Name – Kirtan Mukeshbhai Nathani

❖ IDENTIFICATION OF PROBLEM(S)

Target's collaboration with Lilly Pulitzer was aimed at reinvigorating its brand and drawing back lost customers by aligning with its "Expect More, Pay Less" mantra. However, the collaboration faced significant operational issues, such as website crashes and product shortages, which led to customer dissatisfaction. Target's inability to meet demand and maintain a seamless shopping experience posed a major problem for both the brand and its customers.

❖ DECISION CRITERIA

In this case, Target needed to meet the following criteria to ensure success:
- **Customer Satisfaction:** Ensure a smooth shopping experience, both online and in-store, without product shortages.
- **Infrastructure Readiness:** The website should be able to handle large volumes of traffic during high-demand product launches.
- **Brand Image:** The collaboration should enhance Target's "Tarzhay" image, positioning the brand as trendy, affordable, and luxurious.
- **Product Availability:** Products should be accessible to as many customers as possible, avoiding instant sellouts or limited availability.
- **Operational Efficiency:** Effective supply chain management to ensure adequate inventory levels and smooth operations during launches.

❖ ANALYSIS

- **Target's Initial Objective:**
  Target collaborated with Lilly Pulitzer to offer high-end, affordable fashion to its customers, thereby attracting a wider audience and regaining lost customers after a recession. By leveraging Lilly Pulitzer's luxury image, Target hoped to revitalize its brand as a destination for stylish yet affordable goods.
- **Execution Failures:**
  While the collaboration generated excitement, Target failed in key areas:
- **Website Issues:**
  The website crashed due to high traffic, preventing many customers from accessing the collection.
- **Inventory Shortages:**
  In-store products were sold out almost instantly, frustrating customers and leading to negative perceptions.

- **Resale Issues:**
  Many products ended up being resold at higher prices on secondary platforms, further alienating Target's core customer base.

> **Customer Dissatisfaction:**
> The failure to meet demand led to widespread disappointment, as customers expected better access to products and a more seamless shopping experience. These operational mishaps damaged Target's brand image and undermined its efforts to reinvigorate its "Tarzhay" positioning.

❖ ALTERNATIVES

> **Alternative 1: Staggered Product Launches**
> Target could have implemented staggered product launches to distribute demand over time and avoid overwhelming its website and stores.

> **Alternative 2: Pre-order System**
> Target could have allowed customers to pre-order items, spreading out the traffic on its website and ensuring that more people had access to products over time.

> **Alternative 3: Improve Website Infrastructure**
> Investing in a more robust, cloud-based infrastructure would have allowed Target's website to handle the increased traffic during the launch, reducing the likelihood of a crash.

> **Alternative 4: Increase Inventory Levels**
> Target could have increased the inventory levels for both online and in-store purchases, ensuring a larger number of customers could access the products without immediate sellouts.

❖ DECISION(S) / RECOMMENDATIONS

Based on the analysis, Target's operational issues were foreseeable and could have been mitigated with better planning. The following recommendations are made:

1. **Improve Website Infrastructure:**
   Target should invest in more robust website capabilities, such as scalable cloud solutions, to handle high traffic during major product launches.

2. **Increase Product Availability:**
   Target should increase its inventory for limited-edition collections, both in-store and online, to meet customer demand and prevent product shortages.

3. **Introduce a Pre-order System:**
   Offering pre-orders would allow customers to secure items in advance, reducing the stress of immediate sellouts and minimizing website traffic surges.

4. **Train Staff and Organize In-store Processes:**
   Target needs to train its in-store staff to handle large crowds and ensure an organized checkout process during major launches.

5. **Use Data from Previous Launches:**
   By analyzing data from previous collaborations (e.g., Missoni), Target can forecast demand more accurately and avoid similar issues in the future.

❖ **IMPLEMENTATION**
To successfully implement these recommendations, Target should follow these steps:

1. **Upgrade Website Infrastructure:**
   Target should work with IT and web development teams to scale its website capacity through cloud-based solutions. Testing should be done in advance of major launches to ensure readiness.

2. **Increase Inventory Planning:**
   The supply chain team should collaborate with vendors and forecast demand based on past data to ensure sufficient inventory. Store and warehouse managers should be involved in preparing for potential restocks as needed.

3. **Establish a Pre-order System:**
   Implement a pre-order mechanism that allows customers to reserve products in advance. This system should be supported by both the website and in-store platforms, offering flexibility for customers.

4. **Staff Training and Operational Efficiency:**
   Target should provide specific training to store employees ahead of major launches. Additionally, operational processes, such as restocking and checkout procedures, should be optimized to handle increased demand during high-traffic periods.

5. **Customer Communication Strategy:**
   Implement a communication plan that keeps customers informed about product availability, restocks, and potential pre-order options. This will help manage expectations and reduce frustration.