

The nordstrom's success

Business



This essay investigates the literature available on Nordstrom's success in retail trade. It particularly identifies the type of retail trade in which Nordstrom belongs and the features that this business shares with other retail businesses. In addition, the essay analyzes components of this trade that have played the most critical role in the company's success.

Furthermore, it elucidates the primary challenges as well as changes that the company has experienced in the recent years. According to literature, a retail trade involves the sale of goods and services to end users of the products. Generally, there are various levels of retail trade, depending on whether they obtain their goods from the manufacturer or wholesalers.

These include discount stores, general merchandise stores, and supermarkets among others. Due to the nature of its operations, Nordstrom's business belongs to the category of departmental stores.

According to literature, this business started as a simple shoe retail shop and later expanded the variety of goods that it sold. For instance, after some time it started offering retail sales in cosmetics, clothing, handbags and home furnishing. The basic characteristics that make Nordstrom's company a departmental store is the fact that it operates several chain store in various places. In addition, all the chain stores sell the same type of goods and have similar outlook in terms of arrangement of goods.

Moreover, the company deals mainly in durable goods that are often sold at the same price in all the chain stores. These are basic features of business enterprises that operate in the category of departmental stores (Warren, 1999 page 91). The company generally offers quality goods and efficient services to its customers, a fact that earned it considerable customer loyalty.

<https://assignbuster.com/the-nordstroms-success/>

According to literature, the initial expansion of the company in 1958 was attributed to its high level of service. These trends seem to have been maintained till today.

Presently, Nordstrom operates several chain stores in several states where a lot of revenue is generated. In fact, this excellent performance in the market has enabled the company to diversify its operations into restaurants and hotel services. Neiman Marcus is the only company that comes close to the excellent performance of Nordstrom in terms of region of operation as well as the products they deal in. Neiman Marcus also belongs to the category of departmental stores as it has several chain stores in various parts of the United States of America. It basically specializes in commodities like furniture, jewelry and clothing among other products.

However, the two companies differ in the sense that Neiman Marcus is widely involved in online marketing, unlike Nordstrom. Besides, Neiman Marcus deals in more luxurious products like jewelry while Nordstrom handles mainly shoes and clothing. Essentially, the two companies are completely opposite of one another in terms of the sections of the society that they target. For instance, while Nordstrom targets the general population regardless of class, Neiman Marcus focuses mainly on the privileged sections of the society that can afford expensive products like Jewelry (Warren, 1999 page 312). Generally, there are certain components of Nordstrom that have significantly contributed to its success.

These include efficient services, quality products, friendly customer services and rigorous advertisements. However, it is the fact that the company does a

lot of intensive advertisement, thereby making their products very popular in the market that has been the most important. For instance, Nordstrom has a series of advertisements that are always running in the print media as well as the internet (Warren, 1999 page 394). Undoubtedly, business has not been all roses for the company. There are several challenges currently faced by this company, which certainly threaten its future. Lately, Nordstrom has faced fierce competition from online companies as many people have begun to buy their products online.

Besides, there have occasionally arisen cases of fierce price competition between various departmental stores as they attempt to outdo one another. Although this has the advantage of increasing the overall revenues, the fact that it threatens the existence of some branches is very risky, especially considering that a lot of money has been invested in their establishment. In some instances, departmental stores have had to compete with other company stores that are situated in the same locations. This kind of competition certainly does more harm than good to the company (Warren, 1999 page 331). In the recent years, Nordstrom has undergone a variety of changes. For instance, it has ceased to exist as a family property to a big public limited company with several shareholders.

This has necessitated the company to set up more branches, leading to general stabilization of the revenues. In addition, the company management has shifted from central to a devolved mode of management due to the ever-increasing number of chain stores. In fact, the decentralized mode of management has greatly enhanced delivery of services in the company (Warren, 1999 page 391). In conclusion, Nordstrom is a typical kind of <https://assignbuster.com/the-nordstroms-success/>

departmental store due the existence of various chain stores belonging to the company. The company prides itself in quality services and efficient products that they have been known to offer. These form part of the significant components that have ensured that the company maintains the upward trend.

However, Nordstrom has had its share of business challenges in the recent past, including competition from online companies. This has led the company to undergo some changes to enable it to remain profitable and sustainable in the increasingly competitive market.