

# POA Presentation: Target “Tag Team”



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<https://tinyurl.com/targetonlinejournal>



Kristen the Shopper

## Story: Me Time

“Target is like a home to me and it feels comfortable to be here alone. I feel out of place if I go to the mall alone because it’s a social place – an activity to be done with friends.”





Kristen the Shopper

## Job To Be Done: Me Time

When I'm in Target, that's my "me" time, and I want to be left alone so that I can recharge and get nice things without having to talk to anyone.





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# And Yet...

*Shoppers highly value  
trusted support*





Sisters Alex and Trina

## Insight: **Shopping with Family**

We observed shoppers at Target trying on clothes in the aisles next to close friends or family. The friends and family advised them and complimented them as they browsed.





## **Insight: Soliciting Future Feedback**

“Sometimes I bring the clothes home and my sister will tell me it doesn’t look good, so I’ll return it.”

Mary the Solo Shopper



*Why do so many shoppers shop  
alone if critical feedback from  
trusted sources can make or break  
their purchasing decisions?*





## Target Tag Team Customer

### Women browsing alone at Target

Currently, as they're shopping, they...

- Look for themselves
- Get distracted by clothes before running their main "errand"
- Think about how an item fits into their existing wardrobe
- Question their decision: "Do I really need this?"



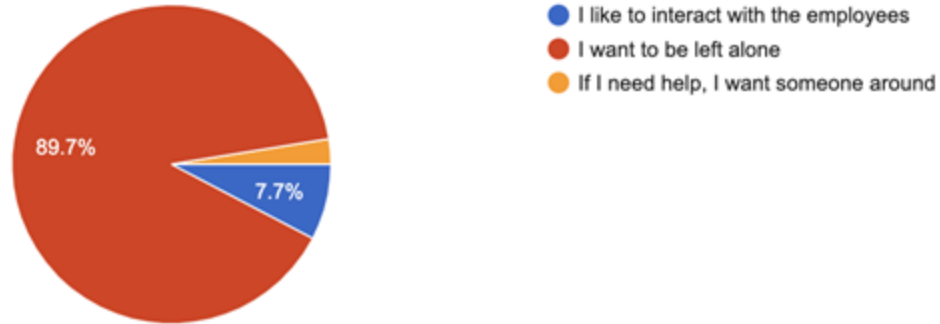




## Intended Customer Profile

When I'm shopping at Target...

39 responses



Prefers to be left alone while shopping



*“I'd be furious if a Target  
employee engaged me at all, let  
alone while clothes shopping”*

“

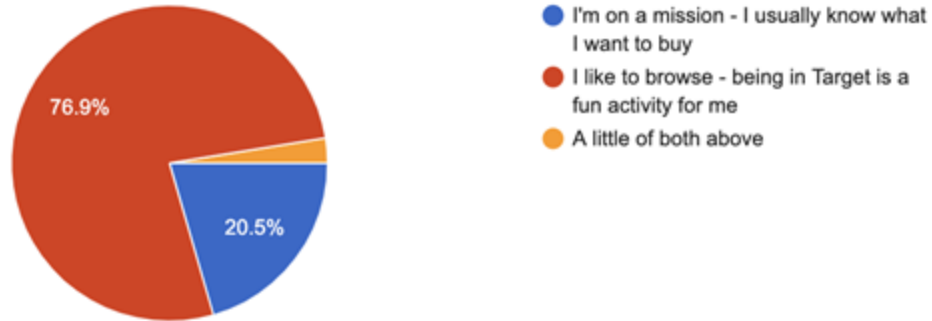




## Intended Customer Profile

When I'm buying clothes at Target...

39 responses



Likes to browse for clothes / isn't in a rush

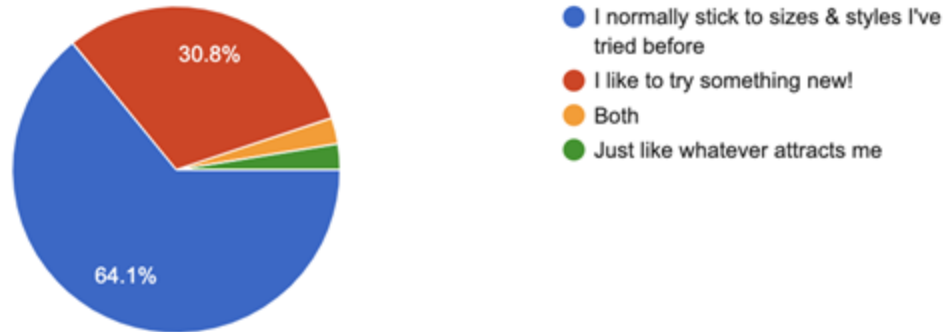




## Intended Customer Profile

When buying clothes at Target...

39 responses



Sticks to sizes & styles they've tried before



## PROBLEM STATEMENT:

*Target shoppers want to be left  
alone yet seek a second opinion  
while shopping for clothes*



## PROBLEM STATEMENT: *Target's Perspective*

*It's of critical importance that people actually try on what they're browsing for in the fitting room because sales conversion is the strongest there. If they don't have someone there to encourage them to try the things, they're more likely to set their items aside.*





## **Value Proposition**

Input Without Having To Ask



# Target Tag Team





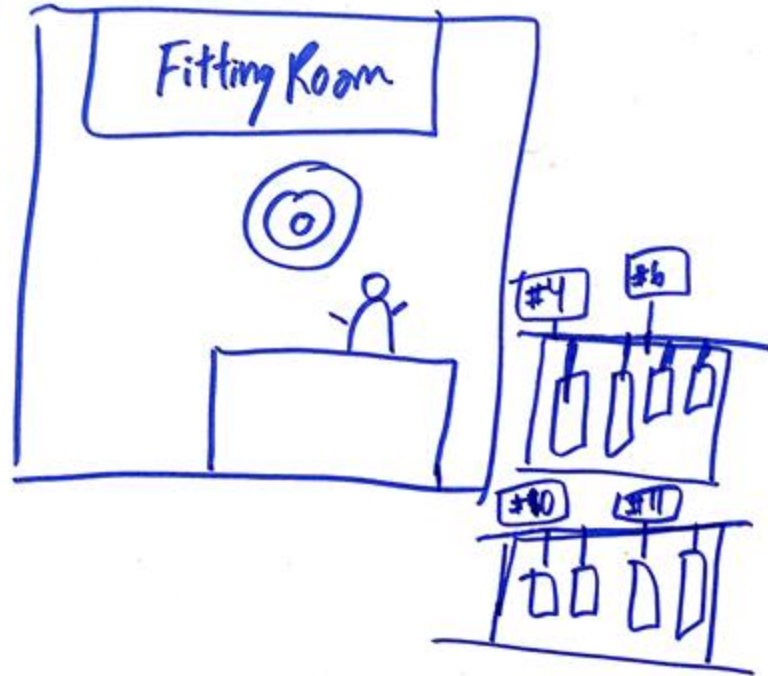


## Low Fidelity Sketches



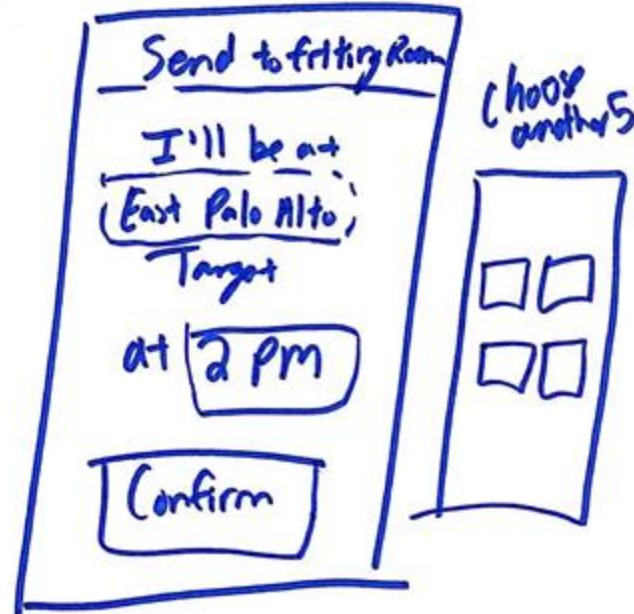
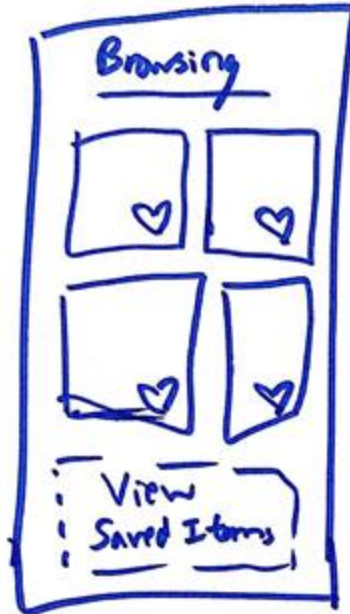


## Low Fidelity Sketches



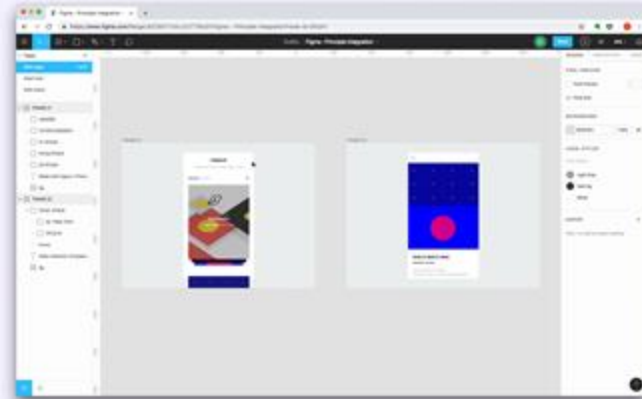


## Sketches - Online Experience



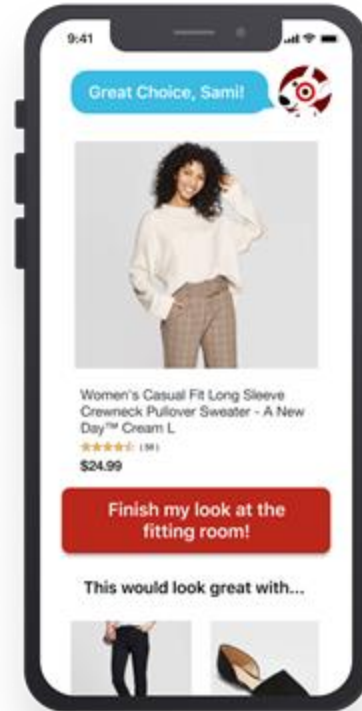
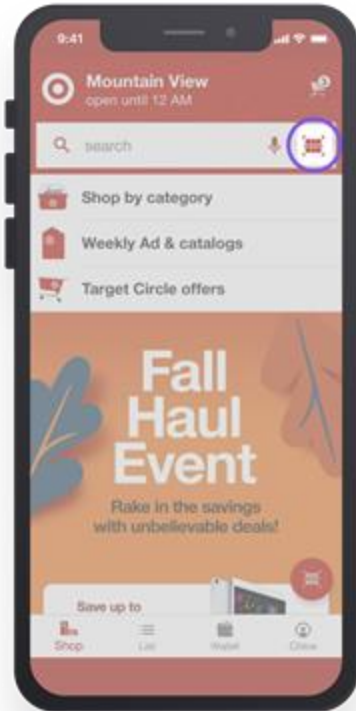


# Prototype Design



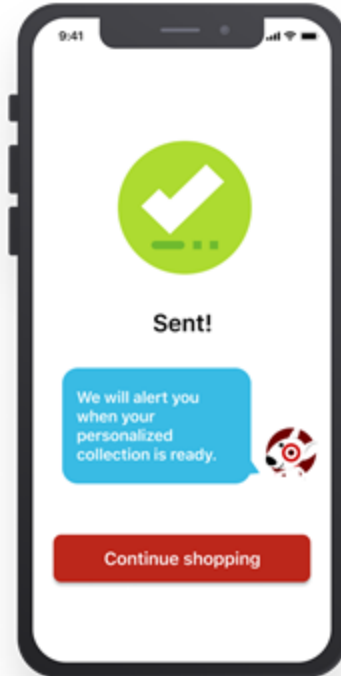
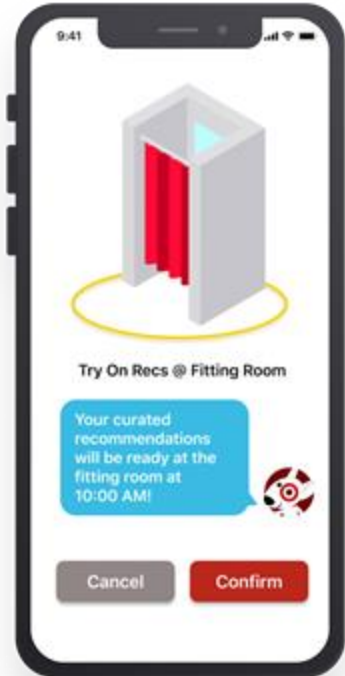


## Target App + Scanning





## Move Towards Fitting Room



Shopper keeps browsing in store...





## Target Employee Curation



“Pinterest” recommendation board here

PDA device for employees to use





## Curated Collection at Fitting Room







## Positive Feedback & Help

App will use inspirational messaging to make shoppers feel even better and options to get different sizes/colors delivered to the fitting room once inside.





## Prototype in Action



# Market Analysis



# \$328 billion

In 2017 Revenue for the US Apparel Market



# \$15 billion

In 2017 Apparel Sales for Target



**7x**

↑ Likelihood to purchase if use fitting room

**3x**

↑ Likelihood to purchase if service received while in the fitting room

**70%**

Of purchase decisions occurs at fitting room



**15%**

Shoppers are pre-existing Circle app users

**64%**

Usually purchase the same sizes/styles

**43%**

Do not use fitting room frequently



# 3% Increase

In profits to existing 15 Billion Dollar Market Size







# Market Profit Estimate

Numbers									
Number of shoppers	1								
percent don't use fitting room frequently	43%								
Purchase rate before	10%								
Purchase rate after	70%								
Before basket size	3								
After Basket size	8								
Cost per item	20								
Conversion rate	25%								
Excess Clothing Churn	60%								
percent who use app	15%								
Profit Before	2.58	# Shoppers * InfrequentFittingRoom% * purchase rate * beforeBasketSize * costPerItem							
Profit After Non-Convert	1.935	# Shoppers * InfrequentFittingRoom% * (1 - Conversion rate) * purchase rate * beforeBasketSize * costperItem							
Profit After Convert	0.7224	# Shoppers * InfrequentFittingRoom% * conversionRate * purchase rate * afterBasketSize * costperItem * excessChurn * percentUseApp							
Profit After Total	2.6574								
Profit Ratio	1.03								
Market Profit Scaled	\$450,000,000.00	15 Billion * [1- Ratio]							

# Competitive Analysis

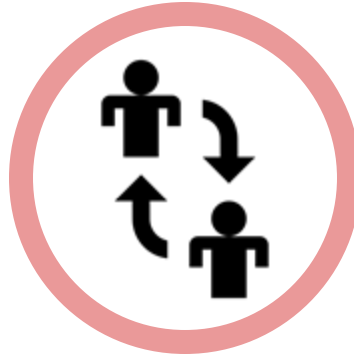




## Porter's Forces of Concern



Competition



Substitutes



Buyer Power

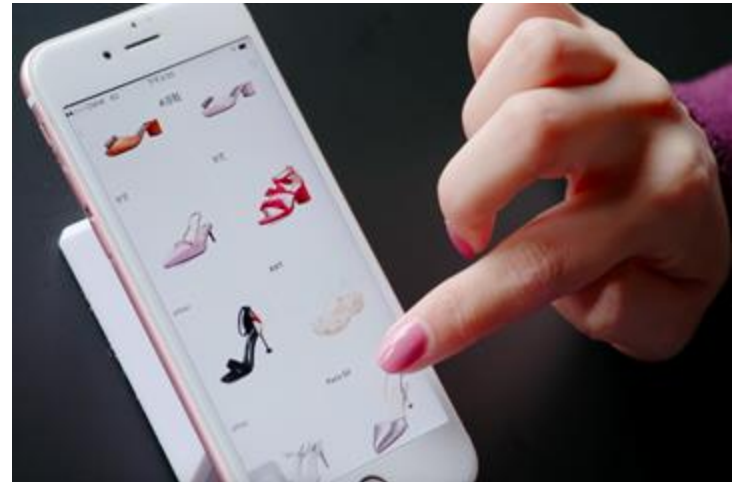




## Competition



Rebecca Minkoff 'Connected Store' online system



Mix and match suggestions on Taobao





## Competition



Alibaba's 'FashionAI'  
smart mirrors



Memomi mirror at  
Neiman Marcus





## Substitutes



Kohl's/ TJ Maxx



Old Navy





## Buyer Power

**35%**

Claim to be more disloyal; more likely to try new brands than 5 years ago

**Good**

Customers more willing to try more of Target's private labels

**Bad**

Customers less loyal to Target



# Technical Feasibility







## Technical Costs

### Labor Cost

- 20k / year per Employee
- 1 additional employee per store
- 1800 stores
- Wage Increase 1.5x by 2020
- **Cost = 48 million / year**

### Dev Cost

- -90k / year per team member
- 10 team members ( 1 PM, 1 Designer, 2 ML, 6 SWE)
- 6 month project
- **Cost = 450k / year (first year)**
- 4 team members for maintenance
- **Cost = 360k / year (maintenance)**





## Technical Costs

### Hardware Cost

- \$100 / industrial clothing rack
- 2 racks added per fitting room
- 1800 stores
- Replace every 5 years
- **Cost = \$72k / year**



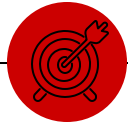


## Overview of Technical Costs

Cost Type	Millions / Year
Labor	48
Dev	0.36
Hardware	0.072
<b>Total</b>	<b>48.432</b>



# Risks and Dependencies





## Barriers



In a Rush





## Barriers



In a Rush



Tech Confusion





## Barriers



In a Rush



Tech Confusion



Bad Recs





## Barriers



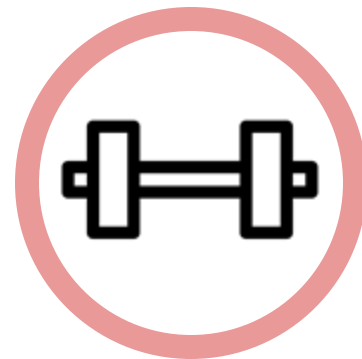
In a Rush



Tech Confusion



Bad Recs



Training  
Overhead







## Recommendation



Post-Holiday Launch

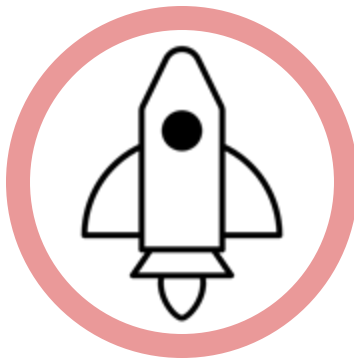




## Recommendation



Post-Holiday Launch



5 Store Launch

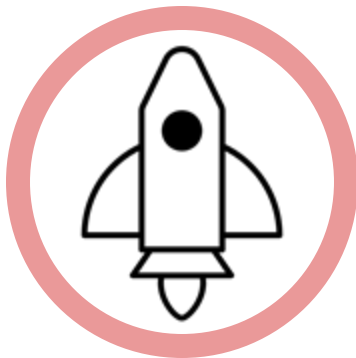




## Recommendation



Post-Holiday Launch



5 Store Launch



Strong Training Plan





## Implementation Steps

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**Leverage  
existing  
tech to  
build out  
solution**



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**Implement  
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Plan for  
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## Implementation Steps

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**Advertise  
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## Implementation Steps

**Leverage  
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**Implement  
Training  
Plan for  
Employees**

**Advertise  
and Market  
Solution**

**Launch**

1 year?



### **Next Steps:**

- 1. Develop MVP**
- 2. Iterate / Reimagine Solution**
- 3. Data From Target**







## Projections

### If we had...

- The number of Circle app users
- The % of people using the Circle offers on apparel

### We could provide...

- An estimate on the increase in traffic on the app
- A better way to incentivize usage of the app





## Projections

### If we had...

- How apparel customer loyalty is measured

### We could provide...

- Estimate of increased loyalty with our MVP and how it translates to sales \$\$





## Projections

### If we had...

- Stats on returns in store and online

### We could provide...

- Estimate of how added feature will reduce returns by increasing number of try-ons





# Thanks!

*Any questions ?*



# Appendix

**Figma Prototype Link:**

<https://www.figma.com/proto/Ijp52vbW3hNm4NgVqrSSA5/Target-Mocks?node-id=1%3A2&viewport=285%2C227%2C0.20069706439971924&scaling=scale-down>