Strategic Analysis of Target Corporation

Briana Andreoli
Sacred Heart University

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Target at a Glance
Target Corporation is an upscale discount retailer that provides high-quality, on-trend merchandise at attractive prices in clean, spacious and guest-friendly stores.

Organizational Mission, Vision, Values & Strategic Goals
Mission: “We make Target our guests’ preferred shopping destination by delivering outstanding value, continuous innovation and an exceptional guest experience - consistently fulfilling our ‘Expect More. Pay Less.’ brand promise.”

Vision:
• Great shopping: Anytime and anywhere
• Leading in design and innovation
• More for your money
• Celebrating diversity and inclusion
• Community support and engagement
• A fun and rewarding place to work

Values: “Target remains committed to its legacy of responsible corporate citizenship, ethical business practices, environmental stewardship and generous community support. Since 1946, Target has given 5 percent of its profit to communities, which today equals millions of dollars a week.”

Strategic Goals:
• Remove artificial flavors, preservatives, and colors from all of their owned-brand children’s items by the end of 2018
• Achieve ENERGY STAR certification in 80% of their buildings by 2020
• Reduce the energy intensity per square foot in their stores by 10% by 2020
• Add solar rooftop panels to 500 of their stores and distribution centers by 2020
• Expand their investment in offsite renewable energy to complement onsite renewables by 2020

Porter’s Five Forces Model
- Threat of New Entrants: Moderate
- Rivalry Among Existing Competitors: High
- Bargaining Power of Suppliers: Low
- Bargaining Power of Buyers: Moderate
- Threat of Substitute Products and Services: Moderate

SWOT Analysis
Strengths
• Pricing Strategy
• Strong Presence in the US
• Differentiation Through Merchandise

Weaknesses
• Consumer Confidence
• Financial Performance
• Limited Visibility in the International Market

Opportunities
• Expansion in the US
• Growth in Private Labels
• Expansion to Internal Markets

Threats
• Expansion by Competitors
• Rising Labor Costs
• E-Commerce Threat to Brick and Mortar Outlets

Internal Analysis
Resources:
• Strong brand recognition and presence in the US
• Private label and owned-brand merchandise
• Exclusive collaborations with designers and brand-name companies
• Strong social media presence
• Unique shopping experience and environment

Capabilities:
• Expand their departments to effectively compete against rivals
• Grow their presence and expand on an international scale
• Further develop online retail capabilities
• Expand to different geographic locations to reach a new market
• Continue and expand upon the path of sustainability and “green” products

Business Strategies
Focus Product Differentiation:
• Brand image and reputation
• Product quality
• Service and support

Diversification:
• Related
• Unrelated

Vertical Integration:
• Forward
• Backward