

Target Case Study

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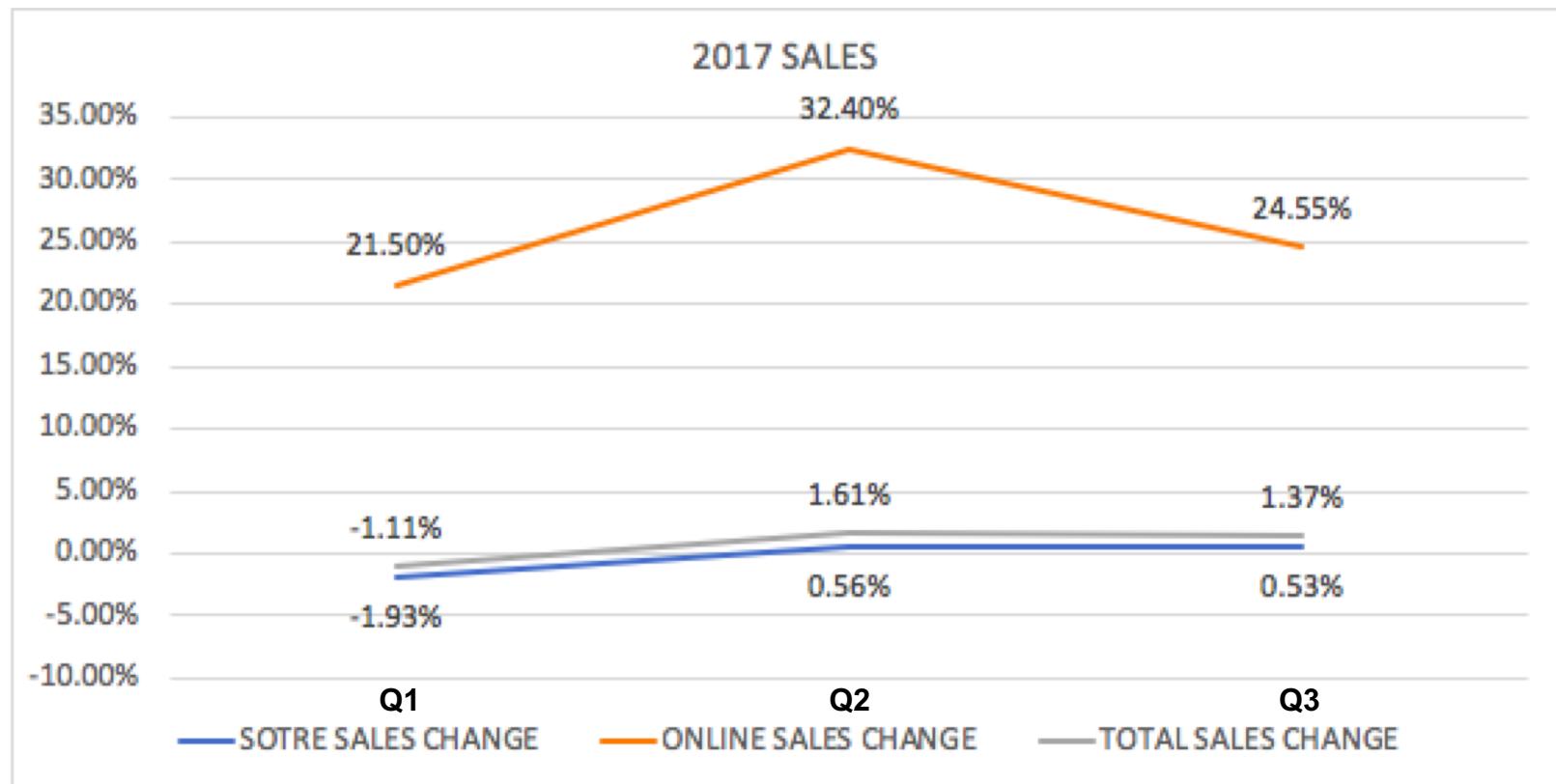
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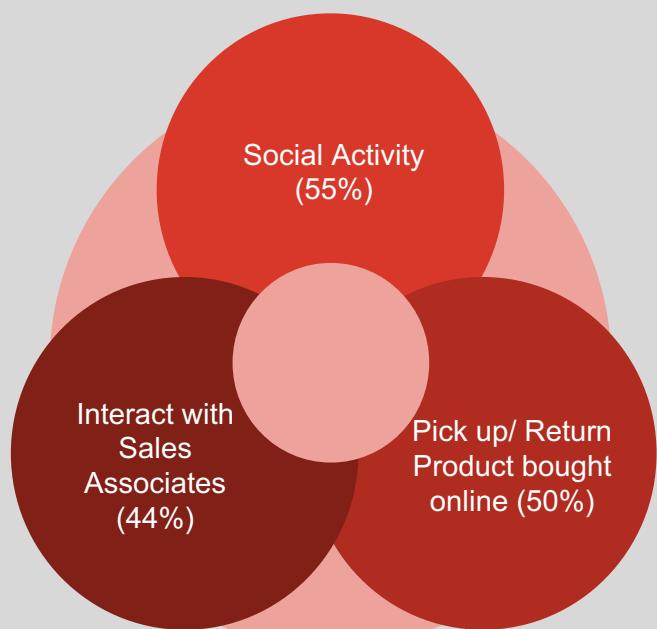


Target year-on-year stores sales growth is stagnant with an average decrease of -0.28% over the first 3 quarters of 2017



The change in consumers' preference and the difficulty in differentiating its products and services pose challenges to the business

Why do Millennials go to a physical store:



Market Position: Affordable high fashion



Retailers are embracing the new concept of experiential stores to cope with consumers' preference change

Starbucks Reserve Roastery

“opened the doors to an all-new coffee experience



REVENUE



year-over-year growth to a Q3 record **\$5.7 billion**

Nordstrom Local

“buy online/pickup in store, returns, curbside pickup, cafe, alterations and tailoring



Balancing Retail and Non-Retail Offerings Drives Positive Shopper Experience

Metric	Shoppers who use a mall with a strong non-retail offer	Shoppers who use a mall without a strong non-retail offer
Average number of visits per year	18.9	10.2
Average dwell time (minutes)	135	62
Average spend per visit	\$142	\$54

Target Local is on the right track, but it can do even better through improving the user experience

New Layout

October, 2017



"Inspiration"-themed entrance



Speed Entrance

"Made after you buy it" Service
Processed vegetables

Retail Host Restaurant
One-stop shopping experience
High profits of ready-to-eat food

Interactive Dining Experience
Hold some activities
Reserve a cooking class
Provide kitchen for members

Private Brand Strategy

WHY

- Market Positioning
 - Fashion Retailer
- Once success in 2015 :
 - Lilly Pulitzer

HOW

- Target offers products which are affordable yet stylish
- Select popular merchandise categories which has rising sales in recent years



Differentiation from other business

Focusing on profitable product produced by Target's brand in **apparel**, and **home furnishing**.

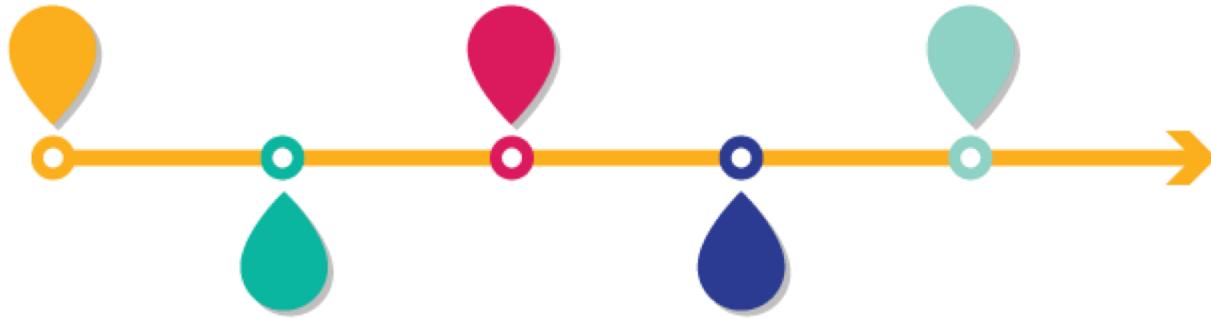


Recap

- Target Local + Exclusive Brands = 'Tar-zhay'



- The next year starts today!





Q-&-A