

History of company essay

[Business](#), [Industries](#)



How long has it been in business? Nordstrom Inc. opened its first store location in Seattle, WA in 1901 with the business collaboration between John W.

Nordstrom and his partner Carl Wallin (Wallin & Nordstrom, originally only a shoe store and shoe repair shop). The store's ownership was then turned over to John W. Nordstrom's sons after Nordstrom and Wallin retired. · How has the business changed in the past 5-10 years? With its recent partnership with online retailer FiftyOne Global Commerce, Nordstrom has aimed to penetrate global markets with its high-end fashion selection. Nordstrom Inc.

has long been hailed as a top-tier fashion-retail company in the United States, and wishes to apply their same business model in their interaction with global consumers. (Powerpoint Chapter 5: Retail Market Strategy, “Growth Opportunities”) Additionally, Nordstrom Inc. aims to open more Nordstrom and Nordstrom Rack stores throughout the United States.

Nordstrom also aims to expand its presence on the online fashion-retail industry, competing with other fashion retail stores that already have good presence on the online market (Zara, H&M).

· What is the mission statement?“ At Nordstrom, our goal is to provide outstanding service everyday, one customer at a time.” ([http://retailindustry. about. com/od/retailbestpractices/ig/Company-Mission-Statements/Nordstrom-Stores-Mission-Statement. htm](http://retailindustry.about.com/od/retailbestpractices/ig/Company-Mission-Statements/Nordstrom-Stores-Mission-Statement.htm)· Are there plans to expand, penetrate, diversify, or change their retail format in the near future? There are two new business practices Nordstrom Inc.

aims to apply to their business model: 1) Online, “ same-day delivery policy”: offers customers the ability to order fashion items from actual retail locations, and have purchases delivered to their addresses on the same day upon order. 2) Market expansion into Canada; fashion trends in consumerism in Canada has been well documented to show that fashion consumption patterns are very similar to consumers in the United States, which is why partnership with FiftyOne Global Commerce is vital to Nordstrom’s global expansion (<http://shop.nordstrom.com/c/customer-service-international-orders>). B. Retail Strategy1.

Who is the Target Market:· Define the customer according to demographics (age, gender, income level, education etc.) Fashion inventory offers high-end brands with premium seasonal trends, which garners a higher price for fashion products. Evidently, a more affluent 20-40 yr. demographic is targeted with the selection of brand partnerships Nordstrom Inc.

has made. More specifically, Nordstrom Inc. is a sales leader in shoe-retail and women’s fashion-retail according to fiscal its financial reports from 2011 last year Dec. Specifically, both women’s and men’s shoe apparel category markets are forecasted to be highly saturated (<http://academic.mintel.com>.

flagship.

luc.edu/sinatra/oxygen/display/?no_redirect&id=590589), and Nordstrom being one of the top carriers in shoe apparel in high-end fashion industry will be able to tap into a very valuable market.· Trade Area – primary, secondary, tertiary (refer to Chap. 8) Nordstrom’s trade areas are usually located in the

main metropolitan centers of highly populated cities with bustling economic growth in the fashion retail industry. Nordstrom's primary zone comprises of its main consumer base that live in proximity to their city-centered locations with high customer traffic and easy accessibility. Its secondary and tertiary zones are comprised of its Nordstrom Rack consumer base, and online-shopper base.

2. Merchandise Assortment:· What are the major brands carried? Nordstrom has partnerships with brands including Polo Ralph Lauren, North Face, Nike, Louis Vuitton, Versace, Gucci, S. Perry, Top Shop, and Bonobos (<http://dealbook.nytimes.com/2012/04/11/stores-go-online-to-find-a-perfect-fit/>).

· Does it offer private brands? Yes, Nordstrom carries many items under its private label brand. Despite not offering any standout discount prices, Nordstrom does not have to since these private label brands cannot be purchased anywhere else.· Where does this retailer's merchandise fit on the category life cycle? (Chap. 12) Why do you think they chose this stage of the life cycle? As Nordstrom carries fashion merchandise with an unpredictable demand, it is difficult to forecast/predict level of profitability and sales in terms of quickly selling and replenishing inventory.

Typical amongst most fashion-retail stores, Nordstrom will carry inventory much earlier for their planned seasonal release (for instance, Nordstrom is selling off their " summer" inventory they received months ago, and are carrying their " autumn" inventory). A FIFO approach to their merchandise is the best choice considering the category mix involved with their variety of

brands; each brand with extensive variation of sizes, colors, and styles. This breadth of high quality products is perpetuated in Nordstrom's Anniversary Sale (<http://shop.nordstrom.com/c/anniversary-sale>) and Half Yearly Sale (<http://seattle.cbslocal.com/2012/06/06/nordstrom-half-yearly-sale-for-men-starts-june-15/>), which serve as highly contributive events to sustain the company's competitive advantage.