

Target

Research Assignment

KENNETH FIERRO

I. Executive Summary

Target is one of the biggest discount retail industries in the United States offering trendy and high quality merchandise. Target aspires to constantly deliver the best value to its guests by fulfilling its “Expect More. Pay Less” brand promise. Target Corporation operates Target.com and a full line grocery store in addition to the Target retail operation. Other key business includes Target Financial Services, which encompass the Target Red Debit Card and Target Red Visa credit card business. Target has increased investment in digital platforms to create a seamless, relevant, and personalized experience.

One of the main goals is to increase revenue by revamping Target.com and Target mobile app, Cartwheel. In order to successfully reach this goal, Target will utilize Target.com more to attract current guests and potential guests by implementing a section that suggests groceries that will match the product in the other departments. Also, Target will create a new app called the “Target app” instead of the “Cartwheel app” to avoid confusion of having two separate apps for the guests. Target app will include 2 new ideas that will help its guests to purchase more conveniently. The first idea is called the “alert system” where the guests will be alerted through the app about daily promotions when they drive near a Target store. Second is the Universal barcode which will let the guest to receive discounts with one Universal barcode through the Target app instead of browsing multiple coupons.

Another main goal is to increase revenue by marketing to guests who usually make unplanned shopping trips. One of the recommendations is to implement Direct Mailing Program that targets potential guests using magazines, circular, and Sunday newspaper to prove barcode coupons. Another recommendation is to start the texting program called RedMessage for loyalty guests. Guests with Target Red Card will receive text messages about sales and promotion advertisements for grocery section on a regular basis. It will encourage other guests to open a Target Red Card. Also, Target will emphasize on providing the freshest products for the guests through Internet banner advertisements, TV commercials, and Magazines.

II. Situation Analysis

A. Internal Environment:

Current Objectives, Strategy, and Performance

Target is an upscale retail store offering trendy, high quality merchandise at discount prices. Target's mission is to "make Target your preferred shopping destination in all channels by delivering outstanding value, continuous innovation and exceptional guest experiences. To do this Target wants to consistently fulfill their "Expect More. Pay Less." brand promise. Target Corporation operates Target.com, an online, electronic retail store, as well as a full line grocery store in addition to the Target retail operation. The company's other key business includes Target Financial Services, which encompass the Target Red Debit Card and Target Red Visa credit card business. These services offer 5% off your shopping order everyday, free shipping at target.com, and 30 extra days for returns. Target believes that "great design is fun, energetic, surprising and smart—and it should be accessible and affordable for everyone." There is a range of products with different price tags, in order to fit every budget, all while conveying a message of value. Target Corporation prides itself on its corporate responsibility, which includes charitable contributions and being an environmentally friendly corporation. Each year Target has given 5 percent of their profit to communities, which add up to more than \$4 million each week. Also, Target's team members give hundreds of thousands of hours volunteering in their communities every year. Target is also focused on the environment and healthy, sustainable communities. Target states, "from the way we build our stores to the products on our shelves, environmental sustainability is integrated throughout our business." These changes also come because consumers are becoming much more environmentally and budget conscious when it comes to where they choose to shop. All of these factors are aligned with Target's over all goals and their mission.

Source: Target.com, Target Corporation

Target Corporation has marketed itself as a trendy and hip retailer that offers high quality, excellent value, and is a fun place to shop while saving money with their discount prices. "Expect More, Pay Less" is their promise. Target wants to pursue a strategy that is being shaped by our guests' expectations for more shopping flexibility and price transparency, and the rapid pace of change in technology. Target wants to ensure that they strengthen their guests' love for their brand and deliver the surprise and delight they have come to expect. Target states they will leverage their greatest asset, their stores, in combination with increased investment in our digital platforms, to create a seamless, relevant and personalized experience. Differentiation with exceptional value is what Target strives for. Target remains committed to offering a truly unique assortment—through their design partnerships, outstanding portfolio of owned brands and curated selection of signature national brands. They also have a very high commitment to provide a compelling value proposition, as Target showed by expanding our Price Match Guarantee to include select online competitors.

Target has a strong focus on diversity, as it is an integral part of their business model, and changing demographics of their customer base. The company understands the needs of its guests and the demographics of its customers base. Target understands that they will have to adjust its product mix and marketing strategies to serve new markets. Target is also devoted to making a diverse team. The company states that "individuality may include a wide spectrum of attributes such as personal style, age, race, gender, ethnicity, sexual orientation, language, physical ability, religion, family, citizenship status, socio-economic circumstances, education and life experiences."^[118] The Target employee diversity initiative is called "All Together Target."^[119] It specifically seeks to work with vendors and contractors that are owned by minorities or women.^[120]

One of Target's objectives is that they want to be innovative in how they get information across to their guests. The Target weekly circular is distributed to millions of families, showing their weekly deals and specials. Throughout 2012, Target has continued to accelerate investment in their digital channels and began focusing on thoughtful integration of their digital and store experiences to meet their guests' ever-changing needs. For example, they launched free Wi-Fi in all stores, making it easier for guests to access digital tools and services, like the Target app and our QR code programs, to inform their in-store shopping decisions.

118. Diversity Statement, Target Corporation.

119. Target Diversity Website, Target Corporation.

120. "Supplier Diversity: Minority and Women Business Development Program, Target Corporation.

In 1995 Target opened their first SuperTarget. Target was recognizing that busy shoppers don't always have time to visit several stores in one shopping trip. Target then developed the SuperTarget store to provide guests with the convenience of one-stop shopping. The first SuperTarget, which includes a grocery section with fresh produce, dairy, meat, opened in Omaha, Neb. Also in 1995 Archer Farms debuts. Target introduces Archer Farms, an exclusive line of premium grocery products. Upon initial launch, Archer Farms includes grocery staples such as bread, milk, pasta and bottled water. In 2001, Target introduces its exclusive private label, Market Pantry, another upscale, organic brand. Archer Farms, and Market Pantry competes with national brands like Kraft, Smucker's, and Sara Lee. Market Pantry products are shelved next to their name-brand competitors, and usually packaged so similarly that it's hard to tell them apart. That is, unless you're looking at the price (Market Pantry is almost always cheaper than its competitors).^[1]

Target continues to be the ultimate one-stop shopping destination by increasing its availability of grocery products at stores in 2003. In 2004, Target introduces the SuperTarget tagline "Eat Well. Pay Less.[®]" This is our promise to provide a great selection of unique, affordable grocery items as a complement to the hip and fashionable low-priced merchandise for which Target is known.^[1]

Throughout 2009, a new store prototype was developed for general merchandise stores. These stores, dubbed PFresh, include an array of perishable and frozen foods, meat, and dairy. Produce selections include select, barcoded fruits and vegetables, and pre-bagged items like bananas to eliminate the need for scales and weight-based pricing. They do not have an in-house bakery or deli, but carry a small number of baked goods and pre-packed deli items. Product includes a few national brands, but heavily focus on Target's owned-brand products such as Archer Farms and Market Pantry. The initial rollout of PFresh included about 100 stores. Most of these were existing stores that remodeled and expanded space to accommodate the new grocery layout, but some newly built stores that opened in 2009 incorporated the new format as well. The PFresh concept will be rolled out across 350 stores, either by remodel or as new store openings, by 2010. On average, a PFresh store is about 1,500 square feet larger than a general merchandise Target store, but is not labeled a SuperTarget as these stores' grocery aisles are still markedly smaller than those of the hypermarket. The new and enhanced redesign model will allow Target stores to further serve as a one-stop-shop for consumers by now offering the fresh foods that top weekly shopping lists.^[2]

1. "Target Through the Years." *Target Corporate*. Web.
2. Moore, Paula (November 18, 2009). "Target to add 'PFresh' grocery concept at 350 stores – Minneapolis / St. Paul Business Journal." Twincities.bizjournals.com.

Availability of Resources

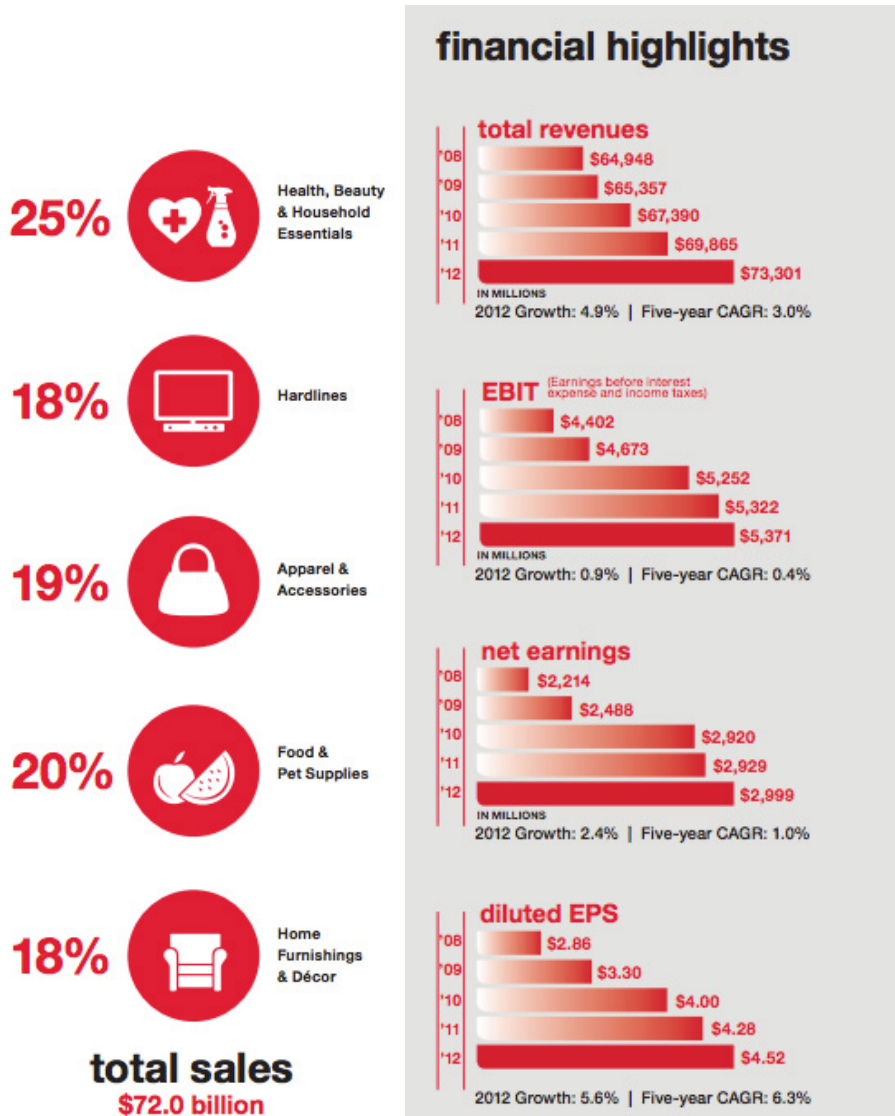
The Target Corporation, originally the Dayton Dry Goods Company and later the Dayton Hudson Corporation, is an American retailing company, founded in 1902 and headquartered in Minneapolis, Minnesota. It is the second-largest discount retailer in the United States, Walmart being the largest.^[6] The company is ranked 36th on the Fortune 500 as of 2013 and is a component of the Standard & Poor's 500 index. The first Target store was opened in 1962 in Roseville, Minnesota. Target grew and eventually became the largest division of Dayton Hudson Corporation, culminating in the company being renamed as Target Corporation in August 2000. In March 2013, Target expanded into Canada and now operates nearly 100 locations through its Canadian subsidiary.^[7]

6. "Wal-Mart Set to Repeat Share Gains, Grab Target Sales (Update3)." Bloomberg. January 2, 2009.
7. "Target Through the Years." *Target Corporate*. Web.

2012 was a strong year for Target, as they devoted meaningful resources to driving performance in support of their publicly stated sales and financial goals, while transforming Target to seize the tremendous opportunities they see in the most dynamic and disruptive retail landscape in generations. Total sales and diluted earnings per share reached new highs of \$72.0 billion and \$4.52, respectively. Target "invested \$3.3 billion of capital in our U.S. and Canadian businesses, and they returned over \$2.7 billion to our shareholders through share repurchase and dividend payments" (Gregg Steinhafel Chairman, President and CEO, Target). And their full-year results were right on track

with their “Long-Range Plan to reach at least \$100 billion in sales and \$8 in earnings per share in 2017” (Steinhafel).

Source: "2012 Annual Report." Target Corporation. Web.



Target now has 1, 778 U.S. stores and over 361,000 employees. Target has a force of dedicated and professional employees. The company participates in intensive recruiting at college campuses in order to obtain the brightest of the bright. They also promote diversity and teach their employees to work together and maximize the value of each employee.

Source: "2012 Annual Report." Target Corporation. Web.

Organizational Culture & Structure

Target states, as America's second-largest retailer, they need to stay ahead in today's ultra-competitive retail market by challenging themselves to become more efficient and more intelligent, providing guests with the best shopping experience possible. "The pace is fast, the atmosphere is fun and the people are friendly. Every team member is encouraged to innovate, contribute ideas and discover solutions as an important part of a world-class team." At Target, they recognize that each of their employees are unique and that our differences are our greatest strength. Fostering an inclusive culture is a core value that's integrated into every aspect of our business. Behaving ethically and with integrity is essential to maintaining our reputation as a great place to work, as a preferred shopping destination and as a responsible corporate citizen.

Source: Careers, Target Culture, Target Corporate

B. Customer Environment

Target Corporation (NYSE TGT) is an upscale discount retailer that provides high-quality, on-trend merchandise at attractive prices in clean, spacious and guest-friendly stores.

Their guests consist of a median age of 40 years old, median household income of approx. 64K, approximately 43% have children at home, and about 57% have completed college. Target has also experienced a 5.1% total sales increase compared to last year with a 2.7% increase to comparable store sales.

Source: "2012 Annual Report." Target Corporation. Web.

"Our guests"

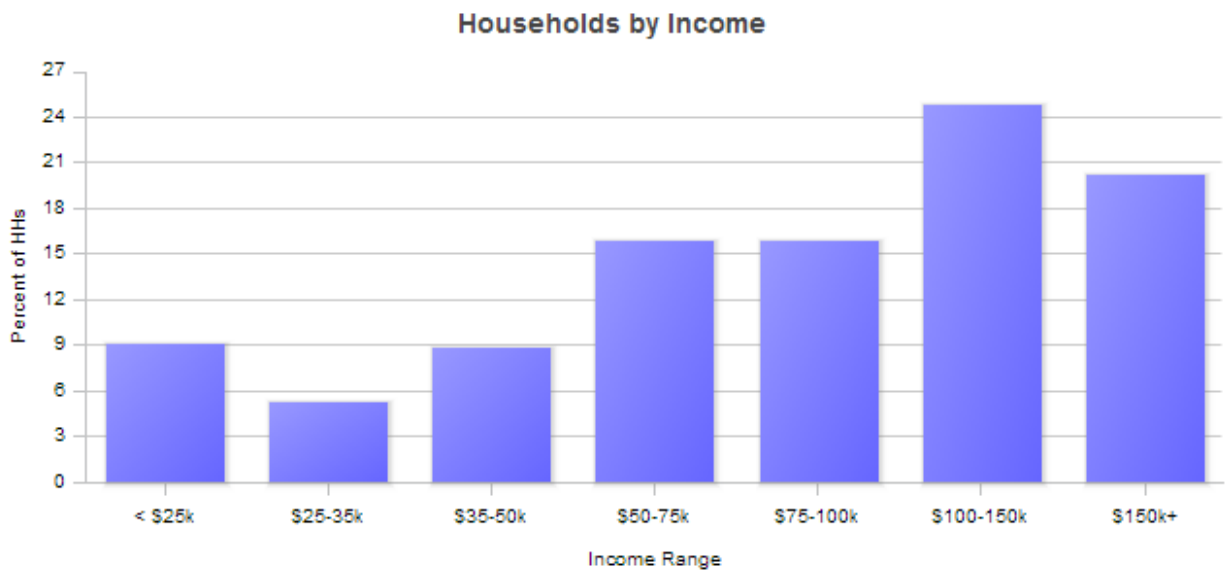
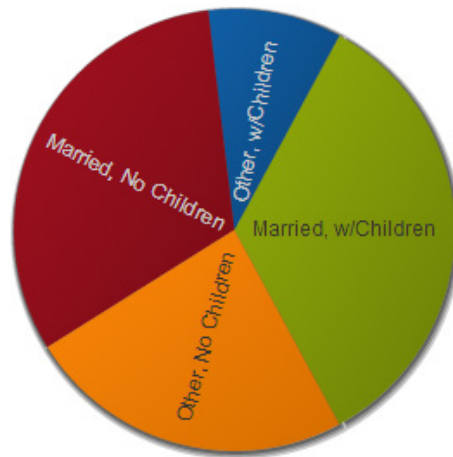
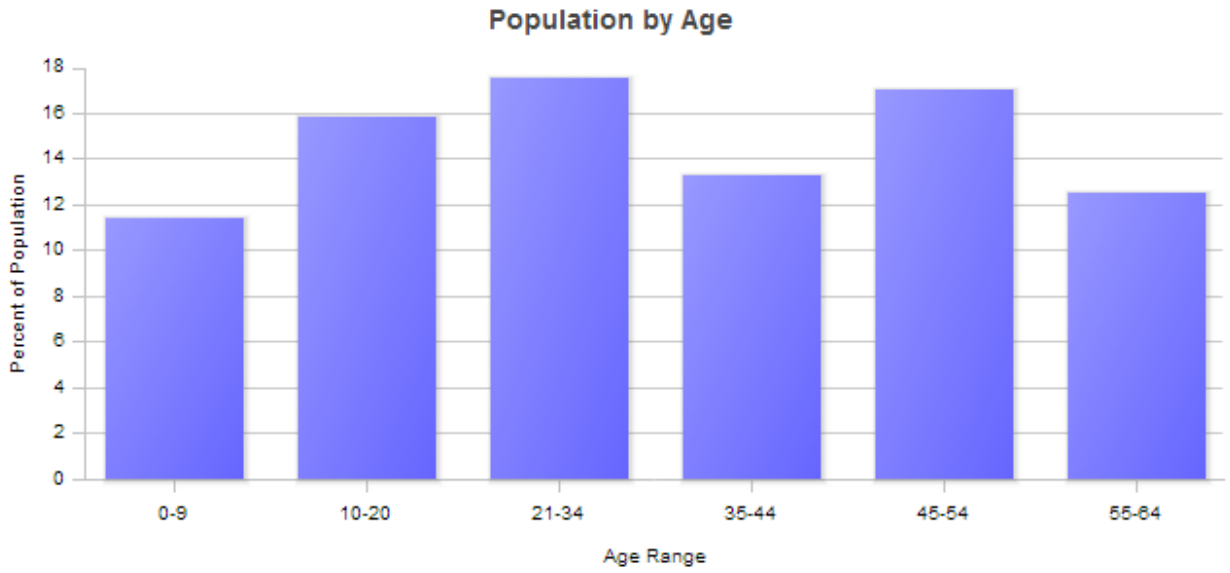
- Median age of 40
- Median household income of approx. \$64K
- Approximately 43% have children at home
- About 57% have completed college

Source: Target.com

Moderate to better income families who live active lifestyles is the main customer audience of Target. The Target Store closest to Stony Brook University is the one in South Setauket, Zip Code: 11720. Below are the demographics for South Setauket:

Quick Facts:

- Population: 29,487
- Median Age: 38.9
- Median Income: \$92,200
- Consumer Spend: \$619 MM
- Consumer Spend (\$/HH): \$66,270



Source: Nielsen My Best Segments

The median age of the Target shopper is 40 years of age. Since Target is a trendy, hip place to shop they need to market themselves to the younger generations, especially in some areas like South Setauket when there is a large percentage of younger people. The average income for Target shoppers is \$64K. The average income in South Setauket is much higher at 92K. Considering Targets philosophy “Expect More-Pay Less” they want to keep reasonably priced products, but in areas with higher incomes then their average median they should carry more of the higher end products.

Population by Race & Ethnicity



After a reversal in fortune that coincided with the onset of the deep recession, Target is growing its grocery business, aggressively remodeling and expanding stores, and recently entered the Canadian market.

According to Mintel, the composition of primary grocery shoppers is skewed toward Baby Boomers and Gen Xers. Only half of Millennials take sole responsibility in grocery shopping, and this cohort is likely to look for an efficient shopping experience and instant gratification, more so than their older generational counterparts due to their high level of mobile device and smartphone ownership. Baby Boomer shoppers are more likely to be receptive to in-store promotional events rather than online coupons. It is evident that a distinctive marketing strategy must be offered between the generations.

Issues in the Market

- What are the potential implications of divergent generational shopping behaviors on grocery retailing?
- How can grocery retailers close the generational gap?
- How can supermarkets stay competitive against deep-discounted channels?
- In what innovative ways can grocery channels improve their relevance to shoppers?

Insights and Opportunities

- Demographic shift translates into different ways to succeed
- Primary grocery shoppers demand more local food
- Capital investment focused on technology could leverage brand loyalty
- Obesity prevalence presents abundant market opportunities
- Attention to a healthy lifestyle can encourage grocery shopping

Some key market drivers include coupons more accessible and usable via better targeting and mobile apps (Use of cents-off coupons, by retailer type,) leveraging private labels/store brands to boost sales and brand loyalty, increasing consumer confidence influences more spending on groceries and the direction of grocery retailing influenced by shifting generational demographics.

Changes in grocery spending include increased spending at big-box/club stores and supermarkets, Millennials, Gen Xers spend more on groceries through almost all channels, female primary grocery shoppers spend more on grocery spending, regardless of income, primary shoppers increase spending at discount stores, and changes in grocery expenditures associated with presence of children.

Source: Mintel.com Grocery Retailing - US - February 2013

Attitudes and Behaviors toward grocery shopping include price and convenience are essential to encourage shopping, women are drawn to convenience, price, and store experience, and it was found that income correlates with consumers' attitudes to grocery shopping. Today's grocery stores sell more than actual products; they're mass-merchandising that warm welcoming feeling. From empty corners turned into cozy cafes to comfortable lounges with free Wi-Fi, shoppers everywhere are encouraged to stay awhile – “all because successfully mined data reveals a warm welcome encourages you to spend more money.”

Top 10 Groceries Americans Buy:

- 1) Bread
- 2) Packaged Meats
- 3) Peanut Butter & Jelly
- 4) Eggs
- 5) Laundry Detergent
- 6) Mils
- 7) Salty Snacks
- 8) Frozen Dinners
- 9) Cereal
- 10) Soda

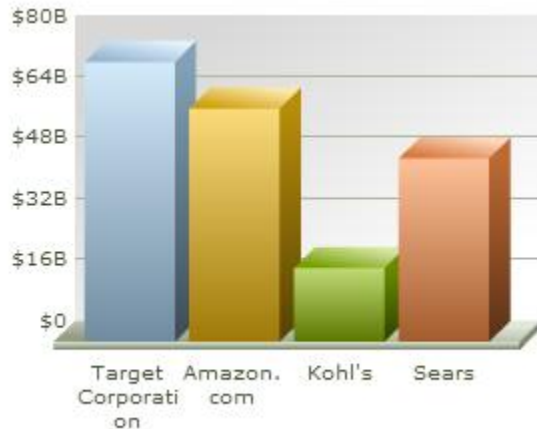
Source: TLC <http://tlc.howstuffworks.com/family/10-groceries-americans-buy2.htm>

C. External Environment

Competition

Target's top competitors are Costco, Kmart, and Wal-Mart. Kmart and Wal-Mart serve as the toughest competitors since both of them share the same place of service and almost same product range. Other competitors mainly include Kohl's, Sears, and

Amazon.com. Amazon.com is currently a threat to Target mainly because the online business. Charts below is a comparison of 2012 Annual Sales of major competitors.



Source: Hoover's Academic Database

Walmart is Target's main competitor. Walmart is dedicated to helping people save money and live better by selling all its products at a lower price. It has 10,700 stores in 27 countries. The main strategy for Walmart is to reduce their price in order to maximize their market share. The table below is a direct competitor comparison in 2012, if you take a look at Market Capacity you will find out how tough the competition is. Market capacity refers to the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. As you can see, Walmart's market capacity is far more Target's and Costco's.

Direct Competitor Comparison					
	TGT	COST	PVT1	WMT	Industry
Market Cap:	40.35B	50.53B	N/A	242.08B	N/A
Employees:	361,000	96,000	N/A	2,200,000	N/A
Qtrly Rev Growth (yoy):	0.02	0.08	N/A	0.02	0.00
Revenue (ttm):	73.48B	104.89B	15.28B ¹	473.00B	N/A
Gross Margin (ttm):	0.30	0.13	N/A	0.25	0.00
EBITDA (ttm):	7.53B	3.99B	N/A	36.65B	N/A
Operating Margin (ttm):	0.07	0.03	N/A	0.06	0.00
Net Income (ttm):	2.71B	2.03B	-34.00M ¹	17.09B	N/A
EPS (ttm):	4.15	4.62	N/A	5.14	N/A
P/E (ttm):	15.41	25.03	N/A	14.48	N/A
PEG (5 yr expected):	1.56	1.90	N/A	1.57	N/A
P/S (ttm):	0.54	0.48	N/A	0.51	N/A

COST = Costco Wholesale Corporation

Pvt1 = Kmart Corporation (privately held)

WMT = Wal-Mart Stores Inc.

Industry = Discount, Variety Stores

¹ = As of 2012

Source: Yahoo Finance

In addition, Target is facing competition from alternative retailers. This is because discount department stores carry diverse merchandise, companies compete with a wide variety of retailers. Department and specialty stores periodically mark down merchandise, resulting in comparable or better pricing. By offering deep discounts on a limited assortment of goods, outlets, off-price stores, and warehouse clubs attract price-conscious consumers and bargain hunters. Internet retailers can offer extremely competitive pricing due to low overhead. For groceries, supermarkets are typically more convenient and provide better selections.

Economic Growth and Stability

Rising Wholesale Food Costs (Grocery stores)— Volatile commodity and energy costs can drive increases in wholesale food prices. US producer prices for food rose 9 percent between 2010 and 2011 and 4 percent from 2011 to 2012. Even in an extremely competitive environment, grocery stores have been forced to raise retail prices to partially cover rising costs.

Source: Hoover's Industry Index

Expansion of Supercenters—Both Target and Wal-Mart are adding and converting existing stores to supercenters, which combine grocery products with general merchandise. Offering a full selection of groceries helps drive traffic, since consumers buy food more frequently than most other goods. With thousands of supercenters, Wal-Mart has become the largest grocer in the US.

Opportunity-For the opportunity, Target should move towards an international market as the U.S market is saturated. As the U.S. market becomes increasingly saturated, Target is beginning to establish their presence overseas to continue to drive growth. Target is also considering opening stores in Mexico and Latin America in the next 3-5 years.

Risk- The retailer attributes cannibalization as one of the important reasons for the slow growth in comparable store sales. Target has a wide presence in the U.S. market

with over 1,700 stores in 50 states and District of Columbia. Due to its huge size, the retailer runs the risk of cannibalizing its own sales in the U.S. In 2010, Target's comparable store sales increased by just 2.1% compared to a decrease of 2.5% and 2.9% in 2009 and 2008, respectively.

In addition, due to slow economic growth and persisting unemployment, shoppers are looking for ways to save money. This will continue to drive customers to warehouse clubs such as Costco, Wal-Mart, and Sam's Club, which can be a concern for Target.

Sociocultural Trends

Changing the Retail Landscape — Wal-Mart and other discount retailers have fundamentally changed how many other companies must operate to survive. Discount department stores dominate or hold large shares in many major retail categories, including groceries, apparel, toys, and pet care products. Aggressive pricing and relentless promotions depress retail prices, increase pressure on margins, and have resulted in bankruptcies and closings of both midsize and large competitors. At the mercy of companies like Wal-Mart, suppliers may alter products, packaging, or purchasing and delivery terms to maintain relationships.

Source: Hoover's Academic Database

People's values are shifting towards being more ethically conscious. Company's are expected by customers establish and have ethical standards and practices. Proving jobs and making profits is no longer sufficient to keep a loyal customer base. Company's, especially now, must be ethically and socially responsible for society in order to be appeal to people and build a loyal customer base. Companies are socially responsible by contributing to the local communities, communicate and work well with their customers and employees, as well as minimize negative impact on society and the environment. In terms of demographic, income seems to be the main factor. Which means brand must be price sensitive to their specific target markets and product quality should be stressed.

Legal and Regulatory Issues

With the U.S market is saturated, and many companies started to expand their market to an international or multinational level. The international market has better economic growth prospects, but it also presents risks such as government regulation, culture and language barriers, and corruption. The free trade policy allows businesses to sell their products without taxes; However, depending on which countries the company is going for, government regulation should be noticed because they can be active in regulating the imports and exports.

Technology Advancement

Improved Checkout Technology — Companies are eliminating one major problem with food shopping and realizing labor cost-savings by further automating the checkout process. Many large chains have implemented self-checkout lanes. Handheld scanners and "shopping buddy" devices can track purchases as a customer shops, reducing checkout and bagging time. Other stores have invested in technology that tracks the number of shoppers in the store in order to know the right time to open new checkout lanes to accommodate customers.

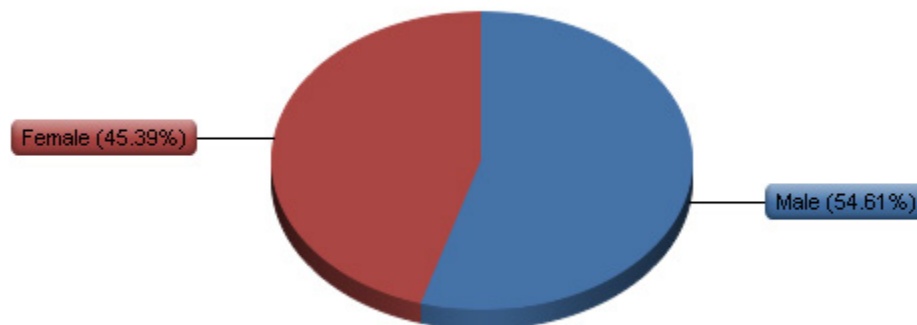
Source: Hoover's Academic Database

Internet— Convenience and instant access to Internet is a main factor in technology. Nowadays, with the new technological advancements in mobile phones and devices, the world has suddenly become virtually borderless for businesses. Mobile phone technology is the biggest drive behind the low cost, as compared to other advertising means, mobile advertising industry. The evolution of the mobile phone has been extremely dramatic. More importantly, there is a trend that the public is so infused with mobile technology, so businesses and mobile marketing services not using or offering a mobile phone strategy for promotions will more than likely fall behind their competitors.

D. Data Analysis & Results

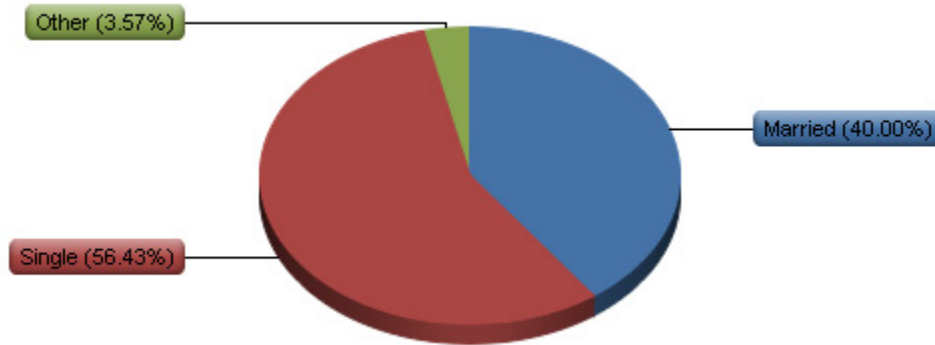
The main goal of our survey for Target Corporations was to find out the shopping behavior of the people who may or may not shop at Target for groceries. We wanted to know where people prefer to shop for groceries and why they shop there. Also, we wanted to discover how people find information about grocery stores and how they make decisions.

Our survey generated 141 responses through Qualtrics and Mechanical Turk. The percentage of men responding (55%) was slightly higher than the percentage of women responding (45%).

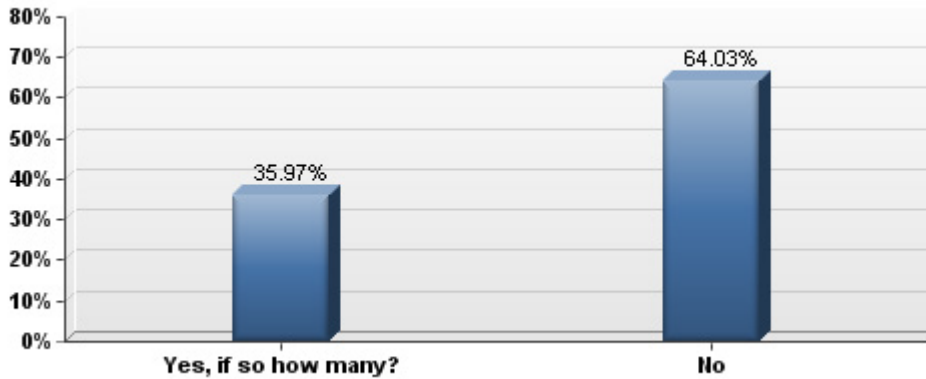


Most of the respondents were single and without children. The respondents who stated to have children had an average of 2 children.

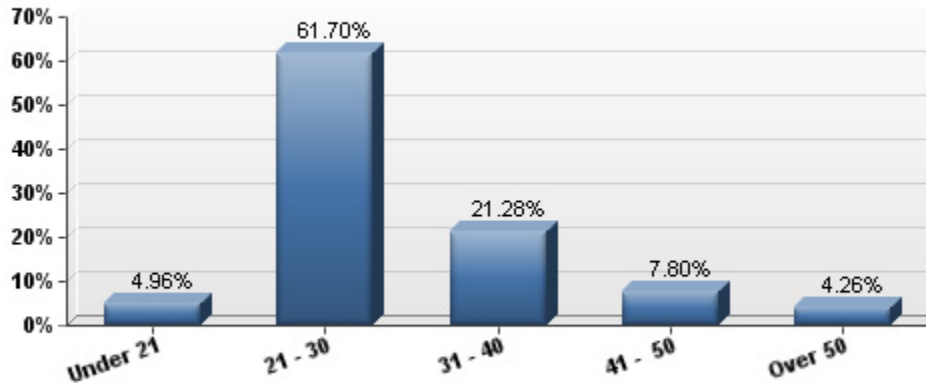
Marriage



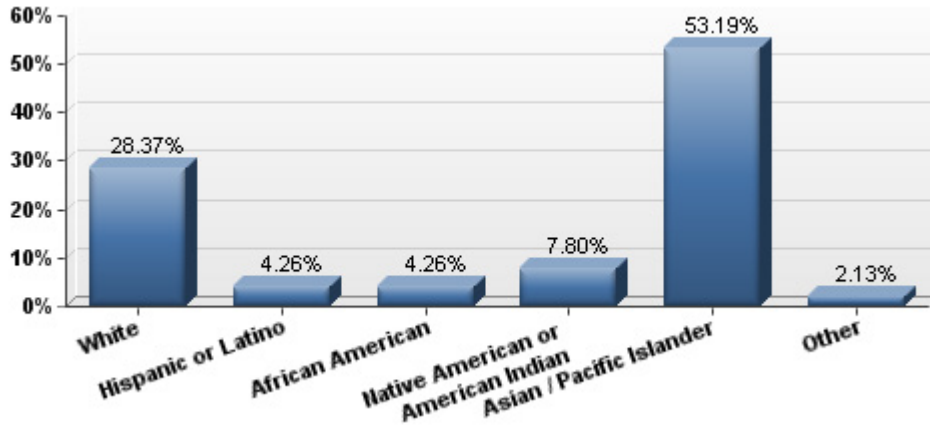
Children



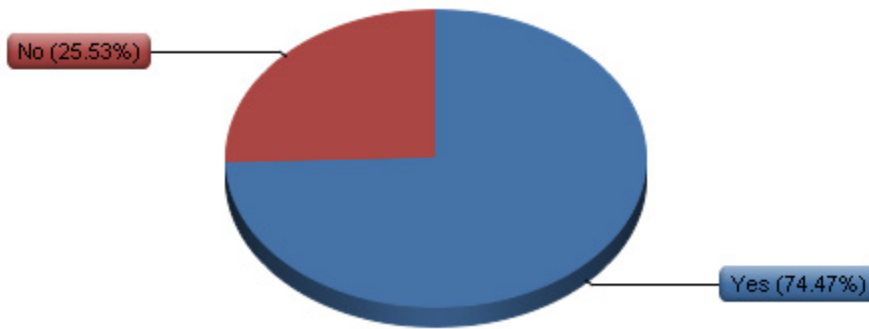
Since the age group of 21 – 30 (61.7%) took the largest part of our survey demographic section and group of 31 – 40 (21.28%) took the second largest, this may or may not have an impact on our recommendations.



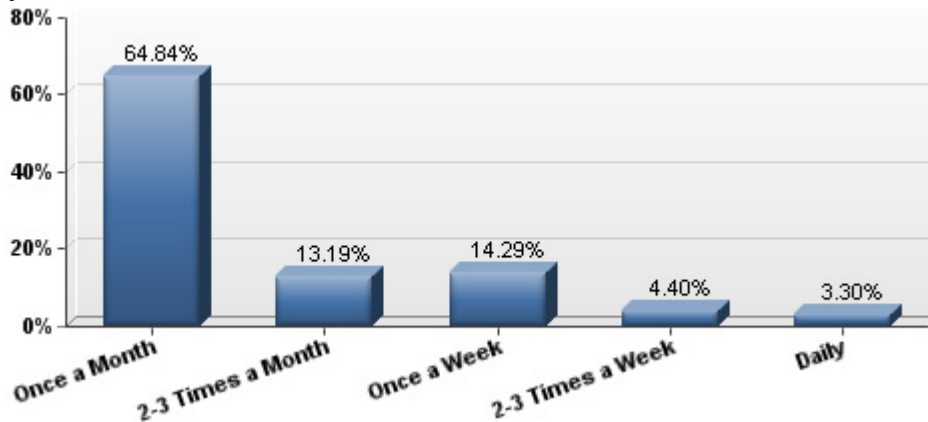
The survey was answered by a diversified group of people; however, the top 2 ethnicities are Asian/Pacific Islander (53.19%) and White (28.37%).



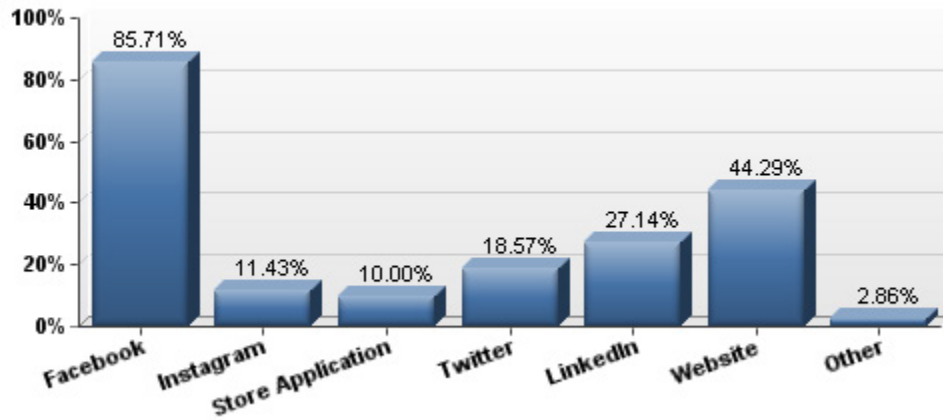
While we know that many people in the groups of age ranging from (21 – 40) are usually active on the internet and social media, 74% of the respondents indicated that they have heard of Target.com and 64% of the respondents indicated that they purchased at Target.com.



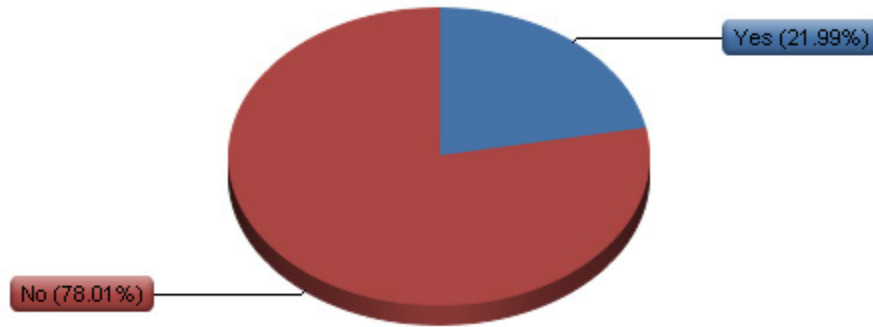
Of those same respondents, 65% of the respondents have shopped only once a month for grocery, 13% of the respondents indicated 2 – 3 times a month, 14% of the respondents indicated once a week, and only 3 – 4 % indicated that they shop 2 – 3times a week or daily.



Another interesting finding is that some of the top influential forms of media are TV, Newspaper, On-line, Magazines, and Social Media. Also, out of 50% of the respondents who indicated that they use social media to obtain information about their primary grocery store, 87% percent indicated that they use Facebook and 45% indicated that they use the brand’s own website.



However, 78% of the respondents indicated that they never heard about the Target’s mobile application. Only 22% of the respondents knew of Target’s Cartwheel app.

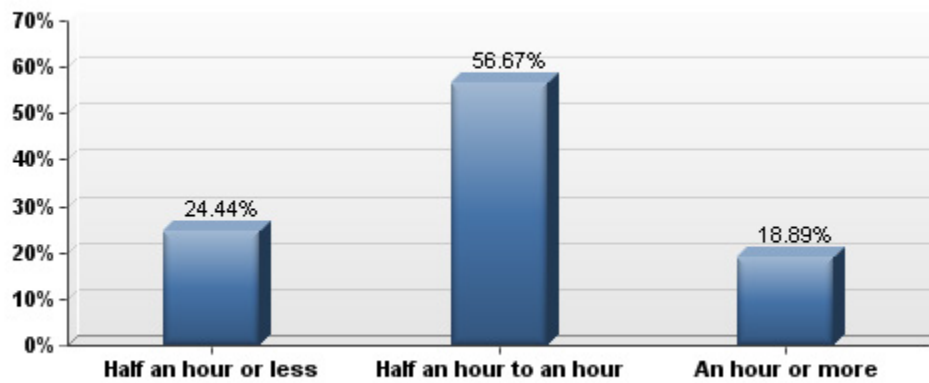
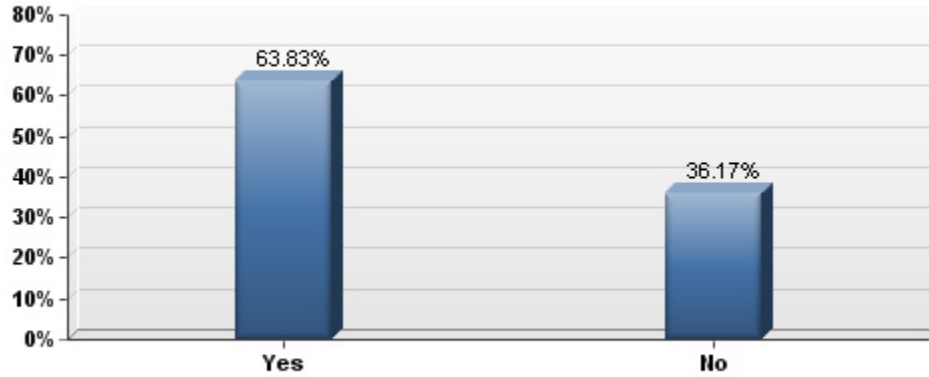


These results clearly show that Target needs to take active action to attract the customers to utilize Target.com more often. Target also needs to let people know the existence of the Cartwheel application and attract them through Facebook. We wanted to find out why people use Target.com. Most respondents said go on Target.com to search for products (56%), to shop (47%) and to check to price (43%).

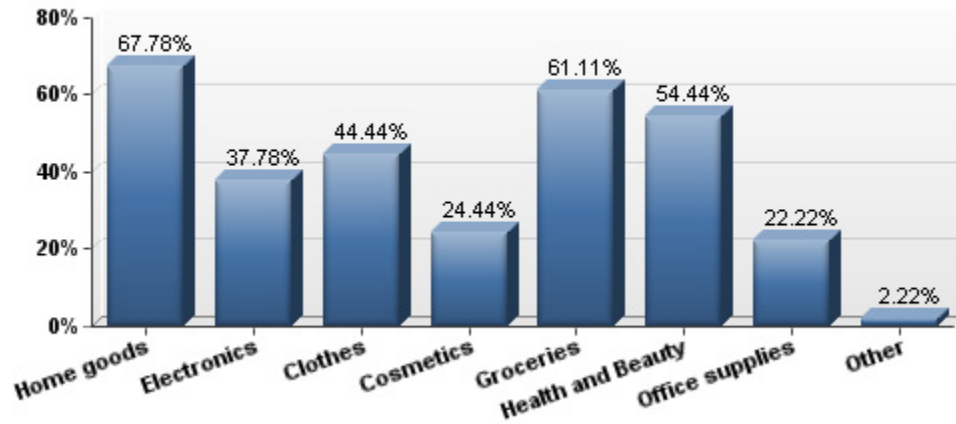


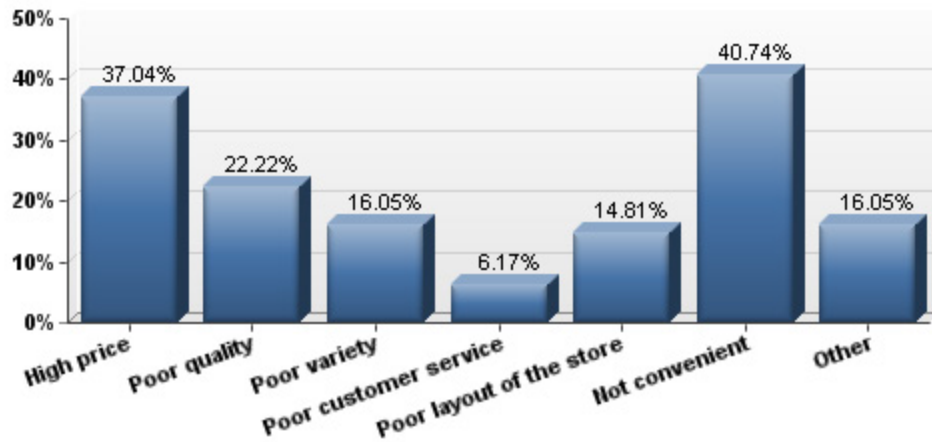
The result shows that respondents primarily use Target.com to browse items and to compare with other brands that offer similar products. When the respondents were asked to name some Target’s competitors, many of them mentioned Amazon and Ebay as competitors, which is surprising because both do not have an actual store. Purchasing many of the products on those websites have the free shipping and convenience of having a stored credit card number to purchase even faster and easier. Target can incorporate similar features into its website and attract more people to purchase.

We also wanted to find out why people go to Target to shop. 64% of the respondents said they shop for grocery at Target and 57% of them indicated that they spend about half an hour to an hour to shop.



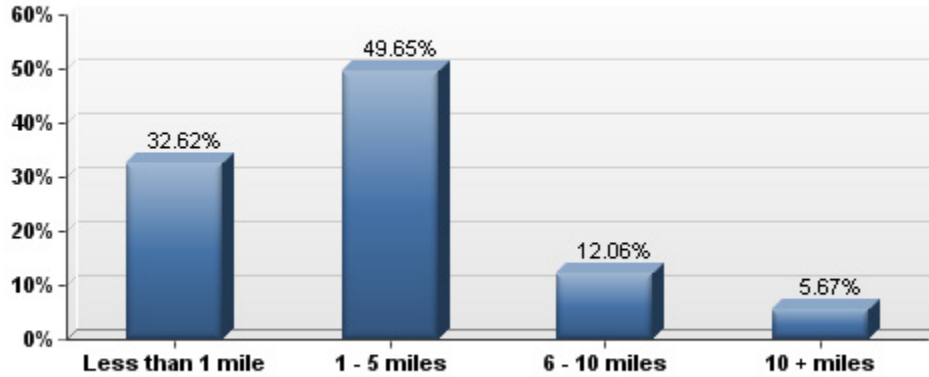
The items bought most frequently were home goods, groceries, and health and beauty. 22% of the respondents like the quality of the products and 19% of the respondents like the variety of products that Target provides. However, 36 % of the total respondents indicated that they do not shop at Target due to inconvenience (41%) and high price (38%). Many respondents mentioned that there is no Target store near in the area where they live.





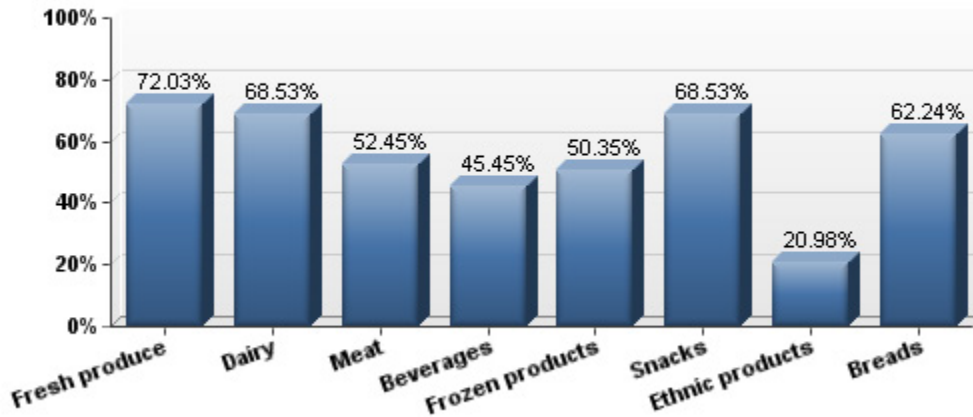
Other
They don't have everything that I need. Distance Just too corporate i didnt know none close by there isn't any near my location store not available I don't have Target in my vicinity too far to travel for groceries. I'd rather shop at a grocery store There are no Target stores in the area where I live. NA too far from home.

According to the survey, 33% of the respondents travel less than 1 mile to their primary grocery store and 49% of the respondents travel 1 – 5 miles and only 12% of the respondents travel 6 – 10 miles.

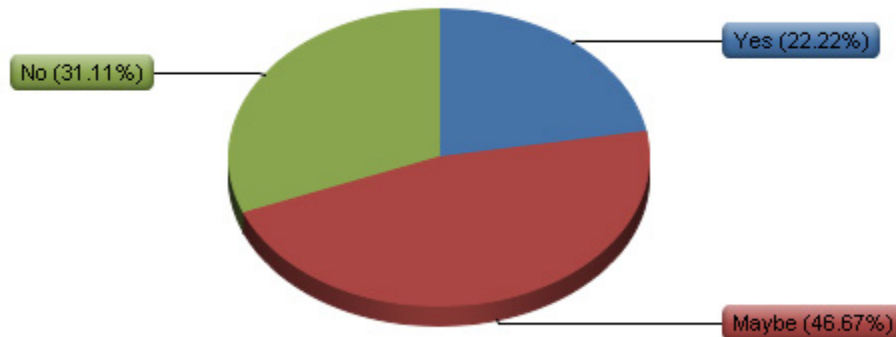
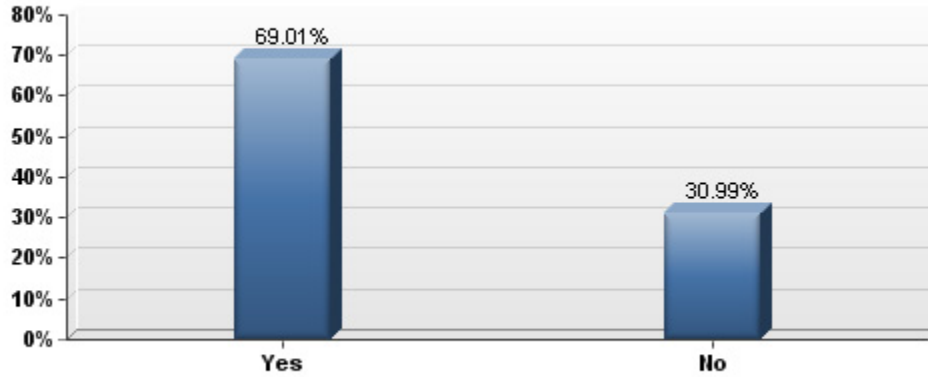


In order to keep the current Target guests, Target needs to continue to provide the best quality and variety of products. Also, Target needs to improve their convenience of location by providing consistent products among all Target stores or providing service for the guests to utilize and purchase faster and easier.

The respondents were asked to answer what they purchase the most when they go grocery shopping and 72% indicated fresh produce, 68.53% indicated snacks, 68.53% indicated dairy, 62.24% indicated breads, and 52.45% indicated meat.

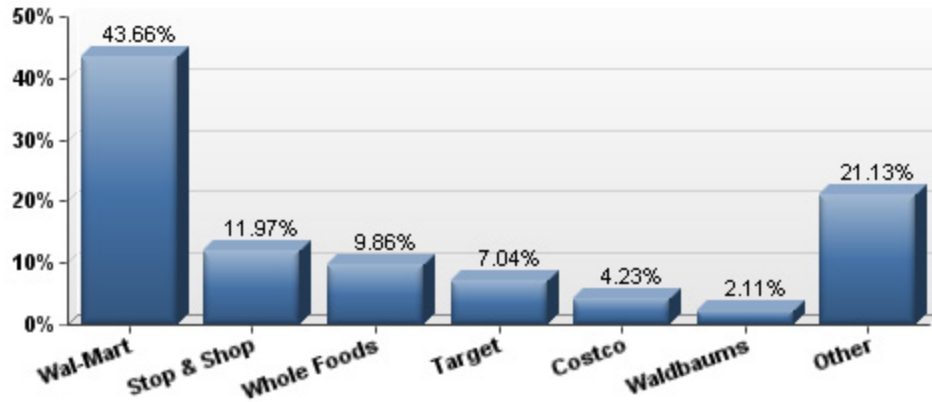


Although 69% of the respondents indicated that they knew that Target offers fresh grocery, 30% of the respondents stated that they never heard about the grocery and only 22% of the same respondents stated they may choose to go to Target to shop for grocery.



What is the problem then? We believe that even though people want to buy fresh groceries, location and convenience is more important than the quality of the products. It is also important for Target to emphasize freshness of its products and price so that guests feel that the shopping experience at Target is worth traveling.

In terms of competitors, Wal-Mart (44%) seems to be the most frequently used as the primary grocery store for the respondents. Following, 11% of the respondents indicated Stop & Shop and 10% of the respondents indicated Whole Foods as the primary grocery store. Some of the other options respondents put were H-mart, which is a Korean market, and Trader Joe's.



This result indicates that respondents are not aware of the variety of products Target provides.

II. SWOT Matrix

<p style="text-align: center;"><u>Strengths</u></p> <ul style="list-style-type: none"> ➤ One stop shop ➤ Brand promise: Expect more pay less. ➤ Guest Driven 	<p style="text-align: center;"><u>Opportunities</u></p> <ul style="list-style-type: none"> ➤ New markets; International Expansion ➤ Loyal guests to Target brand ➤ Expanding food selections
<p style="text-align: center;"><u>Weaknesses</u></p> <ul style="list-style-type: none"> ➤ Inconsistent line of products ➤ Low guest recognition of Target owned grocery brands ➤ Concentrated in North America Only 	<p style="text-align: center;"><u>Threats</u></p> <ul style="list-style-type: none"> ➤ Intense Competition with Wal-Mart & Amazon ➤ Increasing competition and changing economic scenarios ➤ In some markets, Target's prices are higher than competitors

Strengths:

One stop shop: Target offers a wide variety of products that cater to their guests needs. The departments consist of groceries (market, poultry and produce), health and beauty, ready-to-wear, stationary, pharmacy, seasonal items, electronics, home décor, chemicals, shoes, hardware etc. Target also has a baby registry for soon to be parents and a registry for newlyweds. These varieties of products ensure that each guests get what they desire in one shopping trip. Target also implemented the buy online and pick up in store policy where guest can purchase online items and pick it up at their local Target. This policy helps drive increased basket sizes.

Brand promise: Expect more pay less: Target not only caters to their guest needs by providing quality products, they also cater to their needs by providing cost friendly products. Target wants to be the preferred destination in all channels therefore they strive to be the best. Target provides a price match policy where guest can challenge the price of an item compared to the price at another store. This provides brand loyalty to Target because guest feels that they received great quality products at unbeatable prices.

Guest Driven: Target wants to insure that guests not only receive valuable priced items, but they also received the best shopping experiences. Target created a survey where guests can give feedback about their shopping experience online and enter into a gift card raffle. This guest survey grades each store's guest performance. Some of the categories include: store cleanliness, grocery cleanliness, team member availabilities, inventory etc. The results for these surveys are presented at each store on Tuesdays so that the team can go over their "wins" and "opportunities". This promotes a strong guest appreciation because Target works hard to improve the feedback so that the next shopping experience will be a better one.

Weaknesses:

Inconsistent line of products: Through our store visits there was an inconsistency with the produce available. Some stores did have produce in their grocery selection while other stores only had dry market and refrigerated items. This may cause guests to believe that target does not provide all of their grocery needs. Therefore Target needs a consistent line of products within their grocery selection.

Low guest recognition of Target owned grocery brands: Target has a variety of grocery brand within its stores. However since these brands aren't promoted to many people that do not shop at Target may be unfamiliar of their brands. Nonetheless the loyal shoppers at Target are aware of the "Market pantries", "Archer farms" and "Simply balanced" products. These products are placed next to popular items, which may influence guest to purchase the item but first their needs to be more awareness internally from the team members to promote these brands.

Concentrated in North America Only: Target recently expanded in Canada, which was a huge celebration for the team and company as a whole. However, Target is not internally present within the retail market. Target can gain more revenue if they do expand to different countries around the world. This expansion will also bring awareness to a new product mix that they can incorporate within the American and Canadian markets.

Opportunities

New markets, International Expansion: By expanding in the international market, Target can gain more market shares against its top competitors. Target will also become the staple brand for preferred shopping.

Loyal customers to Target brand: Target wants to be the preferred brand for all shopping needs, however the loyalty to the retailer can increase. By providing more varieties within the grocery department can increase the number of guests that shop at Target for all their desired needs. Target must implement new forms of promotion to attract potential guest to shop at the store. They need to also insure that the current guests are familiar with its products and influence these guests to continuously return and shop at Target no matter the distance.

Expanding food selections: Target's local grocery competitors provide a wide variety of products that caters to all nationalities. Therefore to compete and rise above these competitors Target need to increase their selection of grocery items.

Threats

Intense Competition with Wal-Mart & Amazon: Based on research and our survey, Wal-Mart and Amazon are Target's top competitors in the retail industry. These competitors have used technology to give them a competitive advantage in the market. Target needs

to develop new unique promotional ideas that will enhance its reputation as the preferred shopping destination.

Increasing competition and changing economic scenarios: With the grocery implemented within Target's stores, they are now competing with local supermarkets that already have loyal guest. Target is faced with the challenge of influencing these guests to shop at target for all their grocery desires. Many of these guest shop at these local markets because of the low price, therefore Target has to promote their quality against these competitors and they must match the prices, which may be difficult.

In some markets, Target's prices are higher than competitors: Many guests may be discouraged to shop at Target with the perception that the prices are higher than their local supermarkets. Therefore Target must insure that they are following the regulation on food and keeping the prices low to compete with local groceries.

III. Current Marketing Strategy

Targets current 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"*. With this said, the most current marketing strategies being used by target is there price match program, there store pickup option on tatget.com, and there newly added email option on the cartwheel app.

PRICE MATCH PROGRAM

If you buy a qualifying item at a Target store then find the identical item for less in the following week's Target weekly ad or within seven days at Target.com, Amazon.com, Walmart.com, BestBuy.com, ToysRUs.com, BabiesRUs.com or in a competitor's local printed ad, we'll match the price. Price match may be requested at Guest Services prior to your purchase with proof of current lower price or by bringing in your original Target store receipt and proof of the current lower price.

STORE PICKUP WHEN ORDERING ONLINE

- 1) Look for the "eligible for Store Pickup" message on product detail pages or at checkout.
- 2) Check for an order acknowledgement email and an additional email confirmation when your order's ready for pick up.
- 3) Pick it up in store at Guest Services. Please bring a government issued photo ID and your order number.

NEW EMAIL OPTION ON CARTWHEEL APP

It's like a sale that just follows you around. You no longer need to spend time clipping coupons and chasing deals. Use Cartwheel when, where and how you want it - we have you covered. **Previously it was only marketed and could only be used be Facebook member, now it has extended to anyone with an email address.**

IV. Goals and Objectives

Goal 1: Increase revenue by revamping Target.com and Target mobile app Cartwheel.

- Objective 1: Enhance guest's in-store app experience.
- Objective 2: Create new campaign marketing the "new" cartwheel app and new Target.com in Store and out of store.
- Objective 3: Highlight and incorporate Target's new in store pickup option on "new" cartwheel app and Target.com.
- Objective 4: Promote app as a way for customers to feel a sense of autonomy in making their target purchasing decisions.

Goal 2: Increase revenue by marketing to customers who usually make unplanned shopping trips.

- Objectives 1: Get as many customers in the door as possible.
- Objective 2: promote how Target is a one stop shop and it is easily to get all of your needs at one place at one time.
- Objective 3: Market to a demographic with a more unique fast paced lifestyle.
- Objective 4: Use in-store Marketing to convince planned shoppers to venture to areas of the store they wouldn't usually purchase from.

Goal 3: Increase Team leader's product knowledge

- Objective 1: Team leader knowledge of product must be up to date and precise.
- Objective 2: Assure guests that they are receiving quality and knowledgeable assistance.

V. Marketing Strategy

A. Target Market(s)

Target Market 1: Based on the statistic that 60.1% of Target's regular shoppers are women, Target needs to insure that men are targeted also. Men like to save money and 39.9% of Target guest are male. .

Example 1: Men do grocery shopping for food therefore they should air commercials that have both male and females shopping in the grocery. Target also have hardware, automotive and sporting good departments which are will encourage males shoppers to explore the store and make target their one stop shop destination.

Target Market 2: The median age of the Target shopper is 40 years of age; however college students and people of all different ages shop in the grocery section. Therefore by promoting how trendy it is to shop at Target especially for produce can influence new guest to make target their preferred destination. There has been to more promotions that placed Target in a very favorable place with the younger generation however to add to this with the promotion of groceries this will expand their guests.

Example 2: Air commercials or print ads showing college students going shopping for the "fresh products" in the grocery sections. They can also incorporate young hip couples ages 18-30 shopping for groceries at Target while they add other merchandises to their basket size.

Target Market 3: Target guests with lower incomes. The average income for Target shoppers is \$64K. However with economic fluctuations more guests with lower incomes

are driven towards Target's "Expect more pay less" brand promise. To compete with their competitors they need to promote their "Eat More Pay Less" grocery promise.

Example 3: Target implemented the EBT card system which encourages low income families to shop for groceries at Target therefore there needs to be more awareness of this purchasing options.

Product Strategy: Target should target more ethnically diverse sub groups. Target currently caters to people of ethnic background with the variety of food selection. However there needs to be more food for these diverse guests to choose from.

Example 4: Based on the location of the Target stores some of the food selections are geared towards that ethnic majority. However when we visited other supermarkets near Target that competes with their products we've noticed a wider selection of ethnic products within these stores compared to a small selection at Target. Therefore Target needs to increase the selection based on different produce and cooking ingredient supplies.

Pricing Strategy:

Based on the competitors' pricing of these ethnic products, Target will aim to compete with them. This will influence a consistent brand promise of "Expect More Pay Less." Target also offers discount prices for quality products and services this will help them gain an advantage against their competitors.

Distribution. "Target currently operates 40 distribution centers 37 in the U.S. and 3 in Canada, including five food distribution centers in: Cedar Falls, Iowa; Phoenix, Ariz.; Lake City, Fla.; Fort Worth, Texas; and Denton Texas, that opened in spring 2013. Target also has 1 Target.com Distribution Center. The products are transported by truck from the warehouses to the stores. However, Target.com items are shipped directly to customers from the Target.com's Distribution Center or directly from the vendor via UPS, Fed EX or the USPS. Target offers 1-day, 2-day, and standard shipping options and they also incorporated the buy online and pick up in-store option. Products and services are sold directly to the guests through the stores or their website.

Promotion. In 2011 Target spent \$1,360 million in advertising (could not access 2012 advertising cost). This consisted of mainly television commercials, social media promotions and application promotions. Target is also sending direct mailings to their guest through using coupons to encourage loyalty. They also incorporated the buy online and pick up in the store procedure to promote increasing basket size and sales. Target also implemented a new CARTWHEEL app that guest can shop and save with daily coupons. This app allows guest to use up to six coupons per day and the coupons are reusable until it expires. Target also has another Target app that guides guest to find the appropriate stores with the items they request in stock. This increases Target's brand awareness and helps them to become the "preferred shopping" destination.

VI. Marketing Implementation

Project Question: How can Target leverage the power of multichannel retailing to provide a superior guest experience for grocery?

A. Structural Issues:

In order for Target to get customers to shop at grocery section and expand their market share, Target needs to get their current guest to shop more on groceries, as well as branch out and obtain more guests.

- **Direct Mailing Program**-Target will implement a direct mailing program. The direct mailing program will mainly concentrated on directly mailing Target magazines with coupons and other incentives to current guests. In addition, Target will be implementing coupons in the Sunday newspaper and circulars to promote grocery. Purpose of this is to encourage the current guests to shop at Target stores and Target.com. For example, there are people who do not know how to use internet and phone apps. These people usually are guests who are over 50. A directly mailed coupon with barcode to will help them. In this way, Target can reach out different group of customers and get them to shop grocery. The direct mailing system will benefit the channel of guests that are not technology savvy however with the bar code attached to the ad this will benefit guests that are more tech savvy. They will be able to scan the barcode and compile the coupons on their Cartwheel app in a section titled “direct mailing cart”.
- **RedMessage**-Target will implement a texting program called RedMessage for loyalty guests who sign up for a Target Red Card by using their phone number. The guests who signed up will receive a text on a weekly basis promoting their local Target stores’ limited sales. The RedMessage is advertising tool for the grocery section of Target. In order to reach out customers and get them to shop at grocery section, the ads will include Target’s Temporary Price Cuts such as “\$1 OFF” or “\$3 off”. The Redmessage will also include a bar code that the guest can scan at the cash register once checking out their groceries. The guest will simply show the text to cashier and once the bar code is used, it cannot be used for future purchases. The RedMessage will encourage other guests to open a Target Red Card.

- **Target.com-** Target's online competitors such as Amazon and Ebay have product recommendations. A suggestion for Target is to implement a section on their website which promotes suggestions of groceries that would go well with different items in other departments. For example, if a guest is shopping for pair of work-out shoes online, at the bottom of the page there would be a recommendation of Target's simply balanced products. However it will state that the guest can purchase that "in-store" along with the shoes. This will bring awareness to the grocery section in Target. Another example is if a guest is shopping for Christmas decorations, there will be a suggestion for the "fresh and juicy" ham that they can also purchase in store at the bottom of the page. Along with this recommendation, there will also be locations of where the guest can purchase the ham near the guest's home.
- **Target App-** Cartwheel app will combine with Target.com and be called a Target App to avoid confusion to the App users. There is new trend in consumer behavior. Consumers are relying on digital apps to help them shop. Target app will focus on promoting grocery section. Target will implement and promote Target app a lot more actively using social media, such as Facebook, Twitters, and Instagram, to attract more people since the survey shows that large number of people obtain information through social media. One idea that Target App can implement is the alerting system. The guests will automatically receive an alert from the Target app about the latest sales and promotions on their phone when they drive by the nearest Target store. Another idea is that guests with Target app can receive daily deal through a universal barcode when they purchase products in store instead using multiple coupons. Purpose of this is to spur old and new targeted customers to shop at grocery section and to inform about the latest updates on Target. In this way, Target can reach out to different groups of customers and get them to shop more often.
- **Internet Banner Ads-**Target will be implementing internet ads to market the grocery section. Target will have banner ads mainly on Target.com and various website. Similar to the texting program, the ads will be brief, contain coupons, and other promotional incentives. These banner ads will be focusing on promote the freshness of the grocery. Therefore each ad will showing a picture of their fresh groceries. By focusing on promote the freshness; there will be more guests who shop at the grocery section.
- **TV and magazines-** Target will also advertising grocery on TV commercials and magazines. Target will incorporate the commercials that advertise guest of different ages shopping for groceries. They will highlight the freshness of the produce and how it is stored in an appropriate temperature and separated by make. For example, Target stores their produced in the appropriate fridge temperature, partially cooked food has to be aware from cooked foods and they are very strict on no cross contamination. Target also make sure that each produce is not out of the temperature for a long period of time. This improves their freshness and quality. Commercials will promote these procedures and capture potential guests.

B. Tactical Marketing Activities

All implementation activities will begin at the start of the next fiscal year, January 20, 2014. The marketing, advertising, and promotion department will solely handle all tasks.

- January 20, 2014: The marketing departments should have a strong idea of what will be implemented in order to achieve the marketing goals.
- February 10, 2014: First round of implementation will be in action. The direct mailing program and Redmessage will be activated.
- March 10 to April 25, 2014: Round two of the implementation should be started. Combined app called target app will be activated.
- May 1, 2014: Round three of implementation should be activated. This includes implementation of internet banner ads, TV, and magazines. Afterwards a customer satisfaction survey with rewards will be conducted.
- May 25, 2014: Implement the customer satisfaction survey.
- May 31, 2014: Analyze the results of the customer satisfaction survey and work on any revisions needed to the plan.

VII. SWOT Part II

<p><u>Strengths</u></p> <ul style="list-style-type: none"> ➤ One stop shop ➤ Brand promise: Expect more pay less. ➤ Guest Driven 	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ➤ New markets; International Expansion ➤ Expanding in-store technology ➤ Expanding food selections
<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> ➤ Limited budget ➤ Low inventory of self own brands ➤ Concentrated in North America Only 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ➤ Intense Competition with Wal-Mart & Amazon ➤ Increasing competition and changing economic scenarios ➤ Economic Trends

Strengths:

One stop shop: Target offers a wide variety of products that cater to their guests needs. The departments consist of groceries (market, poultry and produce), health and beauty, ready-to-wear, stationary, pharmacy, seasonal items, electronics, home décor, chemicals, shoes, hardware etc. Target also has a baby registry for soon to be parents and a registry for newlyweds. These varieties of products ensure that each guests get what they desire in one shopping trip. Target also implemented the buy online and pick up in store policy where guest can purchase online items and pick it up at their local Target. This policy helps drive increased basket sizes.

Brand promise: Expect more pay less: Target not only caters to their guest needs by providing quality products, they also cater to their needs by providing cost friendly products. Target wants to be the preferred destination in all channels therefore they strive to be the best. Target provides a price match policy where guest can challenge the price of an item compared to the price at another store. This provides brand loyalty to Target because guest feels that they received great quality products at unbeatable prices.

Guest Driven: Target wants to insure that guests not only receive valuable priced items, but they also received the best shopping experiences. Target created a survey where guests can give feedback about their shopping experience online and enter into a gift card raffle. This guest survey grades each store's guest performance. Some of the categories include: store cleanliness, grocery cleanliness, team member availabilities, inventory etc. The results for these surveys are presented at each store on Tuesdays so that the team can go over their "wins" and "opportunities". This promotes a strong guest appreciation because Target works hard to improve the feedback so that the next shopping experience will be a better one.

Weaknesses:

Limited Budget: With the new implementations of consistent groceries across all Target stores, this will lead to new hirers to maintain this department. This will then affect the pay roll for Target employees requiring more house and more team members.

Low inventory of Target owned grocery brands: With guest now being educated of all of Target's owned brands there will need to be a consistent in stock of these products. With the unbeatable prices and quality of Target owned brands they will now be more popular for guests to purchase over the well-known brands.

Concentrated in North America Only: Target recently expanded in Canada, which was a huge celebration for the team and company as a whole. However, Target is not internally present within the retail market. Target can gain more revenue if they do expand to different countries around the world. This expansion will also bring awareness to a new product mix that they can incorporate within the American and Canadian markets.

Opportunities

New markets, International Expansion: By expanding in the international market, Target can gain more market shares against its top competitors. Target will also become the staple brand for preferred shopping.

Expanding In-store Technology: With technology expanding newer opportunities will arise for Target's team member to become more knowledgeable about to use as new gadgets. This will consists of scheduling training to get everyone on board with the advances. To remain the leading retailer Target will need to become more technologically savvy.

Expanding food selections: Target's local grocery competitors provide a wide variety of products that caters to all nationalities. Therefore to compete and rise above these competitors Target need to increase their selection of grocery items.

Threats

Intense Competition with Wal-Mart & Amazon: Based on research and our survey, Wal-Mart and Amazon are Target's top competitors in the retail industry. These competitors have used technology to give them a competitive advantage in the market. Target needs to develop new unique promotional ideas that will enhance its reputation as the preferred shopping destination.

Increasing competition and changing economic scenarios: With the grocery implemented within Target's stores, they are now competing with local supermarkets that already have loyal guest. Target is faced with the challenge of influencing these guests to shop at target for all their grocery desires. Many of these guest shop at these local markets because of the low price, therefore Target has to promote their quality against these competitors and they must match the prices, which may be difficult.

Economic Trends: Under the current economic situation, guests tend to shop for price instead of shop for freshness and quality. Therefore with the continuing bad economy in the U.S, our guests will continue to look for low price products in stores such as Wal-Mart. Therefore Target must insure that they are following the regulation on food and keeping the prices low to compete with local groceries.

VIII. Evaluation and Controls

This section will be comparing the financial expenses to the financial expenses with the marketing plan goals. The following performance guidelines and financial controls are suggested:

1. The mission and vision statement should be compiled from various ideas and opinions from the upper management and board of directors. These ideas should be evaluated at no fewer than three meetings before an outline is put in place. The final outcome must be approved by a majority rule.
2. The budget allocated for implementing the marketing plan will be 40% of the total promotional budget. This will include all costs for plan implementation, plan revisions, and the evaluation of the marketing plan results.
3. The following percentages of the budget will be spent on the specified marketing activities: 50% for plan implementation, 20% for revisions in the marketing plan, and 30% for the follow-up analysis.
4. The marketing director is responsible for reporting all expenditures related to the marketing plan implementation. They will also be responsible for meeting the timeline requirements for each task.

2) What is your primary grocery store? Please check one.

- Wal-Mart (1)
- Stop & Shop (2)
- Whole Foods (3)
- Target (4)
- Costco (5)
- Waldbaums (6)
- Other (7) _____

3) How far do you travel to your primary grocery store?

- Less than 1 mile (1)
- 1 - 5 miles (2)
- 6 - 10 miles (3)
- 10 + miles (4)

4) What do you purchase most when you go grocery shopping? Please check all that apply.

- Fresh produce (1)
- Dairy (2)
- Meat (3)
- Beverages (4)
- Frozen products (5)
- Snacks (6)
- Ethnic products (7)
- Breads (8)

5) What is (are) important factors in deciding where to shop for groceries? Please rate from 1 to 5, with 1 being not important at all and 5 being extremely important.

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Location of the store (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Variety (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Freshness (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Delivery (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Locally-grown food (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Organic food (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fair trade products (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ethnic products (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Store layout (11)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Self-Checkout (12)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer Service (13)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discounts/Coupons (14)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media (15)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6) What form(s) of media is (are) influential on your decision of choosing your grocery store? Please check all that apply.

- TV (1)
- Radio (2)
- Newspaper (3)
- On-line (4)
- Direct Mail (5)
- Magazines (6)
- Circular (7)
- Outdoor (8)
- Social Media (9)
- Other (10) _____

7) Do you use social media to obtain information about your primary grocery store?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To End of Block

8) What form(s) of social media(s) do you use? Please check all that apply.

- Facebook (1)
- Instagram (2)
- Store Application (3)
- Twitter (4)
- LinkedIn (5)
- Website (6)
- Other (7) _____

9) How often do you use social media for information?

- 2-3 times a day (1)
- Once a day (2)
- 1-2 times a week (3)
- 3-4 times a week (4)
- once a month (5)
- 2-3 time a month (6)

10) Do you shop at Target for grocery?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To If you do NOT shop for grocery at Tar...

11) How long do you usually spend shopping at Target in one trip?

- Half an hour or less (1)
- Half an hour to an hour (2)
- An hour or more (3)

12) What products do you purchase at Target? Please check all that apply.

- Home goods (1)
- Electronics (2)
- Clothes (3)
- Cosmetics (4)
- Groceries (5)
- Health and Beauty (6)
- Office supplies (7)
- Other (8) _____

13) What do you like most about grocery shopping at Target?

- Prices (1)
- Variety of products (2)
- Location (3)
- Customer Service (4)
- Fresh produce (5)
- Quality of products (6)

14) If you do NOT shop for grocery at Target please indicate your reasoning. Please check all that apply. If you answered yes to "Do you shop at Target for grocery?", you may skip this question.

- High price (1)
- Poor quality (2)
- Poor variety (3)
- Poor customer service (4)
- Poor layout of the store (5)
- Not convenient (6)
- Other (7) _____

15) What are some Target's competitors that come to mind?

16) Did you know that Target has its own website - Target.com?

- Yes (1)
- No (2)

If No Is Selected, Then Skip To Did you know that Target has its own ...

17) How often do you shop for grocery using Target.com?

- Once a Month (1)
- 2-3 Times a Month (2)
- Once a Week (3)
- 2-3 Times a Week (4)
- Daily (5)

18) Why is(are) the reason(s) you go on Target.com? Please check all that apply.

- To shop (1)
- To search for products (2)
- To check the price (3)
- For fun (4)
- To receive coupons (5)
- To receive information about Target (6)

19) 'Did you know that Target has its own mobile app called "Cartwheel"?'

- Yes (1)
- No (2)

If Yes Is Selected, Then Skip To Did you know that Target offers fresh...

20) If you know that Target mobile application "Cartwheel" offers coupons, would you choose to purchase your grocery at Target?

- Yes (1)
- Maybe (2)
- No (3)

21) Did you know that Target offers fresh grocery?

- Yes (1)
- No (2)

If Yes Is Selected, Then Skip To End of Block

22) If you know that Target offers fresh grocery, would you choose to go there to purchase your grocery items?

- Yes (1)
- Maybe (2)
- No (3)

23) What is your gender?

- Male (1)
- Female (2)

24) What is your age?

- Under 21 (1)
- 21 - 30 (2)
- 31 - 40 (3)
- 41 - 50 (4)
- Over 50 (5)

25) What is your marital status

- Married (1)
- Single (2)
- Other (3)

26) Do you have any children?

- Yes, if so how many? (1) _____
- No (2)

27) What is your occupation?

- Employed full-time (1)
- Employed part-time (2)
- Unemployed (3)
- Student (4)
- Retired (5)
- Other (6) _____

28) What is your annual household income?

- Less than \$19,999 (1)
- \$20,000 to \$49,999 (2)
- \$50,000 to \$99,999 (3)
- More than \$100,000 (4)

29) Ethnicity origin (or Race): Please specify your ethnicity

- White (1)
- Hispanic or Latino (2)
- African American (3)
- Native American or American Indian (4)
- Asian / Pacific Islander (5)
- Other (6) _____

X. Bibliography

Source: Target.com, Target Corporation

Source: Diversity Statement, Target Corporation.

Source: Target Diversity Website, Target Corporation.

Source: "Supplier Diversity" Minority and Women Business

Source: Development Program, Target Corporation.

Source: "Target Through the Years." Target Corporate. Web.

Source: "Target to add 'PFresh' grocery concept at 350 stores – Minneapolis / St. Paul Business Journal." Twincities.bizjournals.com, Moore, Paula.

Source: "Wal-Mart Set to Repeat Share Gains, Grab Target Sales (Update3)".

Bloomberg. January 2, 2009.

Source: "Target Through the Years." Target Corporate. Web.

Source: "Annual Report." Target Corporation. Web.

Source: Careers, Target Culture, Target Corporate

Source: Nielsen My Best Segments

Source: Mintel.com Grocery Retailing - US

Source: "Top 10 Groceries Americans Buy" TLC, Web

Source: Hoover's Academic Database

Source: *“More Retail Weakness: This Time It’s Target”* Seeking Alpha

Source: *“Target Corporation SWOT Analysis”* Marketing Mix

Source: *Competitors of Target*, Yahoo Finance

Source: *“Target Corporation Risks vs. Opportunities”* Hoover

Source: *“Businss Challenges”* Hoover