



Driving Profitable Sales in Apparel and Accessories.

Situation Analysis.

This case presents a scenario with a hypothetical challenge. Approach it as if you were a Target team member.

Retail is an ever changing environment, guests now have more options on where to shop than ever before. On top of that, online shopping continues to grow and offer many conveniences. That said, retailers must continue to assess and understand what a guest looks for in a retail experience. In addition, they must consistently execute and find ways to differentiate from the competition. Strategically, Target has made the decision to leverage apparel and accessories as a key area that will differentiate them from other retailers. With exclusive designer partnerships, fashion forward trends, great in store events, knowledgeable friendly staff, great prices and great instocks, Target is poised for success in driving frequency and increased traffic – in stores and through its digital channels – which will ultimately result in profitable sales.

Part of making this strategy a reality is the role of the softlines Executive Team Leader (ETL), who plans and executes a store's Apparel & Accessories experience so that it complements the digital experience and drives sales. As a key leader at Target, ETLs are involved in hiring, training and sharing their vision with their team. They are responsible for building a culture that is focused on guest service, industry leading brand presentation as well as a clear value message for our guests. All of which have a significant impact on the success of the company.

The History of Target.

Minneapolis-based Target Corporation (NYSE: TGT) is a publicly-owned Fortune 40 company that currently serves guests across the U.S. as well as at Target.com. Target had \$72.6 billion in annual sales in 2014.

The first Target store opened in 1962 in the Minneapolis suburb of Roseville with a focus on convenient shopping at competitive discount prices. Target currently is the second largest general merchandise retailer in America, with Target.com consistently ranked as one of the most-visited retail websites. The company continues to deliver on its brand promise of “Expect More. Pay Less.” Since 1946, Target has given 5 percent of its profit to communities, that giving today equals more than \$4 million a week. Corporate Responsibility magazine has named Target on its “100 Best Corporate Citizens List.”

Today Target has around 1800 stores and 38 Distribution Centers in the United States, all of which are supported by nearly 350,000 team members worldwide.

For Target, the guest is at the center of everything. The company is continually developing new ways to serve the guest anytime, anywhere – including rolling out store pickup, launching a Cartwheel digital savings app, opening flexible format stores and offering Target Subscription services.

The Guest [Consumer].

It's not just about Mom anymore; it's about the Demanding Enthusiast. These are **Target's core guests, and they're digitally connected families who enjoy shopping and demand great value.** Typical guests have kids in the household and lots of demands on their time, and are likely to live in urban areas. These guests actively shop in-store and online and are early adopters of new technology, shopping with one hand on their cart and one hand on their smartphone. They enjoy shopping and want to tell their friends, remaining engaged with social media while shopping and sharing their feedback and experiences online. They are often influenced by others and share their findings to influence others. Guests love Target for its newness, its product assortment and its value.

In addition, the millennial generation is an important segment to Target. According to [a 2014 Yahoo Advertising article](#), this generation, currently entering the family life stage, comprises 27% of the US population, is more diverse than any previous generation and on average will check their smartphones 43 times a day. When it comes to shopping, 71% browse online but do their actual shopping offline, and 52% prefer to browse on mobile devices. Millennials do their homework before selecting a store and know what they want when they arrive. Their expectation is that brands are channel agnostic: 60% say the consumer experience should be consistent across online, store and mobile.

Finally, while browsing and making decisions are a large portion of the guest experience, today's consumers demand great value as well as convenience. They have a wide range of retail choices, and are willing to hunt to take advantage of the best price, and are comfortable making spontaneous purchases. Retailers have answered this trend by partnering with mobile payment applications and shortening the number of steps required from browse to checkout, both digitally and physically. In terms of obtaining the purchased product, free shipping and in-store pick up are becoming increasingly important for online transactions, as well as length of time until product is received.

The Competitive Landscape.

While retailers have increased their online presence, the challenge is creating a complementary in-store experience that drives foot traffic into the building. New initiatives are announced on a

weekly basis that will transform and lead retail innovation when it comes to being fashion forward and trend-setting. With continued emphasis on style and differentiation, consider market players who have a distinct in-store experience, such as Nordstrom, Kohl's Macy's, JC Penny, Walmart and TJMaxx. You can also look at retailers who offer a unique retail experience, such as StitchFix.

The Challenge Ahead.

As a new in role softlines ETL, how do you lead your business to create an amazing in store experience for our guests that complements the digital experience and results in increased trip frequency, basket size and topline sales?

In order to drive long term success and deliver on the "Expect More. Pay Less." brand promise, how do you make shopping at Target an event vs. just a trip for necessities? Guests want to be able to find something new and exciting at Target, they want it instock, and they want a friendly experience with a quick checkout.

Key factors to consider in your challenge include:

1. Staffing
2. Training
3. Scheduling
4. Value signing
5. Instocks
6. Presentation
7. Quick checkout

Additional considerations in this challenge include:

- Recent Innovations such as mannequins.
- Cartwheel (if you haven't tried it, give it a try)!
- Designer partnerships
- Pick up in store
- Target.com
- External competition, who do you believe is the biggest threat to the apparel and accessory market share?
- What product category should Target prioritize?

If you would like to select a specific category within Apparel and Accessories, the division is comprised of the following departments:

- Ready to Wear
- Mens
- Boys and girls
- Infants and toddlers
- Shoes
- Jewelry and accessories

Frequently Asked Questions.

- What is a softlines ETL? *There are several ETL (assistant managers) roles at Target, these include ETL salesfloor/guest experience primarily responsible for salesfloor operations and guest experience; ETL softlines primarily responsible for softlines or Apparel and Accessories; ETL hardlines primarily responsible for grocery, toys, electronics; ETL logistics primarily responsible for truck unloading and all replenishment; ETL human resources primarily responsible for hiring, retention, training and culture; and ETL assets protection primarily responsible for rescuing shortage and safety culture.*
- What are instocks? *Instocks are essentially having a full presentation on the sales floor.*
- What is value signing? *Value signing is presenting a great deal to the guest. This can be a single price point or signing to advertise a great value such as sale items, price cut items or featured items that are presented in our weekly circular.*

Interested in learning about what it's like to work at Target? Read the latest Team Member stories at <http://pulse.target.com> or visit www.Target.com/careers to view current openings.