



Target Campus Grants

Sustainability

Situational Analysis

Environmental sustainability is integrated throughout our business- from the way we build our stores to the products on our shelves. Since we opened our first store in 1962, Target has invested in the health and sustainability of our communities. In the early 1960s, part of our giving strategy was devoted to urban renewal and cleaning rivers and waterways. In the 1970s, we sponsored the first Earth day celebration and developed our first recycling program. Today, we integrate sustainability practices across our business.

Some examples of how Target has done this recently include: reusable shopping bags, offering over 600 organic food options, and sustainable options in household cleaning and personal care, green roofs, LEED certified buildings, energy efficient store lighting, and low impact landscaping.

As a good corporate citizen, Target seeks to understand our impact and continuously improve our business practices in order to use resources responsibly, reduce or eliminate waste, minimize our carbon footprint, and offer a wide variety of sustainable products that balance price, performance, and convenience. Consumer demand for sustainable products continues to grow and Target has an opportunity to satisfy guest wants and needs through its product offerings.

Project Question

How can Target fulfill the guests' wants and needs to support sustainability through its product offerings?

How can Target communicate these product offerings in a meaningful, clear and concise way?

Project Parameters

Create a Sustainability Merchandising Plan specific to one of the following categories:

- Personal Care/Beauty
- Home
- Household Chemical

Focus on delivering this strategy through the lens of Target's Merchandising Strategy.

Use the suggested topics section as a guide by:

- Exploring the most relevant topics
- Supporting proposal recommendations with information that addresses the why's behind each topic

Suggested Topics

- **Product:** What product categories will need to be in this strategy? What categories will need to be expanded or reduced in this strategy?
- **Price:** What factors influence price? How does the sustainability conscious guest assess value? How does price influence the guest when choosing a sustainable item vs. a traditional item?
- **Presentation:** How does presentation drive sales? How can Target convey sustainability through presentation? How can Target educate the guest on the differences between a sustainable versus conventional items?
- **Promotion:** What promotions would be effective in this strategy?
- **Packaging:** What should Target's packaging be made of? What packaging material is the most sustainable option in the eye of the guest? How can the packaging call out being an environmentally friendly option?
- **Signing:** Should Target have cohesive signing throughout the category that calls out sustainable items? If so, what would it look like? How would Target communicate it in a Target brand manner?
- **Services:** What services should be provided to improve this guest's shopping experience? How can services be used to create loyalty among the guest(s)?
- **Competitors:** What are other retailers doing to connect with the sustainability conscious guest? Who should Target benchmark against?
- **Economy:** What factors in the economy can and will drive change in how the sustainability conscious shopper shops?

Company Information

Who is Target?

Minneapolis-based Target Corporation (NYSE:TGT) serves guests at more than 1,700 stores in 49 states nationwide and at Target.com. Target is an upscale discounter that provides high-quality, on-trend merchandise at attractive prices in clean, spacious and guest-friendly stores. As a publicly-owned, U.S.-based company, Target has a global presence with a headquarters location in India and sourcing offices around the world. In addition, the company operates a credit card segment that offers branded proprietary credit card products and rewards programs. Since 1946, Target has given 5 percent of its income through community grants and programs; today, that giving equals more than \$3 million a week.

What is the Merchandising Strategy?

The merchandising mission of Target is to drive profitable market share growth by fulfilling its "Expect More. Pay Less." brand promise. Target is dedicated to providing guests with the right merchandise mix, from everyday commodities and grocery offerings to trend-right home and apparel lines.

To remain relevant to its guests over time, Target merchandising is focused on the following areas:

- **Differentiation** is about the unique and compelling merchandise guests can only find at Target – from exclusive merchandise by top designers, to our industry-leading list of signature national brand, to our exclusive owned-brand portfolio.

- **Value** and low price promise is a balance of design, quality and affordability.
- **Reliability** is about having what our guests' want, when they want it, where they expect to find it.
- **Frequency** is about increasing our guests' visits to our stores by creating a convenient shopping experience that meets their lifestyle needs.

Who is the Typical Guest?

We work to appeal to a range of guest segments, including women, kids, teens, young singles and families. Our guests are young, well-educated, moderate-to-better income families who live active lifestyles. The median age of our guests is 41, the youngest of major discount retailers. They have a median annual income of \$63,000. 56 percent have completed college and 44 percent have children at home.

How has Target Grown?

The first Target store opened in 1962 in the Minneapolis suburb of Roseville, Minn., with a focus on convenient shopping at competitive discount prices. Today, Target currently is the second largest general merchandise retailer in America, with Target.com consistently being ranked as one of the most-visited retail Web sites.

Target provides quality merchandise at attractive prices in clean, spacious and guest-friendly stores. Target opens new stores three different times each year—in March, July and October—to align with the major merchandising themes that set in our stores: Spring, Back-to-School and Holiday.

New stores range in size from approximately 127,000 square feet to approximately 174,000 square feet. Additionally, Target operates 37 distribution facilities nationwide.

What is the role of Target in the community?

Since 1946, the corporation has given 5 percent of its income to communities through grants and a variety of programs like Take Charge of Education®. Today, that giving equals more than \$3 million a week, largely directed towards supporting education. As one of America's largest corporate philanthropists, volunteerism is at the heart of Target. Since Target first opened its doors, team members, retirees, family and friends have volunteered millions of hours to community projects. Additional information regarding Target's commitment to corporate responsibility can be found at [Target.com/HereForGood](https://www.target.com/HereForGood).