MVP Presentation: Target Try On

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https://tinyurl.com/targetonlinejournal

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MS Mechanical Engineering
BS Product Design

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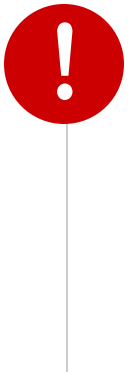
Kristen wants “me time”

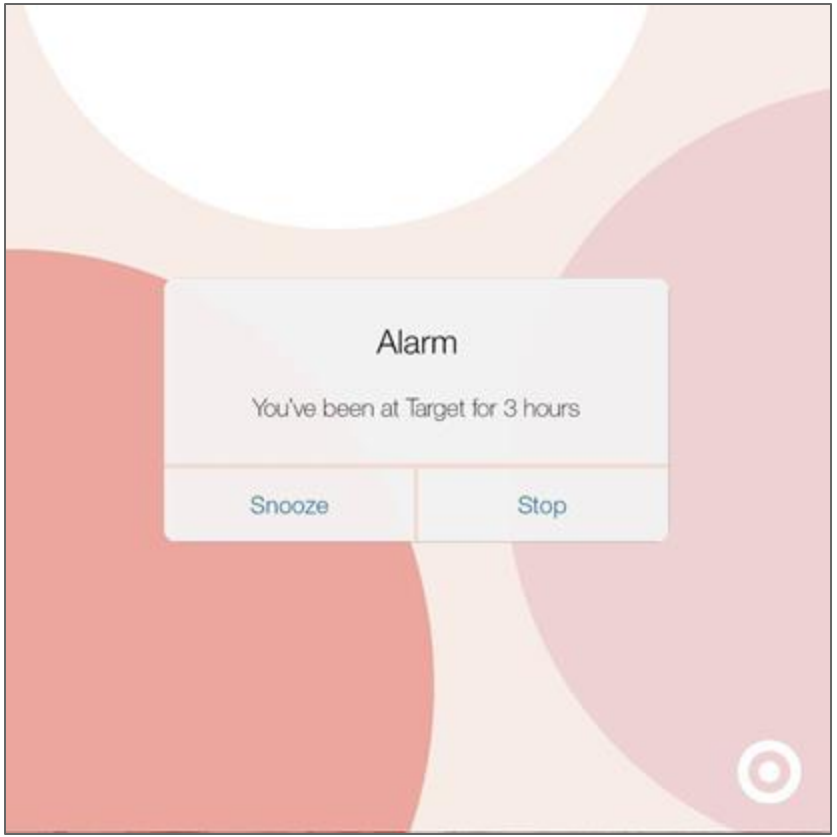
Mary seeks trusted input

THE PROBLEM:

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



Trying to explain what makes me happy
Target
Pure Happiness
Alone Time


Alarm
You've been at Target for 3 hours
Snooze
Stop

Introducing...

Target Try On

A personal shopper that doesn't distract or interrupt

For...

Women browsing alone who:

- *Are distracted from their main errand*
- *Shop for themselves*
- *Question their purchases*

Featuring...

In-store curation:

- *“Complete a look” or “find similar items”*

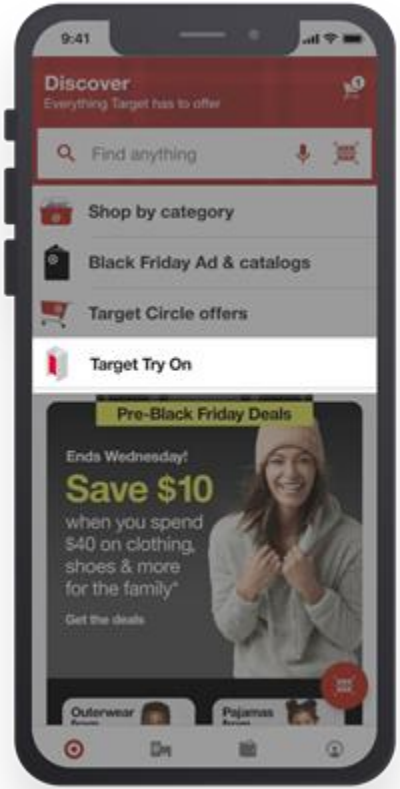
Featuring...

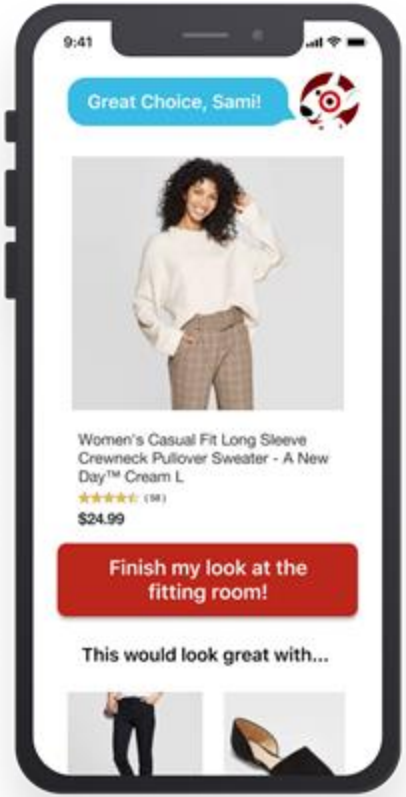
In-store curation:

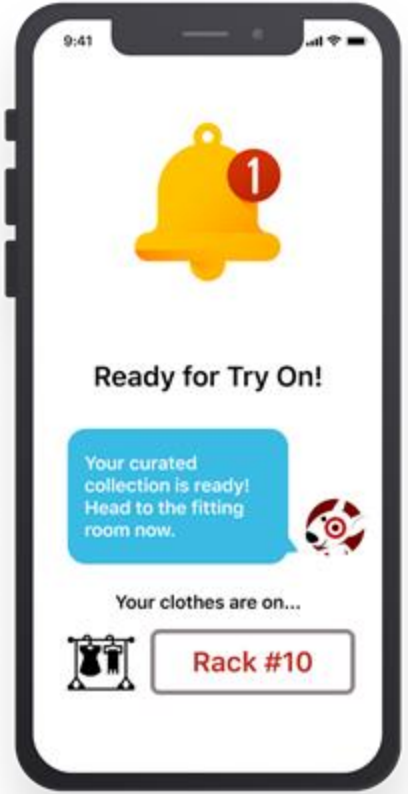
At-home inspiration:

- *Plan at home, try on in stores*

POA Solution Recap





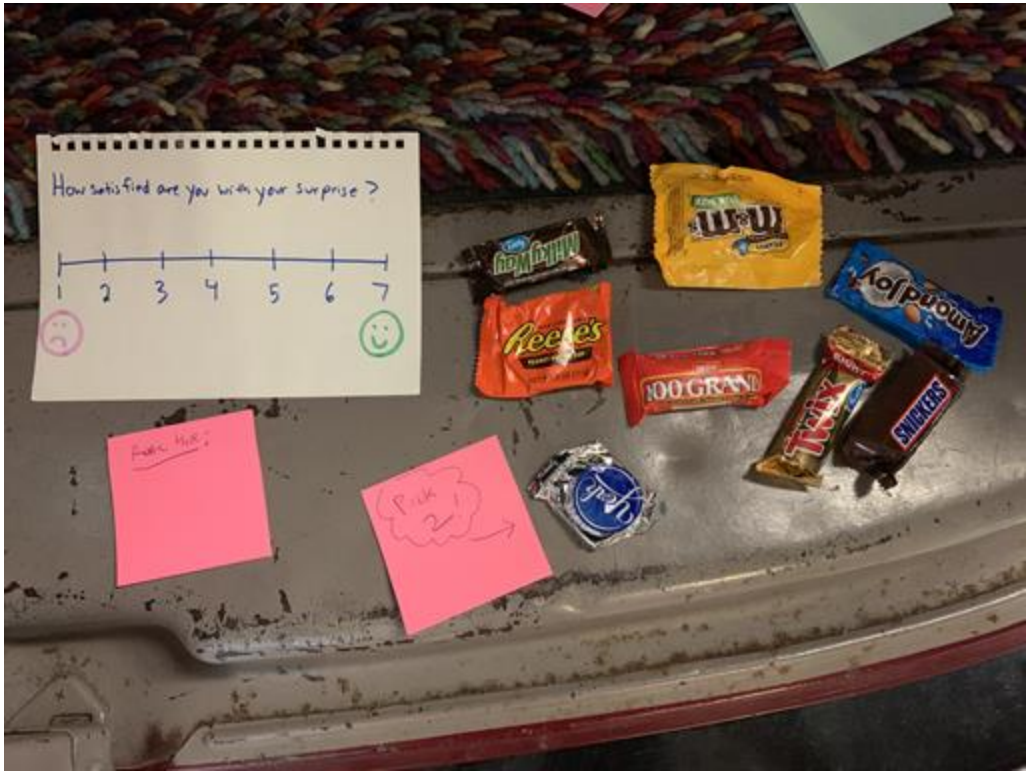


Where did we go from here?

Prototyping Customer/User Experience

1. Initial Target shopping preferences survey
2. Experience Prototyping in d. School – simplified model testing the "wow" factor of clothing curation
3. Revised & tested MVP concept in Target – "Wizard of Oz-ed" the curation experience and pulled clothes for people on racks outside of fitting room

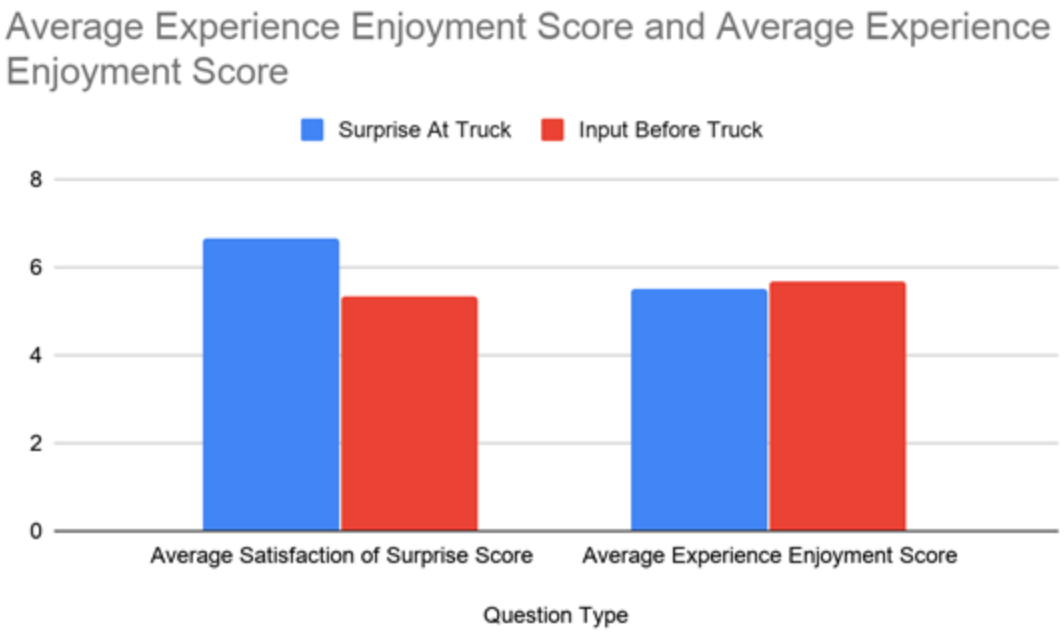
Experience Prototype



Experience Prototype

1. 6 Participants → 2 Groups
    a. Group 1: Complete surprise at the truck
    b. Group 2: Input about candy preferences upfront
2. Two Survey Questions (rated 1-7):
    a. How satisfied are you with your surprise?
    b. How much did you enjoy the experience
3. Qualitative Follow-up Questions

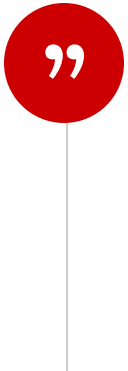
Experience Prototype Results



Positive Surprises lead to more enjoyment when user has no input

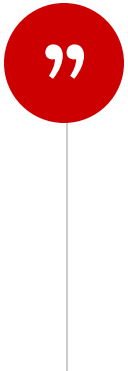
User Stories:

I'm always skeptical of surprises



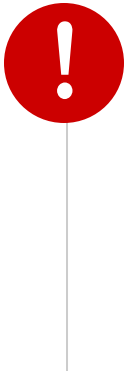
User Stories:

Didn't get what I wanted, but I like all candy



User Stories:

A bystander tried to take candy thinking it was for anyone



Experience Prototype Outcomes

1. Surprise was a valuable element, but don't rely on it
    a. **Action:** Stick with allowing shoppers some input

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Experience Prototype Outcomes

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    a. **Action:** Stick with allowing shoppers some input
2. Strength of recommendations is critical
    a. **Action:** Have fashion-minded people picking clothes for Target prototype
3. Supervision of the rack could be useful
    a. **Action:** Stand by the rack and survey participants for Target prototype

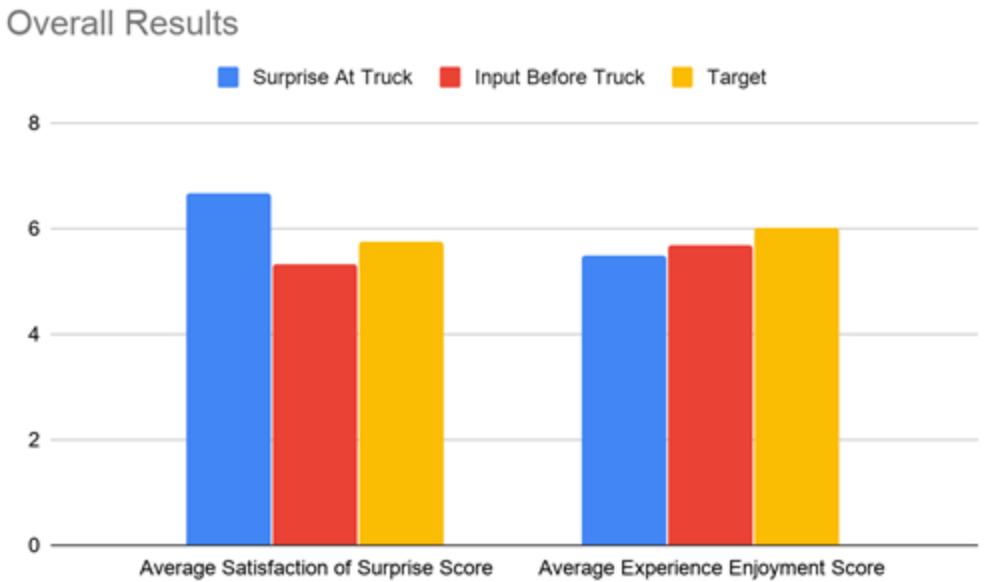
Target Prototype

Target Prototype

Target Prototype

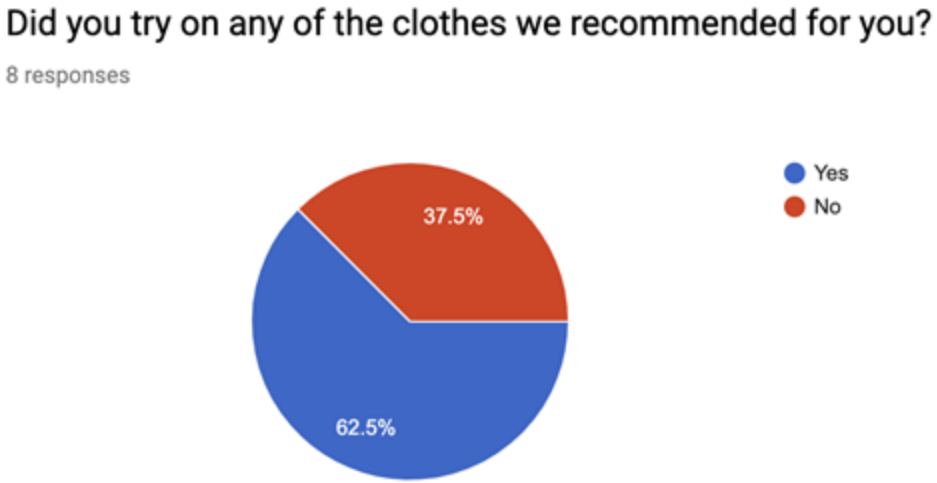
1. 12 Participants
   a. 8 fully completed test
   b. 2 came to the rack, but did not complete full test
2. Two Survey Questions (rated 1–7):
   a. How satisfied are you with your surprise?
   b. How much did you enjoy the experience
3. Qualitative Follow-up Questions + Survey
   a. Gift card raffle

Target Prototype Results



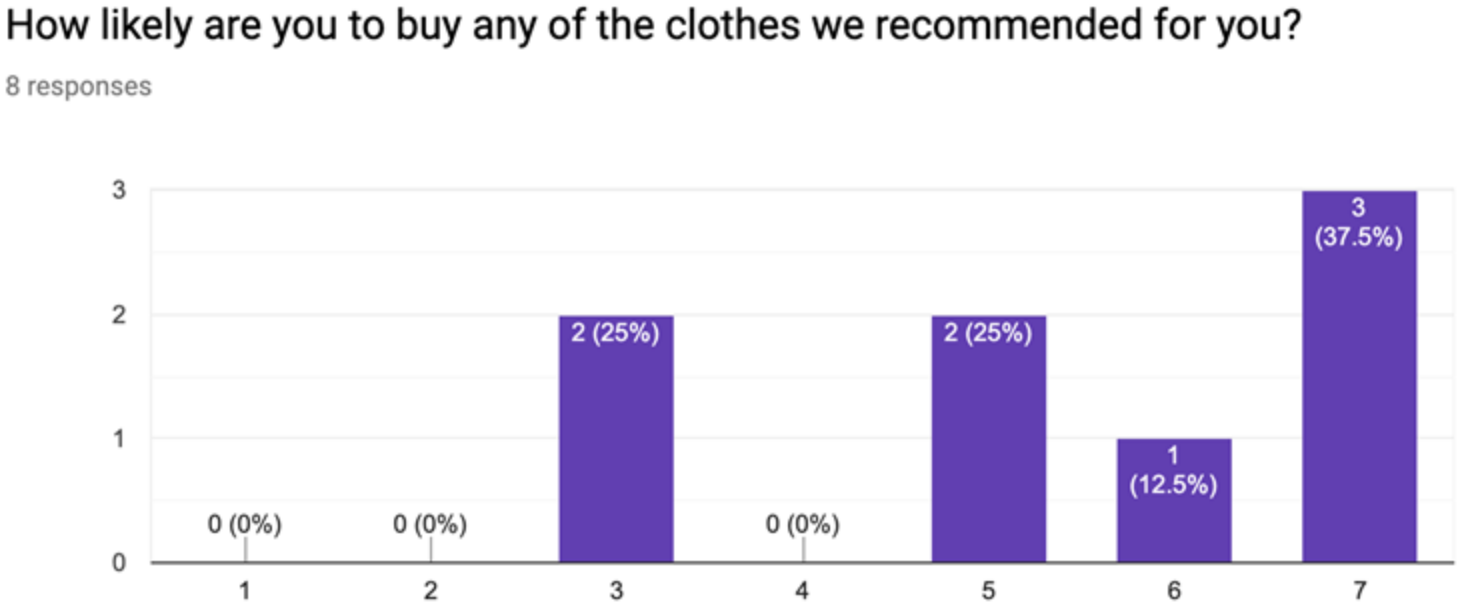
Target results fall in line with our previous prototype results

Target Prototype Results



Fairly successful conversion of getting people into the fitting room

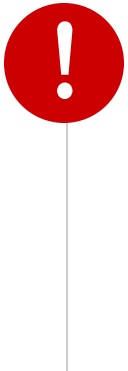
Target Prototype Results



Participants enjoyed the recommendations and were more likely to purchase

User Stories:

2 people purchased recommended items



User Stories:

[My likelihood to buy is] really high because it goes with my style

”

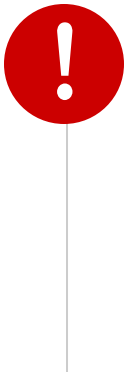
User Stories:

I already own one of the pieces picked out for me

”

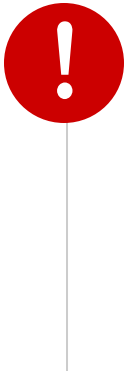
User Stories:

The family member of a participant liked another person's clothing item in the rack



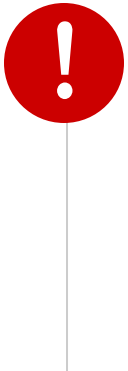
User Stories:

Using a shopping cart led to a very messy handoff process



User Stories:

Very few shoppers use the app or are familiar with Target Circle



Target Prototype Outcomes

1. Recommending similar items was not enough
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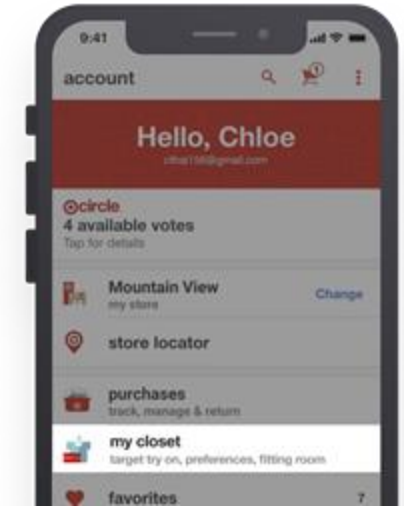
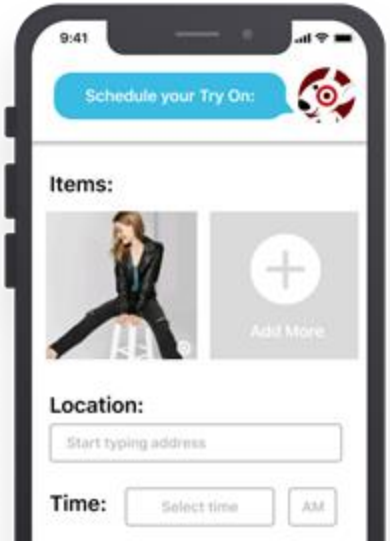
    a. **Action:** Expiration rack for clothes anyone can take
3. Rack organization is critical
    a. **Action:** Clearly divide clothes on the rack
4. Shoppers are still unfamiliar with the app
    a. **Action:** Use a large screen in the apparel section

Target Try On: 3 Part Solution



1. *Target Try On* addition to Target App

2. In Store Screens



3. Browse at Home Try On Feature

Our Solution For...

Kristen

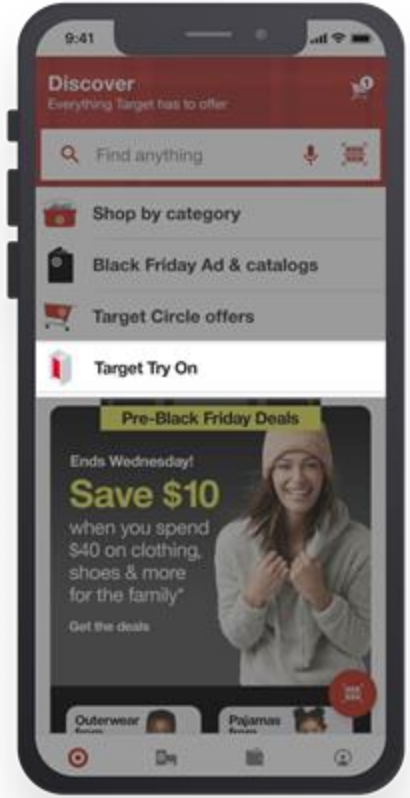
Target shopper

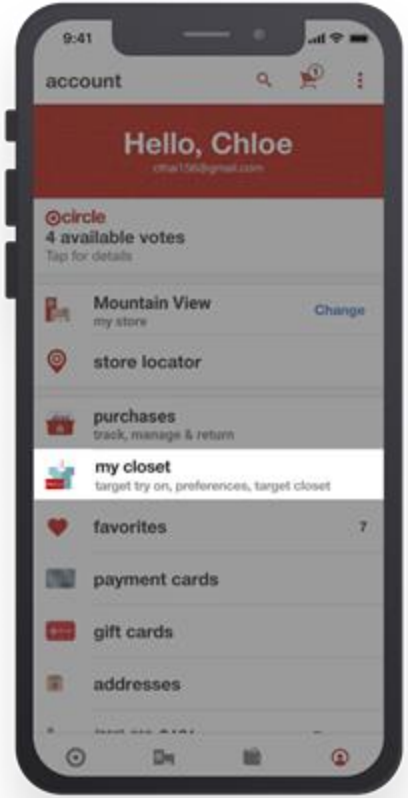
Kristen’s Experience

Solution Pt. 1

Mobile App

New Feature - Target Try On/ My Closet





Target Try On/My Closet features include:

- User style preferences
- Schedule fitting room try on
- Previously purchased Target clothing

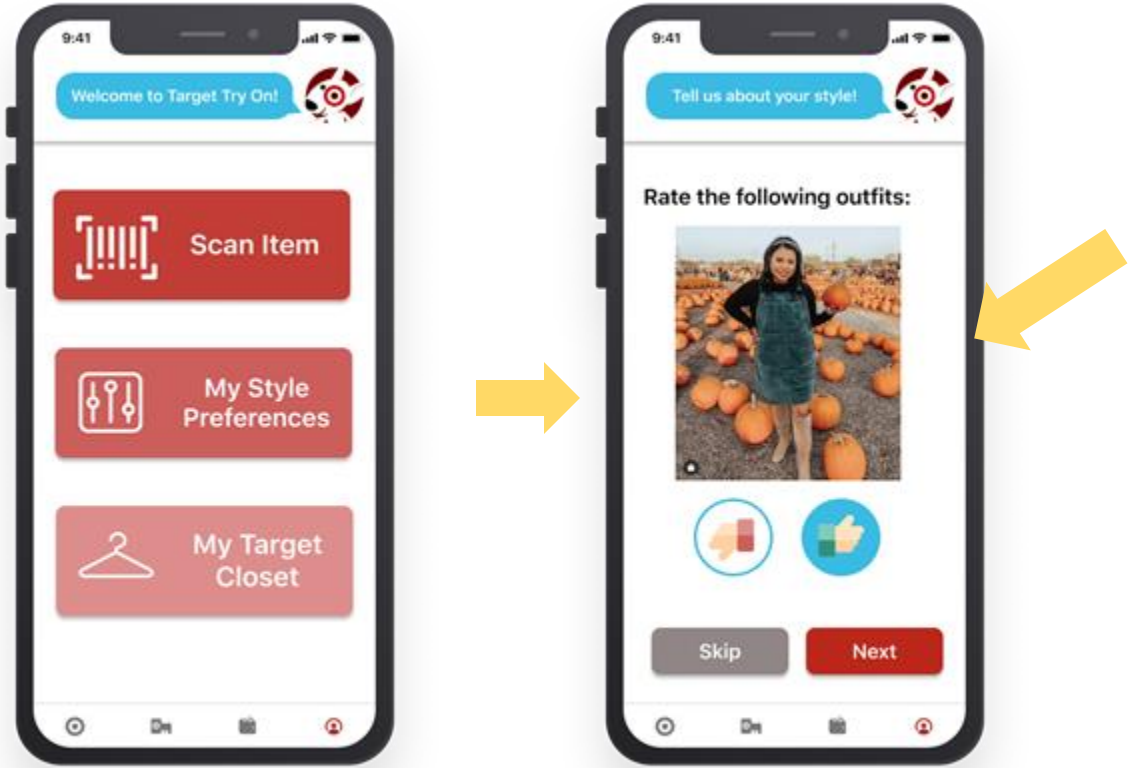
New Feature - Target Try On

Users can scan barcode/take picture of item & receive recs

Users can take a style quiz/set preferences for clothes

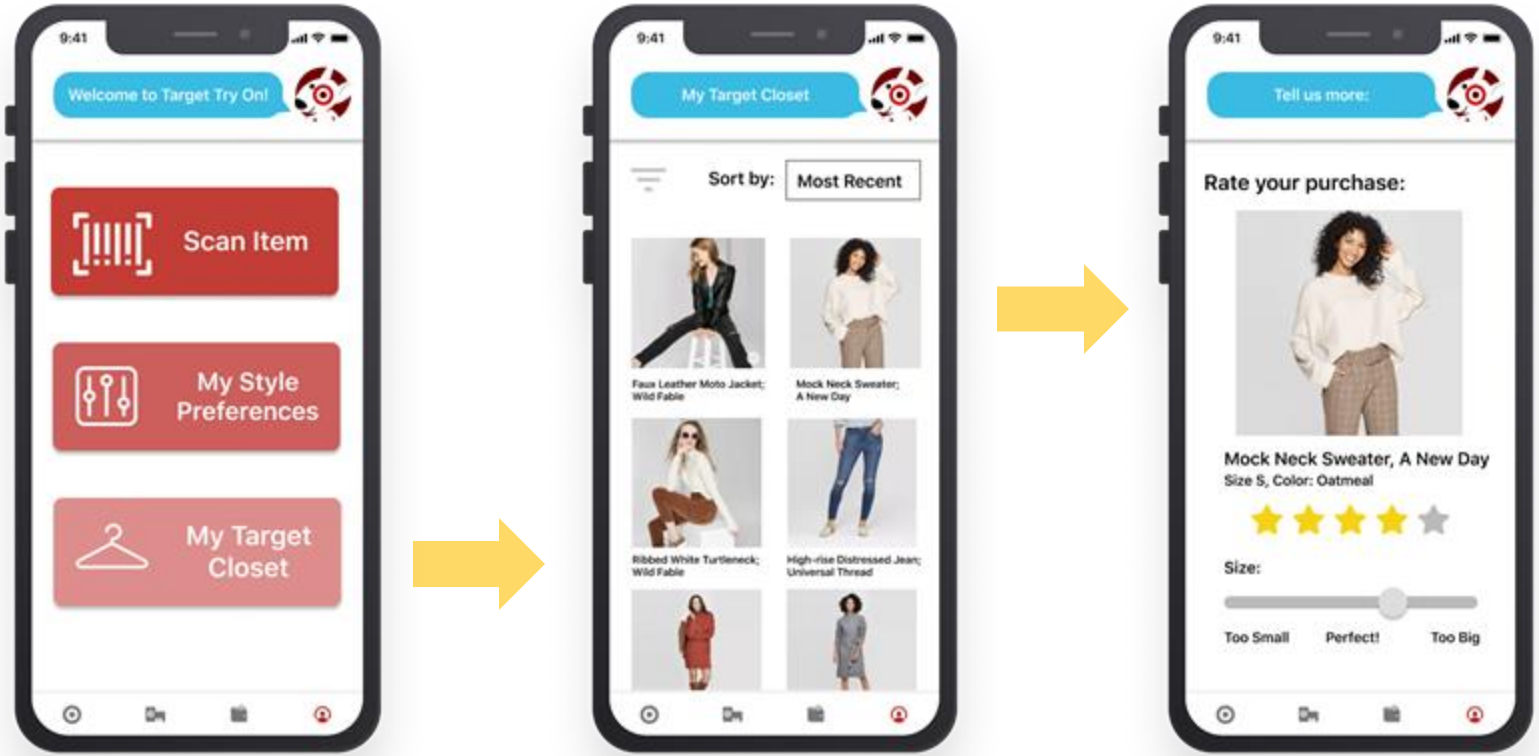
Users can view their past Target clothing purchases

New Feature - My Style Preferences



Users like or dislike a series of outfits pulled from **@targettag** Instagram account (optional, but will provide better recs)

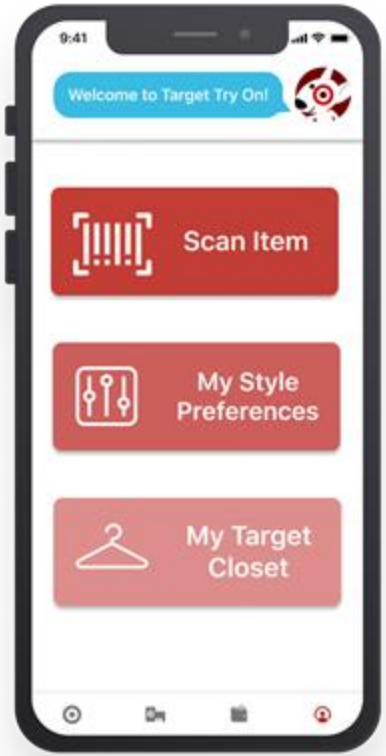
New Feature - My Target Closet



See past purchases

Write reviews

New Feature - Scanning

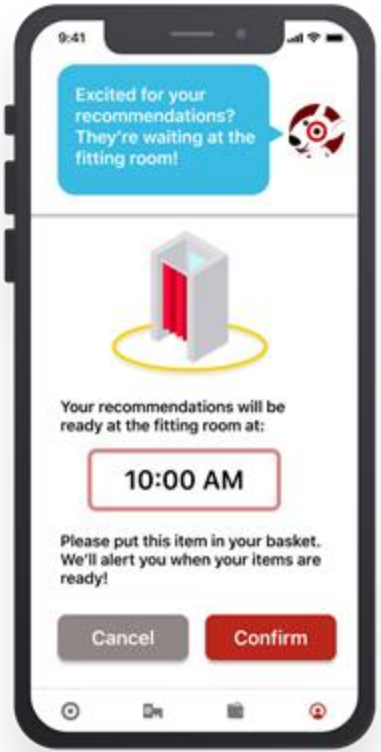


Scan/Take Photo

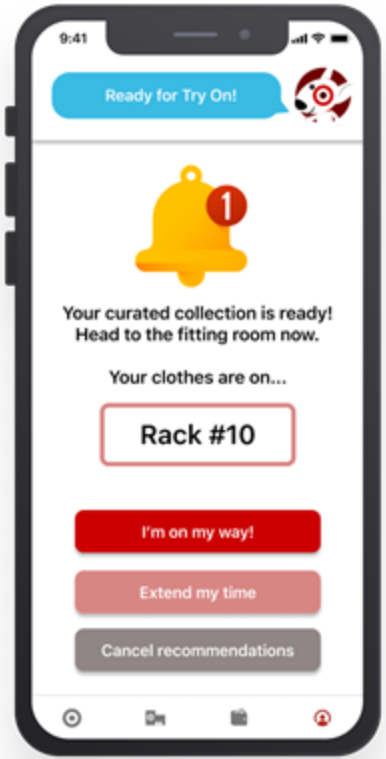
Mark Preference

New Feature - Fitting Room Recommendations

Inspiration vs. Options



Get Time Estimate

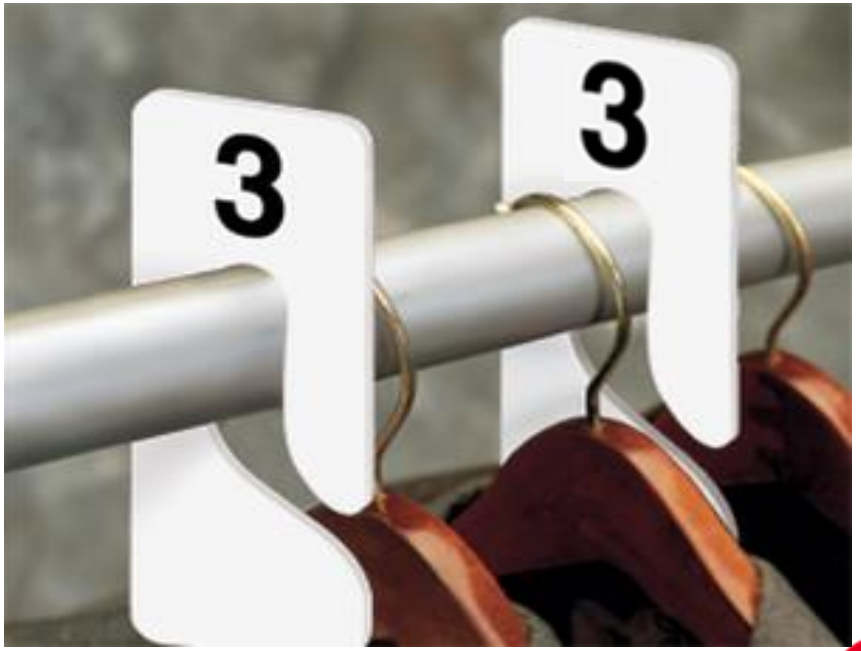


Head to fitting room!

Curated Collection at Fitting Room

Curated Rec Rack

- Every customer is given a rack number
- Rack has clothes sandwiched between two rack numbers



Expired Rec Rack

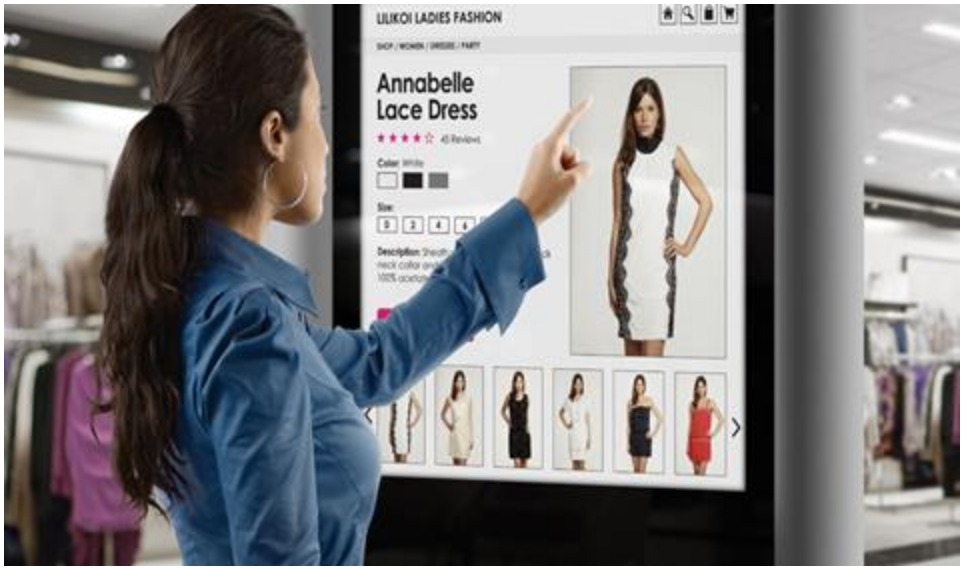
- A separate rack for expired recommendations
- Any shopper can take clothes from the expiration rack if they like what they see
- Employees are notified when they need to move clothes from curated rack to expired rack

Solution Pt. 2

In Store Screens

In-Store Screens

- Target has in-store screen prototypes at GXC



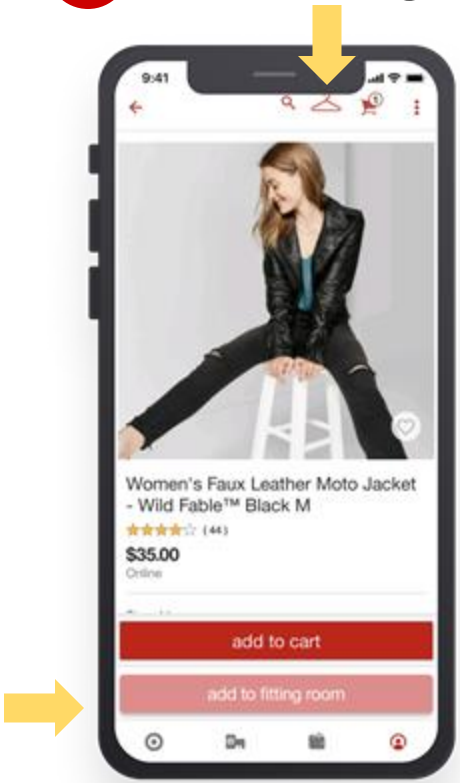
In-Store Screens

- Only 15% of Target customers use the app
- In-store screens have Try On feature
- Customer still scans the clothing's barcode
- Customer can put in phone number to get notified when curated set is ready at fitting room OR
- Customer is given a time frame of when the clothes will be ready at the rack (if customer is hesitant to use phone number)

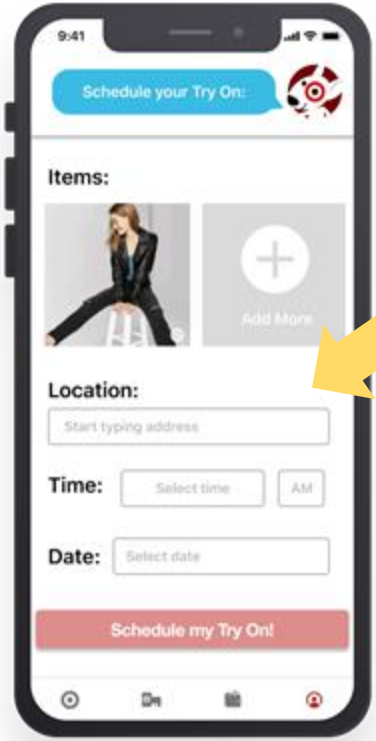
Solution Pt. 3

Browse At Home

Shopping at Home Feature



Add to Fitting Room



Schedule Try On

Shoppers can schedule a try-on session at their local Target.

Selected items will be waiting for them outside of fitting room (on rack)

Kristen's Experience

Present

- Browsing alone
- May/may not go to fitting room
- Assistance available if sought

With Target Try On

- Browsing alone
- Scans barcode/takes picture of clothing she likes in the app
- Goes to fitting room and may try on other pieces of clothing curated for her
- Feels like Target understands her style

Our Solution For...

Sophie

Target Employee

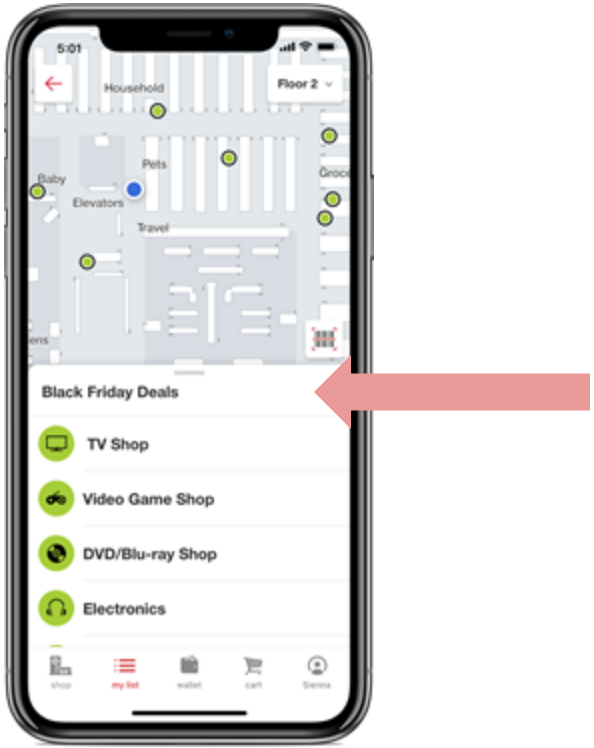
Sophie’s Experience

Sophie's Employee Task Flow

1. Notified when a curation has been requested

Sophie's Employee Task Flow

2. Uses E-Pick to see what clothing to bring to fitting room area



Sophie's Employee Task Flow

3. Checks PDA to find out intended rack number destination

Sophie's Employee Task Flow

4. Confirms curation has been completed, which notifies the browsing shopper

Sophie's Employee Task Flow

5. Notified to remove any leftover curated items from the rack after 20 minutes

Sophie's Employee Task Flow

6. Sees that only two items are left behind – it seems the shopper liked what she brought to the rack! Sophie moves them to the "expiration rack".

Sophie's Employee Task Flow

7. Later, Sophie notices that the expired collections seem popular among people browsing!

Sophie's Experience

Present

- Helps customers only if asked for assistance
- Inventory tasks feel mundane and repetitive

With Target Try On

- Feels like she's helping a customer by curating their style
- Inventory Tasks are varied and allow her to move around the store during her shift

Technical Feasibility

Technology Overview

RFID

- Weekly inventory
- Automatic sizing and styling

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RFID

- Weekly inventory
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E-Pick

- Prioritized and optimized route planning
- Maps out inventory

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RFID

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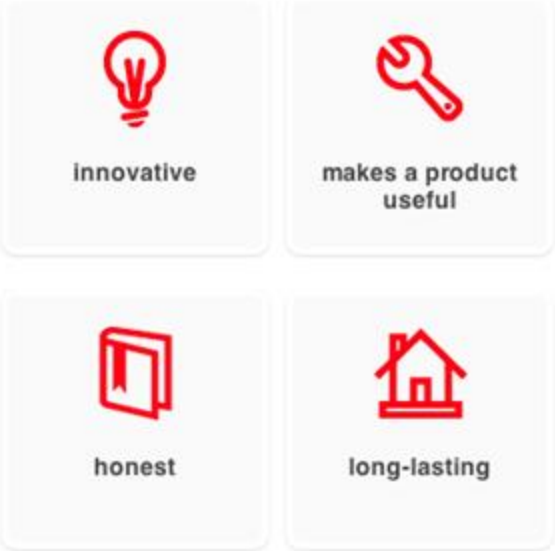
Target App

- CV scanning tech
- Collects and analyzes user data

Product Design Principles



- Must be easy for employees to pick up clothes through store
- App and in-store screens should be user friendly and easy to navigate
- Inventory should be up to date on the app
- Must have wait time for less than 20 minutes per customer

Prioritized Product Features

- Recommendation Engine needs to be trained with ample data
- E-pick needs to be optimized to give the best route to employees
- Customers should be have enough features to play with - rate their recs, extend/cancel rack recs, shopping at home

Barriers to Adoption

In a Rush

Barriers to Adoption

In a Rush

Tech Confusion

Barriers to Adoption

In a Rush

Tech Confusion

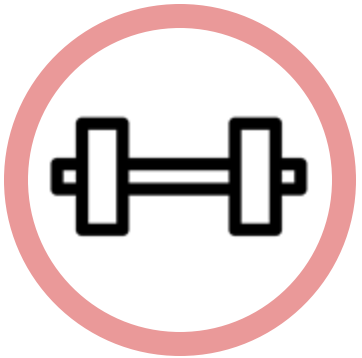
Bad Recs

Barriers to Adoption

In a Rush

Tech Confusion

Bad Recs



Training Overhead

Long Term Trends

Retail
Apocalypse

Long Term Trends

Retail Apocalypse

Adoption of Tech

Long Term Trends

Retail Apocalypse

Adoption of Tech

Rise of Online Shopping

Product Development

Labor Costs

In-Store 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

- Agile development methodology
- ~90k / year per team member
- 13 team members (1 PM, 1 Designer, 2 ML, 3 CV, 6 SWE)
- 1 year project
- **Cost = 1.17M / year (first year)**
- 4 maintenance team members
- **Cost = 360k / year (maintenance)**

Hardware Cost

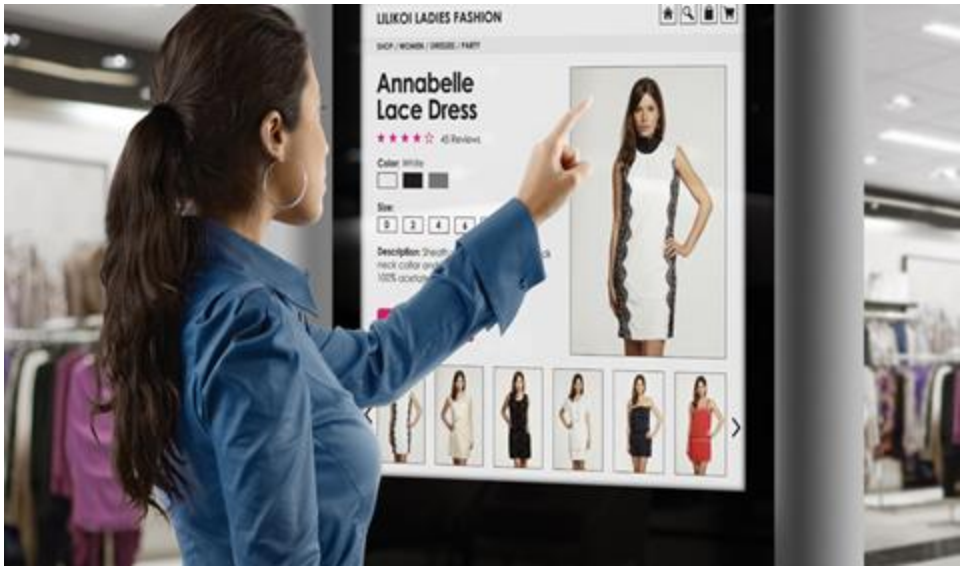
Hardware Cost

- $100 / industrial clothing rack
- 4 racks added per fitting room
- 1800 stores
- Replace every 5 years
- **Cost = $144k / year**

In-Store Screen Cost

Screens Cost

- $5000 / screen
- 1 screen / store
- 20 tech-savvy stores
- **Cost = $100k**



Marketing Cost

Marketing Cost

- ~$.001 / additional “Scan Me” Tag added to each future clothing item
- ~1 million clothing items / store
- 1800 stores
- 3 months of advertisement / year
- **Cost = $450k / year**

Overview of Technical Costs

Cost Type	**Millions / Year**
Labor	48
Dev	1.17
Hardware	0.144
Screens	0.1
Marketing	0.45
Total	**~$50 mill**

Business Model

Business Model: Problem

Target clothing shoppers want to be left alone yet seek a second opinion

Business Model: Solution

Virtual personal shopper that curates recommended items for their style/needs; browse at home feature

7x

↑ Likelihood to purchase if using fitting room

70%

Of purchase decisions occurs at fitting room

Business Model: Value Proposition

Customers in fitting rooms with larger baskets =

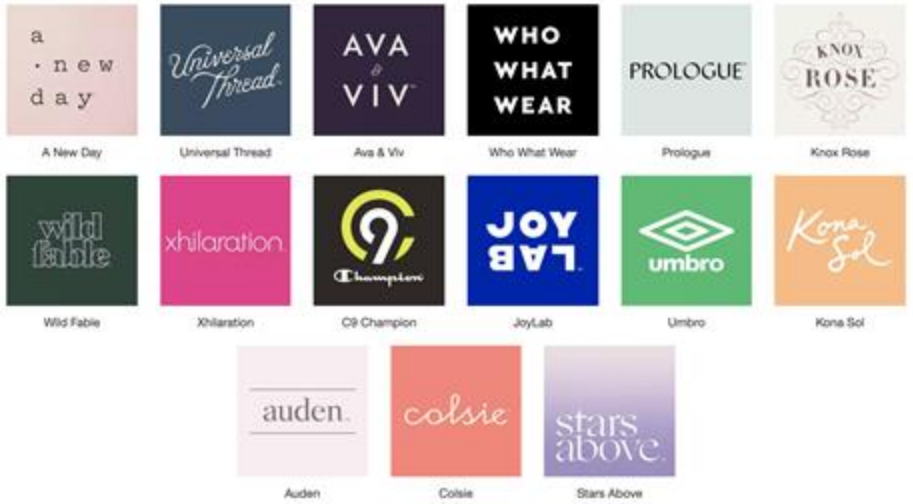
↑ Conversion

↓ Returns

↑ Satisfaction

Business Model: Advantages

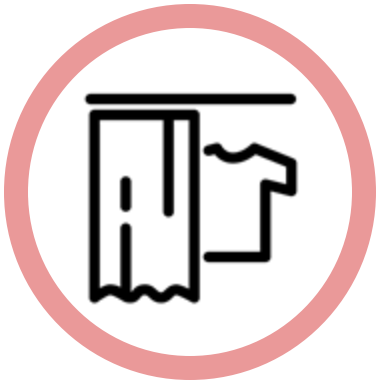
- Target demographic = majority of Target shoppers
- Significant existing infrastructure and resources
- Target brick and mortar segment is large
- Private label brands are lucrative



Business Model: Sales Channels

- In-store signs
- “Scan Me” tags added to clothing
- Targeted advertisements
- Discount on first purchase of “curated” clothing item

Business Model: Key Metrics



% users in fitting room

curated items in fitting room

curated items purchased

Market Profit Equation (Simplified)

Shoppers

X

#Purchase Rate

X

Items

X

#Cost per Item

4.58% Increase

In profits to existing 15 Billion Dollar Market Size*

Market Profit Estimate Pt. 1

Target Try On Profit Estimate	
Numbers	
Number of shoppers	1
percent don't use fitting room frequently	43%
Purchase rate before using fitting room	10%
Purchase rate after using fitting roon	25%
Before basket size	2
After Basket size	4
Cost per item	20
Conversion rate to use fitting room	10%
Excess Clothing Churn	60%
App usage + Conversion	2%
^ Really equal percent who use the app * percent who will use the feature	

Market Profit Estimate Pt. 2

INCREASE IN PROFIT FROM PEOPLE WHO PREVIOUSLY USED THE FITTING ROOMS INFREQUENTLY			
Profit Before	1.72	# Shoppers * InfrequentFittingRoom% * purchase rate * beforeBasketSize * costPerItem	
Profit After Dont use App	1.6856	# Shoppers * InfrequentFittingRoom% * purchase rate * beforeBasketSize * costperItem * (1-percentUseApp)	
Profit After use app and convert	0.172	# Shoppers * InfrequentFittingRoom% * purchase rate * afterBasketSize * costperItem * percentUseApp	
Profit After Total	1.8576		
Profit Ratio	1.08	0.4644	Segmented by Pop
INCREASE IN PROFIT FROM PEOPLE WHO ALREADY USED THE FITTING ROOMS			
Profit before Fitting room group	5.7	# Shoppers * (1- InfrequentFittingRoom%) * FittingRoomPurchaseRate * beforeBasketSize * costPerItem	
Profit After Fitting Room Group Use App	0.228	# Shoppers * (1- InfrequentFittingRoom%) * FittingRoomPurchaseRate * afterBasketSize * costPerItem * percentUseApp	
Profit After Fitting Room Group Dont Use App	5.586	# Shoppers * (1- InfrequentFittingRoom%) * FittingRoomPurchaseRate * beforeBasketSize * costPerItem * (1-percentUseApp)	
Profit After Fitting Room Total	5.814		
Profit After Fitting Room Ratio	1.02	0.5814	Segmented by Pop
TOTAL	1.0458		
SCALED MARKET PROFIT	**$ 687,000,000.00**		

Next Steps:

1. Build out app for mobile & in-store soft-launch prototype in 5 Targets
2. Improve & Iterate based on learnings
3. Launch Browse At Home feature

Thanks!

Any questions ?

Appendix

***Figma Prototype Link*:**
https://www.figma.com/proto/Ijp52vbW3hNm4NgVqrSSA5/Target-Mocks?node-id=46%3A547&viewport=583%2C348%2C0.15857462584972382&scaling=min-zoom

***Profit Estimate*:**
https://docs.google.com/spreadsheets/d/1_kKXLZVftZIt63VAY0By3erITev85uP_kihuoIJk6jg/edit?usp=sharing