

# NORDSTROM

## Vogue Business and Google Summit: Shea Jensen on the Evolving Merchandise Strategy

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Executive Vice President and General Merchandise Manager of Women's and Men's Apparel, Shea Jensen, joined the Vogue Business and Google Summit to discuss brand discovery and connection for the Gen Z customer and the evolving merchandise strategies to meet their needs. Leading the conversation was executive America's editor at Vogue Business, Hilary Milnes. See highlights from their discussion below.

### **When you're making merchandising decisions, how focused are you on the younger customer and incorporating Gen Z into your decisions?**

I feel proud of the role that I have at Nordstrom and lucky to be able to support our customers. In my role, I lead a team of buyers, and our job is to make sure we have the most relevant assortment for our customer base. We recognize the world is changing rapidly, and the younger customers are on our radar.

At Nordstrom, we're astute on this younger generation of customers. They are individualists and expect to see the product they want, when they want it and how they want it. They are also changing the mindset around gender norms and identity. So, we're thinking about how we can move with speed and agility to evolve our offering for the younger customers. We're excited about the work we're doing.

### **When you think about brand discovery, how do brand partnerships play a role in bringing a younger customer into stores or to shop online?**

Our ambition is to partner with the world's best brands and find ways to bring their stories and their intent to life for customers. Increasingly, that means we think outside the lines of traditional wholesale relationships. Those relationships have been successful and continue to be successful in many ways, but for us to be able to scale our product offering and reach new customers such as Gen Z fast enough, we have to think differently.

A great example of that is our partnership with ASOS—arguably, one of the world's most well-known retailers for younger customers. We announced our joint venture with ASOS earlier this year, with the intent of thinking about new ways of working, sharing our inventory and sharing our marketing assets. We are also exploring bringing their product to stores in North America, which would be the first time ASOS has ever had a brick-and-mortar presence.

As we think about serving and reaching this customer, we know we have to do it on their terms— where, when and how, and that starts with working with brands that they know and trust. We are also seeing that there is a change in the laws of supply and demand. Products that are highly demanded are typically limited in supply, which resonates with younger customers. That's starting to break some of the traditional retailing models that we've all been accustomed to—we are thinking about the customer experience differently.

### **As you're thinking about the way the Gen Z customer will become a long-term Nordstrom customer, how do you foster an environment where you can react to newness and engage with them digitally?**

If there's one surprising thing, it's that we can't be surprised by this generation— they are breaking norms across many dimensions. Whether that's the normalized supply and demand model that we've all become used to, gender norms or the way they access information, they want to be in control of that information and push for those changes themselves.

For us, it's about being able to move quickly with speed and agility. As we think about working with brand partners, the traditional model of wholesale is not going to get us there fast enough. How we're working with ASOS or collaborating with a new partner to launch a brand is through a combination of wholesale and concession models. At Nordstrom, it's about being credible and offering relevant selections—ultimately being a destination that appeals to this generation. We need to think and operate differently.

### **How do you stay true to who Nordstrom is and make sure that you're not alienating traditional or loyal customers while appealing to younger ones?**

We are a company that exists to make customers feel good and look their best. We believe in the diversification of the customers that we serve across geography, age and many other dimensions. As we think about Gen Z or millennial customers as the world's largest population, we must be able to serve them and appeal to them at the same time. We work hard to be inclusive and a retailer that offers something for all our customers. Increasingly, as we think about multi-channels and many touchpoints, we can tailor our messages to the right customer in the right place.

### **What's coming up for Nordstrom in the next year?**

We're excited about widening the aperture of customers that we want to serve and being even better at getting closer to those customers. And it's through our ability to scale some of these new and exciting partnerships, like ASOS, that we're able to grow our selection and be more relevant. Looking to the future, we think about partnering with the world's best brands and new and exciting ways of leveraging our data science capabilities to create a truly unique, personalized and connected experience.