

WEST METRO

Nordstrom's second Twin Cities store expected to help Ridgedale

Minnetonka's Ridgedale has lagged behind its peers, but a new Nordstrom, a retailer that resonates with Minnesotans, is expected to reverse that trend.

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As stockers plied the racks and shelves with merchandise in the new Nordstrom in Ridgedale Center last week, salespeople sat in groups of 10 to 12 discussing ways to delight customers.

Shoe department employees talked about keeping tissue and cardboard clutter out of customers' sight. Cosmetics employees discussed ways to acknowledge a waiting customer while helping another guest. Flip charts with handwritten words such as "real," "honest," "comfortable," "genuine" and "respect" were placed near each group.

It's but a glimpse behind the curtain of a specialty retailer prized for its quality merchandise but especially for treating its customers like royalty.

The Seattle-based retailer, which has been in the Twin Cities at the Mall of America since it opened in 1992, is a crown jewel for any mall. Its opening at Ridgedale this week is a turning point after nearly three years of reconstruction at the mall in Minnetonka.

"It's a home run for Ridgedale," said Martin Sneider, adjunct professor of marketing at Washington University in St. Louis. "They're appealing to the Midwestern customer who wants great customer service and good brands in a nice setting."

Nordstrom occupies a new building in a spot where Macy's ran a men's and home store. After closing that, Macy's added more than 80,000 feet to its main store in Ridgedale.

Nordstrom's new store is 140,000 square feet, about two-thirds the size of its Mall of America store. And unlike that location, the new store has windows, bringing natural light to its sleek, white interior. And from the outside at night, the windows show off what's inside and distinguish the store from the plain walls of the rest of the mall.

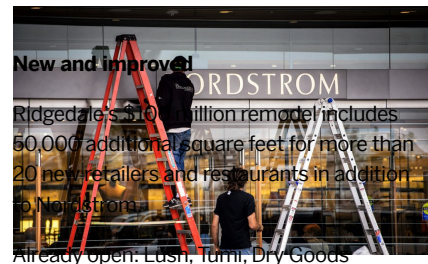
Along with some luxury brand boutiques in the Galleria in Edina, Nordstrom is one of the most expensive places to shop in the Twin Cities. But it has survived in a market where Neiman Marcus, Saks Fifth Avenue, and Bloomingdale's didn't, in part by moving into the sweet spot for customer service long occupied by Minnesota's beloved Dayton's, which, through a succession of deals, became part of Macy's.

Erik Nordstrom, great-grandson of Nordstrom's founder and now co-president of the company with his two brothers, recalls competing with Dayton's at the opening of the Mall of America store, which he managed for three years.

"That was good for us," Nordstrom said. "We need to have that same focus on each customer in Ridgedale. A big part of the service business is humility and learning to listen to the customer."

Luxury retail analyst Pam Danziger of Unity Marketing in Pennsylvania said that Nordstrom appeals to middle-income and affluent shoppers. "Nordstrom is the more democratic of the brands," she said. "Nordstrom isn't elitist. They hit premium price points but not luxury price points."

Neiman Marcus, based in Dallas, is perceived as Texas oil money. Saks is all about 5th Avenue, Wall Street and New York. Nordstrom, meanwhile, sprung up from a humble shoe store in Seattle in 1901. Like Dayton's, Nordstrom fits Minnesota's sensibilities, said Beth Perro-Jarvis of Ginger Consulting.



Opening this week: Nordstrom, Athleta, Tommy Bahama, Hammer Made, Uptown



New and improved Ridgedale's \$100 million remodel includes 50,000 additional square feet for more than 20 new retailers and restaurants in addition to Nordstrom. Already open: Lush, Jumi, Dry Goods

"Timeless, nice and practical," she said. "They have opening price points for mid-level shoppers, but can just as easily satisfy the Maple Grove shopper who may not look the part but has a Burberry scarf and wallet and a second home on Gull Lake."

Nordstrom said the company aims high in its level of merchandise and service and wide in the people it wants to reach.

"We need to feel welcoming to all. We have great designers and accessible price points," Nordstrom said. "Luxury instills a sense of exclusivity. We're not a luxury retailer."

The Mall of America store is "one of our best performing stores by any measure," Nordstrom said. The Ridgedale store will be the company's 120th department store, along with 188 Rack outlet stores by Thursday, including locations in Mall of America, Maple Grove and St. Louis Park.

In part because it is two stories instead of three, the new Ridgedale store will be a different experience than the one at the Mall of America. "It's easier to shop throughout the store and discover new departments and brands customers may not have shopped before," said Stephanie Johnson, who is managing the new store.

While brands such as Ashley Graham lingerie and Penfield for young men will be exclusive to Ridgedale, well-heeled shoppers used to tripping through Prada and Chanel boutiques in Mall of America won't find such designer apparel in Ridgedale. "We had to make some decisions about the best way to use that [smaller] space," Johnson said. "We're also dealing with limits designers place on the distribution of their products."

Even if Nordstrom wanted a Chanel boutique in Ridgedale, the design house may have nixed it. "Chanel is very careful about the number and placement of its product," said Sneider, the marketing professor. "Mall of America and Macy's in Herald Square bring an influx of tourists. Ridgedale might not attract that many."

Initially, the Nordstrom store at the Mall of America didn't carry the ultraluxury brands. It's possible the assortment at the new store in Ridgedale could change based on customer demand. Johnson said that customers can ask salespeople to bring designer products into the Ridgedale store.

Pam Olson of Howard Lake, who was shopping at Ridgedale last week, said she's very excited about Nordstrom but had already heard rumors about the midlevel assortment. "Ridgedale is my clothes closet," Olson said. "I hope I can find brands like Diane von Furstenberg or Catherine Malandrino."

Analysts say that when Nordstrom enters a mall, other retailers flock to be near it. Since Ridgedale signed up Nordstrom two years ago, more than 20 retailers have signed leases, including Pottery Barn, Williams-Sonoma, Brooks Brothers, Tommy Bahama, Michael Kors and Creative Kidstuff.

Dave Brennan, co-director of the Institute for Retailing Excellence at the University of St. Thomas, said that Ridgedale was a tired center before signing Nordstrom in early 2013. "Five or six years ago they were going to do a major remodel, but General Growth went through bankruptcy and it never happened," he said. "Bringing in Nordstrom is incredible good fortune."

General Growth, the mall's owner, doesn't release sales per square foot at its centers. Dick Grones, principal of Cambridge Commercial Realty in Edina, estimates that Ridgedale's is in the low \$400s, well below the \$704 per square foot that the Mall of America gets and the \$600 per square foot at Rosedale. Grones said he expects sales to "increase more than \$150 per square foot within two years after Nordstrom opens."

Pady Regnier is one local store owner who wanted to get into Ridgedale as soon as she heard about Nordstrom. Her Uptown Minnesota store also opens there this week. "I wouldn't have opened Uptown and taken over the Swarovski store in Ridgedale if I didn't know Nordstrom was going there," she said.

"We're trying to create an emotional connection with a customer that other retailers don't have," Regnier said. "Nordstrom is like that, too. They're not a commodity."

