



TARGET[®]

DAVIS WOMEN IN BUSINESS

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THE MISSION

Create an amazing
in-store experience
that complements
the digital experience
and results in
**increased trip frequency,
basket size,
and topline sales.**

OUR APPROACH

THE PROBLEM

- Decreasing foot traffic in stores
- Declining retail sales
- Losses to competitors

GOALS

- Revamp in-store consumer experience for millennials
- Integrate online platform with pop-up store model
- Emphasize value of the Target brand

OUR SOLUTION

**Combine
pop-up stores
with advanced technological integration
to optimize
overall consumer experience.**

FRAMEWORK

DIFFERENTIATE

Provide a unique user experience through implementing pop-up stores within Targets nationwide

REINFORCE

Partner with designers to display collaborations, emphasizing appeal of pop-up stores

PERSUADE

Personalize consumers' experience by hiring event consultant team and expanding marketing

INFORM

Promote through community influencers, social media, and a streamlined virtual experience

OUTLINE

- **Introduction**
- **Pop-Up store analysis**
- **Social media command center**
- **Financial analysis**
- **Q&A**



POP UP@TARGET®

MILLENNIALS

- By **2020** millennials will account for nearly **\$1.4 trillion** in spending power.
- Millennials use their disposable income to pay for **experiences** rather than **tangible goods**.
- When they do shop for **traditional goods** they look for **customization**.

WHY DOES THIS MATTER?

POP-UP STORES

- **Temporary** retail even that creates the feeling “here today, gone tomorrow.”
- **Temporary** use of physical space to create a long term, **lasting impression** with potential customers.

Millennials love them!

We can leverage pop-up shops to create an amazing in-store experience and generate profits.

POP@**TARGET**[®]

“Soft opening” for future
Target collaborations and
partnerships

BENEFITS

Test a new revenue stream

- Pre-market analysis for collaborations, partnerships, and products
- Finalize product/supply chain logistics and re-evaluate potential problems

Engage customers in-store

- Millennials are drawn to in-store experiences
- Stylists & guides to answer questions - train *Executive Team Leaders*

BENEFITS

Create “get it while it lasts” urgency

- Limited quantities + exclusive products
- Bloggers & social media mavens create hype

Generate brand awareness

- Photo booths, Instagram backdrops: create social media presence
- Point customers to other channels through in-store engagement

TIMELINE

SEASONAL

FALL | WINTER | SPRING | SUMMER

Pop-up shop “soft opening”: **one week long**

3 to 4 month gap between pop-up and storewide release

Enough time to **test out** collaborations & partnership and **create excitement**

SOCIAL MEDIA

COMMAND CENTER

“A social media command center is simply a dedicated area where a company’s social media team can monitor and engage social conversation around their brand and market.”

-Salesforce

SOCIAL MEDIA

COMMAND CENTER

CURRENT DUTIES

Monitor conversations about Target and its products around the globe, taking a **reactive approach** by mitigating problems associated with bad **PR**, for forwarding the post to the **correct internal team**.

FUTURE GOALS

Maintain reactive approach while adding a more proactive division: analyze feedback from pop-up events to better optimize topline sales and scout out potential trends and partnerships.

FINANCIAL PROJECTION

5-YEAR PROFITABILITY ANALYSIS

Research has shown that **experimental marketing** and **improved customer awareness/service** has a proven effect on purchase intention, overall foot traffic, and expanded millennial market share capture, leading to a combined effect of **topline sales increases** ranging from **10% to 15%**

Let's spread out this assumption over a period of **5 years** and put a few parameters in place

REALITY PARAMETERS



EXPANSION PARAMETER

50 stores open the first year with a 100% store year by year increase for the next 4 years to strategize and adjust our game plan



COST PARAMETER

- Initial cost of collaboration each quarter
- Cost of pop-up stores (including promotional stipends, loss of space, etc.)



FAILURE PARAMETER

Collaboration failure as we adjust to consumer expectations and market trends

PROFITABILITY ANALYSIS

5 YEAR PROFIT PROJECTION

(All numbers in thousands)					
Income Statement	2017	2018	2019	2020	2021
Sales revenue	\$72,618,000	\$73,344,180	\$74,811,064	\$77,055,396	\$80,137,611
Less: COGS (incl. D&A)	\$53,180,000	\$53,711,800	\$54,786,036	\$56,429,617	\$58,686,802
Gross Profit	\$19,438,000	\$19,632,380	\$20,025,028	\$20,625,778	\$21,450,810
Less: SG&A Expense	\$14,880,000	\$15,028,800	\$15,179,088	\$15,330,879	\$15,484,188
Less: Interest expense	\$ 611,000	\$617,110	\$629,452	\$648,336	\$674,269
Less: Taxes	\$1,296,000	\$1,308,960	\$1,335,139	\$1,375,193	\$1,430,201
Target Profitability Analysis	\$2,651,000	\$2,677,510	\$2,881,348	\$3,271,370	\$3,862,152
Net Income Increase (1 vs. 5)	46%				

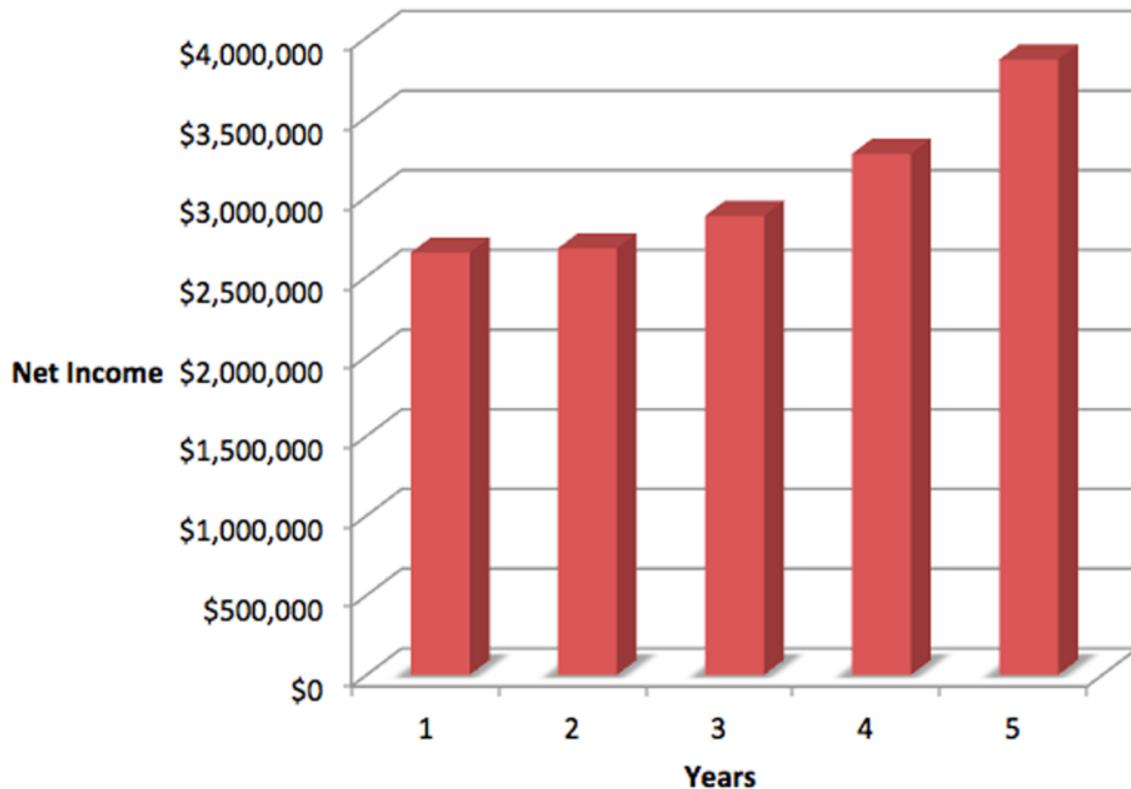
EXPANSION PARAMETER: Reflected in yearly increases in sales revenue

COST PARAMETER: Reflected in SG&A Expenses, Cost of Goods Sold, and SG&A Expense

FAILURE PARAMETER: Reflected in uptick in SG&A Expenses; primary costs result in a 0.39% year-by-year increase, but we set it to 1% to account for collaboration flops

PROFITABILITY ANALYSIS

Target Profitability Analysis



By integrating the parameters over a 5-year period, we are still able to reach a steady 10% topline growth rate over a period of 5 years and a 46% increase in net income

THANK YOU!

QUESTIONS?

APPENDIX A

Target Profit Mix (Year 1)

Store Expansion: 50

Season 1 (Spring)

Pop Up Shop In Store Cost (Week Long)

Promotional Stipend

water bottles	5	100	\$500
tote bags	4.98	100	\$498
phone wallets	0.99	100	\$99
tote bags	2.48	100	\$248
Promotional Cost	\$1,345		
Total Promotional Cost	\$67,250		

Rent/Rent Space

\$/sqft	5
average size of an in-store pop up store	500
Rental Cost	\$ 2,500
Pop Up Shop Cost	\$ 125,000
Total Pop Up Shop Cost	\$192,250

Initial Collaboration Cost

<u>Initial Collaboration Cost</u>	<u>\$ 1,000,000</u>
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In Store Collaboration Revenue (3 Months Long)

Product	Type	Quantity	Average Price	Revenue
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Shoes		20	10000	37	\$222,000
Clothes		70	35000	34	\$714,000
Jewelry		30	15000	17	\$153,000

Total Revenue	\$1,089,000
Revenue	\$54,450,000

Online Collaboration Revenue

Product	Quantity	Inventory	Average Price	Revenue
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Shoes	20	100000	25	\$1,500,000
Clothes	70	350000	15	\$3,150,000
Jewelry	30	150000	20	\$1,800,000

Total Revenue	\$6,450,000
Revenue	\$6,450,000

Total Collab Revenue \$60,900,000

Less: Up-Front Cost \$1,000,000

Less: Pop-Up Cost \$192,250

Collab Profit \$59,707,750

Total Target Sales \$72,618,000,000

Percentage of Revenue from Collab 0.084%