



#### Responding to Imitation: Intel vs. **AMD in 1991** Thecasesolutions.com

Responding to the Recession













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# Thecasesolutions.com Problems & Symptoms Problems & Symptoms The cases of the case of t

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## conomic Recession Thecasesolutions.com

- 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 Thecasesolutions.com

- 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 Thecasesolutions.com • Different systems for ordering, delivering, and

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

### No Play in International Markets Thecasesolutions.com Since Wal-Mart has stores internationally,

 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.
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- 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.