Brian Cornell
Chairman & Chief Executive Officer
Strategy
Operational Detail
Financial Model
Questions
Redefine Target’s future
Guest Mindset

- Place greater value on experiences
- Buy into a greater purpose
Guest Behaviors

- Transparency around value in digital world
- Ease & speed are paramount
- Shift in channel preference
Macy's reports slowing sales, CEO to step aside

Payless is in talks to close 1,000 stores

Can America’s Department Stores Survive?
Off-price retailer T.J. Maxx offered fresh evidence on Wednesday that even as tech-savvy customers flock to online shopping sites, they still love hunting for a good bargain at the store.

Costco, BJ’s, Sam’s Club: Why millennials love clubbing

Young parents with money to spend are the “center of the bullseye” for the large retailers.

2 Ways Costco Is Beating the Competition

The company has proven resilient to the internet in ways other physical retailers can only dream about.

T.J. Maxx: The rare store that’s thriving while those at the mall struggle
5 Priorities

- On demand shopping
- Merchandise categories
- Localization & personalization
- Small formats
- Simplify & control costs
Industry shift is accelerating
Embracing the new reality
Black Friday Digital Sales

- 2014: 7%
- 2015: 10%
- 2016: 14%
Reimagining & repositioning our assets
Linear Model

Vendor ➔ Distribution Center ➔ Store ➔ Guest
Smart Network

Distribution Center

Store

Digital Channels

Guest
Embracing the New Reality

- Understanding how guest preferences & expectations are evolving
- Anticipating where guests are going & what they want
- Finding new ways to engage
- Offering & communicating compelling value
- Building a new Target, positioned to win
Capabilities & Investments
This is not work we just started
What is changing is our speed
Significant capital investments that will position Target for long-term, sustainable growth
Foundational Capabilities
2x digital sales
Digital Infrastructure

- Re-platfromed site & mobile channels
- More speed, stability, performance & capacity
Data & Analytics

- Invested in top engineering & data science talent
Small Formats

• Expand into key urban neighborhoods & college campuses
• Customized for each community
• Function as stores & hyper-local fulfillment centers
Supply Chain
Supply Chain Transformation

Costs ↓

Speed, efficiency & reliability ↑
Scale & Operational Excellence
Focus on Greater Agility

- Smart network
- Multi-category portfolio
- Balance sheet
Target’s DNA
The new retail reality
Re-inventing our exclusive brands
Operational Efficiency
Core Business Investments
Store Shopping Experience
Learn & Innovate
Target is taking the long view
$1 billion
investing in operating margins
Fundamentally Different

• Stores
• Assortment & brands
• Guests
• Positioning
Investing to compete & grow