



# **NORDSTROM'S**

## **BUSINESS & BUYING PLAN**

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# **NORDSTROM'S CORPORATION BUSINESS PLAN**

**CADS 5850 APPAREL MERCH & RETAIL MANAGEMENT**

# COMPANY DEPARTMENT ANALYSIS:

We explored Nordstrom's website to find the different merchandise categories and price points for women's clothing.

- Categories: Dresses, Coats/ Jackets, Sweaters, Tops, Pants & Leggings, Jeans & Denim, Swim, Shorts, Loungewear, Lingerie, and Sweatshirts & Hoodies.
- Price points:
  - Dresses: \$50.00-\$10000.00
  - Coats/ jackets: \$50.00,- \$20000.00
  - Sweaters: \$50.00-\$7000.00
  - Tops: \$25.00-\$6000.00
  - Pants & leggings: \$30.00- \$4000.00
  - Jeans & Denim: \$50.00- \$2,000.00
  - Swim: \$50.00- \$2000.00
  - Shorts: \$25.00-\$5000.00
  - Loungewear: \$25.00-\$1000.00
  - Lingerie: \$25.00-\$2000.00
  - Sweatshirts & Hoodies: \$50.00-\$6000.00

# COMPANY DEPARTMENT ANALYSIS: DEPARTMENT IMAGE

WE STRIVE TO PROVIDE OUR CUSTOMERS WITH A LUXURY SHOPPING EXPERIENCE WHILE ALSO GIVING THE CONVENIENCE OF A ONE STOP SHOP. WE BRING LUXURY TO YOU BY CARRYING UPSCALE BRANDS WITHOUT THE HASSLE OF GOING TO 12 DIFFERENT STORES. OUR PARTNERSHIP WITH BRANDS AND OUR NUMEROUS PRIVATE LABELS SUCH AS: OPEN EDIT AND ZELLA, ENSURE THAT EVERY WOMAN WILL FIND THE PERFECT PIECE FOR ANY OCCASION. CUSTOMER SERVICE IS OUR TOP PRIORITY HERE. OUR EMPLOYEES WILL ALWAYS WELCOME YOU IN WITH A WARM SMILE AND DO EVERYTHING IN THEIR POWER TO ENSURE YOU GO HOME HAPPIER THAN WHEN YOU WALKED THROUGH OUR DOORS.

# S.W.O.T ANALYSIS

## Strengths

GREAT CUSTOMER SERVICE  
EXCLUSIVE BRANDS/LUXURY  
GREAT RETURN POLICY  
LOYALTY PROGRAMS

## Weaknesses

EXPENSIVE  
LIMITED GLOBAL PRESENCE  
RISKY INVESTMENT  
LOW VARIETY OF MERCHANDISE

## Opportunities

EXPAND TARGET MARKET  
OFFER MORE VARIETY OF MERCHANDISE  
RENTAL CLOTHING SUBSCRIPTION

## Threats

COMPETITORS  
(SAKS FIFTH AVE, NEIMAN  
MARCUS, BLOOMINGDALES)  
COUNTERFEITS  
PANDEMIC  
RENTAL CLOTHING

# COMPANY DEPARTMENT ANALYSIS

## PRIMARY COMPETITORS OF DEPARTMENT

### COMPETITOR #1

Our first competitor **Macy's** is a more affordable and a family-oriented company. Macy's has 734 stores, and in early 2020 they announced their plan to close one fifth of their stores, as reported by USA Today (ScrapeHero, 2022). Macy's has a competitive advantage due to their yearly Macy's Thanksgiving Day Parade, which is commonly the most popular parade of the year.

### COMPETITOR #2

Our second competitor **Neiman Marcus** sells in-store, ecommerce, and remote selling formats. The categories they sell are men's and women's clothing and home furnishings, but their focus is on women's clothes. Neiman Marcus has a competitive advantage by being one of the most upscale retailers by reputation.

# **RETAIL STRATEGY ANALYSIS: MARKET SEGMENT**

Our company's high sales reflect the high-quality items we sell. We sell our products throughout stores and online. Southern areas are the region we would like to target. Mainly focusing on Atlanta. Atlanta is a city of the suburbs. The climate there ranges from 35 Fahrenheit to 89 Fahrenheit. The weather is typically more on the warmer side compared to other locations so our focus will be on light weight, summer clothing for women. . The millennial demographic will be our focus, meaning age range from 26 to 41. Women will be our target market with a moderately higher income. The customers we attract will be confident, independent, and fashionable. The focus will be on dresses and skirts because of the southern style and warmer weather. The suburbs will also attract customers that focus on business casual clothing. Our shoppers are also looking for exclusive brands within our company while shopping.

## **RETAIL STRATEGY ANALYSIS: MARKET SEGMENT**

Our typical customer is female. The customers are well informed about our products and are focused on name brands. They come to our store because we offer exclusive brands. This is a main attraction to our brand that brings in more customers. Our customers also know they are guaranteed great quality items which makes the customers return for more products. This will lead us to customers being loyal to our company. Our customers also value our great customer service, which is also a reason why they come to our store. Not only do we have amazing customer service, but we also have a great return policy. There is no time limit or wear use on return, which is an advantage to our customers. Our customers value this because it shows we are dedicated to pleasing our customers. The store's layout is also very consistent, which pleases our customers. Another reason why our customers shop at our stores is because we do not only sell well-known brands but all small startup companies. The final thing that our customers love is our Nordy's Club. This is our reward system where loyal customers can receive perks and money off their future purchases.

# RETAIL STRATEGY ANALYSIS: POTENTIAL GROWTH

It seems to be a trend that spending a greater amount on the products increases the annual sales. We plan to invest in quality merchandise that will be in demand to increase our sales.

Since COVID is becoming less of an issue, barriers such as capacity limits, social distancing, and lack of in-store shopping should no longer hinder our growth. Our superior customer service will shine and continue to create loyal customers.

# RETAIL STRATEGY ANALYSIS: RETAIL MARKET STRATEGY

## Customer Loyalty

Our store locations are in prime areas such as Atlanta, Georgia, Sugar Land, Texas, Brentwood, Tennessee, West Palm Beach, and Miami.

We offer price matching before and after purchase, up to 14 days.

## Strategic Product Placement

The store designs are all similar, with well-lit merchandise and an organized, clean layout

We offer men's, women's, and children's clothing and shoes, accessories, and home furnishings. Our store being a one-stop-shop for apparel will appeal to families.

## Strategic Location Placement

Our store locations are in prime areas such as Atlanta, Georgia, Sugar Land, Texas, Brentwood, Tennessee, West Palm Beach, and Miami.



# **NORDSTROM'S BUYING PLAN**

# FINANCIAL GOALS

	2022	2023
Gross Margin	47.3%	47.9%
Inventory Turnover	3.6	3.5
GMROI	3.23	3.22
Store Department Seasonal Sales	6.79 million	6.99 million

# SUGGESTED BUYING PLAN

Classification	Planned Sales %
Work	10%
Swimsuits & Coverups	5%
Others	85%
Total	100%

# MERCH CLASSIFICATION

Women's Department Spring/Summer 2023 Sales (\$) Plan		\$ 6,790,000.00
Classification& Sub-Classification	Sale% (of classification sales)	Sales Plan (\$)
Work Clothing (10% of department sales)		\$ 679,000.00
Blazers	30%	\$ 203,700.00
Blouses	20%	\$ 135,800.00
Dresses	40%	\$ 271,600.00
Other	10%	\$ 67,900.00
Total	100%	\$ 679,000.00

# MERCH CLASSIFICATION: NORDSTROM'S WOMEN'S BUSINESS WEAR PRICE POINTS

Classification: Work Wear		
Sub-Classification	% Of Sales	Price Points
Blouses	30%	\$69.00, \$89.00, \$295.00, \$495.00 \$595.00, \$1,490.00
Blazers	20%	\$75.00, \$99.00, \$119.00, \$129.00, \$455.00, \$1,490.00
Dresses	40%	\$89.00, \$113.00, \$259.00, \$379.00, \$625.00, \$2,250.00

# MARKET RESEARCH: MACY'S

- TARGET MARKET IS MIDDLE CLASS WOMEN AGES 16-34, NORDSTROM'S TARGET MARKET IS WEALTHIER
- AVERAGE CUSTOMER ENGAGES IN THEIR WORK AND ENJOYS TIME WITH FRIENDS
- MACY'S HAS A VERY SIMILAR RETAIL MIX TO NORDSTROM'S WOMEN'S WEAR, HOWEVER, NORDSTROM HAS A WIDER VARIETY FORMAL CLOTHING
- MACY'S PRICES HAVE A RANGE FROM PRICES LOWER/ AVERAGE TO A LITTLE MORE EXPENSIVE, AND SHOWCASES MANY DIFFERENT BRANDS, WHEREAS NORDSTROM'S PRICING IS A LITTLE MORE EXPENSIVE
- MACY'S HAS MORE CASUAL DESIGNS, WHERE AS NORDSTROMS HAS MORE MODERN AND CHIC STYLES TO OFFER
- MACY'S OFFERS MORE PROMOS THAN NORDSTROM'S
- NORDSTROM'S CUSTOMER SERVICE HAS EXCELLENT REVIEWS AND MACY'S CUSTOM SERVICE HAS MIXED REVIEWS

# **MARKET RESEARCH: NEIMAN MARCUS**

- SELLS IN-STORE, E-COMMERCE, AND REMOTE SELLING FORMATS.
- THEY SELL MEN'S AND WOMEN'S CLOTHING AND HOME FURNISHINGS, BUT THEIR FOCUS IS ON WOMEN'S CLOTHES.
- NEIMAN MARCUS'S LARGEST STORE IS IN DALLAS, TEXAS (NEIMAN MARCUS GROUP, 2022).
- NEIMAN MARCUS HAS A COMPETITIVE ADVANTAGE BY BEING ONE OF THE MOST UPSCALE RETAILERS BY REPUTATION.

## INDUSTRY TRENDS

The market for women's formal (work) wear is projected to be positive due to the increasing trend of women in the workforce (Researchnester, 2022). In 2017, women's formal wear was a 460 billion dollar industry, and it's predicted to increase to a 690 billion dollar industry by 2024.

### Trending Colors:

pastels, cool hues, *pink*, metallic ombres

### Trending Styles:

polo shirts, cyber/futuristic, romance

Blazers can easily be designed to fit these aesthetics and will also likely increase our sales. Top fashion says that polo shirts will have a return during Spring/Summer 2023. This will translate well for our blouses and possible dresses, increasing our sales.

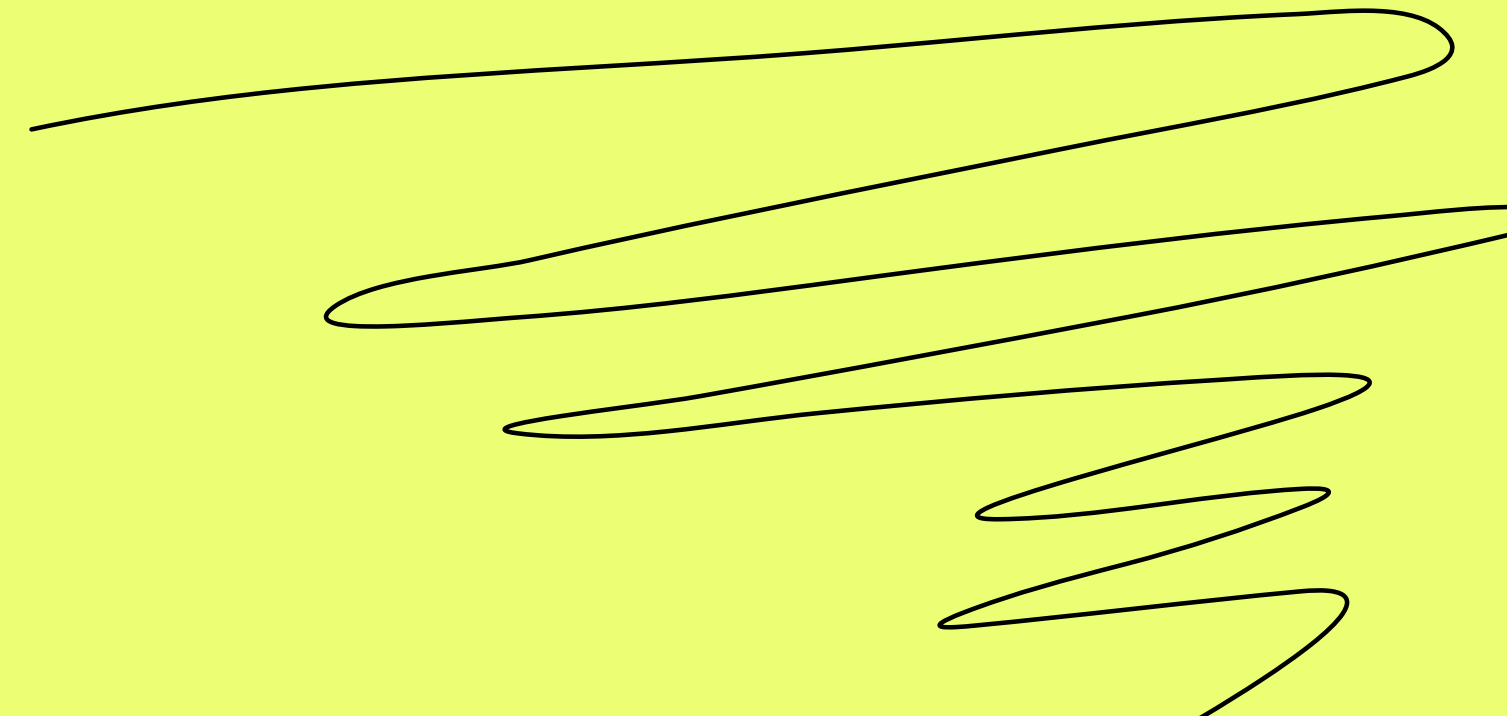
### Bridgerton

The Netflix show Bridgerton is given credit for the rise in popularity of pastel pink and romantic styles. Romantic details like ruffles and flower petals will easily manifest in blouses in dresses, increasing our sales.

# MERCHANDISE PLAN FOR CLASSIFICATION: 6-MONTH PLAN

		TY Plan (2023)
Season Sales (Department)		\$6,790,000.00
Classification Planned Sales		\$679,000.00
Reductions (% of Sales)		19.00%
MD%		5.00%
Shortage %		47.90%
Sales Discounts %		\$194,000.00
GM %		11.00%
Inventory Turnover (Plan)		3.00%
Average Inventory (R) (Plan)		3.5
Average Inventory (C) (Plan)		\$101,074.00
GMROI		321.79%
IMU%		56.22%

Actual Average Inventory (R) from 6-month records/plan		\$193,848.84
Actual Inventory Turnover_from 6-month records/plan		3.50



# MERCHANDISE PLAN FOR CLASSIFICATION: FEBRUARY BOM STOCK TABLE

Work Wear Sales Plan (\$) for February		\$109,047.40	
BOM Stock Plan (\$) for February			\$169,023.47
Sub-classification	% Distribution	Sales Plan (\$)	BOM Stock Plan (\$)
Blazers	30.00%	\$32,714.22	\$50,707.04
Blouses	20.00%	\$21,809.48	\$33,804.69
Dresses	40.00%	\$43,618.96	\$67,609.39
Other	10.00%	\$10,904.74	\$16,902.35

# ASSORTMENT PLAN: DRESSES

BOM ASSORTMENT DISTRIBUTION PLAN FOR WOMEN’S WORK WEAR - DRESSES

Assortment Factor	Levels	% Distr. (\$)	BOM (\$)	% Distr. (units)	BOM (units)
Style	Fitted Midi	40.00%	\$27,043.76	40.00%	240
	Floral Knee Length	25.00%	\$16,902.35	25.00%	150
	Ruffle V Neck	35.00%	\$23,663.29	35.00%	210
Color	Black	30.00%	\$20,282.82	30.00%	180
	Red	10.00%	\$6,760.94	10.00%	60
	Pink	25.00%	\$16,902.35	25.00%	150
	Grey	15.00%	\$10,141.41	15.00%	90
	White	20.00%	\$13,521.88	20.00%	120
Size	XS	10.00%	\$6,760.94	10.00%	60
	S	25.00%	\$16,902.35	25.00%	150
	M	30.00%	\$20,282.82	30.00%	180
	L	25.00%	\$16,902.35	25.00%	150
	XL	10.00%	\$6,760.94	10.00%	60
Price Points	\$89.00	40.00%	\$27,043.76	40.00%	240
	\$259.00	35.00%	\$23,663.29	35.00%	210
	\$625.00	25.00%	\$16,902.35	25.00%	150
TOTAL		100.00%	\$67,609.39	100.00%	600

# ASSORTMENT PLAN: BLOUSES

BOM ASSORTMENT DISTRIBUTION PLAN FOR WOMEN’S WORK WEAR - BLOUSES

Assortment Factor	Levels	% Distr. (\$)	BOM (\$)	% Distr. (units)	BOM (units)
Style	Fitted Knit	35.00%	\$11,831.64	35.00%	210
	Scalloped	25.00%	\$8,451.17	25.00%	150
	Ruffle V Neck	40.00%	\$13,521.88	40.00%	240
Color	Black	25.00%	\$8,451.17	25.00%	150
	Red	15.00%	\$5,070.70	15.00%	90
	Pink	25.00%	\$8,451.17	25.00%	150
	Orange	15.00%	\$5,070.70	15.00%	90
	White	20.00%	\$6,760.94	20.00%	120
Size	XS	10.00%	\$3,380.47	10.00%	60
	S	25.00%	\$8,451.17	25.00%	150
	M	30.00%	\$10,141.1	30.00%	180
	L	25.00%	\$8,451.17	25.00%	150
	XL	10.00%	\$3,380.47	10.00%	60
Price Points	\$69.00	40.00%	\$13,521.88	40.00%	240
	\$295.00	40.00%	\$13,521.88	40.00%	240
	\$495.00	20.00%	\$6,760.94	20.00%	120
TOTAL		100.00%	\$33,804.69	100.00%	600

# ASSORTMENT PLAN: BLAZERS

BOM ASSORTMENT DISTRIBUTION PLAN FOR WOMEN’S WORK WEAR - BLAZERS

Assortment Factor	Levels	% Distr. (\$)	BOM (\$)	% Distr. (units)	BOM (units)
Style	Classic	40.00%	\$20,282.82	40.00%	200
	3/4 Sleeve	30.00%	\$15,212.11	30.00%	150
	Oversized	30.00%	\$15,212.11	30.00%	150
Color	Black	30.00%	\$15,212.11	30.00%	150
	Red	10.00%	\$5,070.70	10.00%	50
	Baby Pink	15.00%	\$7,606.06	15.00%	75
	Grey	25.00%	\$12,676.76	25.00%	125
	White	20.00%	\$10,141.41	20.00%	100
Size	XS	10.00%	\$5,070.70	10.00%	50
	S	25.00%	\$12,676.76	25.00%	125
	M	30.00%	\$15,212.11	30.00%	150
	L	25.00%	\$12,676.76	25.00%	125
	XL	10.00%	\$5,070.70	10.00%	50
Price Points	\$75.00	35.00%	\$17,747.46	35.00%	175
	\$129.00	45.00%	\$22,818.17	45.00%	225
	\$455.00	20.00%	\$10,141.41	20.00%	100
TOTAL		100.00%	\$50,707.04	100.00%	500

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