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[Why It Will Work]

Target: Responding to the Recession

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Responding to the Recession

1. Service
[Tactics]
3. I.M.C.

[Tactics]
5. S.T.P.
6. Pricing

Why It Will Work (cont.)

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[Suggested Course of Action]

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Why It Will Work

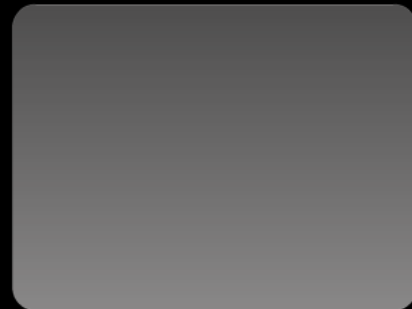
Target: Responding to the Recession

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Responding to the Recession

1. Service
Tactics
3. I.M.C.

4. Promotion
Tactics
5. S.T.P.
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Problems & Symptoms

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Economic Recession

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- Target's stock price down 50% while Wal-Mart's only down 16% from May 2008 to May 2009.
- Wal-Mart's sales continued to grow, while Target's began dropping.

Company Image

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- Consumers associated better quality with Target, not necessarily lower prices
- Slogan “Expect more, pay less”
- Prices only 1-2% higher than Wal-Mart

Challenges in the Food Business

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- Different systems for ordering, delivering, and replenishing shelves
- Processes were tailored to a general merchandise format

No Play in International Markets

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- Since Wal-Mart has stores internationally, they weren't as affected as Target was by the recession.

Thecasesolutions.com *[Suggested Course of Action]*

- Continue to improve tracking of consumer purchasing habits.
 - Continue to integrate food products into Target's product line.
 - Continue to push the "pay less" part of Target's "Expect More, Pay Less" message.
 - Adjust marketing strategy to plan 6 to 9 months in advance from 12 to 18.
- Thecasesolutions.com**
- Look into expanding into international markets.
 - Maintain position as a high-end/premium discount retail chain.

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- Look into expanding into international markets.
- Maintain position as a high-end/premium discount retail chain.
- Promote Target's in house brands.