



Wellness

Situational Analysis

Nurtured by years of a sedentary lifestyle and indulgent tastes, many Americans are recognizing the reality of their poor lifestyle. Consequently, Americans are incorporating wellness into their everyday life. Because of this, consumers are shopping for items related to wellness more aggressively, translating into new business for retailers. In reaction to this new trend, Target launched its “Long Live Happy” campaign in 2007.

The purpose of this campaign was to make Target top of mind as the destination for the consumer to find family wellness. The campaign integrated categories throughout the store in order to encourage guests to look store-wide for their healthy living needs.

Project Question

Using the example above, how can Target enhance the wellness of its guest? How can Target incorporate wellness through out the entire store? How can Target gain guest loyalty of the wellness conscious guest so that when he/she thinks wellness, they think Target? How can Target balance its business to connect with the wellness conscious guest and the traditional guest?

Project Parameters

Develop a store wide comprehensive Wellness Strategy for Target. 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 explored topic

Include in this proposal a:

- SWOT analysis (Internal: Strengths/Weaknesses, External: Opportunities/Threats) of the current situation Target faces in connecting to the wellness conscious guest
- Second SWOT analysis based upon implementation of the proposal

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? How will the time of the year affect Target’s wellness assortment? What is the criteria the guest uses when choosing a better for you item vs. a traditional item?
- Price: What factors influence price? How does the wellness conscious guest assess value? How does price influence the guest when choosing a better-for-you item vs. a traditional item?



- **Presentation:** How does presentation drive sales? How can Target convey wellness through presentation? How can Target educate the guest on the differences between a better-for-you item versus a traditional item? Should Target update the design layout of the store to make it easier for the wellness conscious guest to shop?
- **Promotion:** What promotions would be effective in this strategy?
- **Guests:** Who is the wellness conscious guest? What does the wellness conscious guest want in regards to wellness? What does wellness mean to this guest? Is the guest willing to give up performance of a product if it is better for her/him?
- **Services:** What services should be provided to improve this guest's shopping experience? How can services be used to create more loyalty among this guest?
- **Competitors:** What are other retailers doing to connect with the wellness conscious guest? Who should Target benchmark against?
- **Economy:** What factors in the economy can and will drive change in how the wellness conscious shopper shops?

Company Information

What is Target?

Minneapolis-based Target serves guests at more than 1,600 stores in 47 states nationwide by delivering today's best retail trends at affordable prices. Target is committed to providing guests with great design through innovative products, in-store experiences and community partnerships. Whether visiting a Target store or shopping online at Target.com, guests enjoy a fun and convenient shopping experience with access to thousands of unique and highly differentiated items. Target (NYSE:TGT) gives more than \$3 million a week to its local communities through grants and special programs. Since opening its first store in 1962, Target has partnered with nonprofit organizations, guests and team members to help meet community needs.

What is the Merchandising Strategy?

Target's Merchandising mission is to drive profitable market share growth by fulfilling its "Expect More. Pay Less." brand promise. Specifically, the Merchandising team focuses on the following five areas to remain relevant to guests over time and sustain a competitive advantage:

- **Team:** Promote continuous learning in a diverse environment where high-performing teams excel.
- **Value:** Provide outstanding value through price, quality, and great design.
- **Differentiation:** Create excitement with distinctive, exclusive and innovative offerings.
- **Reliability:** Drive sales by having what guests want, when they want it, where they shop.
- **Frequency:** Increase shopping frequency by creating a convenient shopping experience that meets guests' wants and needs.

Who is the Typical Guest?



Target Case Study Program

Our guests are young, well-educated, moderate-to-better income families who live active lifestyles. The median age of our guests is 42, the youngest of major discount retailers. They have a median annual income of \$60,000, 51 percent have completed college and 33 percent have children at home. Also, we have one of the strongest brands in the marketplace. Our Bullseye is recognized by 97 percent of American consumers, even nudging out Apple and the Nike swoosh.

How Quickly Has Target Grown?

Target opened its first store in Roseville, Minnesota, in 1962. More than 100 new Target stores are opened each year during three cycles in March, July and October. New store prototypes, ranging in size from approximately 127,000 square feet to 174,000 square feet utilize advancements in technology and design to better respond to Target guest needs. Total store square footage of Target Stores is more than 210 million. Target currently operates 26 regional distribution centers (RDC), four import warehouses and one Target.com distribution center.

What is Target's Role in the Community?

Since 1946, Target has given five percent of its income to support and enrich the communities we serve. Today that equals over \$3 million every week to support education, the arts, social services and volunteerism. In addition to our financial support, Target team members and retirees, along with their families and friends; have contributed millions of volunteer hours to community-based projects. To learn more about our programs and community partners, visit [Target.com/community](https://www.target.com/community).