



**John Mulligan**  
Chief Operating Officer



**Financial  
Community  
Meeting**

**To help all families discover  
the joy of everyday life.**



# Durable Model

**Right Assortment**

**Specialized Service**

**Easy Fulfillment Options**



Walmart

order pickup

STOP

IN

# 2019 - Scaled Our Capabilities

- Dozens of small formats
- Hundreds of remodels
- Same-day fulfillment for millions
- New operating model for stores
- More automation, robotics and AI

**Competitive Fulfillment Options**

**Differentiated Store Experience**

**Use our capabilities to  
serve guests in new ways.**

**Get Closer to New Guests**

**Elevate the Store Experience**

**Redefine Ease & Convenience**





SE 5th

SW 5th  
BUSINESS ROUTE

school & office





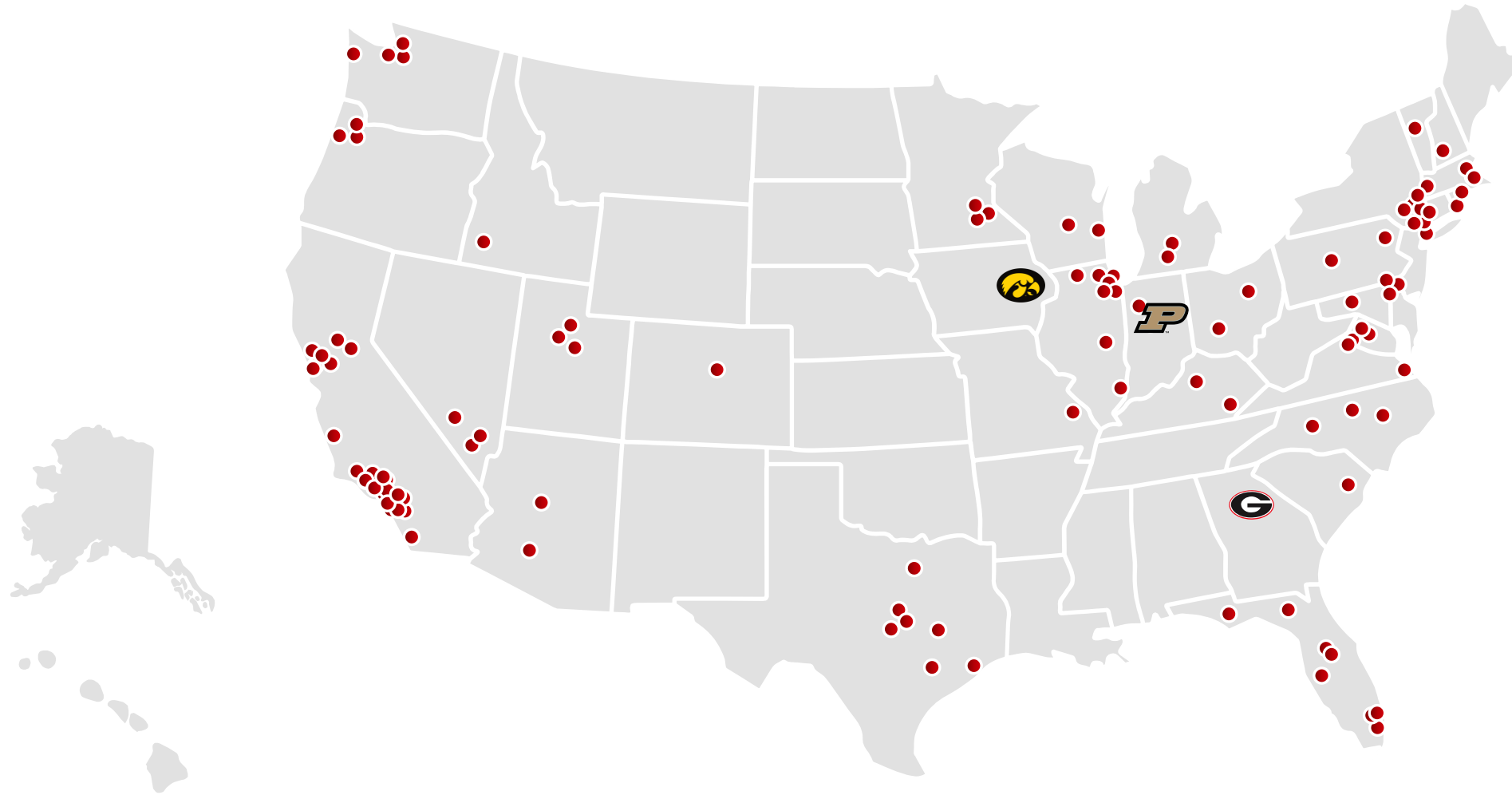
# Scaled Small Formats

- Identified great sites
- Localized for the neighborhood
- Reoriented our supply chain



**Highest year ever for  
small-format growth.**

# Small Format Stores



\*representative sites only



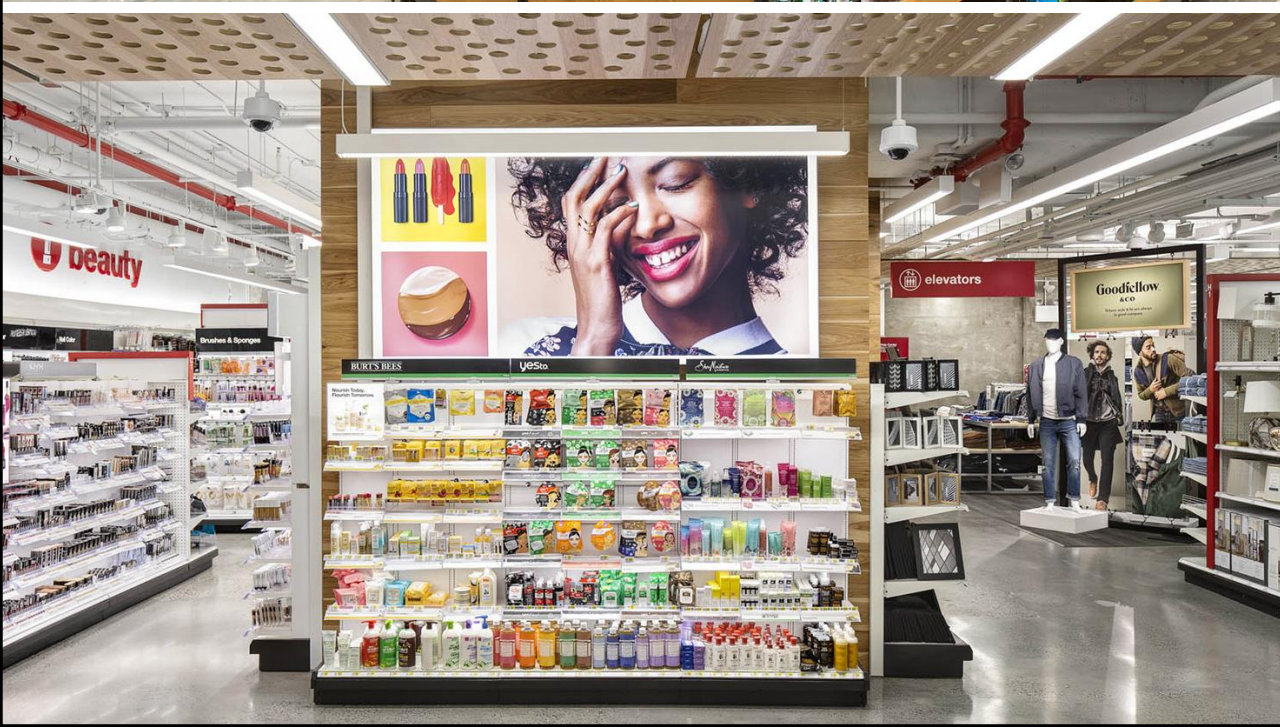


# Exploring Smaller Store Designs



Small, but with enough space to  
**offer the categories guests want.**







**We'll test and learn**  
before we scale.



**1,000**  
remodels by  
end of 2020



**2-4%**

average lift  
in year one

**2%**

average lift  
in year two







  
all in motion.  
all in motion.

Fitti

Shoes

\$18

\$12

Introducing the leggings collection  
High Impact  
Low Impact

contour  
power waist high-rise 7/8 leggings  
• power waist with built-in support  
• locking waistband  
• moisture-wicking

\$28

\$41



# 150-200

store remodels every year  
beginning in 2021



Returns

Order Pickup  
Registry

elf Checkout

Self Checkout

Self Checkout

Cashier





welcome to  
target

Park



Exchanges & Returns

Order Pickup  
Registry



**Test & Learn**

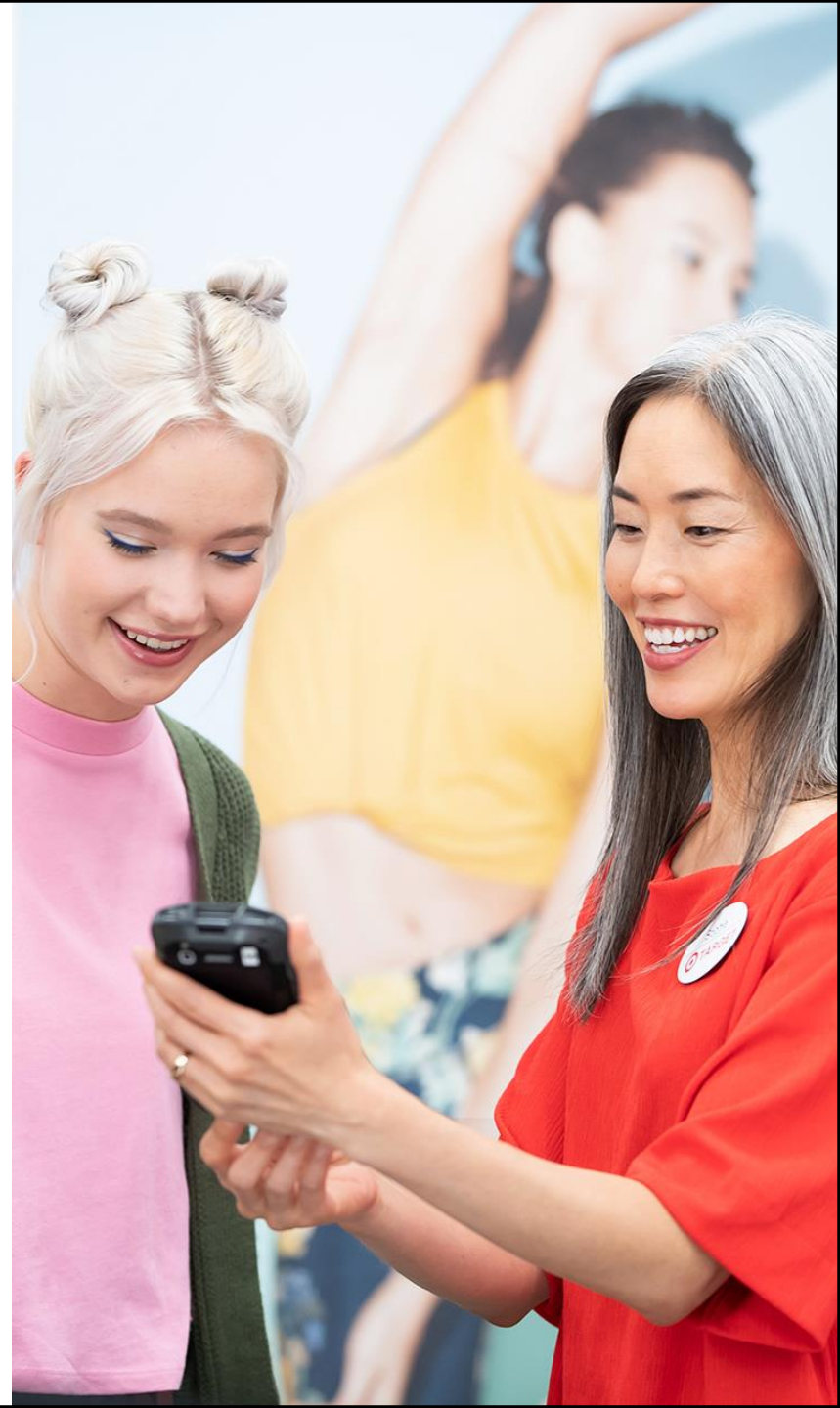


**Our store investments**  
will never be done.

**Give guests a compelling reason**  
to come into a store and shop.



OPEN  
STORY



# Investing in Team



millions of hours  
of paid training



starting wages by  
the end of 2020





*Universal Thread.*  
GOODS  
CO.

**Jegging**

Mid-Rise  
High-Rise



**Skinny**

Mid-Rise  
High-Rise  
High-Rise Slim  
Curve









**New Roles**

**New Titles**

**New Routines**







**Expertise & Ownership**

**Tools & Technology**

# Stores Modernization Video



**12** point  
increase in  
Net Promoter Score





**Mark Schindele**  
Chief Stores Officer





AT&T

AT&T  
TV  
Internet  
Wireless

Mix, match  
and save.

ACT NOW!

Get \$25 off

Apple accessories

Power & charging

Power & charging



**Store Experience**

**Fulfillment Services**

# Same-Day Services



drive up



order  
pickup

Shipt 



**drive up**

**1,750** stores  
nationwide





order pickup



opens July 26

opens July 26



**>500%**

increase in  
Drive Up

**~50%**

increase in  
Order Pickup

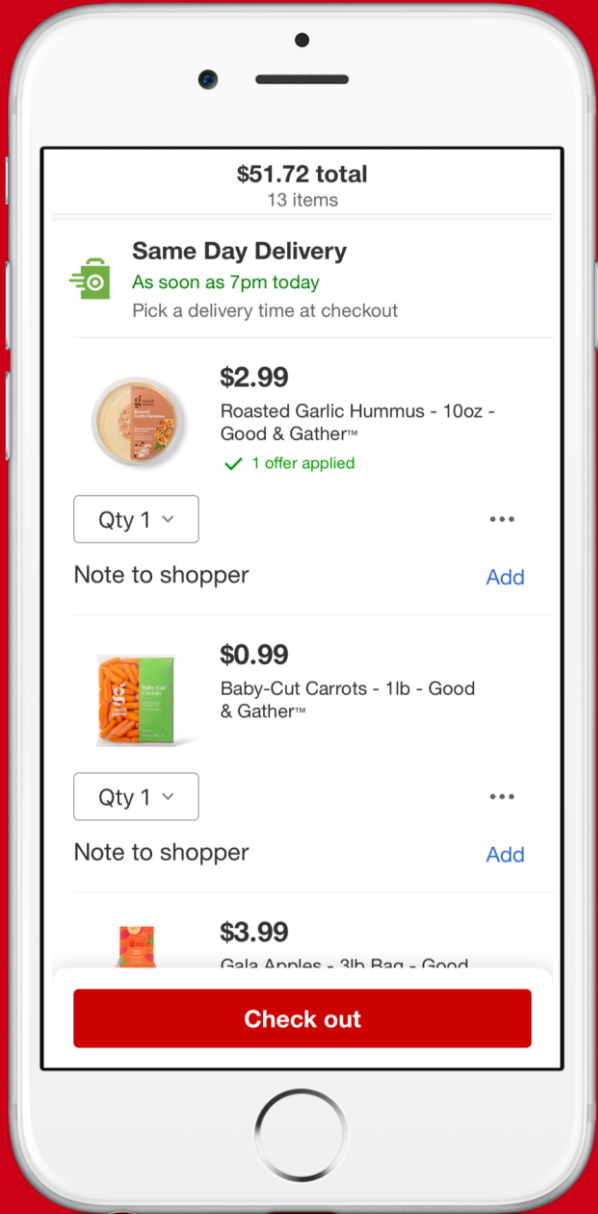
**~33%**

of the time  
guests made  
additional purchases



~ **2.5x**  
increase in  
Target sales  
from 2018







Sur la table



Raley's



EST. 1977  
TASTE OF TEXAS



Office DEPOT

BILO

Employee Owned  
Redner's

weis



meijer

SUPERMARKETS  
times

WOODWARD CORNER  
MARKET



CREST FOODS

meijer



HARMONS  
NEIGHBORHOOD GROCER

WINE & SPIRITS  
LIQUOR BOY

Roche Bros.



CVS pharmacy

HIBBETT  
SPORTS

Reasor's

Gristedes 

FRESCO  
y Más

DICK'S  
FRESH MARKET

Greer's  
MARKETS • SINCE 1916

GIANT EAGLE



HyVee  
EMPLOYEE OWNED



H-E-B

CHEERS ON DEMAND 

ROUSES  
MARKETS

Super Mercado  
BUY FOR LESS



FOOD TOWN 

Smart & Final.

Lowes  
FOODS

99 99 RANCH MARKET



**>90%** growth in sales fulfilled  
by same-day options



**~25%** decrease in average  
fulfillment cost per unit







order pickup

STOP



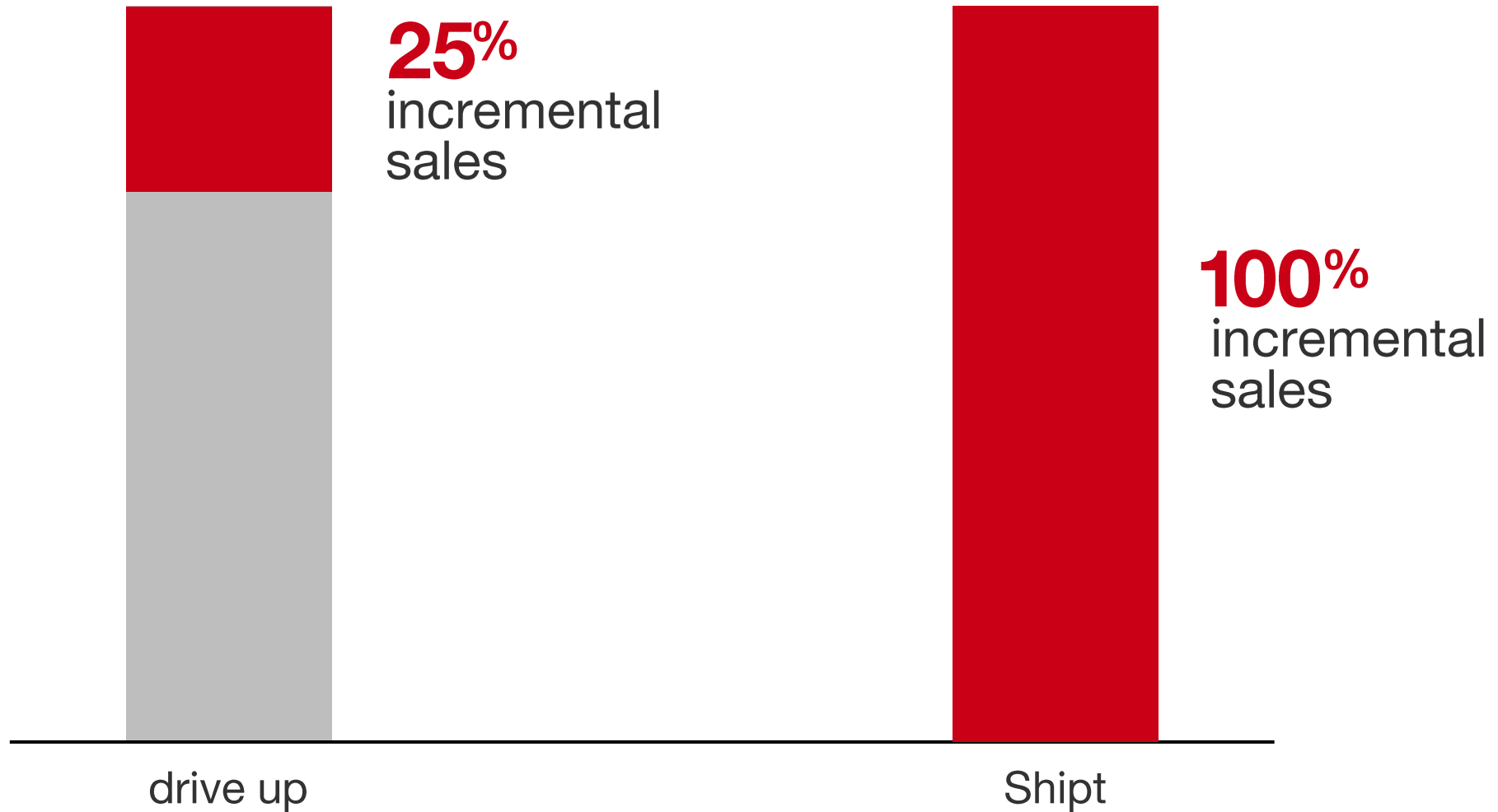
# **In-store Fulfillment Video**

# Same-Day Services



new users had  
never shopped on Target.com

# Response to Same-Day Services





**Curated Assortment**

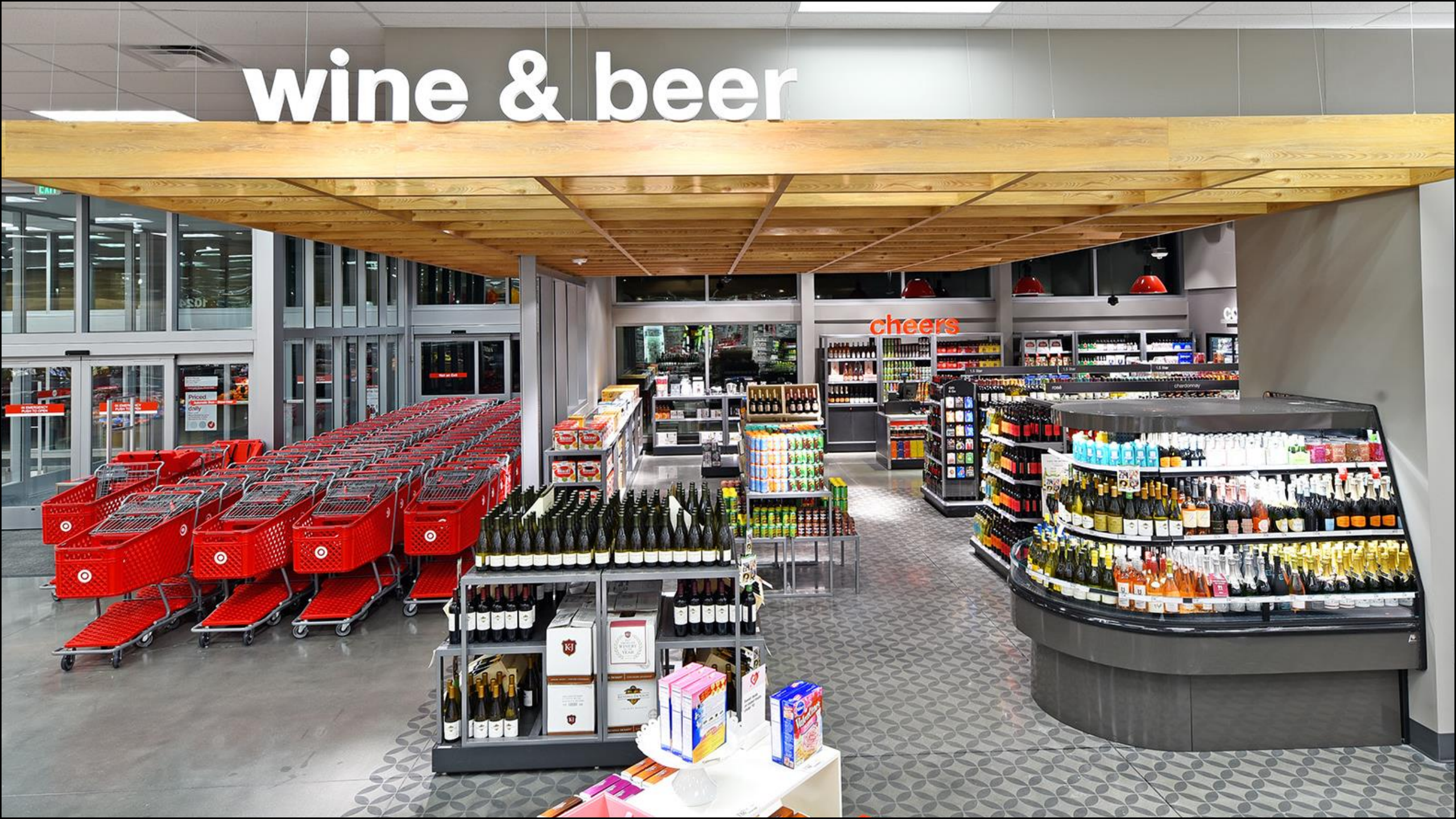
**Great Service**

**Ease & Convenience**

# **Expand Same-Day Services Assortment**



# wine & beer





# Fresh Grocery & Adult Beverage Test



**order pickup**



**drive up**



**order pickup**



**drive up**

**Fresh Food** → **~50%** of stores

**Adult Beverage** → majority of stores

# Supply Chain Investments





Alex C.  
TARGET

ORC  
26677

ORC  
13344

WARNING CAUTION  
NO OPEN FLAMES NO SMOKING NO HOT SURFACES NO DRINKS

ORC  
14983

ORC  
10040

ORC  
11741

ORC  
04215

Sale!  
2.5

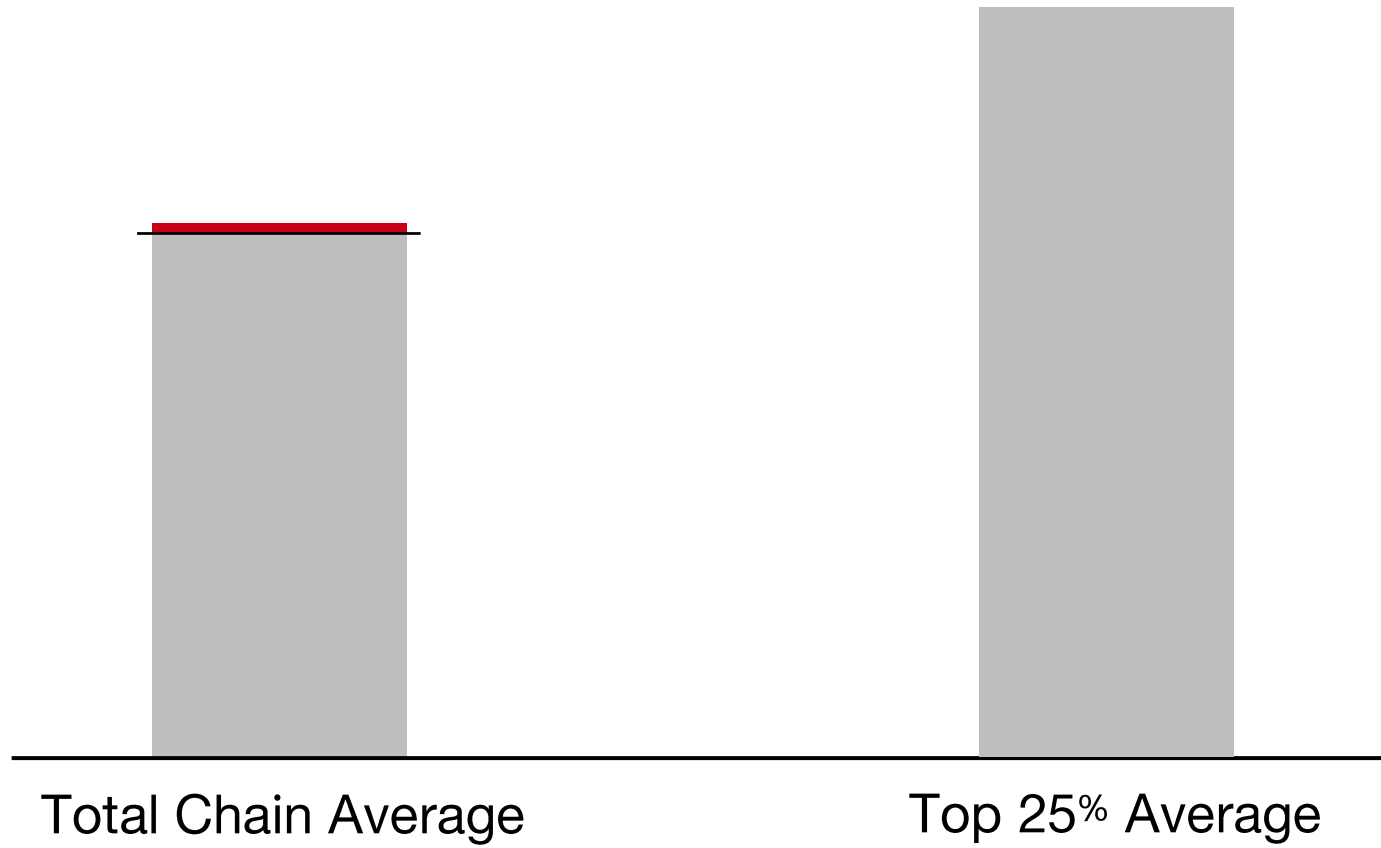


# Stores as Hubs

**~80%** of our online units  
is fulfilled by stores



# Sales Productivity





**Investing upstream to support  
growing needs of our stores.**



# **Building End-to-End Solutions**

# **Inventory Planning & Control**

**Right Product**

**Right Place**

**Right Time**



~ 30%

of essentials positioned  
using Inventory Planning  
& Control



**Out-of-stocks continue  
to be a major priority.**







OBC  
20115

180900184

THIS SIDE UP

No Charge

No Charge



**We're ready to start scaling.**

# Supply Chain Automation

This solution is about organizing  
**what goes into every box.**



**Two systems working together**  
in service of our stores.













Fresh is everything.  
Delivered 7 days a week.



FRESH BANANAS \$49 lb

meat

bakery

Fresh Vegetables Organic





**Our stores are  
driving profitable growth.**





