

Will the recession come for Nordstrom?

Article

According to the Bureau of Economic Analysis, [GDP declined 0.9% in Q2](#), following a 1.6% fall in Q1. That's widely considered an indicator of a recession. This news comes after a week of disappointing Q2 results, which, in turn, spurred a wave of workforce cuts.

While **Nordstrom** hasn't seen its customers cutting back, it could be only a matter of time before the recession comes for the department store.

Let's take a look at the retailer as it teeters on the fine line between Q1 success and its looming Q2 results.

47%: The percentage of US adults [spending less on apparel](#) due to rising prices, per a May CivicScience survey. However, [Nordstrom isn't seeing customers trade down for lower prices](#); it's having trouble moving discounted clearance merchandise as consumers focus on new products, said CEO Erik Nordstrom. FWIW, luxury retailer **LVMH Moët Hennessy Louis Vuitton** [posted strong earnings this week](#), citing high demand for swank goods.

70%: The percentage of [Nordstrom customers interested in styling services](#). The retailer said shoppers who work with a stylist spend **seven times** more.

\$680 million: [Nordstrom's 2021 click-and-collect sales](#). [Customers that use this service](#) spend **3.5 times** more than consumers who don't. We predict total US [click-and-collect sales will increase 19.4%](#) this year, up nearly 10 percentage points from last year's 9.7% growth.

3.7%: The percentage visits to indoor malls fell, month over month, in June, per Placer.ai. Visits to open-air shopping centers also fell **2.4%**. Nordstrom is among a handful of department stores [opening smaller, local locations](#) to capitalize on consumers staying closer to home.

\$3.47 billion: [Nordstrom's revenues for Q1 2022](#), up **18.7%** year over year (YoY). Nordstrom banner net sales rose **23.5%**, and net sales for Nordstrom Rack increased **10.3%** YoY. The top categories were men's and women's apparel, shoes, and designer brands.

Why we care: Nordstrom had a strong first half. Can it ride that success through the back half of the year or will inflation and a recession take its toll?

This was originally featured in in the Retail By the Numbers newsletter. For more retail insights, statistics, and trends, [subscribe here](#).