

NORDSTROM

Harnessing the Power of Nordstrom Rack: Q&A with Geevy Thomas

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We [recently introduced](#) order pickup at U.S. Nordstrom Rack stores for Nordstrom.com, NordstromRack.com and HauteLook.com orders, as well as enabled all Nordstrom Rack stores to fulfill online orders for customers. We sat down with Geevy Thomas, president of Nordstrom Rack, to discuss these new capabilities, what they mean for the customer and how Nordstrom Rack is gearing up for the holidays.

What unique value does Nordstrom Rack add to Nordstrom as a whole?

Nordstrom Rack in-stores and online is the biggest customer acquisition channel for Nordstrom. We are uniquely positioned in the off-price space because we're the only off-price retailer that has a significant online channel. While some off-price retailers have an e-commerce business, Nordstrom Rack has proven its effectiveness as an off-price online fashion destination in the U.S. We take for granted that all full-price players have those offerings, but none of the other off-price players have what we do for Rack.

We want to be where the customer wants us to be anytime and anywhere. That includes our mobile app, website and all our stores.

How does Rack support the company's market strategy?

Our market strategy is all about providing an enhanced level of service and selection for customers in our top markets by using our people, product and place. Because Racks are located in the path of customers' daily lives near their grocery store or gym, we're a convenient place for customers to pick up online orders, which we now do in all Nordstrom and Nordstrom Rack stores, to handle returns, and in over 100 of our stores, they can get alterations at our full tailor shops.

From a convenience standpoint, we can offer many of the same services as a Nordstrom Local neighborhood service hub. Plus, the stores are already filled with inventory to help customers add real-time purchases to their visit. We're moving toward a place where a customer can be brand agnostic — we can take care of them the same way at Nordstrom, Nordstrom Rack or Nordstrom Locals, online and in-store.

You recently announced that all Rack stores will fulfill online orders —how does that help the customer?

For more than 10 years, Nordstrom full-line has been able to use all sources of inventory in stores and distribution centers to serve online customers — this is something new for Rack. It's a brand-new thing for us to leverage all the inventory we have sitting in our stores for online orders, which significantly expands the customer choices and inventory depth available for customers online. Additionally, over 80% of our online returns are made at a Rack store. Previously, that inventory would be trapped in the stores, invisible to our website but with store fulfill, we can now turn that inventory around faster and list it online — further adding to the available selection.

We also just activated [online order pickup](#) at Rack — including Full-Price orders. Without any marketing of this new service, we've seen an average 10,000 packages delivered to Rack stores for pick up every day. That shows you that our customers have a real appetite for this — with no marketing or promotion. They clearly want a safe place to pick up their packages, but order pickup also enables them to return products faster which helps us turn it back around, and it allows them to get any alterations done while they're in store.

How else is Nordstrom Rack further blending the physical and digital experience?

Since 2019, we've generated close to 2.5M Nordstrom Rack app downloads, which is the highest converting channel for traffic and provides an increase in traffic to our digital properties. To help with that, we've been promoting what we call a Genius Deal, which is \$5 off a \$50 purchase in-store, and when they create an account and shop through the app, they get another \$5 off a \$50 purchase online. In just six months, it's generated significant top-line sales between the two channels.

In 70 stores, we've added Express Services, which is essentially a dedicated destination for providing the core services of Nordstrom Local at a Rack, which includes order pickup, fast returns, alterations and more. This is yet another way we're adding convenience for customers where they live and work.

What is Rack doing to help customers with Holiday shopping?

We're really focused on being the destination for incredible stocking stuffers under \$10 and for an increased selection of gifts under \$25. We know how much the average customer spends on a gift, so we tried to optimize our selection to give them the highest quality product for the price they want to pay. We believe we have the best combination of brand, price and quality out there. We're also going to have gift hubs throughout each store to inspire customers — our [online hub](#) is already active.

What's the one thing you want customers to know about Nordstrom Rack?

We're going to have the freshest, most relevant inventory we've had available for the holidays. To compare our inventory to avocados, we're going to have fresh avocados available versus older avocados that might go bad soon, meaning customers will get the latest products and be able to wear them longer. Customers should find new product every time they visit which we hope will inspire them to come more often.

We know that our Rack customers love us, but they are not loyal. They want us to win, in fact they root for us to win...but in the end they will always buy the cute dress from the store that has the best price. We must be relentless in the pursuit of the best product at the best price.