



Lilly Pulitzer at Target

Case

Author: Herbert Sherman, Hannah K. Walter & Naveed Ahmad

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Abstract

Lilly Pulitzer is a high-end luxury designer known for its colorful American resort wear. Target decided to collaborate with Lilly Pulitzer—the first big designer that it brought back to shelves after abandoning its original mantra.

Case

Target, or as many refer to it, “Tar-zhay,” was once known for its super chic, affordably priced, designer clothing that targeted middle-class consumers. The fashion-forward discount chain was based around the consumer expectation to “expect more, pay less.” Unfortunately for Target, the company only focused on the “pay less” part during the recent recession. Realizing its mistake, Target has now committed to revitalizing the mantra of “expect more, pay less,” which is where Lilly Pulitzer comes into the scenario.

Lilly Pulitzer is a high-end luxury designer known for its colorful American resort wear. ¹ Target decided to collaborate with Lilly Pulitzer—the first big designer that it brought back to shelves after abandoning its original mantra. This limited-edition collection excited many consumers, giving Target hope that it would attract previous consumers and capture the attention of many new ones.

Lilly Pulitzer at Target created quite the hype, attracting its typical middle-class target market and the upper-class Lilly Pulitzer loyalist. Everyone, including Target, was excited for the high-end line to be available for a fraction of its typical price. On April 19, 2015, the limited time capsule collection launched. ²

The objective worked—perhaps too well. Eager consumers on Target’s website at midnight were utterly disappointed to learn the site had crashed due to an overwhelmingly high volume of traffic. As a result, during points in the launch, Target decided to deactivate the website. ³ Lucky consumers who had the ability to navigate and shop at the site were disappointed when they went to the check out and merchandise was no longer available. Consumers who went to shop in brick-and-mortar stores lined up outside Target locations prior to opening with hundreds of others seeking out the Lilly Pulitzer line. Consumers scrambled in to get their hands on any of the apparel, accessories, or home goods that became available. Merchandise in stores lasted minutes—five minutes to be exact in one Michigan location ⁴ and the overall consumer feeling regarding Lilly Pulitzer at Target was disappointment. Many who sought out the highly anticipated collection did not have access to the merchandise online or in stores. What should have been a revitalization of the “Tar-zhay” image resulted in an inconsistent shopping experience. A collaborative collection that was intended to run for weeks lasted only a few minutes. However, consumers, also known as “the lucky ones,” who were able to purchase the merchandise were extremely satisfied by the design and quality of the items. ⁵

The Lilly Pulitzer line may no longer be available at Target, but approximately 30,000 of these items can be found on eBay ⁶ and unfortunately the merchandise found online is sold at a premium, sometimes marked up three times what it sold for in store, going against Target’s objective of having consumers pay less for designer brands. Target may not have to deal with an excess in inventory, but it does have to deal with the ramifications of disappointment expressed by consumers on social media. When a rumor circulated that additional inventory may be available in the future, Target continued its theme of disappointment when potential customers found out that a restocking of merchandise would not be a reality. ⁷

This was not the first time that Target has dealt with an issue launching a designer line. In 2011, the company experienced a similar dilemma when internationally known designer Missoni launched a collection at Target, unintentionally causing its website to crash. The Target website and designer merchandise were unavailable for a half-day while the company worked to restore it from the high-volume crash. ⁸

Target invests countless hours into its limited-edition designer collaborations, only to see them falter when they are launched in stores and online. Though the products are well received, the shopping experience and

Lilly Pulitzer at Target

impression they leave on consumers are not. So what went wrong with the Lilly Pulitzer collection? Was it a matter of control of inventory or how Target launched the line? If Target plans to bring back the full mantra of “expect more, pay less,” did the Missoni and Lilly Pulitzer issues illuminate any potential issues for the company?

Discussion Questions

- 1.
Explain the objective, decision, and problem when Target collaborated with Lilly Pulitzer.
- 2.
When Target deactivated its website, what type of decision did the company make?
- 3.
How could Target have utilized steps 4–6 in the decision-making model with its inventory to have a more successful launch?
- 4.
Did Target use the Delphi technique? Elaborate.
- 5.
If you were in charge of operations for this collaboration, what type of decisions would you have made during the creation and launch of the line?
- 6.
Did Target make the right decision by collaborating with Lilly Pulitzer to revitalize its “Tar-zhay” image?
- 7.
Do you think Lilly Pulitzer is satisfied by this outcome?
- 8.
Please rate the customer value on a scale of 1 (low) to 10 (high) with regard to the Lilly Pulitzer collection at Target.
- 9.
Was Target’s management ultimately effective during this launch?
- 10.
What types of managers were used heavily on this project? Distinguish their responsibilities.
- 11.
Did Lilly Pulitzer enter a licensing contract with Target?

Note

Case created by Herbert Sherman, PhD, Hannah K. Walter, MBA, and Naveed Ahmad, MBA, Department of Management Sciences, School of Business Brooklyn Campus, Long Island University, New York, USA.

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Lilly Pulitzer at Target

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