements in visit levels throughout the year as consumers return to the experiential and selection experiences inherent in in-person shopping ([see story](#)).

Looking ahead to the fourth quarter, Nordstrom increased its inventory levels up 13 percent from Q3 2019 to meet early holiday shopping demand and limit the impact of supply chain backlogs.

Despite a weak performance by Nordstrom Rack, the group remains optimistic it will achieve its sales and earnings forecast for the fiscal year.

"We have long benefited from a commitment to customer service, new and compelling merchandise, innovative brand partnerships and interconnected digital and physical assets," Mr. Nordstrom said. "However, we need to move faster to capitalize on these strengths and profitably grow market share."

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