

The background of the slide is light gray with a repeating pattern of small, concentric white circles. In the top right corner, there is a large, prominent Target logo consisting of a red bullseye with a white center. The word "TARGET" is written in a bold, red, sans-serif font, centered horizontally and positioned below the bullseye.

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 streamlined virtual 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



INFORM

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



PERSUADE

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



OUTLINE

- ◉ **Introduction**
- ◉ **Pop-Up store analysis**
- ◉ **Beacon technology**
- ◉ **Financial analysis**
- ◉ **Q&A**

POP-UP STORES



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 event 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 instore experience** and **generate profits.**



POP-UP STORES

**“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 + 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** collaboration &
partnership and **create excitement**

BEACON TECH

BLE wireless technology

- Cost efficient
- Easily accessible
- User authorization required

Personalize brick-and-mortar retail experience

- Beacons drive \$44 billion in retail sales by 2016
 - Macy's, Neiman Marcus, Zara
- Connect and leverage micro-moments

Promote pop-up stores, promotions, and collaborations

SOCIAL MEDIA COMMAND CENTER

- ◉ **Analytics-driven sentiment analysis**
- ◉ **Visualize global online trends in retail**
- ◉ **Understand Target's brand perception**





SOCIAL MEDIA COMMAND CENTER

FINANCIALS

Our solution aims to...

- ◉ **Capture the millennial market share to boost foot traffic and basket size**
- ◉ **Leverage in-store and online experiences to boost profits from collaborations**

FINANCIALS

- 🎯 **Millennials alone will be spending \$200 billion annually by 2017**
- 🎯 **More than 70% of companies saw an increase in millennial shoppers as a result of experimental marketing tactics such as pop-up stores, reporting a revenue increase of ~15% from that demographic over a period of five years**
- 🎯 **Current percentage of millennial shoppers at Target: 8%**

FINANCIALS

COLLABORATIONS

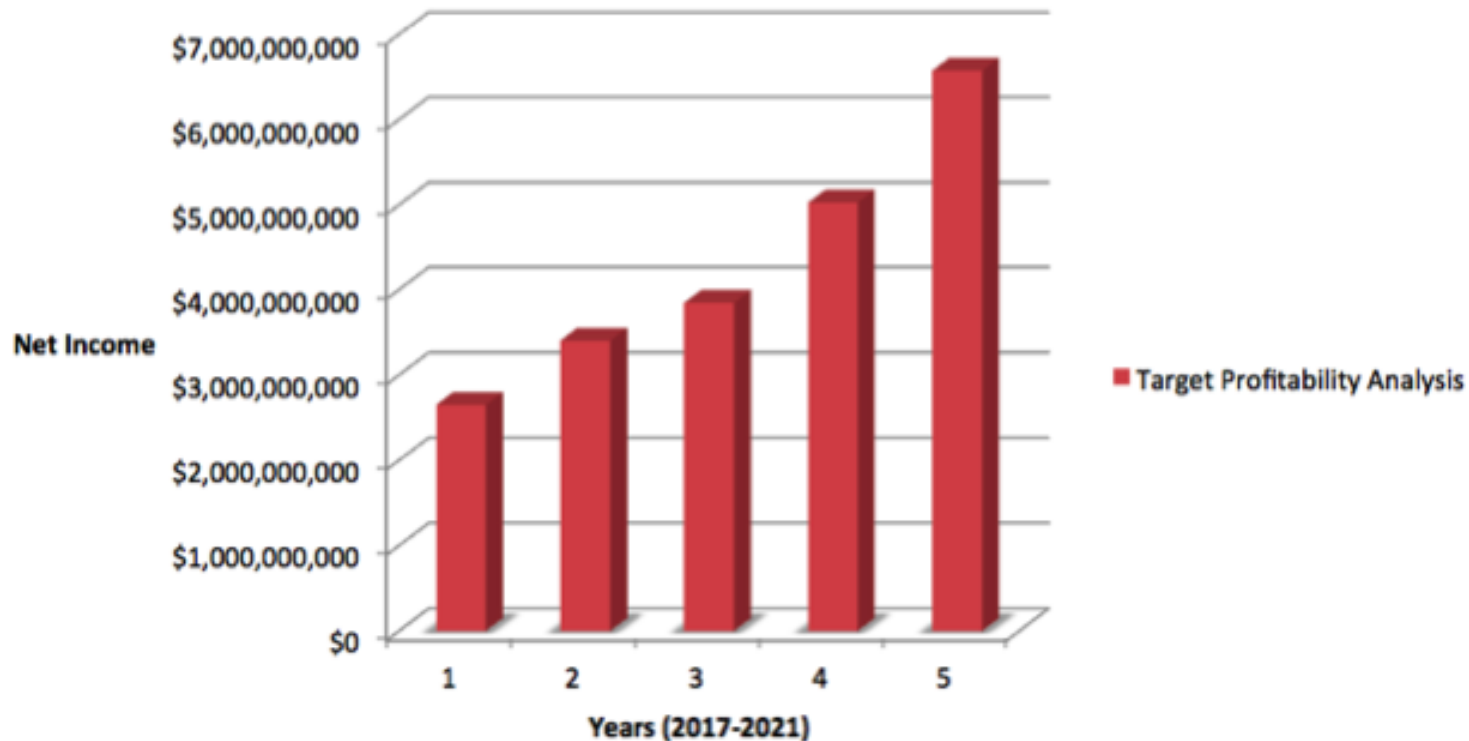
- 🎯 Companies have seen **10%-15% lift** in annual top line performances from successful collaborations
- 🎯 Revenue from online servicing: **60:40 split**
- 🎯 Cost of a Collaboration:
 - \$500,000 - \$1,000,000 up front deal + 60/40 merchandise split
 - Promotional Stipend: ~\$9,000

FINANCIALS

	1	2	3	4	5
Sales revenue	\$72,618,000,000	\$74,070,360,000	\$79,995,988,800	\$88,795,547,568	\$101,226,924,228
Less: COGS (incl. D&A)	\$53,180,000,000	\$53,711,800,000	\$58,008,744,000	\$63,809,618,400	\$72,104,868,792
Gross Income	\$19,438,000,000	\$20,358,560,000	\$21,987,244,800	\$24,985,929,168	\$29,122,055,436
		\$0	\$0	\$0	\$0
Less: SG&A Expense	\$14,880,000,000	\$15,028,800,000	\$16,080,816,000	\$17,688,897,600	\$19,988,454,288
Less: Interest expense (10%)	\$ 611,000,000	\$617,110,000	\$660,307,700	\$726,338,470	\$820,762,471
Less: Taxes	\$1,296,000,000	\$1,308,960,000	\$1,400,587,200	\$1,540,645,920	\$1,740,929,890
Target Profitability Analysis	\$2,651,000,000	\$3,403,690,000	\$3,845,533,900	\$5,030,047,178	\$6,571,908,787
Profit Increase (1 vs. 5)	148%				

COMBINED FINANCIAL EFFECTS

Target Profitability Analysis





QUESTIONS?

APPENDIX A

Target Profit Mix				
Season 1 (Spring)				
Pop Up Shop In Store Cost				
Promotional Stipend				
water bottles	5	100	\$500	\$1,345
tote bags	4.98	100	\$498	\$9,415
phone wallets	0.99	100	\$99	
tote bags	2.48	100	\$248	
In Store Collaboration Revenue				
Product	Type	Quantity	Average Price	Revenue
Shoes	15	3000	37	\$66,600
Clothes	30	7500	34	\$153,000
Jewelry	25	3750	17	\$38,250
			Total	\$257,850
			Revenue	\$2,578,500
Total Collab Revenue	\$2,781,000		Test	
Less: Up-Front Cost	\$1,000,000		\$75,000,000	
Less: Pop-Up Cost	\$500			
Collab Profit	\$1,780,500			
Total Target Sales	\$72,618,000,000		\$72,618,000,000	
Percentage of Revenue from Collab	0.004%		0.10%	

APPENDIX B



Online Collaboration Revenue				
Product	Quantity	Inventory	Average Price	Revenue
Shoes	15	15000	25	\$225,000
Clothes	30	30000	15	\$270,000
Jewelry	25	25000	20	\$300,000
			Total	\$795,000
			Revenue	\$795,000