

# NORDSTROM

## Bringing Flexibility to Payments with Buy Now, Pay Later Programs

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At Nordstrom, we are constantly evaluating and evolving to enhance the customer experience in-store and online. Part of the Nordstrom customer experience now includes flexible payment options. Over the past few years, we have launched new partnerships with buy now, pay later providers to continue to enhance our customers' shopping experiences. We recently sat down with our president of payments and credit, Dennis Bauer who shared the importance of these programs in serving customers on their terms.

### **What is buy now pay later, and why is Nordstrom offering this payment option?**

Buy now, pay later has really taken the payment space by storm over the last few years. This payment capability allows customers to pay in installments when they make a purchase. People have called it the modern-day layaway, but you get your product upfront. We are always listening to our customers and heard that buy now, pay later programs have resonated with them. This was the right addition as we think about evolving digital payments.

### **Are these capabilities part of Nordstrom's strategy to target a younger customer?**

We aim to serve the customer on their terms and offering this payment option is a way we can better meet their needs. While buy now, pay later is popular among younger customers, we hope by offering this option we continue to make shopping a seamless experience for all customers.

### **How did Nordstrom choose its partners? What makes each of them unique?**

We carefully evaluated each partner based on their unique benefits and how they meet the needs of our customers. Afterpay credits a customer's checking account and schedules a series of payments until the purchase is paid off and is available online and in-store. Affirm offers flexible payment schedules, which works well for larger purchases. We also partner with PayPal since many of our customers already use it.

### **We also offer Nordstrom cards through Nordy Club. What's the relationship between these capabilities for the customer?**

We want to offer the right payment mechanisms for our customers and serve them on their terms. By offering several methods, we can build a relationship with our customers and feel confident we're bringing new customers to Nordstrom that may not be part of the Nordy Club. We want to make sure we're meeting our customers where and when they want.

### **Looking forward to 2022, what are you most excited about?**

Last year, we focused on testing various buy now, pay later options both in-store and online and at Nordstrom and Nordstrom Rack. We learned a lot about what our customers expect and how they want to be served with their payment options. What I'm really looking forward to as we get into 2022 is deeper integration between the credit, loyalty and payments capabilities. We've got real opportunities in those areas and great partners to help us get there.