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Trump criticism of Nordstrom raises conflict concern

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NEW YORK >> President Donald Trump criticized Nordstrom, the latest company to be the focus of his Twitter attention, saying Wednesday that the department store chain

that decided to [stop selling his daughter's clothing and accessory line](#) has treated her "so unfairly."

Though he has tweeted in the past about companies such as the U.S. automakers, Boeing and Carrier, ethics experts saw the fact that this one was about a business run by his daughter raising conflict-of-interest concerns and even carrying an implicit threat.



In the message, Trump said, "My daughter Ivanka has been treated so unfairly by Nordstrom. She is a great person — always pushing me to do the right thing! Terrible!" Posted first on his personal account, it was re-tweeted more than 6,000 times in less than an hour. It was also retweeted by the official POTUS account.

Trump's presidency has raised unprecedented concerns about ethical conflicts. His plan to separate himself from his sprawling real estate business has been criticized by ethics experts, who say it doesn't do enough to make sure that Trump won't make decisions to personally benefit himself, his family or his company.

Kathleen Clark, a government ethics expert, said the Nordstrom tweet is problematic because other retailers may think twice now about dropping the Ivanka Trump brand for fear of getting criticized publicly by the president. She said it was especially disturbing that Trump retweeted his message on the official White House account.

"The implicit threat was that he will use whatever authority he has to retaliate against Nordstrom, or anyone who crosses his interest," said Clark, a law professor at Washington University in St. Louis.

Clark defended the president's right to use his personal Twitter account to express his views, however, pointing out that government workers at the EPA recently set up alt-EPA accounts to criticize the president's policies. "A government employee, even a president, is allowed to tweet in his personal capacity."

Trump has feuded with several consumer brands before and after winning the presidency. After Macy's dropped his line of ties and shirts during the summer of 2015 over his comments about immigrants, Trump singled Macy's out for having a tough holiday season. "Good news, disloyal Macy's stock is in a total free fall. Don't shop there for Christmas," he tweeted that December. And in January of this year, he

scolded General Motors for "sending Mexican made model of Chevy Cruze to U.S. car dealers-tax free across border." "Make in U.S.A. or pay big border tax," he said.

Nordstrom reiterated Wednesday that its decision was based on the brand's performance. Since it confirmed its decision about the brand last week, the company has been responding to disappointed or angry shoppers on its Twitter, stressing that its reasons were based on poor performance. Nordstrom shares had dropped after the tweet, like those of other companies Trump has mentioned in the past, but they later recovered to close more than 4 percent higher.

A social media campaign called "Grab Your Wallet" has urged a boycott of stores that stock Ivanka Trump or Donald Trump products, though the companies that have stopped ordering or cut back on the Ivanka Trump brand have not mentioned it.

Nordstrom said last week its decision was based on the Ivanka Trump brand's performance, and that each year it replenishes about 10 percent of its supply with new products. On its website alone it has more than 2,000 products on its website alone. "Reviewing their merit and making edits is part of the regular rhythm of our business," it said.

Retailer Belk Inc. said Wednesday it will no longer be carrying the Ivanka Trump brand on its website, but will still offer the merchandise at its stores. The New York Times reported that TJX Cos., which operates T.J. Maxx, told employees not to display Ivanka Trump goods separately and to discard the brand's signs, according to a memo obtained by the paper. TJX spokeswoman Doreen Thompson confirmed the memo and said the communication was "intended to instruct stores to mix this line of merchandise into our racks, not to remove it from the sales floor." She said that "at this time, we continue to offer the line of merchandise."

Rosemary K. Young, senior director of marketing at Ivanka Trump, said last week that the brand is expanding and saw "significant" revenue growth last year compared to the previous year. Ivanka Trump has said she would take a leave of absence from her clothing and accessories business as well as the Trump organization.

White House spokesman Sean Spicer said Trump was responding to an "attack on his daughter" when he posted the tweet and that "he has every right to stand up for his family and applaud their business activities, their success."

"For someone to take out their concern with his policies on a family member of his is not acceptable," Spicer said.

Trump's tweet was posted at 10:51 a.m., a little over 20 minutes after the scheduled start of the president's daily intelligence briefing in the Oval Office. Spicer waved off reporters' questions about the timing, saying the president was not otherwise occupied when he wrote the tweet.

It's not the first time Trump's tweets have at least temporarily affected a stock.

"What we are seeing is that we are living in a world with a different kind of chief executive in the White House," said Matthew Shay, president and CEO of the National Retail Federation trade group. "He has a strong opinion on issues. We are learning to work in the environment."

Retailers drop brands all the time because of poor performance, said brand consultant Allen Adamson, but given a highly charged political environment, perception is reality for loyal Trump fans.

"It is clearly hard for Nordstrom to tell the story that it is dropping (the brand) for business reasons," said Adamson, founder of the consulting firm Brand Simple. "The timing is awful. The environment is full of companies taking political stands. So in this environment, it will be perceived as a political statement. Nordstrom is getting dragged into this even though they may not want to be."

He said that the best advice he can give companies is to be clear, firm and succinct in their message.

But one thing is evident: "They shouldn't get into a Twitter war with the president," he added. "That is a no-win situation."

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