

PROPOSED TO

Target Corporation

TARGET CASE COMPETITION 2018

The Role of Gender Toys in Merchandising.

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AS PROPOSED BY

Andrea Behler

Erin Ebling

Lida Lech

Alison Wehr

SPONSORED BY

Target Corporation

HOSTED BY

Fox School of Business

Background

In recent years, major retailers have been moving away from previously gender segregated toys by removing in-store signage and online gendered filters. Target was an early innovator of this radical change, seeing opportunity for a broader selection of toys and games and a wider appeal to both kids and parents alike in the toy buying process. Target's website filter options are already gender-neutralized, however; marketing strategies can be implemented to further emphasize the new thought process.

Executive Summary

Target should continue to capitalize on great financial benefits and superior guest satisfaction by leveraging a thoughtful expansion of product assortment, which can be fulfilled by creating meaningful relationships with vendors that offer gender-neutral products, and improving product placement in stores to cater to both consumers' and team members' ease of navigation. In addition, Target should use official calendar events to align promotional strategies that encourage choice and learning for children. Through primary research, we discovered that children have a significant influence on the purchasing behavior of their parents. As a result, we determined two main project objectives regarding Hardlines (Toys, Sporting Goods, Entertainment):

Objectives

- i. Reorganize in-store Toys' section to make it more kid-friendly.
- ii. Dedicate a kids' tailored area, "Bullseye's Playhouse," which focuses on providing experiential retail activities.

Market Analysis

Target Audience

As one of America's largest discount retailers, Target is an industry leader in innovation. It strives to keep guests engaged in the in-store shopping experience by continually updating the store layout, merchandise assortment and presentation. Their core guests are "Demanding Enthusiasts": urban, digitally connected families, looking for pioneering product assortment and great value. As such, we wanted to specifically focus on improving the kids' shopping experiences in order to make it an activity

that can be enjoyed by the entire family.

Competition and Purpose

Since the 80s, toy manufacturers have exploited gender biases in marketing their products individually to boys and girls in order to double their market size and value. Retailers and manufacturers alike quickly found that this exploitation of child marketing could convince parents to buy the same product for different genders. However, with trends leaning towards more gender-neutral products, Target needs to implement marketing strategies to become a leader on the subject matter.

Marketing Strategy

Product Expansion

Partnerships: Aside from the top toy manufacturers in the world, many companies are trying to develop more gender-neutral toys. Companies such as IAmElemental, a line of girl action figures, and Wonder Crew, a line of dolls for boys, are trying to break down gender stereotypes in toys. While each respective company may not be at the level of large toy manufacturers quite yet, their product and purpose should be great enough to encourage large companies, such as Target, to buy.

Gender-neutral toys not only encourage children to play with whatever they want, but they also help with other developmental components. Girls are now encouraged to be stronger and more empowered, while boys are now encouraged to be more compassionate and sensitive.

Fads: A fad is a craze that is often experienced in short-nature, but while it is trending, there is a great amount of buzz surrounding it. Fads are especially common when it comes to kids and toys. Kids, more often than not, do not care about what toy they are playing with or have. Instead, they care more about the fun they are having in that moment in time. For many, fitting in is of utmost concern, which is why many kids engage in fads. They might not always know *what* is 'cool' but they know *who* is 'cool'. Many of the gender roles stereotypes are introduced by parents at an early age. Parents are the ones ultimately purchasing the products, and will opt for more gender typical toys. Most moms want their little girl playing with dolls, while most dads will put a football in their young son's hand right away. In order to change this mindset, we recommend that Target introduces "Bullseye's Playhouse": a

dedicated kid-friendly area of the store that provides a welcoming environment for kids to explore new ideas and play with toys that are outside of their gender roles (Exhibit C).

Place

- ***Zone toys in aisles based on purpose and activity type:*** This strategy will allow children to discover new interests and hobbies. The ultimate goal of child's play is to enable children to make sense of the world around them and fathom their future roles in society.
- ***Organize products on shelves based on appropriate age parameters:*** According to Dan Cook, "If it's within [kids'] reach, they will touch it, and if they touch it, there's at least a chance that Mom or Dad will relent and buy it" (2001). Target can leverage childrens' purchasing power to increase parental toy spending by arranging age appropriate toys on height appropriate shelves. Popular and age appropriate items should be sorted by top to bottom: oldest to youngest and tallest to shortest. Age categorization will benefit other consumers, such as those shopping for an age appropriate gift for a friend. It will also help ensure child safety by adhering to government standards and age restrictions on toys deemed unsafe for certain age groups. See Exhibit A for proposed shelving units organized based on national normal height ranges from MDhealth.
- ***"Bullseye's Playhouse" - Destination and Experiential Merchandising:*** Target is currently innovating *destinations* as merchandising displays to create a hands on experience for guests to explore while shopping (Exhibit C). This design can be implemented in the toy department by facilitating child play with toys, allowing kids to engage with the products and captivate their interest. Studies show that brand loyalty can begin as early as age 2, and 25% of adult brand allegiance stems from childhood nostalgia and associations ("The Undeniable," 2013). This tactic will help build Target's brand loyalty in children, while also changing their perception from 'like' to 'love.'
- ***Leverage Engaged Team Members:*** Guest experience is an important part of customer loyalty. Target's team members must be briefed on the new toy layout, and product placement

should be intuitive to team members so they can assist guests in finding merchandise. Team members should exhibit brand knowledge to promote Target's brands and unique products in order to create a personalized guest experience.

Promotion

Build awareness: Apart from common holiday promotional events, such as Thanksgiving and Christmas, Target should aim to implement a children-focused event once a month (Exhibit B). These events, which focus on various educational topics ranging from literature to STEM and from environmental awareness to personal fitness, can be used as a means to debunk gender stereotypes commonly associated with the topic.

Create Interest/Stimulate Demand: The monthly events will also serve as a means to keep the demand for toys as the forefront of customers' minds, instead of just around the holiday seasons (i.e. Christmas). A common problem with gift shopping is finding the most fitting gift for an individual. With products/toys tailored around a specific theme, this can help shoppers hone in on their decisions of picking an interesting and purposeful gift.

Advertising/PR: Currently, many of Target's commercial advertisements include gender-neutral elements. For example, a number of holiday commercials include both boys and girls, along with toys traditionally thought to appeal to both groups. In an effort to simulate a child's "imaginary world," Barbie Dolls, My Little Pony figures, and Superheroes come to life and interact with the children in the commercials. While these ads do appeal to both genders, they are unfortunately only aired during the holiday season. To more effectively appeal to both children and their parents, Target will advertise "Bullseye's Playhouse" year-round, and commercials will show children interacting with toys, parents, and Target employees in a store environment. "Bullseye's Playhouse" will be advertised as a personalized experience in which Target helps a child find a toy that both they and their parents approve of.

With ecommerce providing convenience and ease for many users, in-store-only events provides a way to attract families to come into Target stores to partake in experiential shopping.

During a particular in-store event, 1 to 3 Target employees will be stationed within the Toys' department to demo the featured products that relate to the theme being promoted. In order to build loyalty among guests, loyalty "punch" cards will be distributed at these events to encourage parents and their children to attend in-store events more often. After attending a certain amount of events, consumers will receive a coupon for the trending toy as a reward for their involvement. These coupons will give them the opportunity to be the first to access the "trending toy" being showcased. These "trending toys" are often difficult to get during the busy holiday seasons, as demand exceeds supply. In order to secure these sought-after toys, guests will be incentivized to be involved with Target year round.

In terms of display, the toys that relate to the event will be placed on the end caps of aisles for the duration of the promotional period. This will entice both children and their parents to approach the toy section.

Financial Consequences: In order to implement these experiential retail activities, Target would have to invest in building the "Bullseye's Playhouse" area, or allocate money to making cosmetic changes to current in-store structures. Target would also have to invest in advertising to help customers understand the new area in stores and scheduled monthly events. If a marketing flop were to occur, Target risks having too much Toys inventory on hand, which would force them to drastically markdown the products.

Conclusion

In order to embrace the trends that are debunking gender stereotyping, Target should take initiative to create a safe environment that allows children to grow, learn, and explore, without the outside pressures of gender roles. This can be facilitated by implementing more in-store events that allow the Target shopping experience to be an enjoyable one for the entire family. In-store events will engage Target employees, parents, and their children, allowing Target to stay more connected to their growing, loyal customer base.

Appendix

Works Cited

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Exhibits

A. Suggested shelf display based on age and height.

Shelf 4	12+ years	62" - 71"
Shelf 3	8-11 years	54" - 61"
Shelf 2	5-7 years	44" - 53"
Shelf 1	3-4 years	31" - 43"

B. Themed events that can be aligned with promotional activities.

January	100th Day of School
February	Black History Month Winter Olympics Valentine’s Day (Feb. 14) National Engineers Week (Feb 21-27) Introduce a Girl to Engineering Day (Feb. 25)
March	Read Across America Day (March 2) Women’s History Month Brainawarness Week (date varies; March 11-19)
April	Math Awareness Month National Environmental Education Week (late April) Earth Day (April 22) Astronomy Week (varies) National Robotics Week (April 7-15)
May	Physical Fitness Month Teacher Appreciation Week (early May)
June	Summer / Outdoor Toys
July	American Independence Day (July 4)
August	Back to School (Late August)
September	Constitution Week (mid-month) Read-a-Book Month
October	Halloween (October 31) World Space Week (Early October) Earth Science Week (Early October)
November	Thanksgiving Geography Awareness Month
December	Christmas Computer Science Week (early Dec.)

C. Sample inspiration for layout and idea for Bullseye's Playhouse.



- Themed decor and products display in a sample or demonstration area format.
- When an event is not in place, the space can be used as a makeshift play area for kids by having timeless toys (board games, building blocks) or entertainment (i.e. TV, video game demo) available.



- If space is an issue, smaller demonstration areas such as kiosks can be used.