

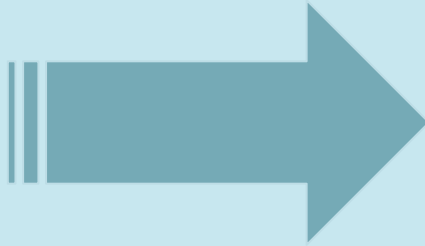
The background features a light blue base with several abstract elements: a large orange shape in the top left, a blue shape with white dashed lines in the middle left, a black wavy line in the bottom left, a black shape with white dashed lines in the bottom right, and a series of horizontal blue lines in the top right.

Target Expanding Into Italy

Sara Conover, Gabby Fabec, Mikaela Allee,
Paige Cosgrove, Kenzi Winnegrad

Our Goal

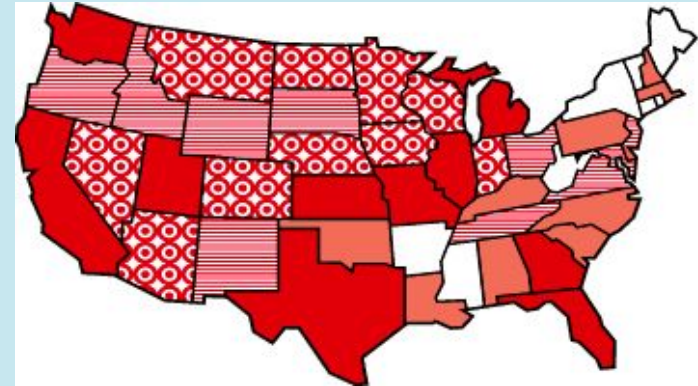
The goal of this project is to do an analysis of the brand Target, and decide how to best expand this brand into Italy's retail market.



US Market Analysis

Targets Competitive Advantage in the US

- Target has 1,871 stores in the US
- In 2018 they made 75 billion dollars in revenue
- 8th in leading American retailers
- There is a target store in all 50 states
- 75% of the U.S. population lives within 10 miles of a Target store

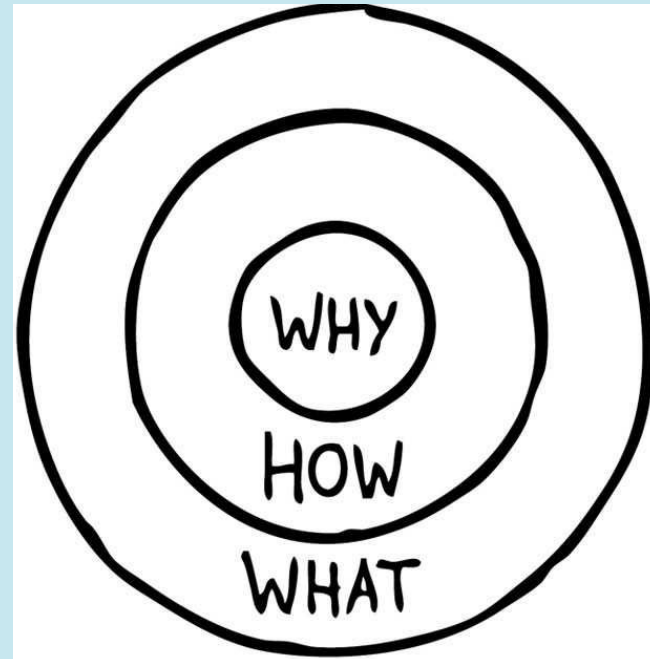


What, How, Why Framework

What: Target sells a wide variety of items, ranging from grocery, to clothing, to electronics.

How: Through friendly staff in Stores, and shipping available online Target provides quick and easy shopping.

Why: “To help all families discover the joy of everyday life.” Targets mission is to help families have a fun and enjoyable shopping experience



SWOT Analysis

Strengths: Convenient (one stop shop), Good quality, Price, Partnerships, Friendly staff, 3rd party food and drink inside (starbucks), Strong Brand Awareness

Opportunities: Grow grocery, Minimize other departments (electronics?), Delivery, Run more sales, More partnerships

Weaknesses: Hard to navigate, Limited grocery (expensive), crowded (parking), Home deco expensive

Threats: Amazon/Walmart (cheaper places) Have to keep up with trends in fashion, Dependent on US Market

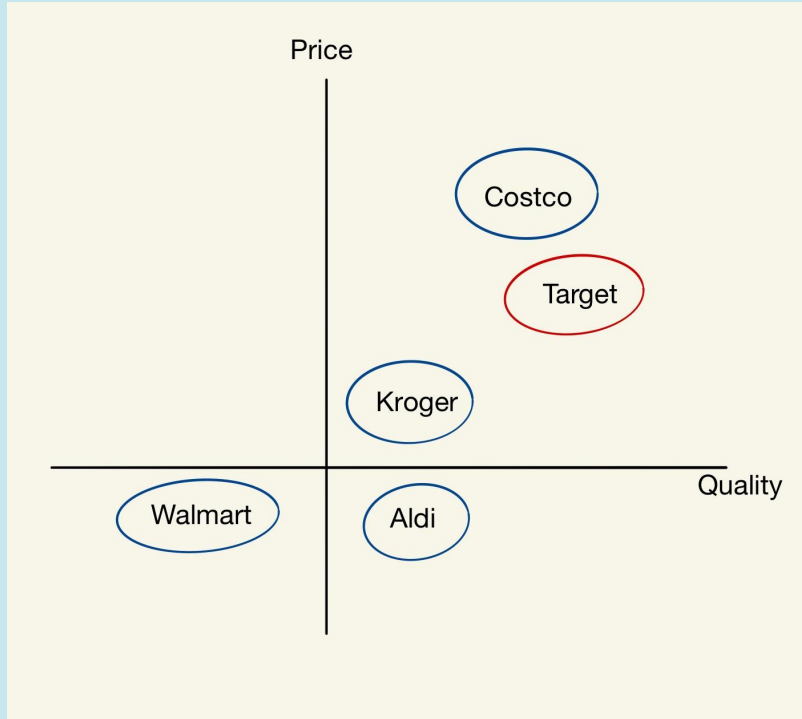
Target's Core Customer

- 60% of shoppers at Target are female
- Over 50% are from the ages 18-44
- Over 60% of shoppers racially are white
- Even with these statistics, Target strives to be inclusive. They do not want to leave anyone out of marketing campaigns.
- “Target Run and Done” promotes there is something for everyone's needs at Target

I never know how much is missing from my life until I step foot in Target.



Target Brand Positioning



- As you can see by the chart, Target is positioned as a high price, high quality store
- Walmart is a lower cost, lower quality store, and is one of Target's biggest competitors
- Costco, another of Target's biggest competitors, is high on the price axis due to the membership costs

6 P's

Product

Promotion

Place

Price

Personnel

Presentation



Product

Very broad product categories:

- Home/Kitchen/Decorations
- Clothing/Shoes/Accessories
- Healthcare/Beauty
- Cleaning/Household Products
- Grocery
- Toys/Electronics/Entertainment



Promotion



Target Circle

Loyalty program

Gives users extra discounts and promotions

Just have to scan app at checkout



Target Red Card

Store credit card

5% off every purchase

Special items/gifts/offers

Extended return period

Place

Target has 1,871 stores in all 50 states and a large online presence.



Price



Reasonably Priced

Target is comparable in price to competitors such as Walmart and Amazon.

Research done by Business Insider shows that most prices are very comparable to Walmart and Amazon, however Target has the best prices in some categories including Food and Beverage.

Personnel

Within any retail setting, you usually only see the workers at a store if you need help finding something, or when you're checking out.

Target employees are generally pretty easy to track down if you need help and always have smiling faces.

They're easy to spot with their red shirts and khakis, and have different resources available to help with any need a shopper might have.



Presentation

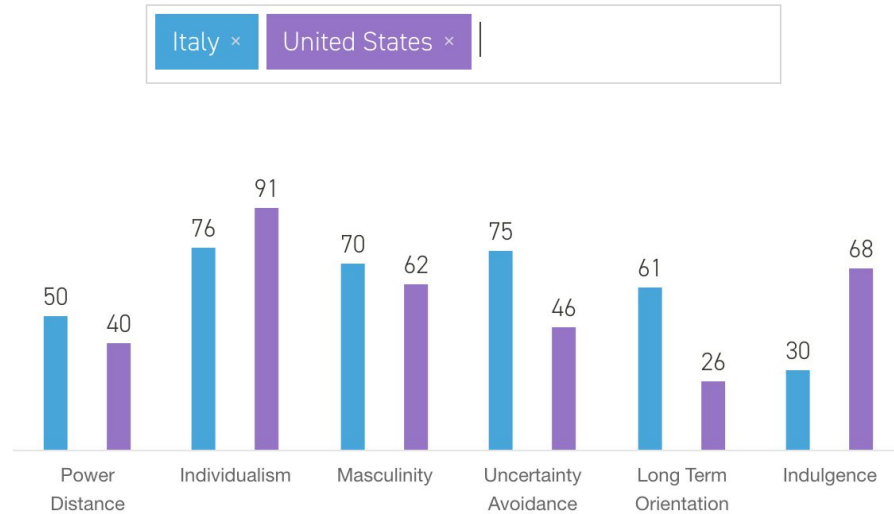


- Keeps a light and modern vibe within stores
- Red and white accents with all signs, walls, shelves creates a very uniform look within the store
- Shelves are generally kept clean and organized
- Stores are separated into sections to easily access what you're looking for
- Makes for a fun, adventurous and exciting shopping trip because you can always stumble across something new in Target

Market Entry Challenges

Goal: Move Target into Italy's Market

Hofstede Analysis



* estimated

Hofstede analysis challenges

Indulgence

The large difference in levels of indulgence between Italy and the United States poses the largest challenge to Target entering the Italian market.

Target is largely an indulgent brand. It's a place people go to buy makeup, clothes, food, nick-nacks, all things that are not considered essential.

Long Term Orientation

Italy has a much more future oriented culture than the United States. When making decisions Italians take long term advantages into account much more than Americans do. Products at Target are largely short term. When buying a purse at Target, you don't expect it to be in your life for the next 20 years. Especially, when you look at it from a quality standpoint compared to Italian made goods.

Individualism

There's a significant difference in the level of individualism in US and Italian cultures.

This poses a potential challenge for Target in that Italians are more likely to focus on the needs of their peers and family rather than "treating themselves" in a Target shopping trip.

Culture



Traditions and history play a huge role in Italian culture, and in turn is a huge part of Italian business practices. Making and implementing business decisions can be a particularly lengthy process in Italy. Building trust and relationships is one of the most important aspects of business.

Recommendations For Success

Target Market

- Italian consumers make up around 3.6% of the world consumer market
 - On average, prefer spending over saving
- What do Italians typically spend their money on?
 - Eating out and hotel stays
 - Clothing and footwear
 - Recreation and Culture
- Value quality and customer service



Popular Product Categories

Target is ideal for the Italian consumer because it offers a variety of the products that they would already be purchasing, all in one location



4 P's for expansion into Italy



- **Product-** High quality, name brand products
- **Place-** Usually located in larger cities with higher populations
- **Price-** Higher priced for convenience factor and quality products
- **Promotion-** Target Circle App to hear about promotions and coupons

Recommendations

- Since Italians value high-quality products and great customer service, Target would thrive in this environment
 - Target can expand their clothing section to meet the needs of Italian shoppers
 - Offer higher-quality clothing products in these stores with a wide variety
 - EX: Have an Italian designer create an exclusive line for Target so that people can recognize the quality by the name
 - Customer Service
 - Target is known to be a “One Stop Shop” offering clothing, household products, groceries, beauty, etc.
 - Have a well-staffed store so they can guide customers around the store and answer questions
 - Make customers aware of the Target Circle App for convenience when shopping

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