NORDSTROM

Dan Schoening Discusses Digital and In-Store Experiences with the Business of Fashion

July 8, 2021

Vice President of Business Strategy and Operations, Dan Schoening, joined the Business of Fashion for a conversation on retail services and the evolving in-store experience. While customers can buy almost anything from the comfort of their homes, it has become increasingly important to create meaningful in-store experiences. Dan shared insight into how Nordstrom has blended digital and in-store service points to provide a seamless experience for every customer. See highlights from the discussion below.

So much of Nordstrom's strategy addresses the Omnichannel approach. Can you explain what Nordstrom Locals are and how they can meet the customer wherever they are?

Nordstrom Local is one part of our market strategy—leveraging our local assets of people, product and place to provide customers with more selection, greater flexibility and increased control on how they get their products fulfilled. Ultimately, it delivers speed and convenience for our customers by blending the physical and digital capabilities through a smaller neighborhood service hub.

Locals were designed in response to what our customers have told us they wanted, which was access to more products and control over how they receive the product. Locals provide services like styling and alterations along with gift wrapping, clothing donations and <u>Trunk Club services</u>. Because of our Locals central locations and smaller format, they have become a great addition for our customers to pop in and drop off their returns as well.

How can physical retail create special customer experiences that go a long way?

Giving great service is at the core of who we are and it's something we have been doing for 120 years. It's important we create an experience that feels special and personal to each customer. Whether it's through a salesperson, stylist, or customer care specialist, it's a person that knows the customer by name, what they like, their style and products they love. It ultimately it comes down to getting relevant product and brands at the individual level that come with that extra touch.

We want to bring that same level of personalization to our <u>digital experiences</u> —making digital personal. We do this by empowering our people with the tools to drive digital sales and create a seamless shopping experience for their customers. Our style boards tool enables our selling teams to create personalized looks and outfit recommendations, sending them virtually to their close customers. We also have style links, which are tools that allow each selling employee to create their favorite looks on their page.

It has become imperative to enhance our personalization capabilities to provide each customer that individual, highly relevant, personalized product and personalized experience, whether it is in-store or online.

What is the key performance indicator that you would consider most important to paint an accurate picture of how good your service is?

We talk a lot about customer engagement—customers choosing to engage with us across multiple touchpoints with increased levels of frequency. This doesn't just mean a purchase online or in-store. Customers don't view themselves as either a store shopper or digital shopper, and they also don't view themselves as a Nordstrom or Nordstrom Rack shopper—they view us as a single brand. They want to be able to engage seamlessly across all touchpoints. So, we look at an all-up view of how customers are engaging with us across all our touchpoints as one of the best signals for how we're serving them and how we can better serve them going forward.