

Norstrom: how to succeed by selling one essay

[Business](#)



1. Identify the type of retailer that Nordstrom's is classified as. Describe the characteristics it shares with other retailers of this type. I would classify Nordstrom's as a specialty store due to the fact that their service levels are high, assortment is narrow, price would be moderate to high, and the gross margin is high. Also, a statement from the case study from Industry observer Lior Arussy calls Nordstrom's business strategy "greed through love."

Nordstrom's shares the same characteristics as Neiman Marcus, Bloomingdale's, Macy's, Saks Fifth Avenue and Lord and Taylor's. While it is pricier to shop for clothes and home decor at these stores; most designer labels prove to be of better quality, uniqueness, and durability.

2. Describe Nordstrom's level of service on the continuum from full service to self-service. Give an example of a store that would be on the opposite end of the continuum and explain their differences. Nordstrom's level of service would be on the continuum of full-service.

When looking at the two department stores like Wal-Mart and Nordstrom's, it is much easier to contrast differences than compare similarities. This is because they are at opposite ends of the economic spectrum; Wal-Mart specializes in discounted prices, while Nordstrom focuses on quality at a higher price. Both companies enjoy much success, however.

To attract customers that are more interested in each company's characteristics, their marketing strategies differ from one another greatly. Wal-Mart offers many different products to suit every possible need of their customers. From automobile repair services to groceries to a variety of products in between, it is a one-stop shopping excursion for most of their

customers. Wal-Mart jumps on the bandwagon whenever they see an opportunity – and seem to prosper because so. Nordstrom's also strives to meet customer satisfaction through offering an array of products. " Our goal is to offer a well-edited range of products for a variety of lifestyles.

" While they don't offer common, everyday needs like toiletries, groceries or cat litter; they do offer more upscale products such as apparel and home decor. Nordstrom, like Wal-Mart, offer a private label—but without the notable discount. 3. Analyze the six components of Nordstrom's retailing mix to determine which have been the most important to the company's success. Provide a detailed rationale. A marketing mix is defined as " product, price, place, and promotion—the controllable set of activities that a firm uses to respond to the wants and needs of customers". The differences in these four areas become obvious when we look at them at a glance.

As I stated before, while it is pricier to shop for clothes and home decor at Nordstrom's; most designer labels prove to be of better quality, uniqueness, and durability. Nordstrom's does not use a low price tag to attract customers; instead they use quality. Nordstrom's, in contrast, has one distribution center located in Newark, California. While, Nordstrom doesn't have a lot of stores, they can still enjoy sizable profits from selling high-end products at retail prices. Nordstrom's does pride themselves in utilizing ' word of mouth' from satisfied customers. They have perfected the art of focusing on the right customers and giving them undivided attention.

They also advertise in magazines aimed for the higher-income-bracket female. 4. Discuss the primary challenges Nordstrom faces in the current

retail climate. The primary challenges that Nordstrom face in the current retail climate, is that they have to evolve with the times. They are taking into consideration that the way people are shopping is changing dramatically.

The company analyzed barriers between its sales channels and realized that it was limiting sales opportunities. For example, customers who purchased Nordstrom merchandise online couldn't return it in the retail stores, and customers who shopped in the stores couldn't always find the same products online. The company now aims for a "seamless" shopping experience across all sales channels, whether mail order, online, or in-store.

5. Discuss how the competition has changed in recent years, along with consumer expectations

The competition has changed over the years from direct retailing; we are no longer in the age when there were sales people that had to go door to door, office to office and having home sales. Now a day's people are using the internet to do most of their shopping. Customer expects to get the same service they would receive if they were in the stores as they would receive if they were shopping online. Companies are coming up with new ways every day to get their product out to the customers.

It all balls down to the retailer keeping up with the demands of the consumer, who want things done in a simple and easy way, without leaving their homes or offices. There are so many avenues the retail has to consider to reach the consumer in this age, shopping on the internet, mobile shopping, direct mail, and catalogs. The marketing efforts by companies clearly show that each company aims toward a different audience.

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