



## THE 2014 TARGET REPORT



## A LOFTY Vision: **Targeting** the Home Industry



**Ingenuity Inc.**

**A LOFTY Vision: **Targeting** the  
Home Industry**

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Ingenuity Incorporated  
815 N. Jordan Ave.  
Bloomington, IN 47406

April 23, 2014

Gregg W. Steinhafel  
1000 Nicollet Mall  
Minneapolis, MN 55403

Dear Mr. Gregg Steinhafel:

The following submission is a recommendation from Ingenuity Incorporated detailing how Target can position itself as a leader in the home goods industry.

After thorough research into the home goods industry and demographics, Ingenuity Inc. has noticed that customers are looking for convenience and an easier shopping experience. In order to create this easier shopping experience, we recommend that Target partner with LOFT, a software developer, to create an interactive tool for tablets that can be inserted into Target's existing mobile app. This addition will be called "My Room Experience."

This interactive tool will allow customers to better visualize their purchases in their homes or apartments. This visualization will then help customers determine which pieces of furniture or accessories they want to purchase. By creating an easier and more convenient shopping experience for customers, Target will be able to corner the home goods market.

We at Ingenuity Incorporated are honored to be able to work with Target to incorporate an interactive program into your well-established mobile app in order to attract more customers into Target's home goods market. Please feel free to contact me with any further questions or concerns at [bnahrsta@indiana.edu](mailto:bnahrsta@indiana.edu).

Sincerely,

Benjamin Nahrstadt  
Ingenuity Incorporated

# Executive Summary

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## Purpose

This report will detail how Target can cater towards its current customers and gain more interest in its home goods by creating an interactive mobile tool that will create an easier shopping experience.

## Situational Analysis/Research

After thorough research, Ingenuity Incorporated recommends that Target partner with LOFT, a software developer, to create an addition, “My Room Experience,” to Target’s current mobile app. Target already has a strong app that has been recognized by the industry as one of the best. Adding this interactive design to Target’s app will allow Target to address the wants and needs of its customers in the home goods industry.

The demographics of Target, tablet users, and the home goods industry overlap greatly. All three industries are targeting middle-aged females. With the overlapping demographics, Ingenuity Incorporated felt that a tablet app would be the best way for Target to gain more customers in the home goods industry. Partnering with LOFT will allow Target shoppers to visualize their purchases in their rooms, which will allow them to know whether or not they want to purchase the item. This will increase both the ease of the shopping experience and the convenience that customers encounter, and will allow Target to position itself prominently in the home goods industry.

## Costs

A partnership with LOFT creates a great opportunity because they have already developed the technology needed to implement this tool. The biggest costs associated with this partnership occur within the first year of partnering. Based on estimations of the number of products that Target produces, the first year initial cost will be between \$400,000 and \$470,000. The yearly costs will be around \$27,500 depending on how many products Target needs to be modeled. The revenue that Target will generate from the new addition to their app will offset these costs. Based on Ingenuity Incorporated’s predictions, Target’s online revenue can increase from \$1.93 billion to \$2.05 billion. This would increase Target’s overall revenue by \$120 million, which easily covers the costs of partnering with LOFT technologies. This partnership with LOFT will solidify Target as a big player in the home goods industry.

## Implementation

- 1) Contact LOFT technologies to create a partnership for their technology and do the following:
  - a. Create a licensing agreement
  - b. Create a user interface
  - c. Create 3D models
- 2) Insert LOFT technology into Target’s mobile app

# Introduction

## Declining Sales for Target

Target has faced a decline in home goods sales since the Great Recession that started in 2007. The Great Recession also coincided with a fall in the housing market. Because the housing market declined, people were not buying houses; therefore, they were also less interested in buying home goods. Target was hit hard by the housing decline as their home goods sales sharply declined as well.

Eventually the housing bubble popped around 2007, but the effects weren't actually seen on the housing market until about 2009 and 2010. In these years, the amount of foreclosures on houses reached an all time high. In 2009, there were 2,824,674 foreclosures and in 2010 there were 2,871,891 foreclosures ("1.4 million U.S.," 2014). These numbers can be seen in Figure 1.

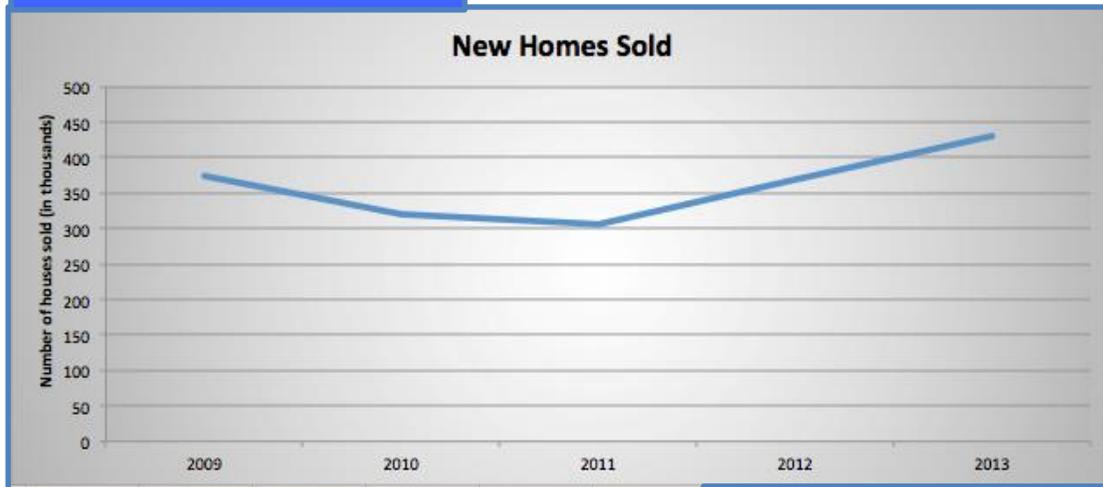
Figure 1  
Number of Home Foreclosures



Source: RealtyTrac

Along with a record high of foreclosures, there was also a small amount of new homes being bought. Sales for new houses hit an all time low in 2011 with a total of 305,000 new houses being sold. The sales of new houses began to decline in 2010, but then began to pick up once again in 2012 ("New and existing"). Figure 2 provides the data for the new home sales.

Figure 2  
New Home Sales

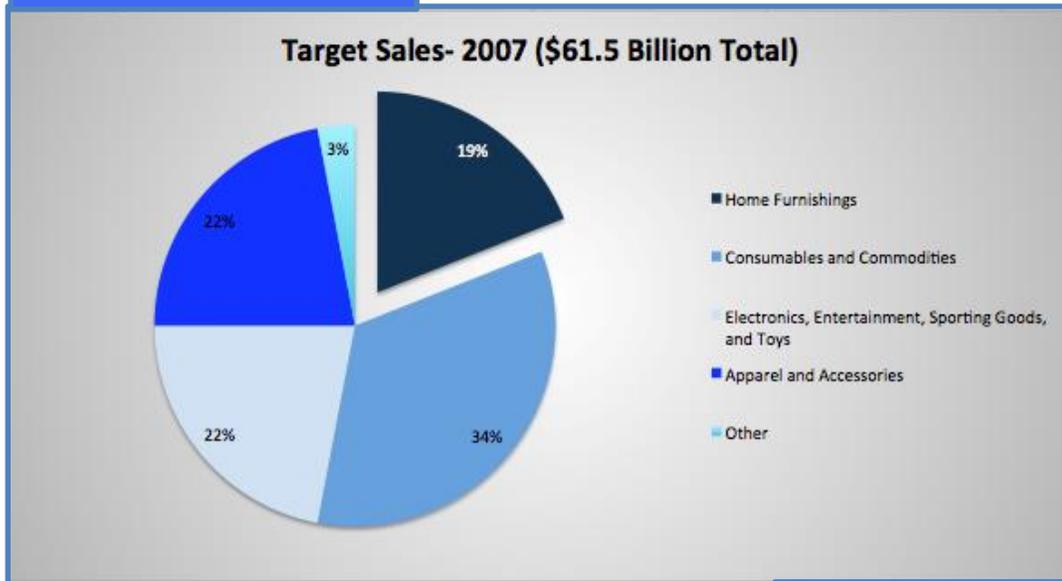


Source: NAHB.org

The combination of falling home sales and rising amounts of foreclosures led to a decrease in Target's home good sales. In 2007, Target reported that twenty-two percent of all sales originated from its home furnishing and décor department, an amount totaling close to 14 billion dollars. By the end of 2009, furniture sales only accounted for nineteen percent of Target's business. Furniture revenues had fallen by over a billion dollars and accounted for less than 12.5 billion dollars (Target, 2011).

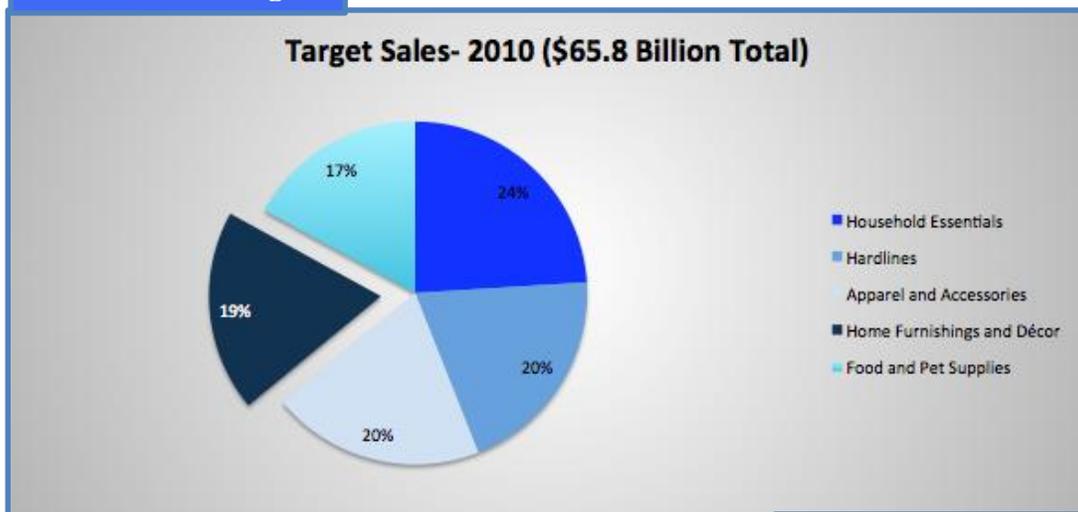
The housing market has responded since hitting record lows, and so has Target's home goods sales. In 2012, the housing market began to recover. There were 369,000 new houses being sold, which was the highest number since 2009. Also in 2012, the number of foreclosures lowered to 1,836,634, which was the lowest number since 2007. The recovery has also led to an increase in Target's home goods sales. After its low point of \$12.5 billion in home furnishing and décor sales in 2009, Target began to see an increase in revenues. The change in Target's sales from the home goods section can be seen in Figures 3, 4, and 5.

Figure 3  
2007 Sales for Target



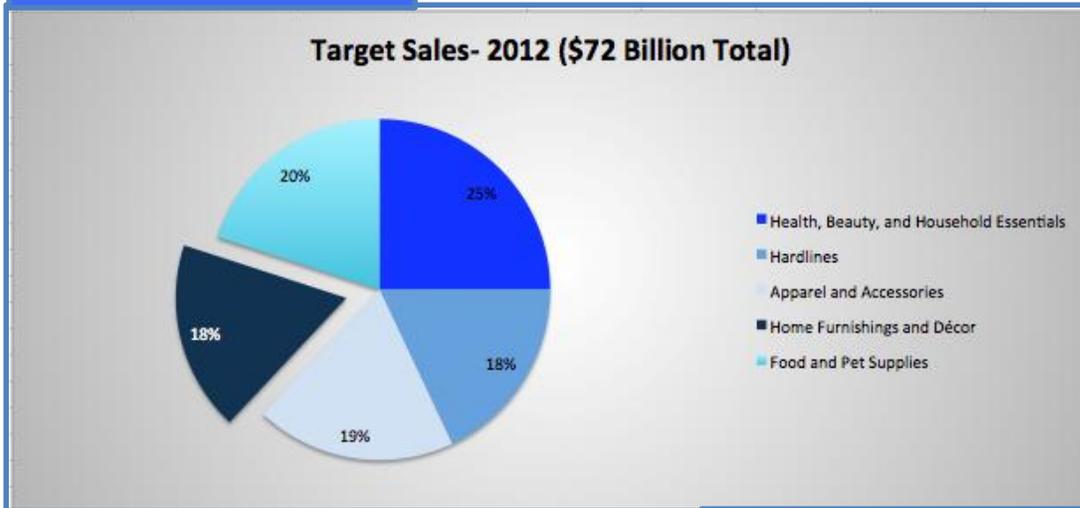
Source: Target

Figure 4  
2010 Sales for Target



Source: Target

Figure 5  
2012 Sales for Target



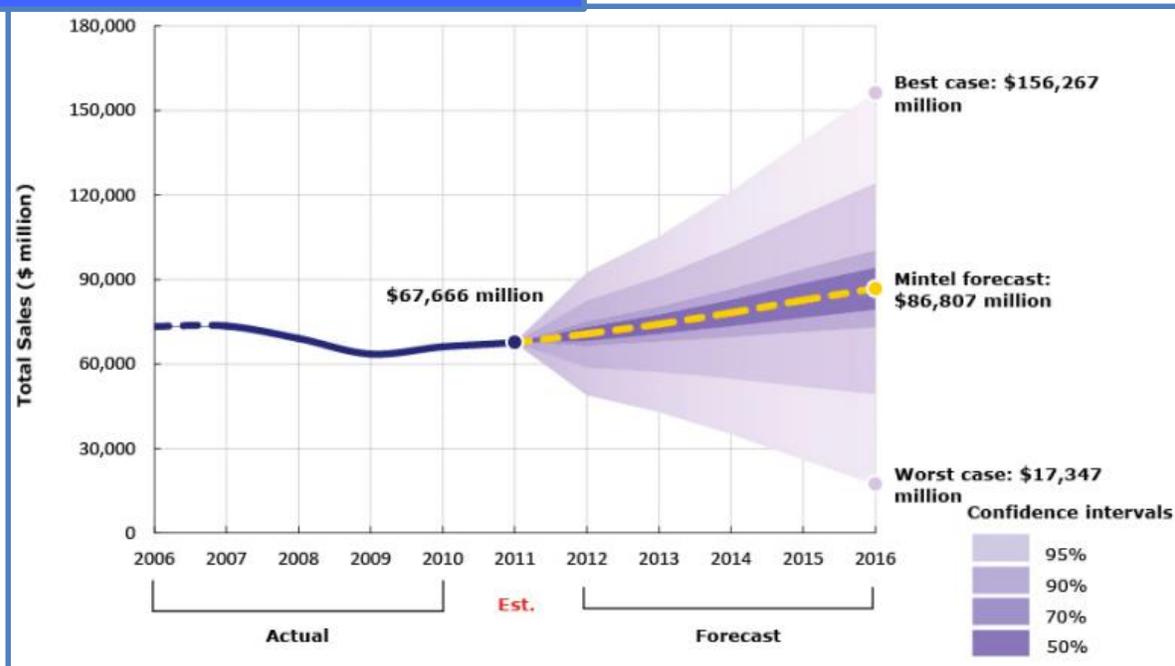
Source: Target

Due to increased sales in its other departments, Target actually had a decrease in the percentage of sales originating from home furnishing and décor, but still saw an increase in total revenues from the department. In 2012, Target reported just over 13 billion dollars in revenues from home furnishing and décor, higher than 2010, but still not as high as 2007 numbers (Target, 2013). With the home industry still recovering and increasing, Target's home goods industry will hopefully continue to see its sales increase.

## A New Demand

As mentioned above, the housing market has a serious impact on the sales of goods in the home industry due to the drastic decrease in the number of homes being purchased, the number of homes/apartments being rented, and the number of people moving into new homes. The home goods industry has begun to recover recently and will continue to grow. Figure 6 shows the prediction for the home goods industry in the coming years.

Figure 6  
Predicted Growth in Home Goods Industry



Source: Mintel Reports

According to Time Magazine, the housing market is not expected to fully recover until the end of 2015 (White, 2012). Since the home industry won't return to its original level until the end of 2015, we can expect that the number of customers for the home industry won't return to its past level until the end of 2015 as well, if not later than this date. This shows that for the next few years there will be significantly less customers to purchase home goods. Therefore, rather than focusing on trying to attract more customers, it would be more beneficial and time efficient to focus on improving the shopping experience of Target's current customers. Target needs to make sure that when a customer comes into its store, they don't leave empty handed. In addition to that, and almost more importantly, when a customer goes shopping on Target's website, we want to make sure that they don't leave the site without making a purchase.

Our research shows that in the home industry, customers have an increasing demand for an easier shopping experience. This easier shopping experience will allow customers to purchase larger and more difficult to measure and maneuver home items. There would also be a large decrease in the percentage of customers that leave without buying a product in-store and online. If we could capitalize on this decrease in the percentage of customers that go to Target without making a purchase by creating a tool that would create an easier shopping experience in the home section, then sales would skyrocket without having to worry about attracting new customers. Rather than trying to increase sales by focusing on attracting new customers, which in turn would require spending vast quantities of money on marketing, we need to get more purchases out of Target's current customers by meeting this demand.

**So, what can Target provide to the customer to best meet their demand for an easier shopping experience?**



## Partnering with LOFT to Target the Home Goods Industry

### Solution

Our solution to meet the increasing demand that customers have is to partner with LOFT, a software developer. LOFT and Target will work together to create an interactive tool for tablets that will be added to Target's existing mobile app, allowing it to be downloaded and accessed easily by customers. The addition to the app will consist of a 3D room designer tool named "My Room Experience" to allow customers to visually see Target products in their homes. LOFT has recently partnered with Crate & Barrel, a retail store specializing in furniture and home accessories, to create a successful app for Crate & Barrel's customers. We plan on working with LOFT in the same way to design an easier way for customers to shop for and buy furniture that will lead to an increase in sales in the home goods department for Target.



## The LOFT In-App Experience

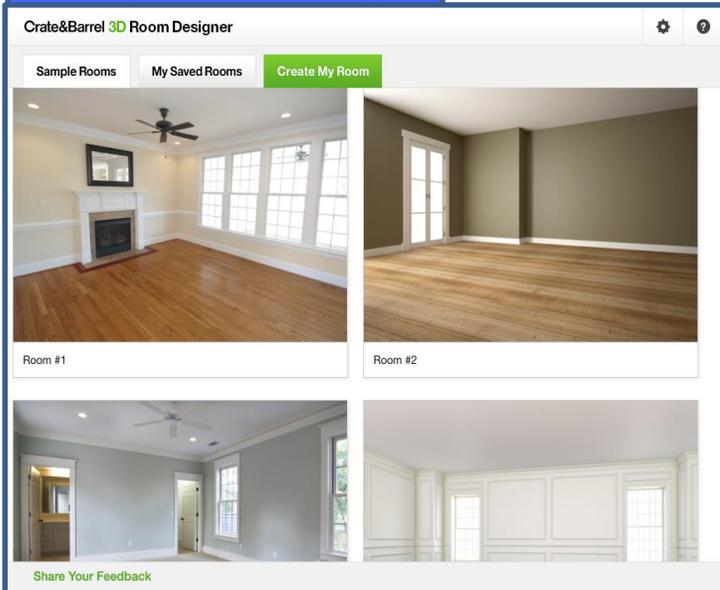
Once the customer has downloaded the free app or updated their already downloaded Target mobile app, they will have the opportunity to select either a pre-made room or take a picture of their own room for maximum customization. Within the app, there are many different pre-made styles to choose from. Figure 7 shows the different room options that a customer can choose from.

After selecting the room, the customer will then be able to browse a catalog of every piece of furniture and home decor that Target offers. The pieces are split up into easy to understand categories. Within the categories, the customer will be able to select which piece they would like to put into their room, click on it, and then see what the piece would physically look like in the room on the screen. Figure 8 illustrates a piece of sample furniture being placed into the customer's room.

Once the customer has selected the furniture to be placed into their room, they can easily touch the screen to move the pieces around. The customer can change the piece's location about the room and also change the fabric swatches that are offered. See Figures 9 and 10 for examples.

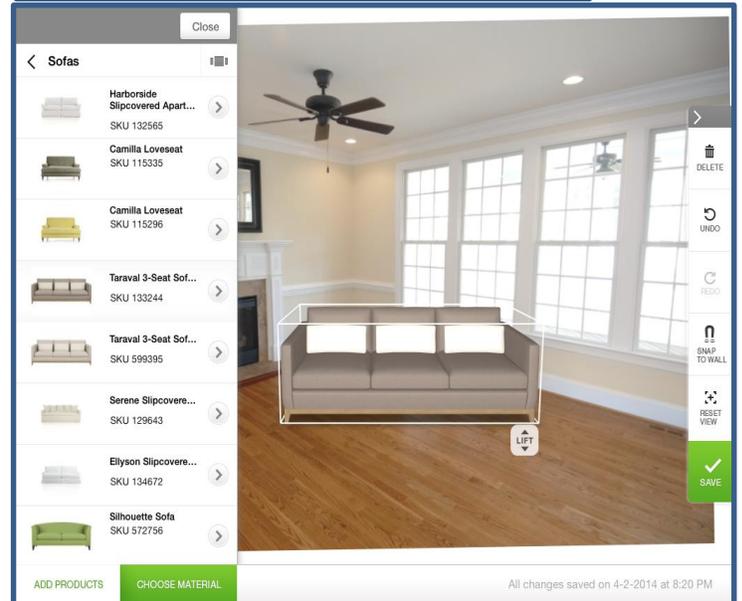
Once satisfied with the design of the room, the customer can purchase each item in their customized room by tapping on the shopping cart button in the top right corner of the screen. All of the furniture in the room has been automatically placed into the shopping cart for easy checkout. It then takes one click of the checkout button to purchase every item in the shopping cart. Figure 11 shows the in-app shopping cart containing the customer's pieces.

Figure 7  
Room Options Within the App



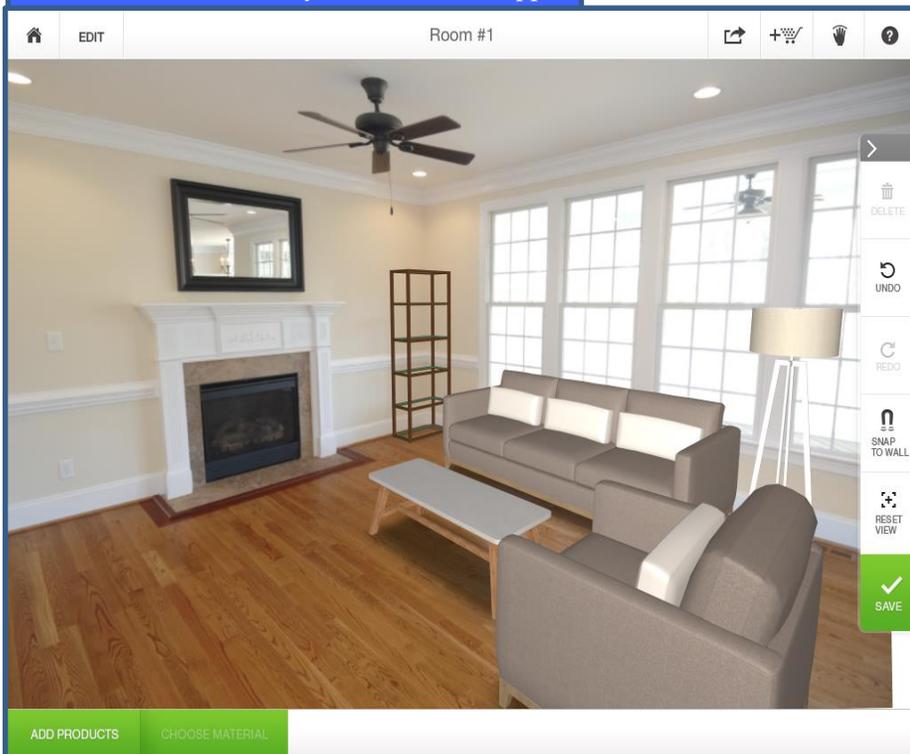
Source: 3D Room Designer

Figure 8  
Furniture Selection Within the App



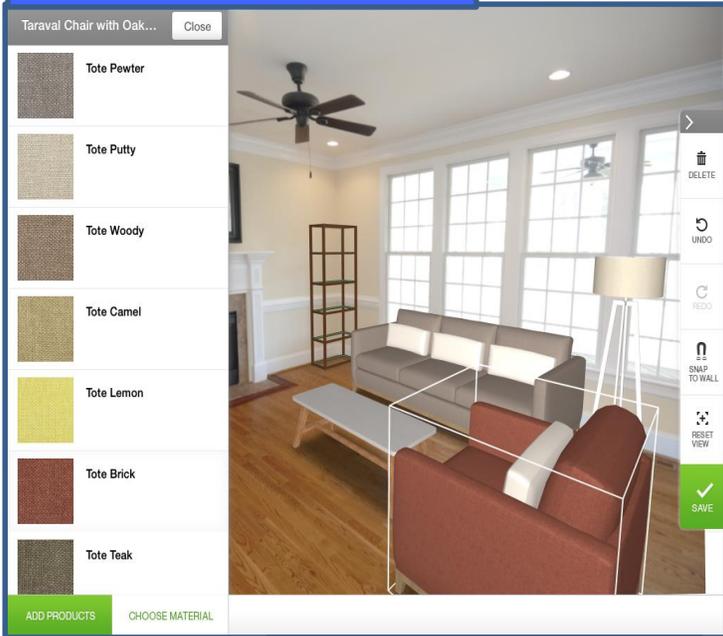
Source: 3D Room Designer

Figure 9  
Furniture and Room Layout Within the App



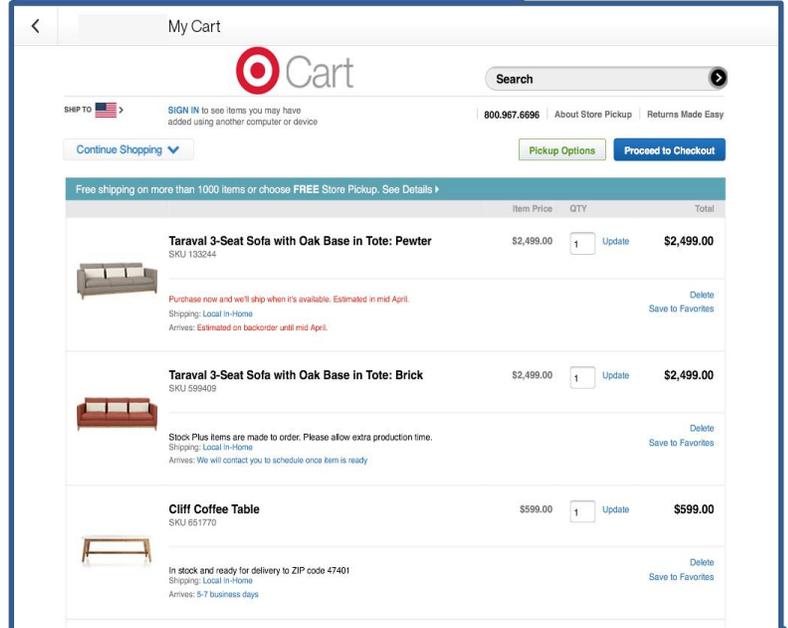
Source: 3D Room Designer

Figure 10  
Different Furniture Swatches



Source: 3D Room Designer

Figure 11  
Shopping Cart Within the App



Source: 3D Room Designer

## Target's Highly-Renowned Mobile App

Ingenuity Inc. would like to build on the strong foundation that Target already has. The Target mobile app is award winning and currently leading the marketplace with constant innovation. With the focus on continuously enhancing the customer shopping experience, we believe the “My Room Experience” tab within the pre-existing Target mobile app will enhance the mobile experience even more. We understand the constant refreshing Target has done to lead the retail sector of the mobile apps. Ingenuity Inc. would like to refresh it once more with the Target San Francisco Technology Innovation Center as the shepherd for this project. The center will provide the knowledge and know how needed to create an effective addition to the existing app. We will introduce this update to all of the customers who already have the Target mobile app, and also make it available for the ones who don't. We understand there are countless projects underway behind closed doors to enrich the Target experience, but this will bring something new to the table ("Target named mobile," 2014).

An article written by Steve Smith in 2012 for MediaPost reports that Target has received between 5 and 10 million downloads of its mobile app since its launch. An update to the mobile app will mean an instantaneous new campaign that will potentially reach 10 million customers. Target has created many other apps to gather data and work out kinks, but ultimately at the core is the main Target app. This app is integral to online and mobile commerce. By implementing the LOFT platform into the core app, the downloads will already be there. There will be no lag from a new app's launch to customer downloads (Smith, 2012).

“...Target has received between 5 and 10 million downloads of its mobile app since its launch.”-Steve Smith, MediaPost

## LOFT Creates Positive Results

In early 2011, Crate & Barrel began partnering with LOFT to come up with a solution to help customers visualize items in their rooms in an easier way than pen to paper. Crate & Barrel decided to partner with LOFT because they were the only technology firm that had the ability to take a 2D picture and turn it into a 3D one (Sweeney, 2013). John Seebeck, the VP of e-commerce for Crate & Barrel, said, "LOFT's technology was clearly the best. Additionally, the LOFT team gave us the most confidence in customization ability and service level" ("Turning a house"). About a year after the initial partnering, Crate & Barrel launched the 3D Room Designer on their website and in-stores. In early 2013, the 3D Room Designer was then turned into an iPad app that customers could buy through the Apple App Store (Sweeney, 2013).

# Crate&Barrel



Since the releases in both 2012 and 2013, Crate & Barrel has received enthusiastic responses from not only sales associates, but also customers in just six months ("Crate & barrel," 2013). The app and in-store service has allowed customers to work more intimately with sales associates and their rooms. This service makes it easier to "close deals, increase average basket sizes, and make the experience unforgettable" ("Loft by nedsense"). Through this app, customers are able to pick specific products to put into their rooms while exploring many options. This ability gives the customers a sense of investment and ownership that will make the shopping experience more enjoyable (Sweeney, 2013). The 3D Room Designer tool not only provides customers with a very unique customer experience that other stores don't offer, but allows Crate & Barrel to learn about their customers.

Finally, the main advantage of the 3D Room Designer for Crate & Barrel can be seen in terms of revenue and sales. Even though the VP of e-commerce for Crate & Barrel won't disclose the exact numbers, the new app has caused the average value of an order to increase by three times the size of just a regular sale (Sweeney, 2013). Online purchases are easier and more fun, and everything can be done with just a simple touch of the screen. Since the 3D Room Designer has launched, more than 10,000 rooms have been created (Sweeney, 2013). After just two years, the integration of this new tool has positively helped Crate & Barrel in online and in-store sales. After looking at Crate & Barrel and the success of their app, we believe that Target will see similar positive outcomes from partnering with LOFT to create their own interactive tool for room designs.



## Reaching Target's Demographic

To better understand and market to Target's customers, it's important to identify Target's demographic. The average Target shopper is a middle-aged, married female with upper-middle income (Carmichael, 2012). This conclusion is based on the fact that 60.1% of shoppers are female, about 60.7% are between the ages of 25 and 54, and almost half are married. We also found that the average annual household income for Target shoppers is between \$50,000 and \$74,999 (Carmichael, 2012). We felt it was important to look at the home goods industry's demographic. The typical shopper in this industry is a middle-aged, fashion conscious female with upper-middle income ("Home Furnishings," 2014). The demographics of Target and the home goods industry are almost identical in age, gender, and income. Simply doing a better job of leveraging the overlap between the key demographics for both Target and the home goods industry will boost Target's sales.

The demographic for tablet users was also a key piece of information for our addition to the app. As of January 2014, 42% of US online consumers own and use a tablet. The majority of tablet owners are above the age of 18, and over half of tablet owners are college graduates ("US tablet adoption," 2014). Seeing as Target's demographic are women in their mid-twenties to mid-forties, the demographic for tablet users fit right in. The overlap between the demographic of tablet users, Target, and the home goods industry led us to believe that an app would be the best way to link all of the demographics. A mobile application on either a phone or tablet is not an unfamiliar feature to those who shop at Target, and more specifically those who shop in the home goods section. In fact, nearly 90% of mobile phone users' time is spent on mobile apps ("An era of growth," 2014). When these users see that there is a new way for them to enjoy their shopping experience, they will be eager to try it out and see how it works. Partnering with LOFT will allow Target to create an interactive tool that reaches its demographic of middle-aged females.

*"The demographics of Target and the home goods industry are almost identical in age, gender, and income."*



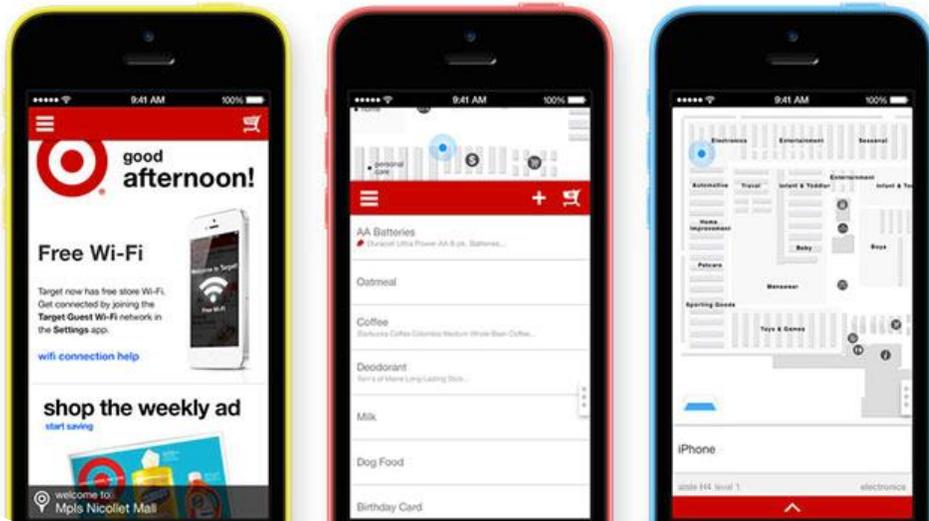
*"In fact, nearly 90% of mobile phone users' time is spent on mobile apps."*

## Customers Want an Easier Shopping Experience

Now that we know our demographic, it's important to understand that home industry customers want an easier shopping experience. According to a report, there are three main ways to create an easier shopping experience in the home furniture industry. Those three ways include free shipping, free delivery, and a complimentary interactive room layout tool (Lipson, 2012). Target currently gives customers free shipping and delivery with most furniture orders over \$50, and considering most items cost more than \$50, it's safe to assume nearly all purchases from Target's online store receives free shipping ("Shipping costs," 2014). With two out of three options already complete, that leaves furniture customers needing an interactive room layout tool. If Target could supply an interactive tool that could help customers accurately plan out a room in their home using Target furniture, then the three most significant requests for an easier shopping experience will have been met.

Target can make its home shopping experience easier by providing its guests with convenience and ease when purchasing a home product. Our idea of partnering with LOFT to create the "My Room Experience" will increase the number of in-store furniture purchases per-customer by making it easy to understand how furniture would fit into their home. In a home furniture study done, 43% of furniture customers said it was hard to envision how furniture would look in a room while shopping (Lipson, 2012). In many possible purchases, this could cause customers to reconsider their decision to buy a home product because of the uncertainty on how a product would look or fit into a room in their home. This dilemma could have led these 43% of shoppers to not purchase something because of their issue. In addition, the study also said that 39% of consumers would be encouraged to shop for home furniture more if there was an interactive tool available to predict what certain furniture would look like in a certain placement or setting (Lipson, 2012).

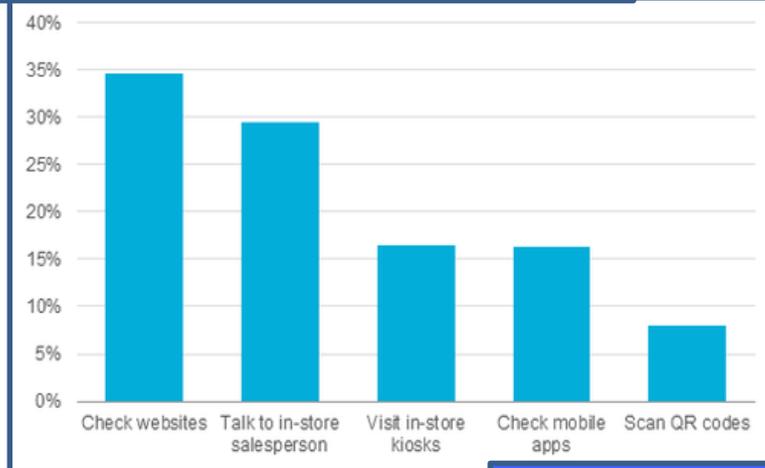
Although 39% of customers is not a majority, we need to look at the retail industry (the home industry is a part of the retail industry) as a whole. For example, total retail sales were \$4.7 trillion in 2011 (Farfan, 2014). If the home industry takes up only 2.5% of the retail industry, then earnings for the home industry in 2011 would have been roughly \$117.5 billion. Increasing our customers' purchases in this gigantic industry would greatly increase revenues for Target. Target's home goods customers want an easier shopping experience, and the most obvious way to create that experience is to utilize a complimentary interactive room layout tool. By creating "My Room Experience" for Target with LOFT, we will be giving the customers the easier shopping experience they want.



## Increasing Technology and Mobility in Retail

In today's society, there is a growing reliance on technology in everyday use. This reliance can even be seen in retail and when customers are shopping. According to a survey by the retail-consulting firm Retail Systems Research (RSR), specialized computer software tools that can be used to manage specific aspects of merchandising allow firms to outperform industry average for annual sales (Sherman, 2012). Not only are firms taking advantage of new, developing software, they are moving towards mobility. There is a growing demand for access to any business information through many different medias of mobile technology ("Mobile technology," 2014). This demand for mobility isn't just seen in teens and twenty year olds that have a better understanding of technology, but also the age brackets of 35-44 and 45-54 year old customers, which are considered prime purchasers ("Mobile technology," 2014). With new technology and increasing mobility, there are new products and services that can be offered to customers. There are also stronger connections between stores and their customers through this mobile technology ("Mobile technology," 2014).

Figure 12  
Customers Move to Online Resources



Source: Euromonitor International

This concept of mobile technology is becoming more important for shoppers in-stores. Smartphones and tablets are replacing in-store salespeople and even advertisements as a customer's new source of information. This data can be seen in Figure 12. On their smartphones, customers can read product reviews, check product availability, and compare prices between different stores ("Growing role," 2013). Smartphones and tablets aren't only being used for store-specific mobile activities, but also for many different other shopping-related activities whether they are in the store, at home, or out of the house. This huge surge of mobile technology has increased the product information online, which has caused shopper expectations to change ("Growing role," 2013). Physical stores must start focusing on improving technology as in-store salespeople are being replaced. In doing so, there will be an overall greater shopping experience for the customers that are already relying on the Internet and their smartphones because this demand of accessibility of business information will be met. Target's partnership with LOFT and creation of "My Room Experience" will meet this growing demand of increasing mobility in technology in and out of stores.

# Implementation

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## Low Cost, High Reward, Easy Implementation

We believe that the partnership with LOFT will be very beneficial to Target's furniture sales due to many market factors including an increase in mobile technology, a demand for easier shopping, and Target's already established mobile app. This partnership is also a highly cost effective means of increasing revenue. Costs for the usage of LOFT software consist of purchasing a license for the software, user interface creation, 3D model creation, and general maintenance fees. Of these four fees, the software license and user interface creation will only need to be paid once during the first year, while the 3D model creation and maintenance fees are recurring costs for each year that Target uses the software (Hewins, 2014).

The largest cost of using LOFT technologies will be the licensing agreement. LOFT offers two types of licenses: single channel and multi-channel. A single channel license gives the owner the rights to use LOFT technologies within any iOS application and will cost \$150,000. A multi-channel license gives the owner access to both iOS versions of LOFT software and browser based versions for use on regular desktop computers. A multi-channel license costs \$200,000. Both of these licenses need to be purchased only once, and both are permanent. For Target, we recommend the single channel license due to both cost savings and the unproven nature of a browser based LOFT experience (Hewins, 2014).

The usage of LOFT technology also requires the creation of an in-app user interface. While LOFT does offer its own standardized user interface to all customers, Target will most likely need to create its own user interface in order to properly integrate the technology with its well-established iOS application. The estimated costs for this are highly variable and dependent upon what design features are added into the app. The cost to Crate & Barrel to create a user interface using a third party was \$87,000. Overall, estimates for the cost of creating a custom user interface range from \$80,000 to \$100,000; however, due to Target's established application development, these costs may be lower (Hewins, 2014).

The two recurring costs associated with using LOFT technologies are the creation of the 3D models and maintenance fees. Creating 3D models of furniture is a combination of both design and science that LOFT can perform for its clients if given the proper information about each piece of furniture. If supplied with a picture of each piece of furniture from two different angles and one of the three dimensions of height, width, or depth, LOFT can create a fully interactive 3D model of the piece to be placed within the app for about \$150 per piece. With an initial 1,000 different models of furniture, the initial modeling cost will be \$150,000. Target introduces an estimated 50 new pieces of furniture every year, so in subsequent years the cost of 3D modeling will be \$27,500. The fee for maintenance and app updates is a fixed \$20,000 every year (Hewins, 2014).

The grand total of costs for the first year of using LOFT technology is the \$150,000 license fee, \$100,000 user interface creation, \$150,000 3D model creation, and \$20,000 maintenance fee for a total of \$420,000. In subsequent years, the costs will be \$7,500 for the creation of new models to update Target’s catalog and the \$20,000 maintenance fee for a total of \$27,500. See Figure 13 for a summary of these costs.

Figure 13  
Annual Costs of LOFT Software



Source: Ray Hewins

The total of these costs, \$420,000 and \$27,500 respectively, are both a drop in the bucket compared to Target’s overall annual operating costs. Every year Target has over \$17.5 billion in total operating expenses (Target, 2013). Adding the costs of LOFT to the total operating costs of the company will raise the total by less than 2/1000ths of a percent during the first year, and by just over 1/10000th of a percent each year after that.

## Benchmarks for Future Success

Measuring the success of the Target “My Room Experience” will best be done by looking at two major benchmarks: internet sale conversion rates and increases to average online order sizes. Target’s current internet sale conversion rate is 1.6%, meaning that just 16 out of 1000 target.com and Target App users make a purchase when visiting the website or using the app (Moore, 2014). If the Target “My Room Experience” were able to increase this number by just .1%, it would mean a potential increase in Target’s online annual revenues from \$1.93 billion to \$2.05 billion. This represents an increase of \$120 million, covering and far surpassing the costs of licensing LOFT technologies. The second benchmark for success, increases to average online order size, is a measure of the average dollar amount spent for each individual online and app-based purchase. The potential for a substantial increase in average online order size has already been demonstrated by Crate & Barrel's 3D Room Designer tool. Crate & Barrel has seen an average online order size increase of over 300% per order due to customers designing entire rooms and purchasing multiple pieces of furniture in large bulk orders (Sweeney, 2013). While it is unlikely that Target will see gains as high as 300%, it is possible that substantial increases will be seen in the size of the average online order. Even with much smaller increases to the size of the average online order, Target stands to increase overall revenues by a large margin.



## Conclusion

In conclusion, Ingenuity Incorporated’s idea of a new interactive tool originates from Target’s need to increase its presence and revenues in the home goods market. Target’s new addition of “My Room Experience” will not just jump-start sales in the near future, but will drastically increase Target’s sales down the line within the home goods department. Through the use of an interactive app, we are focusing in on Target’s key demographic: middle-aged, married, upper-middle class women. This demographic is looking for an easier way to shop within the home goods department that also meets their demand of mobility in our technology-driven world. With LOFT, we have a partner that already creates a revolutionary technology that is the key to make customers’ shopping experience at Target within the home industry both simpler and easier. Simply adding this already existing technology to Target’s great app will greatly increase Target’s revenues in the home goods industry.

# Appendices

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## Appendix A: Pre-Implementation SWOT Analysis of Target Corporation

### Strengths

- Well established presence in the US with more than 1,700 stores
- Price positioning strength that is backed with a value marketing message
- Wide product and brand portfolio
- One of the most recognizable brands in the world
- Award winning mobile app
- Successful “Expect more, pay less” strategy
- Strong Innovation and R&D technology center

### Weaknesses

- Substantial debt burden
- Failing electronics department
- Quality of home goods compared to competitors is low
- Decreasing home goods sales

### Opportunities

- Expanding presence in new and current markets
- Strong presence in e-commerce and innovations
- Product expansion initiatives
- Rising housing market
- 43% of customers can't, but want to envision furniture in their homes
- Sales spike from pent up demand in home goods department

### Threats

- Increasing product overlap with competition
- Online market may cut into Target's competitive advantage
- Part of a competitive market
- Competitor apps
- Competitor home goods sales are doing better

## Appendix B: Post-Implementation SWOT Analysis of Target Corporation

### Strengths

- Innovative mobile app that competitors don't have
- Easier shopping experience for customers
- Appeal to Target's demographic with mobile apps and tablets
- Customers can envision furniture in their rooms

### Weaknesses

- Potential technical issues with mobile app
- Quality of home goods compared to competitors is low

### Opportunities

- Target will be seen as a leader in its market
- Increased mobility for customers
- Matches and strengthens Target's mission statement, "Expect more, pay less"
- Rising housing market

### Threats

- Decrease of in-store purchases
- Future competitor mobile app ideas
- Product overlap with competitors

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