Hitting The Target

Agenda

1. Industry
2. Opportunity
3. Recommendation
4. Impact

Problem
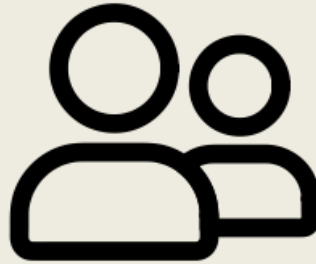
Tough Competition	**Attracting Customers**	**Need for Differentiation**

Background

Families - largest customer base

29.3 – average age of parents

Higher disposable income

Children's Apparel Industry

$50 billion Revenue

4.43% Growth

Opportunity

Meet Judy

Consumer Base

60%

Women aged 18-44

12k

Higher income

Industry **Opportunity** Recommendation Impact

Opportunity

1

Post-Pandemic

2

Consolidation

Recommendation

Partnership with The Children's Place

Gymboree Classes

Benefits

Market share

New customers

Community presence

Industry   Opportunity   **Recommendation**   Impact

Incentive for Children's Place

Product presence

Increased value for Gymboree
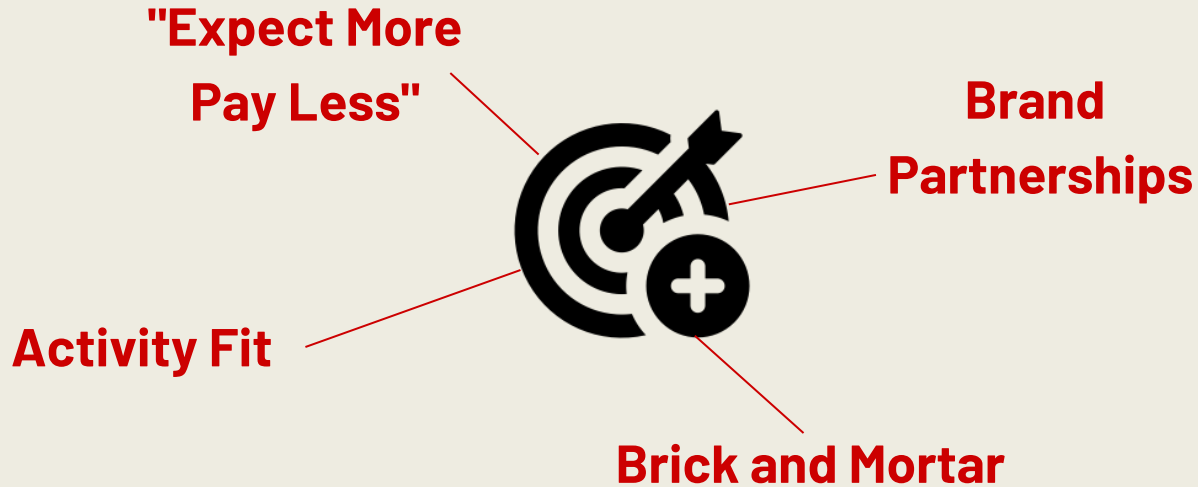
Industry   Opportunity   **Recommendation**   Impact

Competitive Advantages

"Expect More Pay Less"

Brand Partnerships

Activity Fit

Brick and Mortar

Industry   Opportunity   **Recommendation**   Impact

Implementation

Soft launch of
clothing line

Soft launch of
Gymboree classes

Expand to Targets with
space and demand
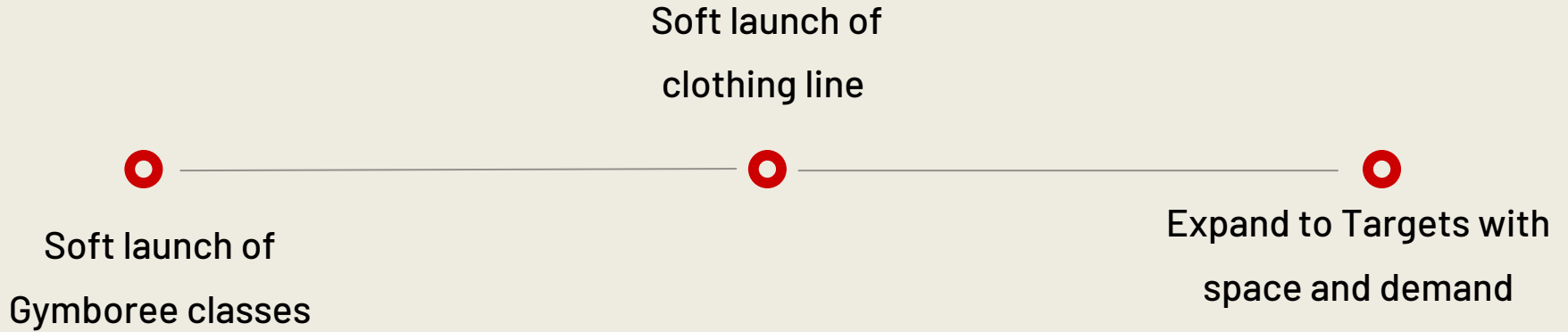
Industry   Opportunity   **Recommendation**   Impact

Impact

Costs and Benefit

1000 ft^2 in **800** stores

8 additional trips for up to **1** million shoppers per year

Industry   Opportunity   Recommendation   **Impact**

Revenue

76M

10% market

211M

15% market

347M

20% market

Industry   Opportunity   Recommendation   **Impact**

Thank you!

Questions?

Appendix

Financials

Gymboree Costs	
Gymboree space ft^2	1000
Targets's revnue/ft^2	300
# of Target stores	800
sacrificed revenue	240000000
Gymboree Added Revenue	
Gymboree total revenue $	41000000
# Gymboree locations	727
$/store	56396
# of Target stores	800
profit from Gymboree	45116919
total loss	194883081

Market	
Target's # of shoppers	91,000,000
% stores implementing	0.42
# households with childen (0-5)	0.14
size of demographic	5460312
Additional Spending due to Gymboree	
extra trips to Target	8
extra $ spent	62
profit per person	496

Three Market Share Assumptions			
percent	# shoppers	added revenue	net revenue
0.1	546031	270831476	75948395
0.15	819047	406247214	211364133
0.2	1092062	541662952	346779871

Assumptions

- Gymboree class causes consumers shop at Target after class ~ 8 times a year
- Consumers spend on average $62 per visit
- 14% of households have children aged 0-5
- Target has approx. 91 million shoppers

Sources

- https://www.pymnts.com/news/retail/2016/average-target-shopper-customer-demographics/ – Demographics
- https://www.bloomberg.com/news/features/2016-07-07/target-s-future-will-be-decided-by-kids
- Children's Apparel - Worldwide. (n.d.). Retrieved November 03, 2021, from https://www.statista.com/outlook/cmo/apparel/childrens-apparel/worldwide- https://querysprout.com/targets-target-market/
- https://corporate.target.com/_media/TargetCorp/annualreports/2020/pdfs/2020-Target-Annual-Report.pdf
- https://www.bloomberg.com/news/features/2016-07-07/target-s-future-will-be-decided-by-kids
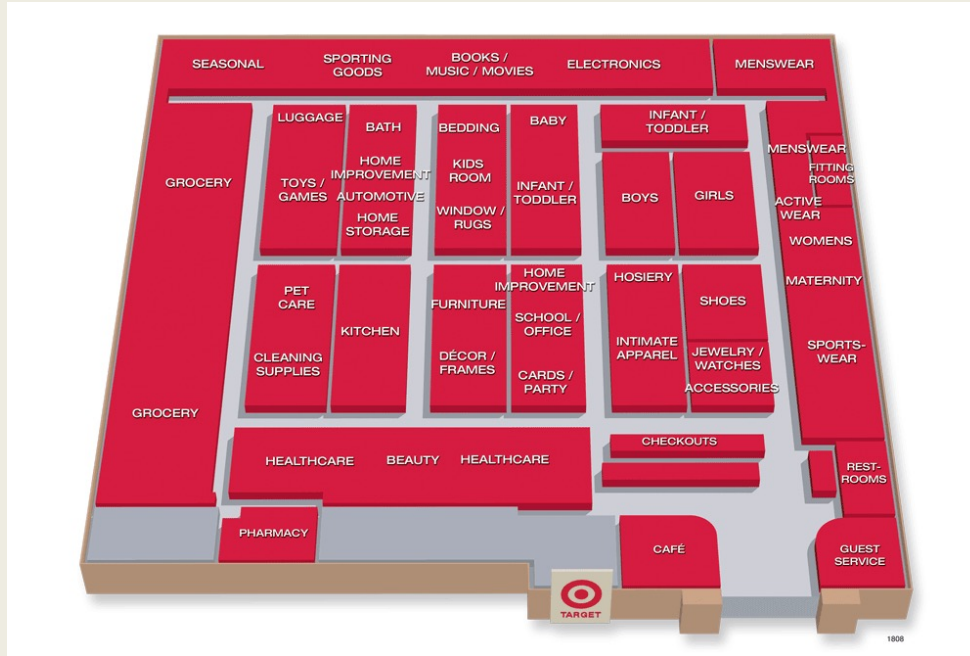- https://www.statista.com/statistics/679812/number-of-households-with-children-by-age/

Why can't other retailers replicate?

- Branding
- Demographics
- Store locations

Limitations of Cat & Jack

- Low-cost structure
- Minimal market share
- Gymboree classes bring in consumers

Space

Industry   Opportunity   **Recommendation**   Impact