



**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

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HOME NEWS 52° SPORTS BUSINESS NKY CINCINNATI USA

Macy's reports slowing sales, CEO to step aside

Alexander Coolidge, acoolidge@enquirer.com Published 8:51 a.m. ET Feb. 21, 2017 | Updated 5 minutes ago

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Macy's reported on Tuesday its 2016 profit dropped 42 percent to \$619 million, while sales for the year declined 4.5 percent to \$25.8 billion at the struggling department store retailer.



COSMOPOLITAN BEAUTY STYLE VIDEO LOVE POLITICS SUBSCRIBE FOLLOW

American Apparel Is Closing All of Its 110 U.S. Stores

The retailer is closing its L.A. headquarters and all 110 U.S. stores.



These 9 retailers are closing nearly 1,000 stores in 2017

Mike Timmermann | Wednesday, February 8th 2017

Home / Shopping & Retail / These 9 retailers are closing nearly 1,000 stores in 2017




Image Credit: Dreamstime.com

Bloomberg Markets Tech Pursuits Politics Opinion Businessweek

Payless Is in Talks to Close 1,000 Stores

FORTUNE | Can America's Department Stores Survive?



Sears and Kmart closing 150 stores

J.C. Penney CEO: store closings coming, but stores still valuable to online business

Macy's is closing 68 stores

DEPARTMENT STORES

Can America's Department Stores Survive?

Phil Wahba 11:30 AM Central


At 11 p.m. last Thanksgiving, shortly before Thursday became Black Friday, the crowds were thick at Macy's massive flagship store in Manhattan. Some 16,000 people had lined up around the block to kick off the biggest shopping weekend of the year. Five hours after the doors opened, they were still going strong.

The Washington Post


Business

The Limited is closing all of its 250 stores

By Sarah Halzack January 6



FORTUNE | So Much for Abercrombie & Fitch's Comeback



An Abercrombie & Fitch store in New York City Photograph by Bloomberg via Getty Images

So Much for Abercrombie & Fitch's Comeback

TJMaxx, Marshall's, Home Goods Bucking Retail Trend

By Victoria Craig | Published February 22, 2017 | Retail | FOXBusiness



Off-price retailer TJX 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.



FEATURE

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

Amazon Dominating the Retail World

And that likely makes the stock a must-own. The e-commerce giant reports fourth-quarter earnings on Thursday.

Brian Sozzi Follow Feb 2, 2017 10:23 AM EST



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

By Sarah Halzack May 17, 2016



A T.J. Maxx store in Morton Grove, Ill. (Tim Boyle/Bloomberg)

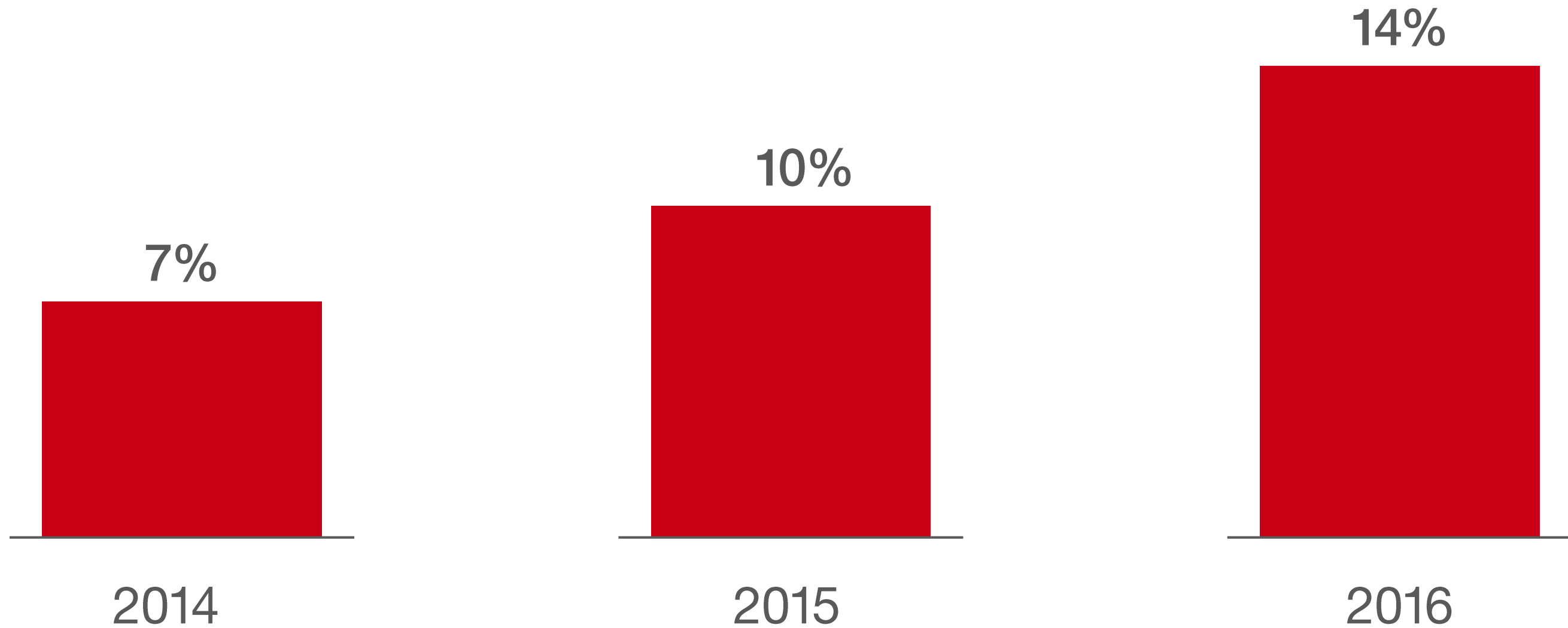
5 Priorities

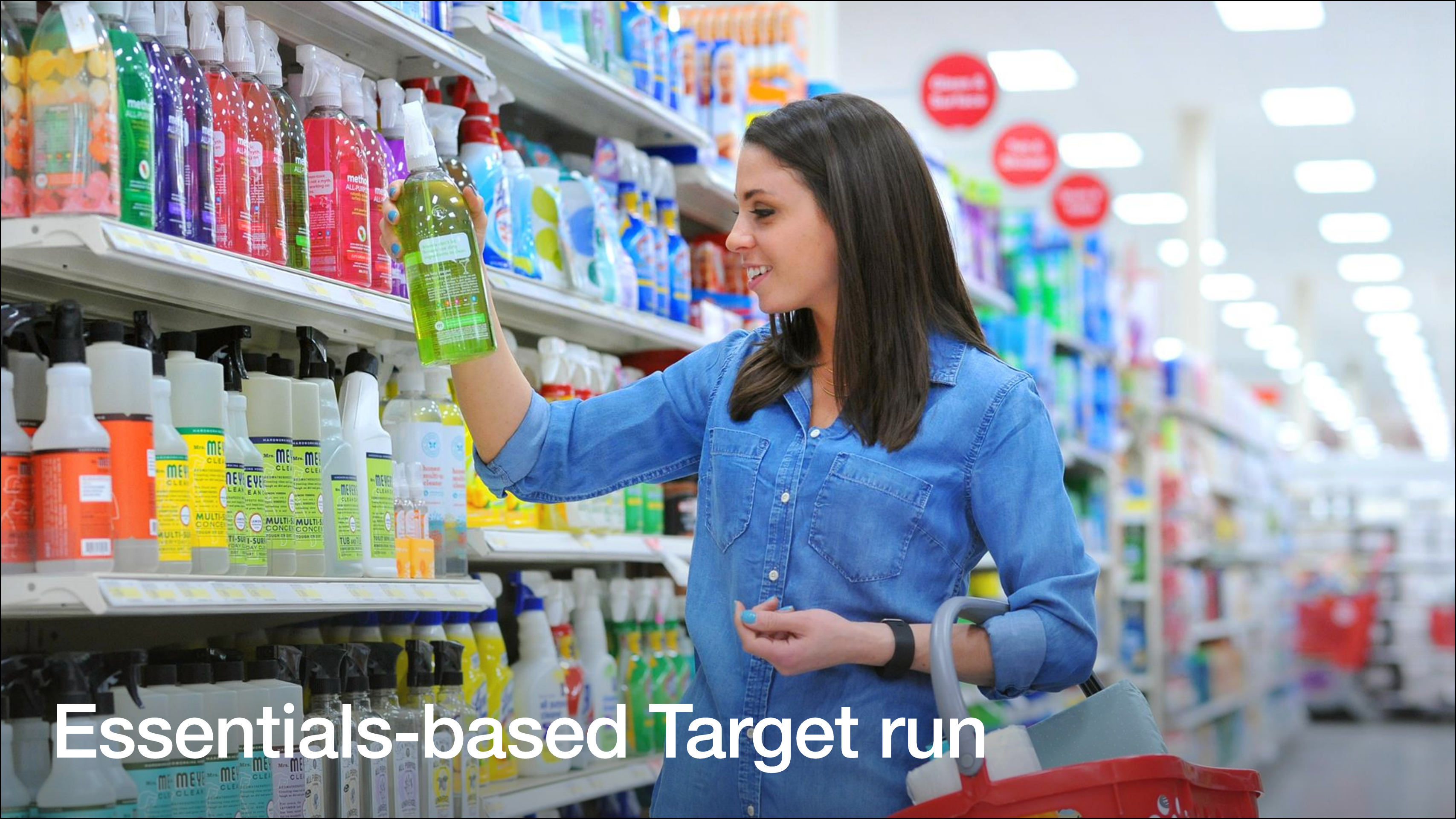
- On demand shopping
- Merchandise categories
- Localization & personalization
- Small formats
- Simplify & control costs

Industry shift is **accelerating**

Embracing the new reality

Black Friday Digital Sales





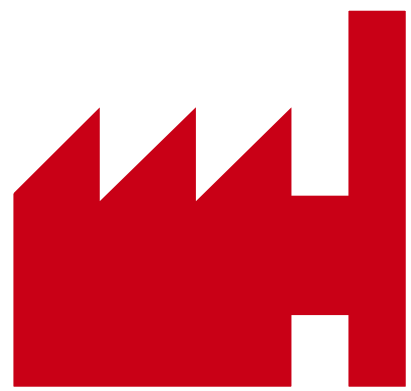
Essentials-based Target run





Reimagining & repositioning our assets

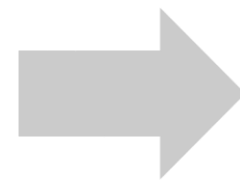
Linear Model



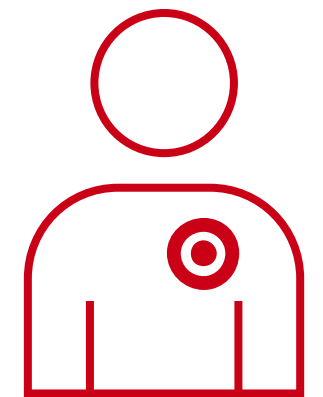
Vendor



Distribution
Center



Store



Guest

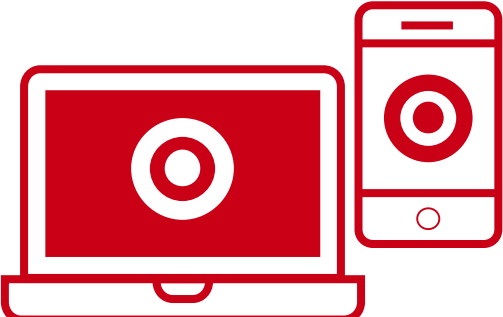
Smart Network



Distribution Center



Store



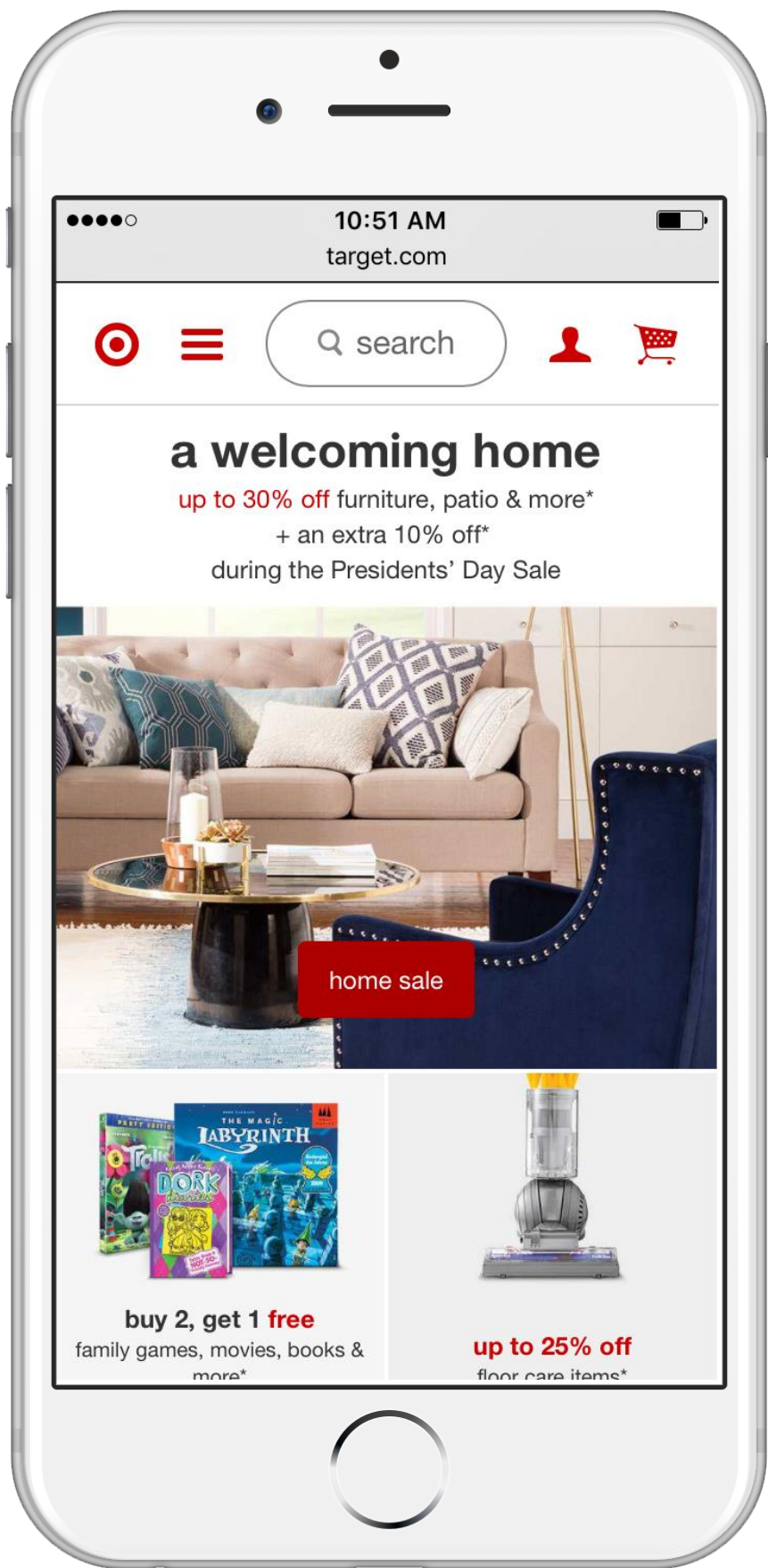
Digital Channels



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-platformed site & mobile channels
- More speed, stability, performance & capacity

Data & Analytics

- Invested in top engineering & data science talent



TARGET

IN

30

Rockford

90

Wheeling

294

Arlington Heights

Elgin

Schaumburg

Des Plaines

94

DeKalb

290

294

90

Oak Park

88

290

55

Aurora

Downer's Grove

Naperville

Oak Lawn

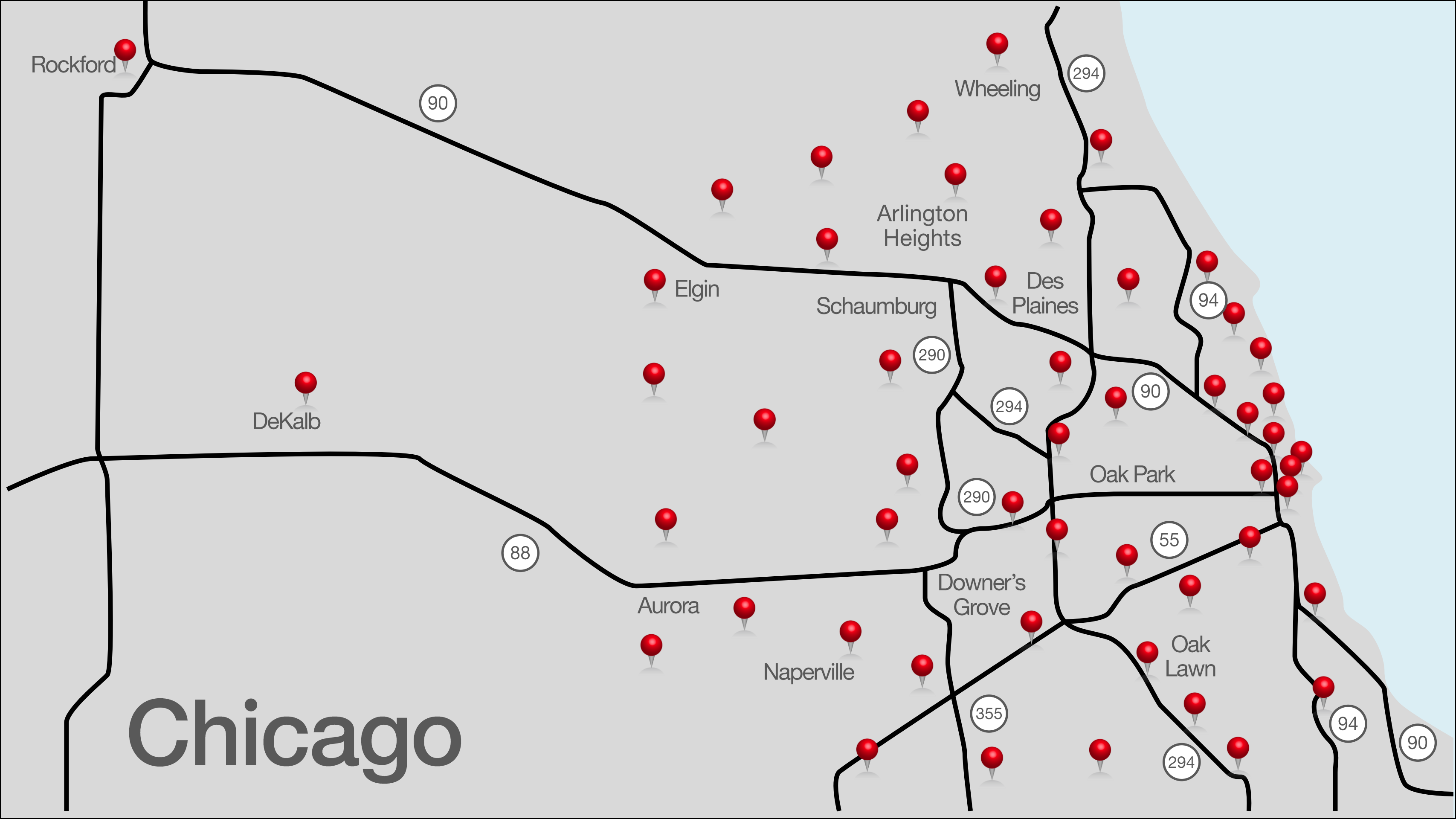
Chicago

355

294

94

90







Small Formats

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

Queens



Brooklyn

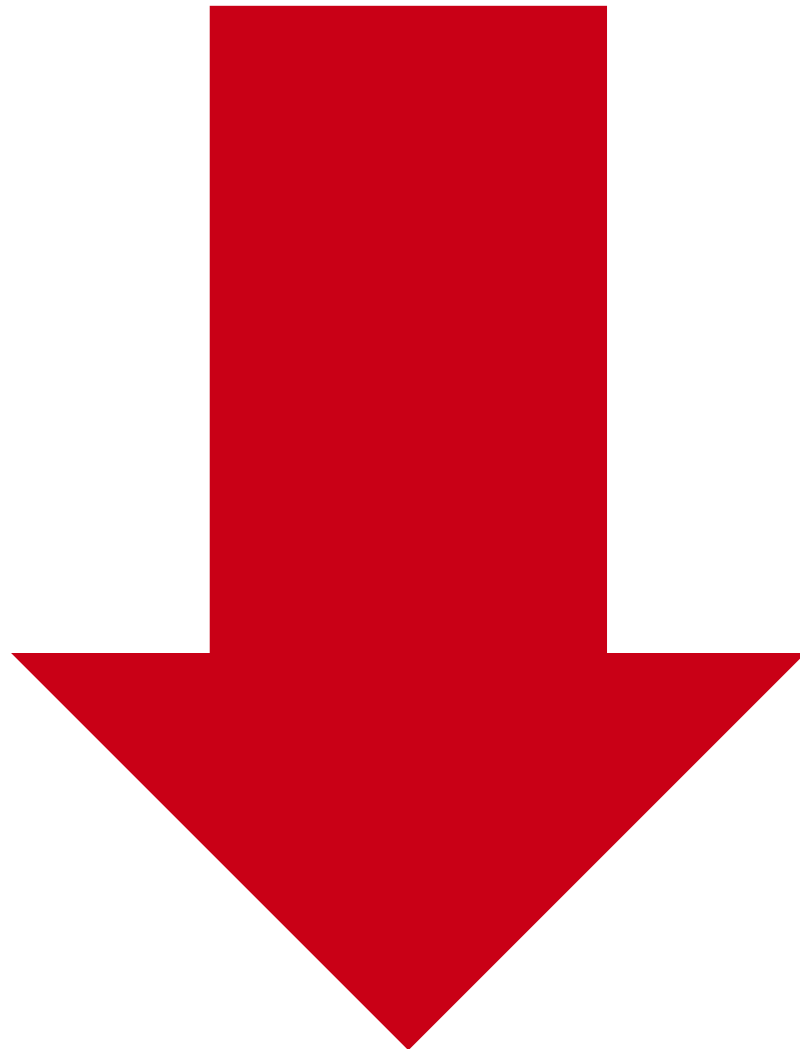


Tribeca

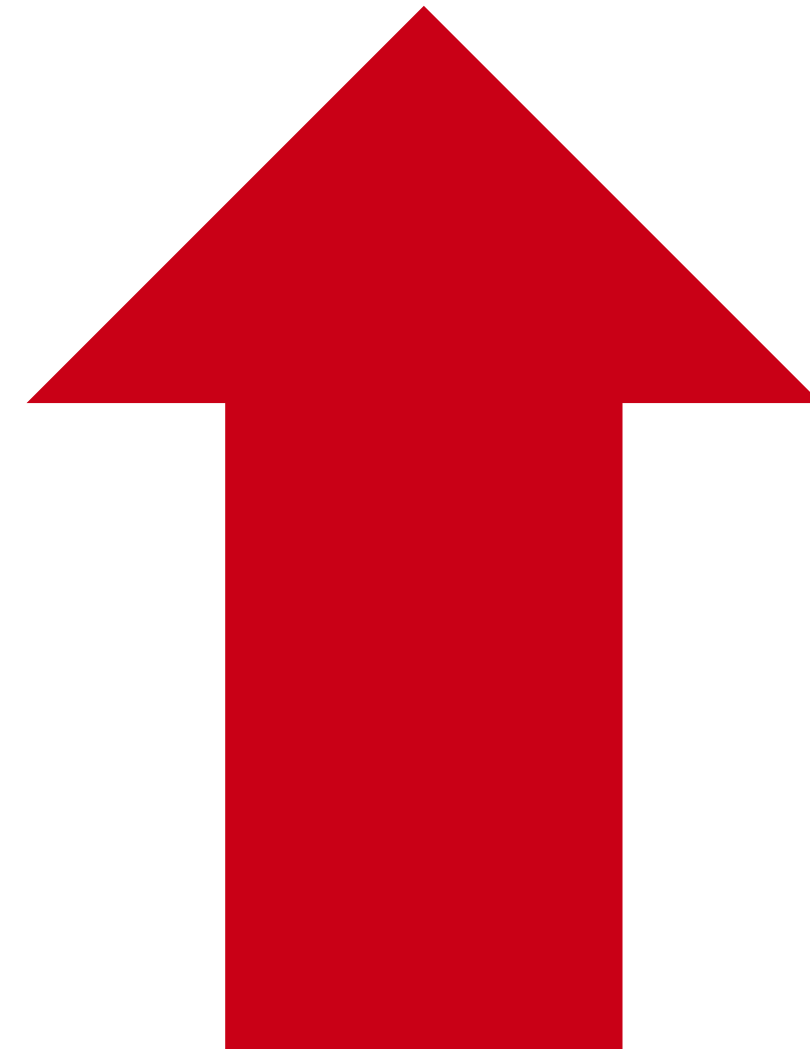
Supply Chain

Supply Chain Transformation

Costs



Speed, efficiency
& reliability



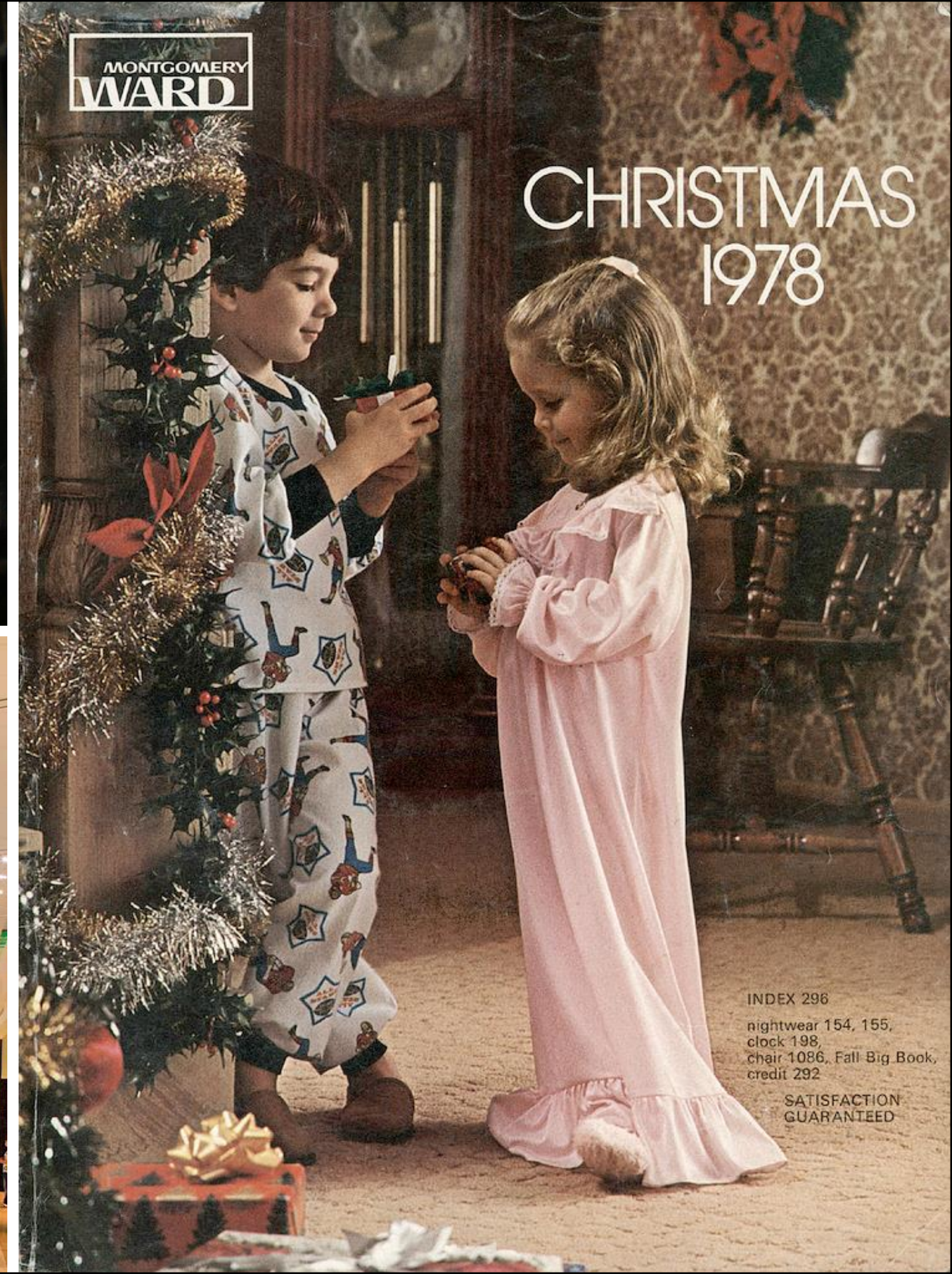
Scale & Operational Excellence

Focus on Greater Agility

- Smart network
- Multi-category portfolio
- Balance sheet

Target's DNA

The new **retail reality**



INDEX 296
nightwear 154, 155,
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credit 292

SATISFACTION
GUARANTEED





Great escape

Find your Zen in our Outdoor Living collection preview.

[Target.com/patioideas](https://www.target.com/patioideas)

- C. Threshold Small Wood/Metal Outdoor Lantern 19.99 (009-11-2327)
- D. Threshold 2-pc. Standish Patio Club Chair Set 299.99 (009-00-3889)
- E. Threshold Striped Loveseat 249.99 (009-00-3889)
- F. Threshold Black/White Micro Stripe Throw Pillow 19.99 (009-03-4231)
- G. Threshold Black Stripe Lumbar Pillow 19.99 (009-03-4246)
- H. Threshold Black/White Stripe Area Rug 119.99 (009-14-6688)
- I. Threshold Outdoor Floor Cushion 49.99 (009-03-4246)
- J. Threshold Tan/Cream Stripe Outdoor Scatter Rug 19.99 (009-14-6695)
- K. Threshold Black/White Diamond Outdoor Scatter Rug 19.99 (009-14-6701)
- L. Threshold Palm Leaf Outdoor Rug 59.99 (009-14-6682)
- M. Threshold Tan/Cream Outdoor Runner 49.99 (009-14-6761)
- N. Threshold Forest Stripe Outdoor Rug 89.99 (009-14-6745)
- O. Threshold Blue/Cream Stripe Outdoor Rug 119.99 (009-14-6667)

Outdoor rugs starting at \$19.99





Ease

Value

Inspiration

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



