



Target Brand Audit



Karie Spaetzel
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Executive Summary

Target is more than just a retailer; it is a corporation that emphasizes offering a quality shopping experience as well as giving back to the community.

The company has been around for more than 50 years, offering affordable, fashionable products to consumers across the United States. In that time, it has made great strides to enhance its product line, marketing efforts and retail operations.

Target grew from a small department store to a multi-million dollar industry that offers clothing, home items, electronics and groceries. What began as a single department store now includes more than 1,000 retailers in 49 states and Canada, with four different types of store to meet the needs of every customer. The product line includes name brands as well as exclusive and private label precuts.

The company, which began advertising in newspapers, now utilizes newspapers, magazines, television, social media and the Internet to market its brand.

While Target has seen increasing success, it still lags behind the retail giant, Walmart. For all the improvements Target makes, Walmart continues to grow, taking a valuable part of the market share. Although consumers opinions show preference for Target, Walmart is still appealing to many consumers because of its low prices and convenient locations.

Target's corporate leaders are optimistic about Target's opportunity for growth into the future, and based on the findings of this brand audit, there are several opportunities for Target to expand its reach.

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Target's beginnings

Target traces its roots back to 1902, when George D. Dayton became involved with Goodfellow's Dry Goods Company, the fourth-largest department store in Minneapolis. A year later, he changed the name to the Dayton Dry Goods Company. A decade after that, Dayton changed the name to The Dayton Company, more commonly referred to as Dayton's department



Dayton's Department Store. Target History.

store, to reflect the wide variety of goods and services sold (Our history).

In 1954, Dayton expanded to Rochester, Minn., and two years later expanded to the suburbs with a location in Southdale Mall, the nation's first fully enclosed shopping center. Over the next 20 years, Dayton's added three more shopping center locations in the Minneapolis area (Our history).

In the early 1960s, The Dayton Company decided to expand into mass-market discount retailing. "Company leadership recognizes an opportunity to develop and introduce a new kind of mass-market discount store that caters to value-oriented shoppers seeking a higher-quality experience" (Our history). Company president Douglas J. Dayton promised the new discount retailer would offer 75 departments in all, and shopping would be "fun, delightful and welcoming to the entire family" (Our history).

The first Target store opened on May 1, 1962, in Roseville, Minn. The retailer combined “the best department store features – fashion, quality and service – with the low prices of a discounter” (Our history). By the end of the year, stores opened in three additional locations.

By 1967, Dayton’s had grown from a regional department store to a national retailer. Target had expanded to St. Louis, Dallas and Houston by this time, and in 1969, the first Target distribution center was opened in Minnesota. By 1989, Target had stores in 32 states, becoming a national retailer with stores from coast to coast (Our history).

In 1969, Dayton Corporation merged with J.L. Hudson Company of Detroit to create one of the 15 largest non-food retailers in the country.

By 1975, Target was the Dayton-Hudson Corporation’s top revenue producer. In 1979, Target Stores celebrated achieving \$1 billion in annual sales. In 2000, Dayton-Hudson Corporation was renamed Target Corporation to reflect its primary business. In 2005, Target exceeded \$50 billion in annual sales (Our history).

Recent growth

In 2012, Target celebrated 50 years since its first store opened, and 110 years since the Dayton’s Dry Good Company – now Target Corporation – was created (Our history).

The company’s growth in the past several years showcases Target’s attempts to be around for another 100 years. In 2008, Target expanded beyond the continental United States for the first time when it opened stores in Anchorage and Wasilla, Alaska. The product line in these stores varies from most Target stores by offering products specifically for the Alaskan market, including fishing supplies and outdoor gear (Our

history). As of 2013, there are now three Alaskan Target stores – two in Anchorage and the one in Wasilla.

In 2009, Target expanded to Hawaii with stores on the islands of Oahu and the Big Island. Similar to the Alaskan stores, these stores cater to the Hawaiian culture. Since then, Target has doubled its presence in Hawaii, and now has stores in Hilo, Kailu-Kona, Honolulu and Kapolei.

As of October 2013, there are 1,797 Target stores in the United States (Corporate, 2013). This includes 23 new stores that were opened in 2012 alone (Annual Report, 2012).

Target's most recent expansion effort has been into Canada. In 2011, the company acquired 189 Zellers sites, with plans to renovate the majority of them into Target stores. In 2013, the renovations in many stores were complete, and by the end of the year, Target will have 124 locations in Target. There are currently 92 Target stores open across Canada, with 32 new stores expected to open in the late fall (Our locations).

The opening of 124 stores in one year is a milestone for the company, with the largest ever single-year of store openings (Our history).

Innovation

Target has been on the forefront of many retail concepts that are commonplace today.

In order to maintain a consistent shopping experience across its many stores, Target introduced planograms in 1974. These plans ensure each store delivers clean, uncluttered and in-stock merchandise presentations (Our history).

In 1988, Target introduced UPC scanning at all stores and distribution centers, becoming the first mass merchandiser to do so. “The revolutionary new technology contributes to the evolution of the in-store shopping experience through greater inventory management, increased automation, and most importantly, a shorter wait time at the checklane” (Our history).



Target prescription bottle. Target history.

Target was also one of the first retailers to offer a comprehensive gift-registry service. Launched in 1995, within the first year, more than 125,000 couples had registered. In addition to the gift registry, Target introduced gift cards in 1999.

Target’s pharmacy wasn’t excluded from the company’s innovative ideas. Target introduced a new pharmacy concept in 2005 that included easy-to-read labels and color-coded rings that help minimize the chance of mixing up prescription medications (Our history).

Marketing efforts

Target's marketing efforts over the years have been consistent yet innovative.

Target began weekly newspaper advertisements in 1975. Target.com was launched in 1999, and a year later the weekly ad was being placed on the store's website. The website allowed consumers to shop online.

In order to promote the new stores that were opening around the country, Target formed a partnership with country singers The Judds. The singers were featured on TV and print advertisements.

Beyond traditional advertising efforts, in 1989, Target formed Target Chip Ganassi Racing; the sponsorship embodied the company's values of speed, excitement, modern flair, trend setting and success, and gave it a chance to further promote its stores.

In 1994, Target unveiled the brand promise, "Expect More. Pay Less," which it still adheres to today. "The brand promise is a natural evolution of Target's commitment to community giving and offering guests value, quality and service, all in a fun and inviting store environment" (Our history). In 2004, Target introduced the tagline "Eat Well. Pay Less" to promote its line of affordable grocery items (Our history). Also in



Target's first newspaper ad, 1975. Target History.

2004, Target launched its dollar section, “See. Spot. Save,” using the brand images Bullseye and Bullseye the Dog to represent the department.

Most recently, Target has continued its tradition of innovation by focusing on digital marketing efforts. Jeff Jones, named Target’s Chief Marketing Officer in 2012, is responsible for this increased focus.

Jones’ goal was to introduce change to the company’s marketing efforts while maintaining the brand reputation Target had established over the past 50 years. “What we have to add to it is to embrace accountability, the modern world of data and technology, the social world of all of the ways we can harness our guests to speak on our behalf” (Lee, 2013). Jones is working to improve communication between the retail operations and the digital operations.

One of Target’s most successful marketing campaigns was the 2013 exclusive launch of Justin Timberlake’s first new album in six years, “The 20/20 Experience” (Lee). In addition to using traditional television advertisements to promote the CD, the campaign used social media to connect with fans and promote the release. The content was viewed 2.2 billion times (Lee).

In the social media sphere, Target has two active Twitter accounts: It’s main account, and a Twitter account to promote daily deals. While these accounts are active, there isn’t much noticeable interaction with other users. Target is much better at engagement on Facebook, responding to reader comments directly and in a timely matter. Target also has an active presence on YouTube, Pinterest and Instagram.

Brand elements

Target's bulls-eye **logo**, originally introduced in 1962, has changed a few times since then, but always maintain the bulls-eye icon.

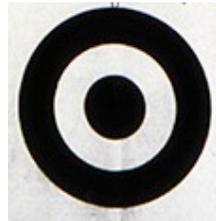
The rationale behind the logo's design was: "As a marksman's goal is to hit the center bulls-eye, the new store would do much the same in terms of retail goods, services, commitment to the community, price, value and overall experience" (Our history). For Target, the logo is much more than just a logo; it signifies the brand's promise to consumers to always hit the bulls-eye.



Current logo



1962-1968



1968-early 70s



Early 1970s-2004

Almost as iconic as Target's logo is its **mascot**, Bullseye, which began appearing in Target ads in 1999. Bullseye, a real-live dog, not a cartoon image, appears in most of the company's ads, attends Target events and even has a wax statue at Madame Tussauds in New York.

The English bull terrier lives on a ranch in Los Angeles, but much about the dog's life is a secret. "Bullseye is the perfect symbol for Target Corp. itself: projecting a colourful, friendly image but at the same time guarded, often silent, and maintaining an

iron grip on its message” (Krashinsky, 2013). Bullseye has become a beloved icon for Target, says Target’s senior vice president of marketing, Shawn Gensch. “Everyone fell in love with Bullseye after first debuting in a 1999 Target commercial – and that love has never stopped” (Schneider, 2012).

As part of its **sponsorships**, Target has named the Minnesota Twins’ ballpark Target Field, and a 37-foot tall billboard of Bullseye is on full display for ballpark attendees, making Bullseye “bigger than ever” (Schneider). In addition to the Minnesota Twins’ ballpark, the arena in Minnesota is named Target Centre. Other sponsorships include the Chip Ganassi Racing team, as well as being a sponsor of NASCAR.



Bullseye, Target’s mascot

“Expect More, Pay Less”

Target’s **brand promise**, “Expect More, Pay Less” was introduced in 1994 and is a reflection of Target’s overall mission. “Our mission is to make Target your preferred shopping destination in all channels by delivering outstanding value, continuous innovation and exceptional guest experiences by consistently fulfilling our Expect More. Pay Less. brand promise” (Mission & Values 2013). CMO Jeff Jones says this mantra reiterates that Target recognizes consumers’ financial pressures, and strives every day to deliver on its brand promise. “What makes us uniquely Target is that we deliver both” (Rooney).

Product lines

In addition to name-brand products, Target specializes in private, unique lines.

The first of Target's private brands, premium private-label Archer Farms, launched in 1995. Archer Farms is a more expensive private-label grocery brands. In 2001, Target introduced its private label Market Pantry. While Archer Farms is branded as premium food products, Market Pantry is a basic private brand, selling common, every day food products, including milk, butter and non-perishables at low prices.



*Archer Farms
private brand*



*Market Pantry
private brand*

Other exclusive Target food products include its meat brand Sutton and Dodge and its chocolate brand choxie, both launched in 2005 (Our history).

Target was also one of the first grocers in the nation to become certified in organic produce; today, the average Super Target offers more than 600 organic items (Our history). Recognizing the popularity of the organic movement, Target aims to increase organic food offerings by 25 percent by 2017.

Simply Balanced was introduced in 2013, and offers a healthy eating option for consumers. “The products include wholesome ingredients, and more than 40 percent of the assortment is organic. There are no products with hydrogenated or partially hydrogenated oils, high-fructose corn syrup, synthetic colors, artificial preservatives, artificial flavors or artificial sweeteners” (Target Press, 2013). More than 200 Simply Balanced products, including dairy, pasta, frozen food and breakfast items, made their way to the store shelves in 2013.



Target's Simply Balanced organic brand

Aside from its food products, Target offers toiletries and household cleaning products under its brand name Up and Up.



Up and Up private label

In addition to private-label food products and household items, Target offers unique home products. In 1999, architect Michael Graves was the first of more than 75 designers to create an exclusive line of products for Target. The line ended in 2012, but since its debut, Graves and Target introduced more than 2,000 innovatively designed products (Target Pressroom, 2012).

Besides fashionable designs for home products, Target has become known for its fashionable clothing options. Over the years, the company has launched numerous fashion lines with well-known designers, including: GO International in 2006; Liberty of London in 2010; a line Italian fashion house Missoni in 2011; and a limited-edition holiday collection through Neiman Marcus (Our history).



Sample ad for Missoni fashion brand

About one-third of sales in 2012 were related to Target's owned and exclusive brands, according to the annual report (p. 19, 2013).

Brands only available at Target include:

Owned Brands

Archer Farms®
 Archer Farms® Simply Balanced™
 Boots & Barkley®
 Circo®
 Embark®
 Gilligan & O'Malley®

Market Pantry®
 Merona®
 Play Wonder®
 Prospirit®
 Room Essentials®
 Smith & Hawken®

Spritz™
 Sutton & Dodge®
 Threshold™
 up & up®
 Wine Cube®
 Xhilaration®

Exclusive Brands

Assets® by Sarah Blakely
 Auro® by Goldtoe
 C9 by Champion®
 Chefmate®
 Cherokee®
 Converse® One Star®
 dENiZEN™ by Levi's®
 Fieldcrest®

Genuine Kids by OshKosh®
 Giada De Laurentiis™ for Target®
 Harajuku Mini for Target®
 Just One You made by Carter's
 Kitchen Essentials® from Calphalon®
 Liz Lange® for Target
 Mossimo®

Nate Berkus for Target®
 Nick & Nora®
 Paul Frank® for Target
 Shaun White
 Simply Shabby Chic®
 Sonia Kashuk®
 Thomas O'Brien® Vintage Modern

Credit card industry

Target offered its first credit card in 1995, which was replaced in 2001 by the Target Visa, the first company credit card to be accepted at retailers nationwide. In 2004 the card was renamed REDcards; the Target Check Card opened in 2007; and since 2011, every purchase with a Target card saves consumers 5 percent instantly.

Target's push to get consumers to use the RedCard, and its offering of grocery items, have been attributed to an increase in sales (Rooney, 2012).

While REDcard use has an obvious benefit to consumers – an instant 5 percent off purchases – it has also been met with criticism. Target uses REDcard user profiles to track the history of everything a consumer has bought, as well as demographic and personal information, including names, addresses and phone numbers.

Target uses the demographic and purchase history to target specialized offers to customers, and has attributed a growth in revenue to pinpointing expectant mothers. A well-known case of Target's targeting occurred when a teenager received coupons for baby products, much to her father's anger. However, Target's data mining enabled the company to know the girl was pregnant before she told her father (Hill, 2012).

Target statistician Andrew Pole has been attributed with developing this method of marketing. "Target's gangbusters revenue growth — \$44 billion in 2002, when Pole was hired, to \$67 billion in 2010 — is attributable to Pole's helping the retail giant corner the baby-on-board market" (Hill, p. 2).

Community Involvement

Giving back to the community has always been at the forefront of Target's mission. Even before Target existed, the corporation was finding ways to give back.

In 1918, Dayton created The Dayton Foundation with a \$1 million endowment and a promise to promote welfare of humans across the world, and in 1946, the Dayton Company began giving 5 percent of profits back to the community, becoming the second American company to establish a preset amount of annual giving (Our history).

After the corporation's merger, the Dayton-Hudson Company continued the practice of giving back to the community. In 1970, it honored Earth Day by helping plant trees and clean parks; and in 1973, the store offered holiday shopping assistance for senior and disabled guests, a practice that became an annual event (Our history).

Two presidents honored the corporation for its community involvement. In 1983, President Ronald Reagan honored the Dayton-Hudson Foundation for its community giving and social welfare. In 1997, President William Clinton awarded Target's Good Neighbor volunteer program the President's Service Award, the highest national honor for corporate volunteer efforts.

Target continued its parent company's efforts to give back through civic, community and educational programs. Since 1946, Target has given 5 percent of its income to make positive changes in local communities, and in 2007, the company celebrated giving more than \$3 million per week back to local organizations. By 2012, the company was giving \$4 million a week (Our history).

It donated \$1 million in 1996 and became a five-year sponsor of efforts to restore the Washington Monument, which led to its relationship with architect Michael Graves.

In 1997, Target launched Take Charge of Education, and donated 1 percent of REDcard purchases to schools. Since then, Target has donated more than \$320 million to schools across the country (Our history).

Other community efforts include Target House, which opened in 1999 and has housed more than 1,337 families children undergoing treatment for chronic illness, and Target & BLUE, which works with law enforcement agencies to share technology and resources. The company also created grants to fund training and equipment (Our history).

In 2010, Target announced its goal to give \$1 billion for education by the end of 2015 through its educational programs, including Target School Library Makeovers. This program helps makeover school libraries through the donations of more than 1 million books and thousands of volunteer hours (Our history).

Beyond its focus on providing a quality shopping experience, Target has a strong emphasis on community involvement. The corporation focuses on a commitment to education, environment, health and well-being, responsible sourcing, safety and preparedness, team members and volunteerism. Through a focus in each of these areas, Target is dedicated building a strong community for team members and guests (Corporate Responsibility 2013).

Retail stores

The company is first and foremost a retailer, and Target is dedicated to providing an enjoyable, convenient shopping experience. Target offers four different types of in-store shopping options, tailored to meet the needs of every consumer.

Target stores



Target stores are the cornerstone of the corporation. Each store follows the same guidelines to offer stocked shelves, friendly customer service, affordable prices and speedy checkouts. There are 1,131 Target stores in the United States that have been expanded to offer grocery products as well as beauty products, decor and basic household necessities from designers, store-owned brands and national brands. In addition, there are 391 general merchandise stores that don't have a grocery selection. Between these two store types, Target has 192,833 square feet of retail space. General merchandise stores average 119.14 square feet per store, while the expanded stores average 129.30 square feet.

Super Target



The Target corporation also includes **Super Target**. First opened in 1995, Super Target harnesses the appeal of one-stop shopping by offering fresh produce, deli, meat and a bakery in addition to the products offered at traditional stores. There are 251 Super Target stores in the United States, totaling 44,500 square feet of retail space.

City Target



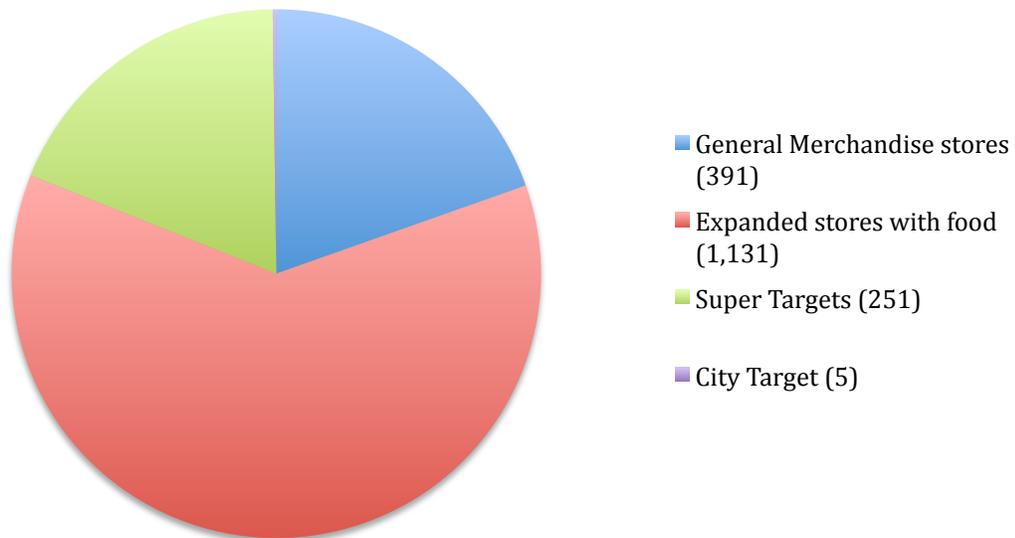
To meet the needs of urban residents, Target introduced City Target, a smaller format store designed for urban neighborhoods and carrying products that make sense for

urbanites. The design of the store is meant to make urbanites feel right at home, with digital message boards and navigational signs that offer fast, easy shopping that consumers used to a fast-paced environment might prefer. “The welcoming atmosphere shows guests we are part of their communities and are anxious to meet their unique needs. Although we offer that in every Target, at CityTarget we’re customizing it a bit more” (CityTarget 2012).

The first stores were launched in 2012 in Chicago, Seattle, San Francisco and Los Angeles, with more locations expected in 2013 (Annual report, p. 3, 2013). The five stores have a combined area of 514 square feet, or an average of 102.8 square feet per store (Annual report).

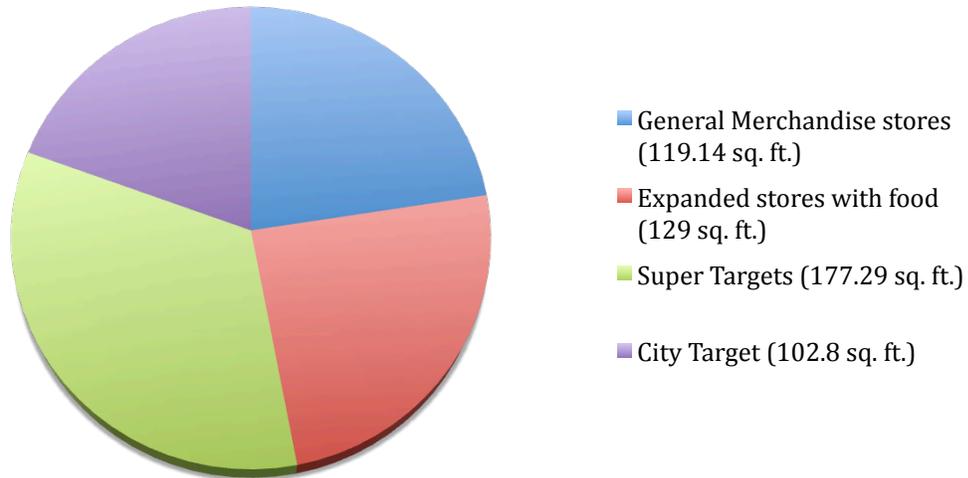
All told, Target has 237,847 square feet of retail space across the country. The majority of this space is used for the expanded Target stores. The newest addition to the Target line, City Target, has the least real estate.

Total square footage



City Target also has the smallest real estate based on average square footage, while Super Targets are the largest. However, the average square footage of each type of Target store is fairly consistent.

Target Stores Average Square Footage



Consumers aren't limited to in-store shopping, however. The corporation's website, **Target.com**, gives consumers a bigger selection in products, including exclusive offers to more colors, sizes and designs. Products can be shipped directly to a consumers' house for added convenience. The website also encourages consumers to create and read product reviews and interact with other guests.

Mobile is the newest tool Target uses to provide an easy, convenient shopping experience for consumers. The **apps** for iPhone, iPad and Android, as well as Target's **mobile website**, provide important information for guests, including where to find the nearest store, create a shopping list, and access to the weekly ad.

Competition

Interbrand rated Target the second-best retail brand in 2013, behind Walmart (2013). The third-rated discount retailer in the United States is Kmart.

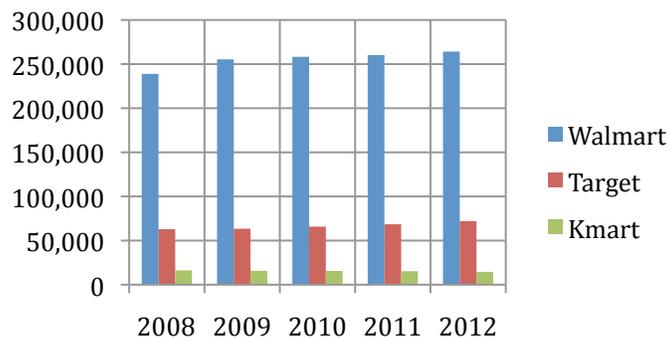
Target's revenue has consistently grown in the past five years, and in 2012, Target saw a 4.9 percent increase in revenues. During 2012, revenues exceeded 73 million, and Target's retail sales topped \$72 billion (Annual report, 2012).

However, Target's revenues are still way behind Walmart. The discount department store has also seen a growth in net sales, with 2012 sales topping \$443 million, up 5.9 percent from 2011 (Walmart 2012).

Kmart, a store owned by Sears Holdings Inc., is also a mass-market discount retailer. However, Kmart has been struggling recently. The store saw a 2 percent drop in revenue in 2012, with sales of \$15 million (Yahoo! 2013).

Five-Year Retail Sales for U.S. Stores (In millions)

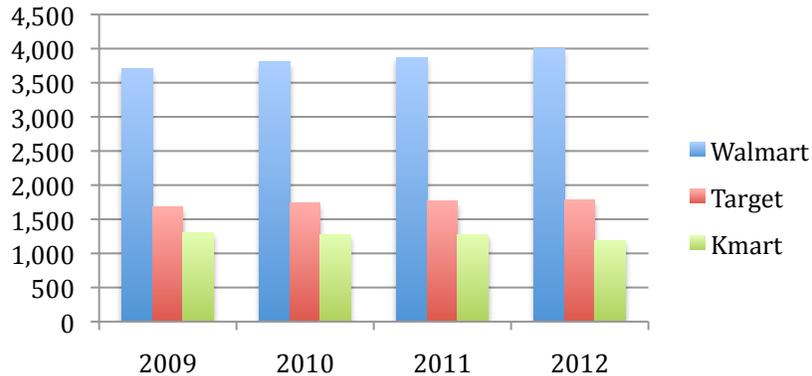
	Walmart	Target	Kmart
2008	\$238,915	\$62,884	\$16,219
2009	\$255,348	\$63,435	\$15,743
2010	\$258,229	\$65,786	\$15,593
2011	\$260,261	\$68,466	\$15,285
2012	\$264,186	\$71,960	\$14,567



Target has been steadily increasing the number of stores in the United States, while it continues its expansion into Canada. Walmart has also been increasing the number of stores in the United States, while Kmart has been slowly closing its stores.

Number of U.S. Stores

	Walmart	Target	Kmart
2009	3,708	1,682	1,300
2010	3,804	1,740	1,279
2011	3,868	1,763	1,277
2012	4,005	1,778	1,193



Similar to Target, Walmart offers discount prices and private-label products. In addition, Walmart is known for its popular layaway offering for the three months before Christmas. This program gives shoppers a chance to set aside products and pay them off over a few months. Walmart shopper Joy McGowan said, "It saves me money. It allows me to put things away and pay on it a little at a time" (Carloss 2013). Walmart also offers an ad-match guarantee, meeting competitors' prices on almost every item in its stores.

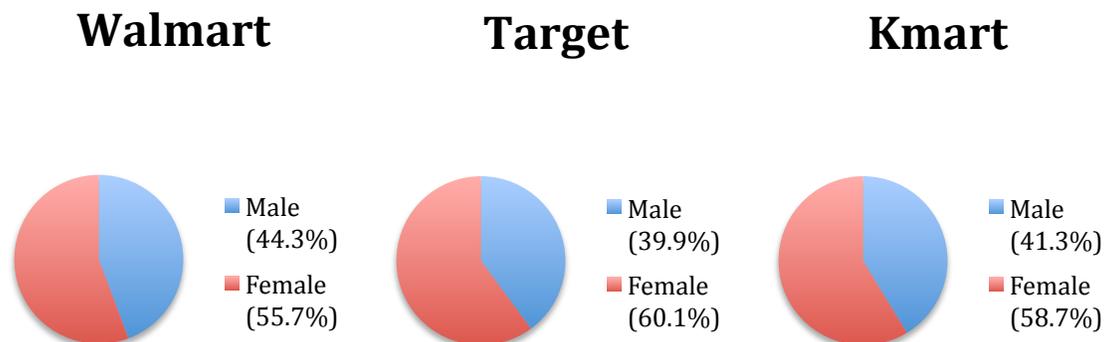
Kmart offers a layaway program, as well, but Kmart's program is available year-round.

Retail customer demographics

A 2012 analysis by Ad Age broke down the gender, age, household income, marital status and region of customers at the three leading retailers – Target, and its two primary competitors, Walmart and Kmart (Carmichael, 2012). The demographics can be used to ascertain Target’s target market – in this case, middle-class women in their 30s and 40s.

Gender

The analysis found that 60 percent of Target shoppers are women. Walmart and Kmart have a more even distribution, with 56 percent and 58 percent of female customers, respectively.

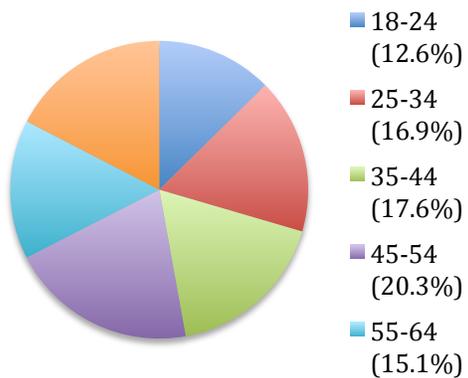


Age Range

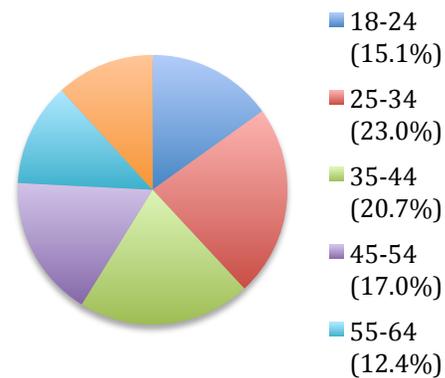
The majority of Target shoppers are between the ages of 25 and 54. This is a younger demographic than Walmart and Kmart, which attracts an older customer base. While 12 percent of Target shoppers are older than 65, 17 percent of Walmart customers and 20 percent of Kmart customers are older than 65. By contrast, 23 percent of Target

customers are between 25-34, compared to 16.9 percent of Walmart customers and 13.2 percent of Kmart shoppers.

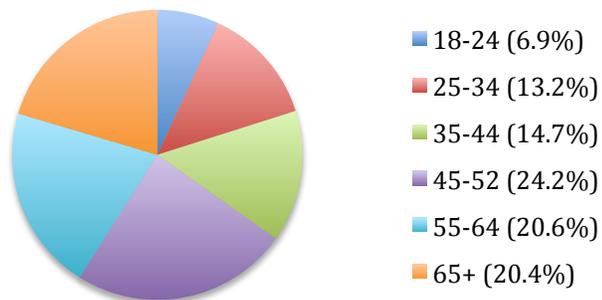
Walmart



Target



Kmart

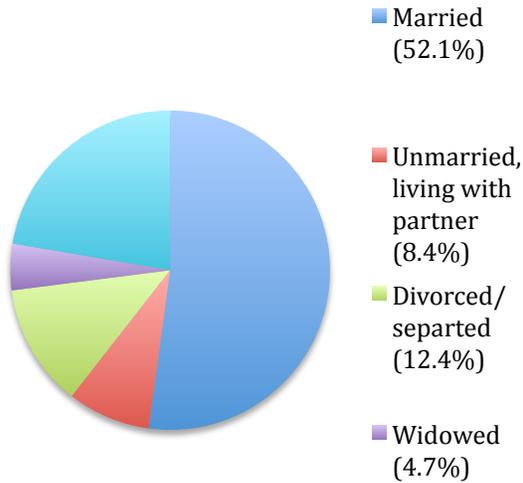


Marital status

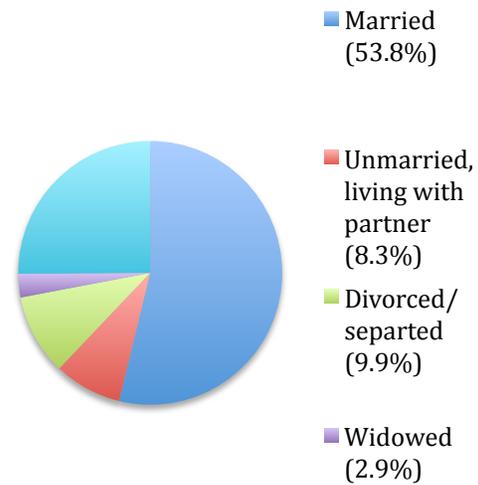
More than half of Target customers are married, and after that, most of Target's customers are single and have never been married. Comparatively, more than half of Walmart customers are married, while 22 percent are single and 12 percent are divorced.

Kmart has a higher customer base that is unmarried but living with a partner, divorced or widowed than the other two retailers.

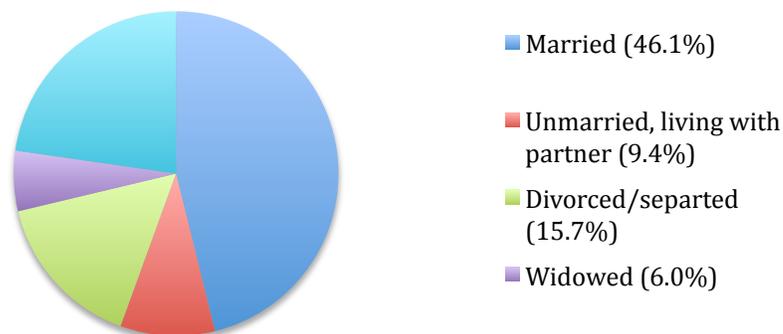
Walmart



Target



Kmart

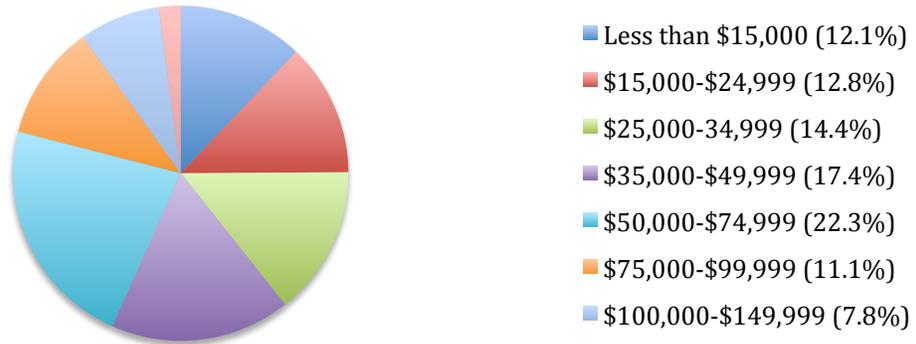


Income

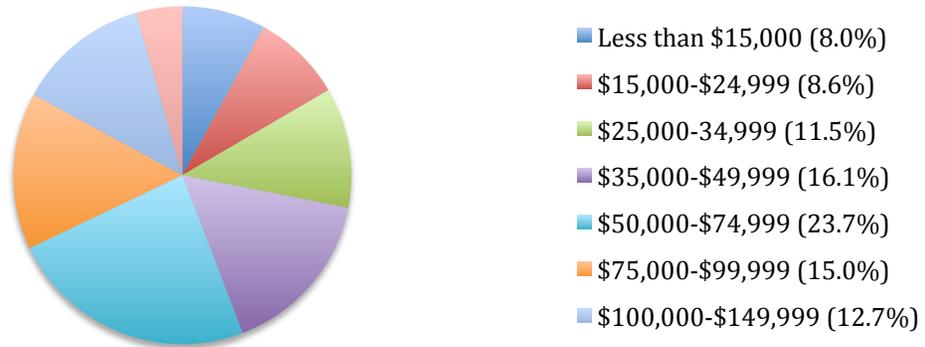
Of the three retailers, Target draws the fewest low-income customers. Target also has a more even distribution levels than its main competitors. The majority of Target's

customers have incomes between \$25,000 and \$100,000. The majority of Walmart and Kmart customers have incomes below \$75,000.

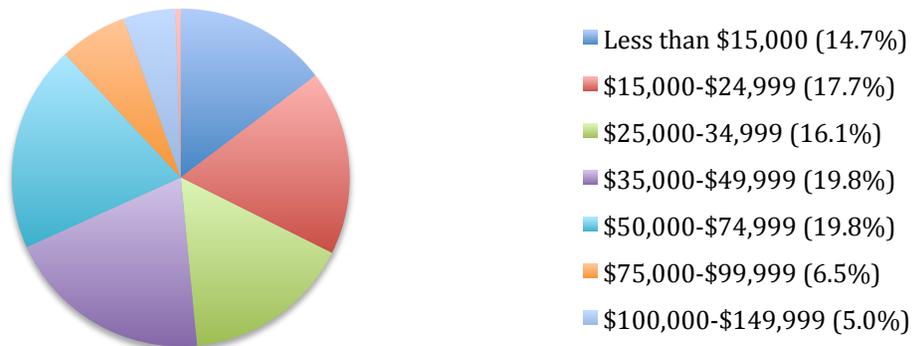
Walmart



Target



Kmart



Consumer opinions

For this brand exploratory, two primary sources were used to gather consumers' opinions of Target.

The first source is 12 students and faculty from West Virginia University's Integrated Marketing Communications graduate degree program. These reactions were gathered from three survey questions presented in a discussion forum for IMC 613: Brand Management. The consumers polled in this method are primarily professional men and women between the ages of 24 and 50.

The second source is a Survey Monkey poll of 20 women and six men between the ages of 18 and 44 with varying income levels. Of the respondents, 16 are between the ages of 25-34. Three are between 18 and 24; five are between 35 and 44; and two are between 55 and 64. The poll was promoted through links on Facebook and Twitter to get a varied sample size.

Results

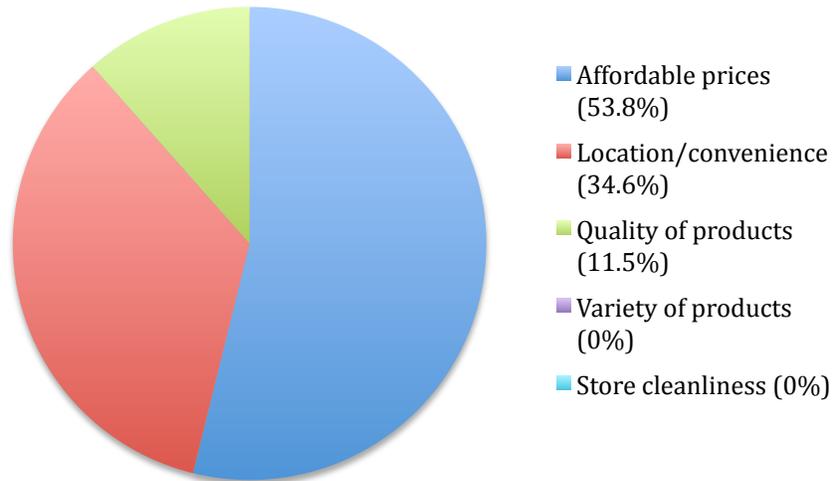
Clean. Stylish. Affordable.

When asked to describe Target, several consumers used those adjectives to describe the mass-market discount retailer. Not only were these the most popular adjectives used to describe Target, they encompass three different facets of Target's company – store quality, products, and pricing.

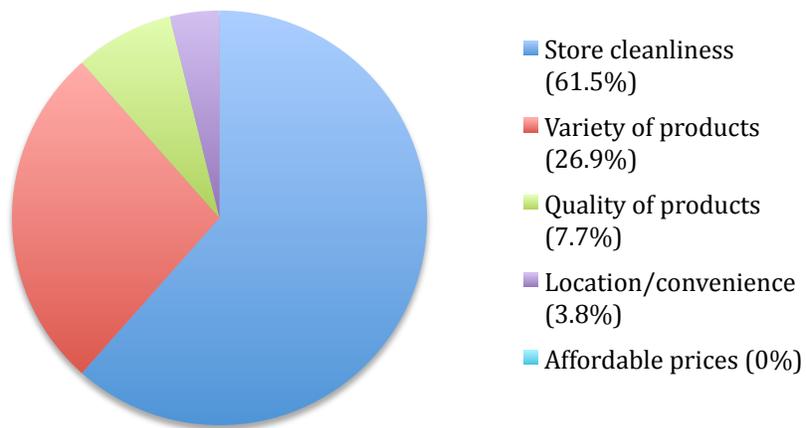
Consumers on the Survey Monkey poll were asked to rate what factors are important when choosing a retail location, including prices, location/convenience, offers variety of products, quality of products/service, and store layout/cleanliness. The survey

found that price was the most important factor, followed by location and quality. Cleanliness was the least-important factor for these respondents.

Most important factor

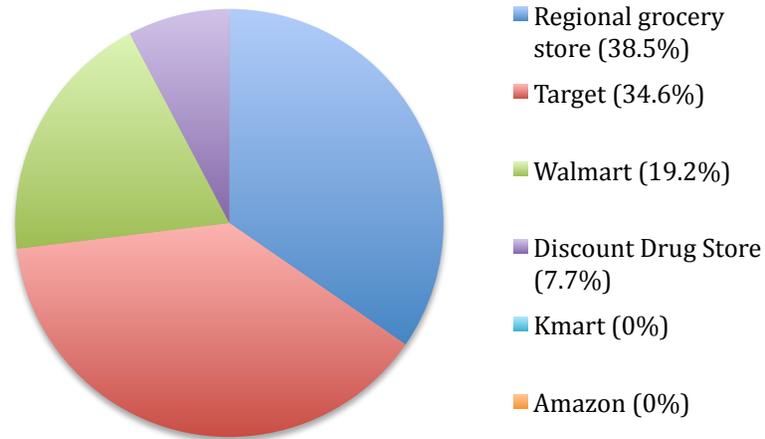


Least important factor

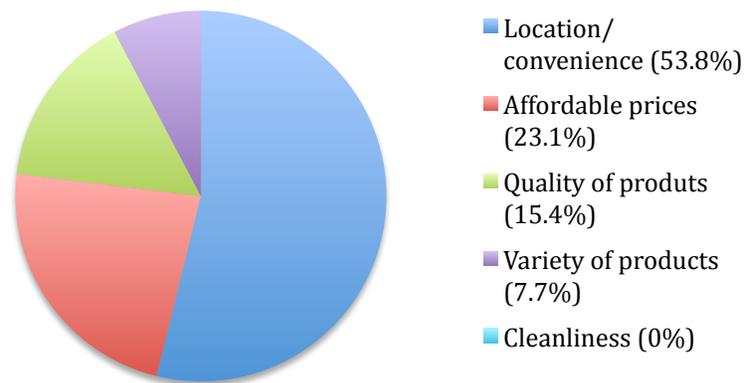


The survey also found that the majority of respondents prefer Target over Walmart and Kmart, but regional grocery stores like Kroger and Giant Eagle are strong competitors for Target.

Shop at most often



Reason for choosing current store



The responses from the IMC 613 class provide insight into why consumers of varying backgrounds choose Target as their preferred retail shopping location.

Store quality

The look and feel of Target stores is a big selling point for many consumers. While “clean” was the most-used adjective to describe Target, it wasn’t the only positive

description of the retail stores. Consumers said Target has a pleasant atmosphere, wide aisles and is bright, organized and convenient.

The results of the Survey Monkey poll ranked cleanliness as the least important aspect for the respondents; however, many people consider cleanliness is one of the most important aspects of a retail shopping experience. A 2011 survey by Cintas



A look inside a Target store. *Target.com*

found that 99 percent of adults reported poor cleanliness would negatively affect their perception of a retailer (Cintas, 2011). “This research affirms that maintaining a clean retail environment can significantly impact the success of a retail operation” (Cintas).

Results of Cintas survey on store cleanliness

Unclean restrooms	95%
Unpleasant odor	92%
Poor customer service	90%
Dirty floors	86%
Dirty shopping carts	84%
Poor staff appearance	83%
Spills or stains	81%
Wet floors with no signs	76%
Dusty surfaces	74%
Dirty glass, windows	68%

Target’s cleanliness makes the store inviting to come in to, and makes consumers want to shop there. One consumer said, “I want to shop at Target because the floors are white and clean, and the shelves are almost always organized” (Class, 2013).

The cleanliness appeals to both Target’s primarily female target market, and those who fall outside that audience. A female young professional said, “I am a very loyal Target consumer. ... The stores are consistently clean regardless of the location I'm at, customer service is good, and I like the special deals” (Class), while a young adult male said, “Target feels very clean and orderly. There's nothing about it that feels like a middle class guy like me can't shop there, but it doesn't feel cheap either” (Class).

In addition to the interior of Target, location is important to some consumers. For some respondents, Target’s convenient location near their homes compelled them to frequent Target. However, for some respondents, the distance to the nearest Target pushed respondents to visit Walmart or another competitor. “Wall-World seems to always be closer and easier to get in/out. ... That keeps me away from Target. I prefer Target, but am not willing to go out of my way” (Class).

Products

The quality and variety of products offered at Target are another appeal for many consumers. In addition to offering stylish products, Target was also to be a “cheap-chic,” modern, trendy, cute and fun brand. One female consumer said, “The products are always colorful, which is important to me because I love neutrals so much that I



Target’s weekly ad shows its colorful products

need more encouragement to add some color to my world” (Class). Consumers like the variety of products Target offers. One female said, “I also love that I can purchase

different style clothes (work clothes, bathing suits, yoga pants) at one place that are cute and affordable” (Class).

Target’s wide array of product categories – clothing, groceries, decorative items, basic household needs – is also a big draw for consumers. “Target appeals to me ... because it provides affordable products with a variety of options” (Class). Target has become a convenient retail option for many consumers because of its one-stop characteristic. “I enjoy shopping there because it is a one-stop shop for me. I can do grocery shopping, clothing shopping, household items, etc., in one place” (Class).

Consumers also think that Target’s products are of superior quality. “As a married young professional female who doesn't want to waste all her hard earned money on expensive products, but also doesn't want to waste on products so cheap that they fall apart within a month, Target is the perfect middle ground for me” (Class).

Consumers view Target as a higher-class brand, especially compared to Walmart, its biggest competitor. “I also love that I can get stylish clothes or home decorating items that don't cost a ton of money. I feel confident buying a present at Target without it seeming cheap like a Walmart gift would feel” (Class). A male consumer wrote, “I don't enjoy the Wally-World consumer, therefore I must be 'snooty' and thus a good Target consumer. I am willing to pay a little more (but not a lot more) for the pleasure of shopping at this store” (Class).

Consumers find that as a retailer, Target is more reliable than its competition. “The main reason I shop at Target is that it is far more reliable than Walmart. ... Walmart’s items are usually of lower quality – and that’s when they’re in stock. Rarely have I gone to Target and not been able to find what I need” (Class).

Pricing

In addition to “value,” consumers also used affordable and cost-effective to describe Target. As the previous consumer responses have shown, good prices are an undercurrent to every decision to shop at Target. “Whether they’re appealing to parents or young professionals like me, Target wants to attract people who understand the value of quality products without having to pay too much for them. ... Their ads are usually centered on the wide assortment of items that Target sells for a reasonable price” (Class).

Corporate Optimism

Target's leadership is optimistic about the store's ongoing success. "We believe Target will continue to thrive. And, this strategic clarity, in combination with our powerful brand, gives us confidence in our future: confidence in the values that have guided our company for 50 years, confidence in the talent and passion of our 361,000 team members and confidence in our continued ability to deliver profitable growth for many years to come" (Annual report, p. 3). This optimism stems from the financial, strategic and operational milestones detailed in the company's 2013 annual report.

During 2012, Target expanded its fresh-food program to 238 general merchandise stores, set corporate records for the 5 percent REDcards Rewards loyalty program, and reached an agreement to sell its credit card receivables to TD Bank Group to maximize growth and profitability. The company expanded price matching to online competitors, in an effort to provide a compelling value proposition (Annual report p. 3). Target's "ability to positively differentiate ourselves from other retailers largely determines our competitive position within the retail industry" (Annual report, p. 20).

Target's goal is to reach \$100 billion in sales by 2017, and will utilize several tactics to reach that goal (Thau, 2012). These include opening new stores, expanding its grocery departments, continuing to push REDcard sales, wooing urban shoppers, and continuing to push its exclusive designer partnerships. The exclusive design partnerships are an especially important part of Target's overall sales. "Target's 10 owned and exclusive brands generate \$1 billion each, and are a reason why guests shop at Target" (Thau). By continuing to promote its unique product lines, Target will be able to continue to gain market share.

The opportunity

Target has a lot to offer consumers, and has stuck by its mission to offer unique, affordable designs in a fun shopping environment. But for all its successes, Target is still lagging behind the major industry leader, Walmart, by a significant margin.

There is potential for Target to gain some of Walmart's market share. Target has already taken steps to address the difference between the two stores when earlier this year it announced it would honor price matching year round, similar to Walmart's policy.

Target's policy also includes online retailers, like Amazon.com, which encourages consumers to make their purchases in store. Target CEO Gregg Steinhafel said, "We know that our guests often compare prices online. With our new Price Match Policy and the additional five percent savings guests receive when they use their REDcard, Target provides an unbeatable value" (Pressroom 2013). Target can continue going after Walmart's consumer base by continuing to promote its fun, fashionable designs and low prices, while continuing to compete with Walmart's policies. For example, Target could introduce its own layaway program to give consumers more incentive to do their holiday shopping at Target.

Target is a strong second-tier brand in mass-market discount retailers, and with the right marketing and promotional moves, Target could become even more competitive with Walmart.

Recommendations

This brand audit has found that Target is a very strong brand; however, it still lags behind the competition in several areas. Target can strength its brand power by promoting its grocery line, marketing to a younger audience, connecting with the male consumer, and creating more engaging social media content.

🕒 **Promote Target's growing line of grocery products.**

Target long ago established itself as a one-stop shop, but research indicates that many consumers are still using traditional grocery stores for their food needs. Target has been making strides in recent years to enhance its grocery store line, adding more Super Targets and expanding current stores to include meat, deli, dairy, produce and frozen foods in addition to dry goods.

- 🕒 Launch advertising campaign focusing on fun, fashionable, food
- 🕒 Give consumers coupons for food products when they check out
- 🕒 Increase space in weekly advertisement that promotes food sales

🕒 **Create more engaging social media marketing efforts**

Most of Target's current social media strategy involves talking to consumers. While this will generate a following among consumers who are already loyal, it doesn't necessarily attract new customers. By creating interesting, engaging content, the social media following will grow, thus increasing brand awareness.

- 🕒 Use social media to host contests at least four times a year in which the prize can only be won by engaging on social networks
- 🕒 Ask questions and post photos of new or interesting products on a daily basis

- ⊙ Respond to every comment, question and complaint across each network

⊙ **Increase marketing efforts to younger audience**

Target's current primary consumer base is married women in their late 20s, early 30s and 40s. However, the young adult, unmarried shopper is a valuable consumer base that is currently taking its money to competitors like Walmart because of lower prices and convenience.

- ⊙ Use targeting to offer special offers and coupons to younger women
- ⊙ Continue to expand retail presence in cities, where unmarried young adults are more likely to live
- ⊙ Launch line of products aimed at chic, single apartment living

⊙ **Connect with male consumer**

Along those lines, there is also an untapped market for the male consumer. As the consumer opinion results showed, Target is a brand that appeals to men. Therefore, Target needs to seek out the male consumer and encourage male shopping at Target.

- ⊙ Capitalize on Target's sports endorsements, including in baseball and NASCAR, to build brand awareness among men
- ⊙ Create line of unique men's clothing, use advertising campaign to promote stylish new line
- ⊙ Develop male-centric advertising campaigns, and air them on male-dominated channels, such as ESPN

Through the use of these tactics, Target can continue to expand its brand awareness and obtain more market share from its competitors.

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