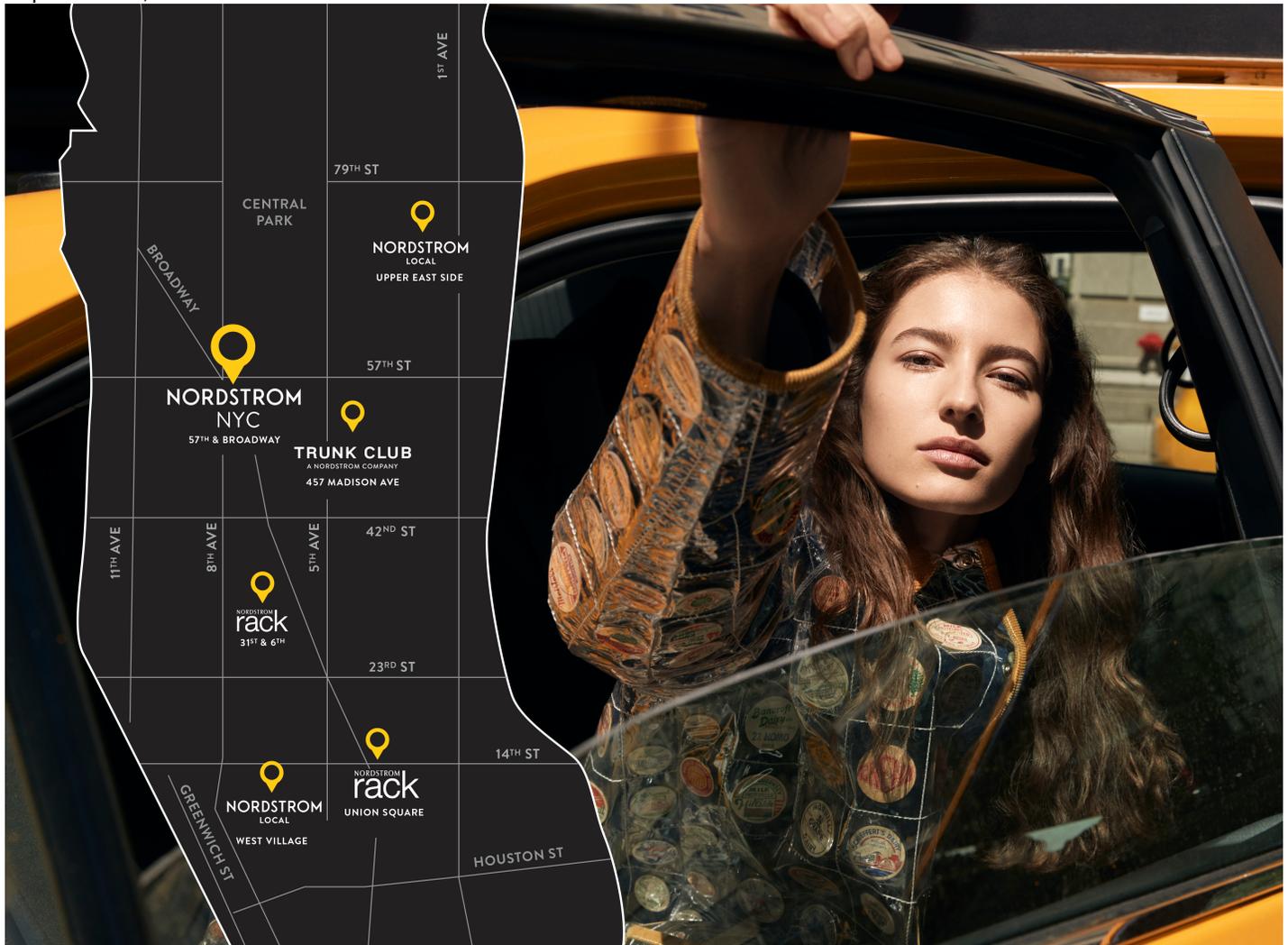


# NORDSTROM

## Nordstrom in NYC: Q&A with Jamie Nordstrom

September 17, 2019



As we count down to the opening of Nordstrom NYC on October 24, Jamie Nordstrom, president of stores, discusses the services and experiences customers can expect and how we will compete in this dynamic market.

### **How long has Nordstrom been planning to expand in NYC and why is now the right timing?**

I remember my dad looking at spaces in NYC when I was a little kid, so it's been a long time coming! It's a hard city to find opportunities to build a great store because it is so dense. For the past 25 years, we spent a lot of time looking at a number of locations and came close on a couple of opportunities, but 2012 is when we announced an agreement for our flagship store. We're glad we waited because we feel this location — just steps away from Central Park — and the timing are superior to the other alternatives. We chose this neighborhood purposefully and had the opportunity to build a new store from the ground up at the scale and in the design we think will work best for customers.

### **Why is NYC so important?**

NYC is one of the largest retail markets and highest tourist shopping destinations in the world. It already represents our largest online market, so we're looking forward to providing customers with our complete full-line shopping experience. It's never been a question of why expand in New York — it's self-evident. If you're a retailer, New York is by far the biggest stage and opportunity to serve customers. It's hard to get into, but the opportunity is bigger there than probably anywhere else.

### **How will we stand out in such a crowded retail market?**

You have to compete. The New York customer has high expectations because there are such great retailers already there. We're fortunate that we have 100 years of experience going into new markets and competing, so it won't be a completely new experience — just one on an entirely different

scale. At its core, NYC is all about hustling. New York customers value efficient and personalized service, and they expect their business to be earned. But they will also be very loyal to the salesperson that hustles for them, and our most successful salespeople in the Men's Store across the street certainly fit that description.

In addition to our service, we're focused on having an amazing experience in the store. We hope we've done that with the design, the atmosphere, the food and beverage offerings and the overall feeling you're going to get when walking into the store. We also think the location is a big draw between its proximity to Broadway for people going to shows and being steps away from Central Park, the single largest attraction in NYC.

We're excited about the challenge of competing on the largest stage in the world. There are deeply entrenched and successful retailers there that have generations of loyal New Yorker customers. We know we have to go in and earn those customers' business. That's a bigger challenge than we've ever faced anywhere.

### **How do you define our local market strategy in NYC?**

We don't think about just opening a store in NYC, we think about expanding a market with a combination of physical and digital assets. Whether it's our Nordstrom Local locations on the Upper East Side and in the West Village, our new Flagship opening in October or our Nordstrom Rack locations across the city, we want to bring the added convenience of services such as online order pick-up, fast and easy returns, alterations, styling and more as close to customers as possible. Our local market strategy goal is to gain market share in our most important markets by driving increased customer engagement through services and by leveraging inventory. We think we have a unique recipe, especially with our neighborhood service hubs that offer customers the opportunity to access more Nordstrom product and services in a location convenient to them.

Our local market strategy started in LA, our largest market, with the premise that we can serve customers best when we combine the scale of our national capabilities with our salespeople, product and physical locations to help reimagine the shopping experience for customers. We're already seeing compelling results in LA to prove this approach works. Customers spend 2.5x more on average at Nordstrom Locals. These service hubs also account for 30% of all online order pickup in the LA market.

We're ultimately applying the same concept in NYC as we did in LA, in that we are focused on giving the customer convenience and control. We know that what's convenient for one shopping trip might be different for another. It's not always just about selection, speed or location — it's usually one or a combination. While there are a lot of retailers that are good at any one of those, we want to be good at all of them. We believe we can win on all three fronts by leveraging all our local assets and creating new ones to offer more than if we just had a standalone store. But we know that the recipe for success in NYC is different than LA, so we are taking all our lessons from the past few years and applying them in a customized way to best serve the NYC market.

### **What are you most excited about for our expansion in NYC?**

The opportunity to compete for customers' business. It's like playing in the Super Bowl. We are aware that customers have super high expectations and numerous choices, so we are ready to work incredibly hard to earn their business. We recognize the importance of each new customer we earn there and are excited to put our best efforts forward to exceed their expectations. We've learned a lot from our over 100 years of experience in the industry and about NYC from our Men's Store, but we know we don't have everything figured out. NYC is an incredible, dynamic city, so we are looking forward to learning just as much as we look forward to serving customers.

### **What lessons have you learned from the NYC Men's Store?**

We've learned about merchandise trends that do well. We know that elevated product, such as designer and unique on-trend items, is what the New York customer is looking for, which is no surprise. They want the latest and greatest, so we've adjusted our assortment and given more space in our Men's Store to that. For example, we launched the Nordstrom x Nike sneaker boutique as one way to offer a thoughtful curation of exciting and rare product. We're going keep heading down that path both in the Men's Store and in the flagship, which we essentially see as one store but in two buildings.

### **What do you want new customers to know Nordstrom for?**

Service. It's not something you talk about, it's something you do. We don't run ads saying we give good service — we've earned our reputation for service by doing it for over 100 years. Hopefully a lot of customers in NYC have heard of our reputation, which we hope to leverage to convince them to give us a shot — but we must deliver. Not only will customers have high expectations because of our reputation, but they're also going to have high expectations just because it's NYC and you better bring your A-game.