OMNI

Retail Insider

Nordstorm Research 2024

Impact of Nordstrom's Exit in Canada

Date: July 2024

Background & Methodology

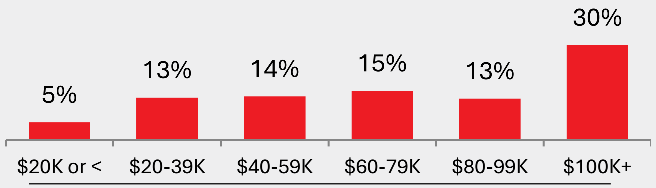
How	Online OMNIbus survey to assess the impact of Nordstrom's exit in Canada.
Who	**1,531** Canadians representative of **gender, age, region, education, presence of children in the household and mother tongue.**
When	July 12 to July 14, 2024
Significance Testing	Throughout the report, numbers in **green** indicate a number is significantly higher than its counterpart. Numbers in **red** indicate a number is significantly lower than its counterpart. Significance testing is done at a 95% confidence level. Callouts are added to show noteworthy differences between different groups.

Respondent profile

Total - all respondents (n=1,531)

Gender

Household income



Region

British Columbia	14%
Alberta	11%
Manitoba/Saskatchewan	6%
Ontario	39%
Quebec	23%
Atlantic provinces	7%

Age

18-24	8%
25-34	18%
35-44	16%
45-54	16%
55-64	18%
65-74	17%
75 +	7%

Occupation

Working full time	42%
Working part time	10%
Self-employed	5%
Student	5%
Homemaker	4%
Unemployed	6%
Retired	27%

Key Highlights

Nordstrom's challenges in the Canadian market

Despite moderate familiarity, Nordstrom struggled with low visit frequency, leading to its exit from the Canadian market due to insufficient consumer engagement.

AWARENESS

- Nordstrom's aided awareness is at 56%, placing it in the mid-tier among the listed retailers.
  - This indicates that while over ½ of Canadians were aware of Nordstrom, there is a significant portion that were not.
- Nordstrom's awareness is higher than Saks (49%) and Simons (49%), but lower than The Bay (85%) and Lululemon (76%).
  - While Nordstrom had a presence in Canada, it was not as deeply entrenched in consumer consciousness as some other major retailers.

FAMILIARITY

Nordstrom has a net familiarity of 35%, which is lower than top retailers like The Bay (79%) and Nike (76%) but higher than Decathlon (22%) and Saks (27%). 66% of respondents either did not know Nordstrom or had only heard of it without knowing any details, indicating a general lack of brand engagement.

VISITOR FREQUENCY

Despite being familiar to many Canadians, Nordstrom faced challenges in attracting regular visitors, with 44% of familiar respondents never having visited the store and 38% visiting only rarely. This lack of frequent foot traffic, particularly among older age groups and lower-income households, suggests a disconnect between Nordstrom's offerings and the needs of these demographics. The limited engagement likely contributed to Nordstrom's decision to exit the Canadian market, highlighting the importance of converting brand awareness into actual store visits.

Key Highlights

Nordstrom's challenges in the Canadian market

Following Nordstrom's exit, 67% of its former customers turned to other retailers like The Bay and Simons, while the store closures left 53% of these customers feeling disappointed, highlighting the brand's significant impact and the gap left in the market.

REPLACEMENT RETAILERS

- Following Nordstrom's exit from the Canadian market, 67% of its former shoppers have replaced it with other retailers, with The Bay being the top choice at 20%, followed by Simons (11%) and Winners (7%). However, 26% of respondents did not find a replacement. The variety of replacement choices, including specialty and second-hand stores, underscores the diverse preferences of Nordstrom's former clientele, highlighting both the adaptability of consumers and potential market opportunities for retailers to capture this displaced customer base.

EMOTIONAL RESPONSE TO CLOSURES

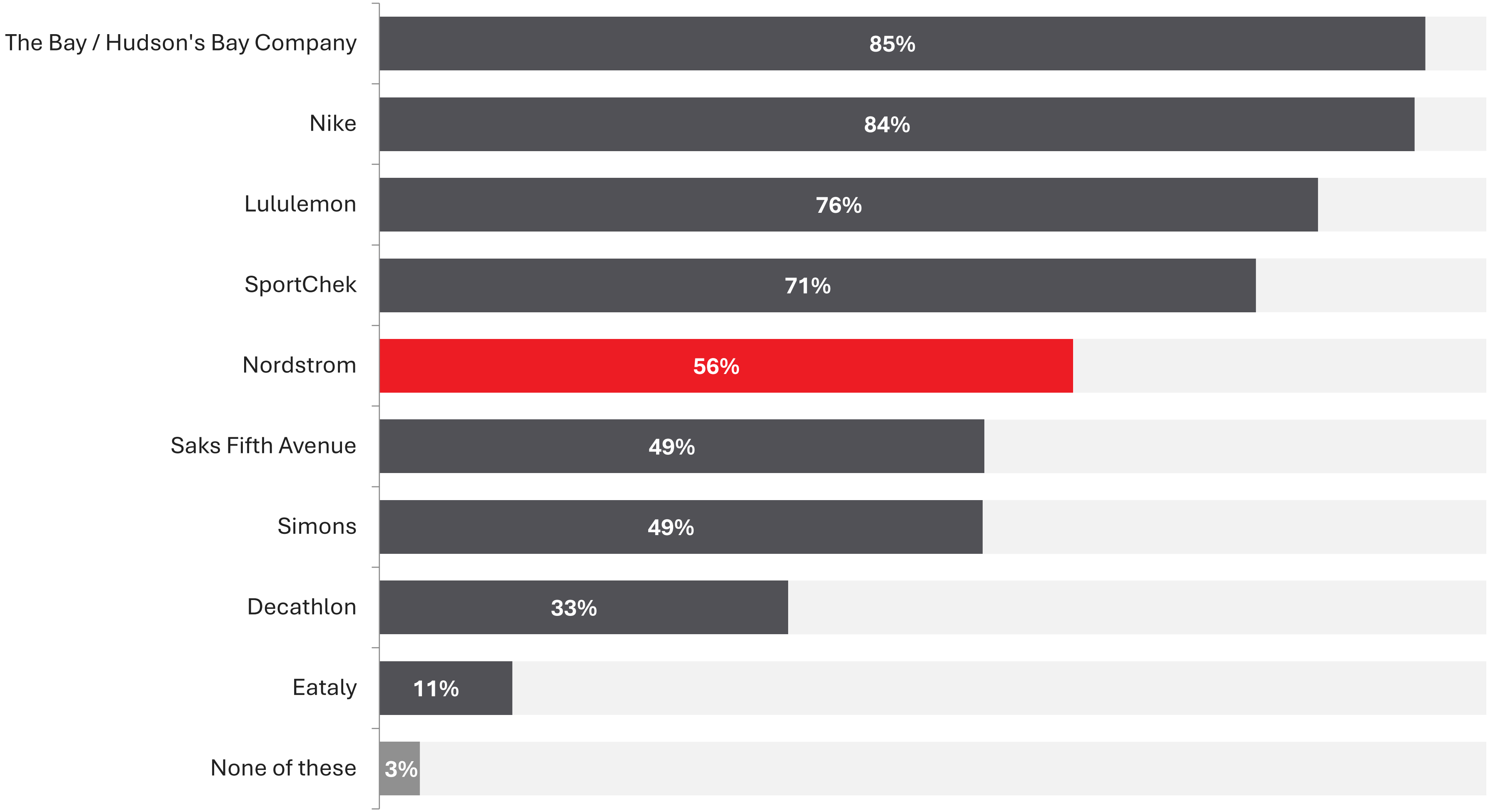
Nordstrom's departure from Canada deeply affected its customers, with 53% expressing disappointment. Their sentiments were primarily driven by the store's valued clothing and brand selection, their fondness for shopping there, and its reputation as an excellent department store. The high net disappointment rate underscores the brand's meaningful presence and the gap it leaves in the Canadian retail landscape. Customers also cited good merchandise, a unique product line, and good prices as key reasons for their disappointment of Nordstrom closing. This indicates opportunities for other retailers to capture this displaced customer base by emulating Nordstrom's valued attributes and addressing the broader economic and community concerns stemming from its closure.

Retailers **aided awareness** among Canadian population

Total - all respondents (n=1,531)

Q1. Which of the following retailers have you ever heard of?*

Know at least one retailer
97%



*Total may exceed 100% since respondents could provide multiple answers.

Retailers **aided awareness** among Canadian Population

By profile - all respondents (n=1,531)

Q1. Which of the following retailers have you ever heard of?*

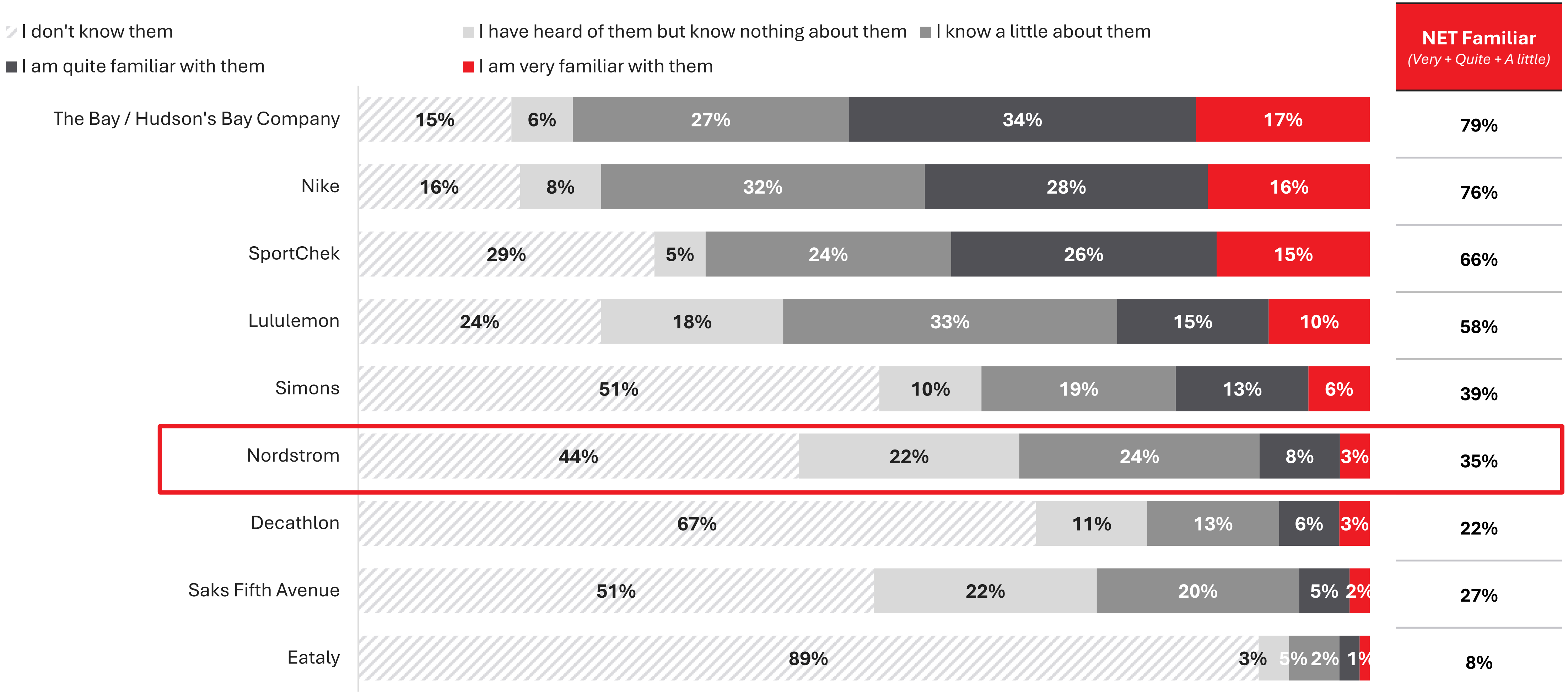
	Total	Gender		Age			Region		Household income		
		M	F	18-34	35-54	55+	QC	ROC	< $60K	$60K-$100K	$100K+
n=	1,531	688	843	353	431	747	412	1,119	460	422	507
The Bay / Hudson's Bay Company	**85%**	**80%**	**89%**	**75%**	**81%**	**95%**	83%	86%	84%	85%	85%
Nike	**84%**	**80%**	**88%**	**78%**	**81%**	**91%**	**80%**	**85%**	82%	85%	85%
Lululemon	**76%**	**67%**	**85%**	73%	75%	**79%**	**58%**	**82%**	**71%**	73%	**85%**
SportChek	**71%**	69%	73%	**65%**	69%	**77%**	**18%**	**87%**	70%	71%	73%
Nordstrom	**56%**	**50%**	**62%**	**45%**	54%	**65%**	**23%**	**67%**	**50%**	58%	**61%**
Saks Fifth Avenue	**49%**	**41%**	**57%**	**29%**	46%	**64%**	**22%**	**57%**	**42%**	49%	**56%**
Simons	**49%**	**42%**	**55%**	46%	51%	50%	**81%**	**39%**	**40%**	51%	**55%**
Decathlon	**33%**	31%	35%	**44%**	36%	**24%**	**62%**	**25%**	**24%**	37%	**42%**
Eataly	**11%**	**8%**	**13%**	10%	12%	10%	**7%**	**12%**	**6%**	12%	**17%**
None of these	**3%**	4%	3%	4%	**5%**	**1%**	4%	3%	5%	2%	2%

*Total may exceed 100% since respondents could provide multiple answers.

Retailers **familiarity** among Canadians

Total - all respondents (n=1,531)

Q2. For each of the retailers you have heard of, please indicate your level of familiarity with each.



Retailers **familiarity** among Canadians

By profile - all respondents (n=1,531)

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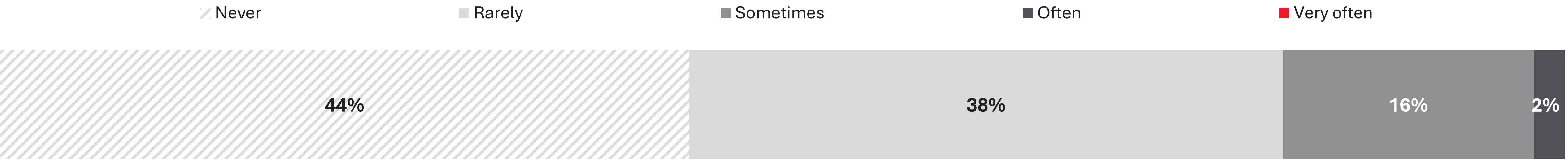
n=	1,531	688	843	353	431	747	412	1119	460	422	507
The Bay / Hudson's Bay Company	**79%**	75%	83%	69%	74%	89%	76%	80%	76%	78%	82%
Nike	**76%**	74%	79%	75%	76%	77%	72%	78%	71%	77%	82%
SportChek	**66%**	65%	67%	61%	65%	70%	13%	82%	63%	66%	69%
Lululemon	**58%**	50%	65%	63%	59%	54%	40%	64%	45%	58%	72%
Simons	**39%**	33%	45%	39%	42%	37%	75%	29%	31%	40%	47%
Nordstrom	**35%**	30%	39%	34%	36%	34%	14%	41%	27%	35%	43%
Saks Fifth Avenue	**27%**	22%	32%	18%	30%	30%	13%	31%	17%	26%	37%
Decathlon	**22%**	21%	24%	31%	26%	15%	48%	15%	15%	24%	30%
Eataly	**8%**	5%	11%	8%	9%	7%	5%	9%	3%	9%	13%

Nordstrom **visit frequency** prior to market exit

Total and by profile – those who are familiar with Nordstrom (n=528)

Q3. How often did you visit Nordstrom before their stores closed?



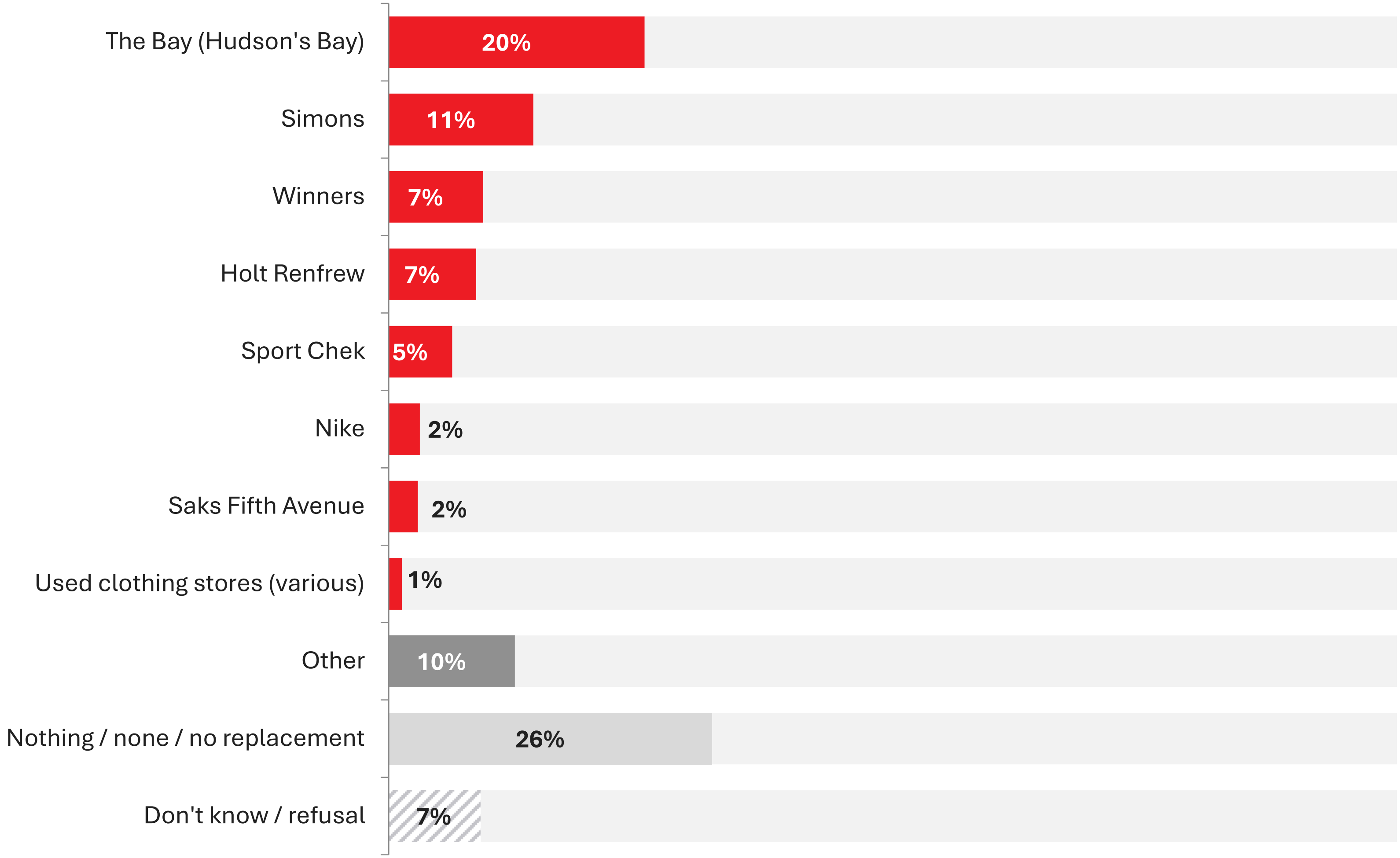
	Total	Gender		Age			Region		Household income		
		M	F	18-34	35-54	55+	QC	ROC	< $60K	$60K-$100K	$100K+
n=	528	203	325	110	162	256	55	473	122	146	215
Very often	**-**	-	-	-	-	-	-	-	-	-	-
Often	**2%**	2%	2%	3%	2%	2%	3%	2%	3%	1%	4%
Sometimes	**16%**	14%	16%	**24%**	12%	13%	8%	16%	16%	12%	19%
Rarely	**38%**	35%	41%	**48%**	34%	36%	46%	38%	**27%**	42%	41%
Never	**44%**	48%	40%	**25%**	**52%**	49%	43%	44%	**55%**	44%	**37%**

Replacement retailers for former Nordstrom shoppers

Total and by profile – those who visited Nordstrom sometimes or more often before their stores closed (n=100)

Q4. Which retailer has replaced Nordstrom for your shopping needs?

Replaced with any retailer
67%

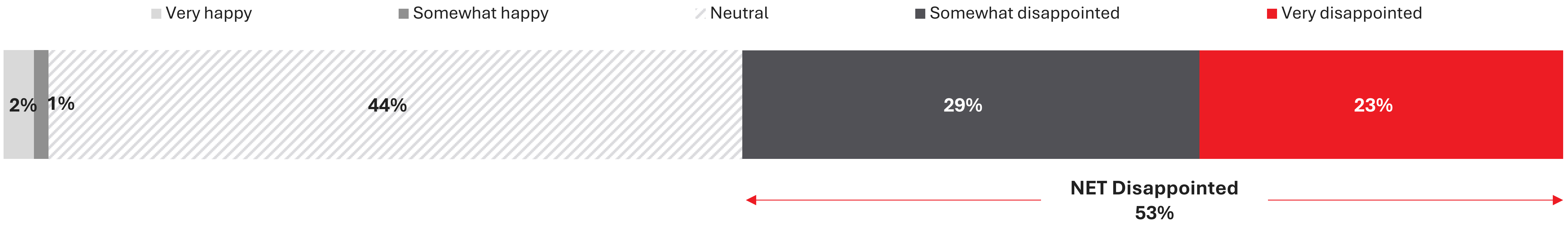


*Open-ended question: since respondents could provide more than one answer, the total may exceed 100%.

Emotional reactions to Nordstrom's store closures in Canada

Total - those who visited Nordstrom sometimes or more often before their stores closed (n=100)

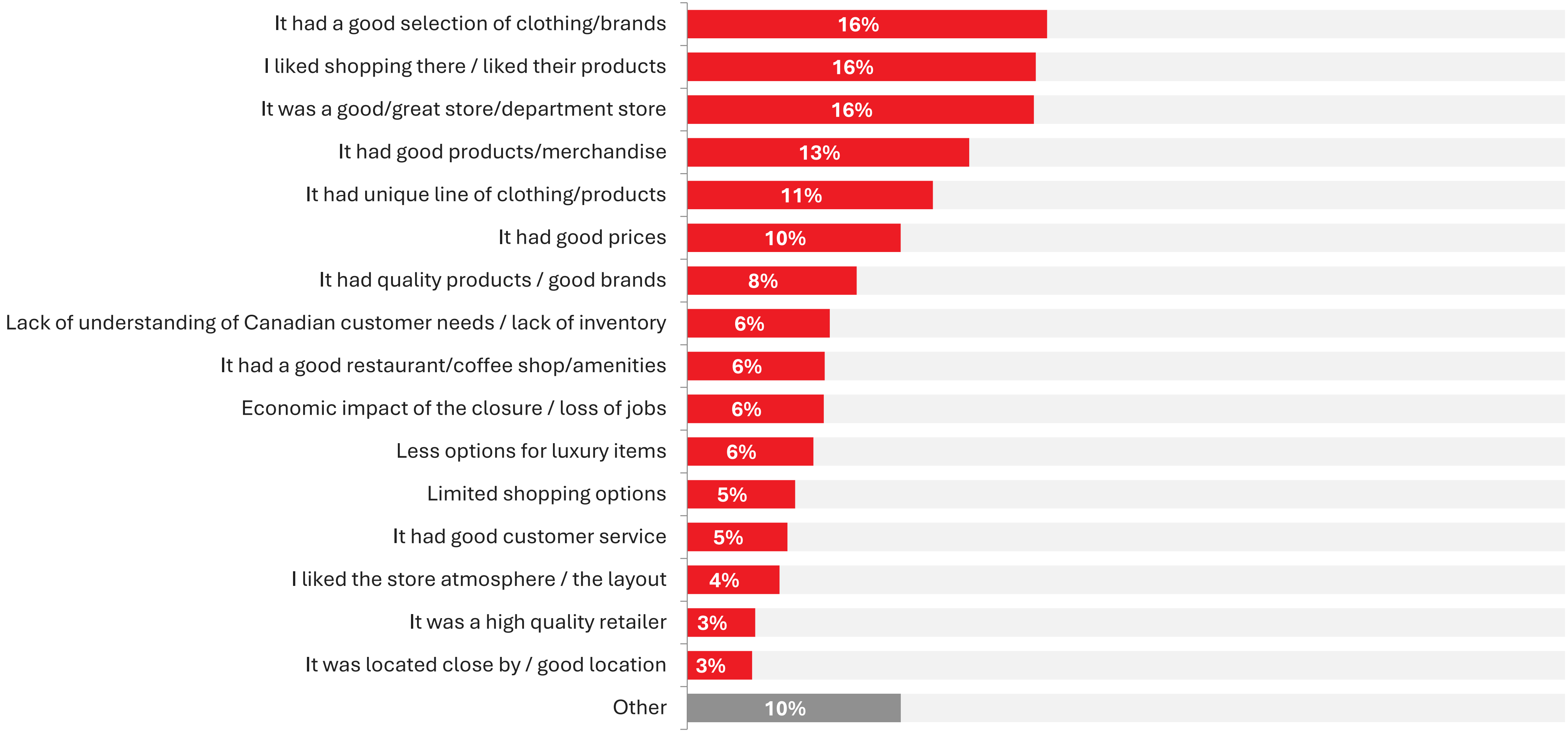
Q5. How did you feel when you heard that Nordstrom had closed all its stores in Canada?



Key reasons for disappointment over Nordstrom's exit from Canada

Those who are disappointed by Nordstrom's exit from Canada (n=56)

Q6. What are the main reasons you are disappointed by the closure of Nordstrom stores in Canada?



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