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A Case Analysis on Target’s Transition into a D.D.O

Target is one of the American retail corporation which operates a chain of departmental stores and Hypermarkets,Headquartered in Minnesota. This chain is the 7th largest retailer in the United states. Target is well known for its Aesthetic interiors and its notable for its forward merchandise at lower costs. Target stores typically sell merchandise including clothing,household goods,electronics. Whenever any child is asked, ‘which supermarket they want to visit?’ their first choice will be TARGET due to its special discounts on the Toys.

In the year 2010 due to the ecommerce giants like Amazon Target faced a challenge competing in the market, to overcome this Target started its journey to become a Data driven organization, leveraging humongous amounts of data to enhance decision making and personalize customer experience and one of the biggest challenge was overcoming the disconnect between the product managers and data scientists and ethical concerns related to data privacy. As it is described in the Oreilly book, the Data should be easily accessed, data collection should be unbiased as it is said preferring Quality Data Over Quantity is very important.

**Biggest Challenge and Supporting Factors for the Problem**: The biggest challenge for Target was ,to incorporate data successfully into the decision-making process. The company identified that in a compettitive market driven by data, Gut-feeling alone couldn't serve the purpose. Davenport and Harris opined that organizations making a shift towards data-driven culture see considerable cultural resistance and a lack of data literacy among influential stakeholders. This was also played out at Target, where product managers resisted the new implementation of data-driven approaches as beliefs held that too much confidence on data would make 'creativity' and 'innovation' in product development become undermined.

**Reason for Adoption**: The justification for adopting a data-centered approach has been to remain competitive within a dynamic retail environment. Firms using data-driven decision-making are 5 percent more productive and 6 percent more profitable than their competitors, as stated by McAfee and Brynjolfsson, 2012. For Target, it was about using customer data to predict buying habits and match product presentations with those predictions accordingly. Yet, the gap between product managers and data scientists became a big hurdle toward the goals set. Product managers traditionally have relied on their experience and intuition in making decisions, while data scientists depend on quantitative analysis, which leads to clash in their strategic goals.

**Future Analysis**: As Target further fleshed out its data-driven policy, the company utilized cross-functional teams to try to bridge the divide between product managers and data scientists. This kind of collaborative model helped connect their goals by bringing full-circle thinking to product managers and enabled them to understand and apply data insights better in their decision-making processes. However, initial resistance from the product managers themselves to commence using the data-driven approach was very indicative of the usual problem that arises during the organizational changeover process difficulty in changing deeply embedded, quintessential cultural habits.

Futuristic examples from other firms point out the resolution of cultural resistance to the change into a data-driven organization. For instance, Netflix tried to integrate data into content creation by adjusting the culture to accommodate both data and creativity. In that sense, Netflix allowed collaboration between data scientists and creative teams; thus, data brought in more information, while creativity was still valued. Where Target might have mirrored a similar approach is in presenting data and intuition as complementary pieces, rather than pitted against each other, for product development.

Also, the ethical concerns regarding the use of customer data ,by Target raise a call for clarity and responsibility in handling customer data. The whole fiasco involving Target's ability to predict a customer's pregnancy before confirmation makes the possible risks of predictive analytics admittedly evident when dealt with without care. Furthermore,in the future, Target will be able to have better data practices if it ensures the implementation of stronger data governance policies as well as that customers are informed about the use of their data.

**Closing Remarks**- The driving forces that propelled Target to turn itself into a data-driven organization were ways of trying not to fall behind in this incredibly competitive, rapidly data-driven market. Their way was fraught with more complications than ever, especially as far as integrating data into product management and data privacy ethical issues. By fostering a collaborative culture between product managers and data scientists, and by embracing responsible data practices, Target will continue to use data insights without betraying customer trust or stifling innovation. The story of Target has a powerful lesson for every organization in how to use the power of data to make strategic decisions.

**References:**

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