



Executive Report

CollegeUp!
the BTC game

Team 8 – Temple University

OVERVIEW

As Back-to-College (BTC) sales season draws near, main players in the discount retail industry are competing for the lucrative market of \$5.6 billion. During this season, while most of the purchasing power comes from parents, college students also have a great influence on purchasing decisions. Since going to college marks an important milestone for students, there lies an emotional component for parents, many of whom are looking to make this experience memorable and meaningful for their kids. Embracing the excitement of BTC shopping as well as the emotional aspects attached to it, with our solution - *CollegeUp!*, Target can become the store of choice through leveraging technological innovation and deepening that sense of connection between parents and students.

SOLUTION

CollegeUp! comprises of three stages:

Raise Awareness - Encourage Participation - Sustain Engagement

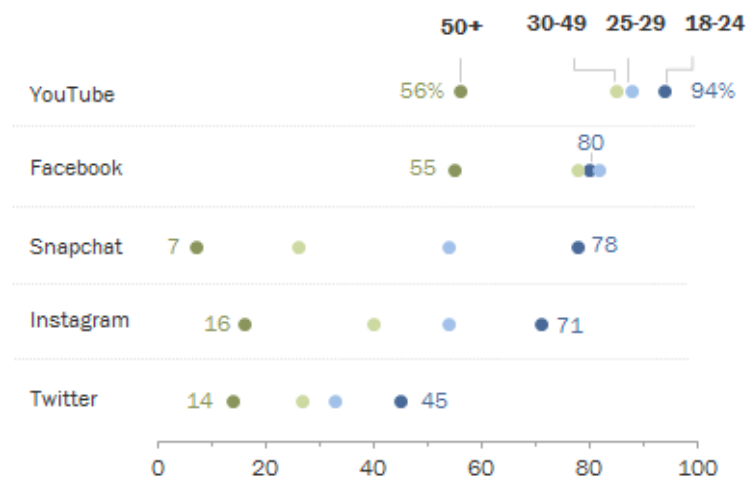
Raise Awareness

As 50% of spending took place from mid-July to August, capturing our guests' attention early promises to give Target an advantage over competitors during this dynamic season (Deloitte, 2018). Therefore, Target can kickstart the campaign by partnering with influencers, while simultaneously running targeted ads on social media to parents and students. After looking into the recent trends on social media usage, we believe partnering with social media influencers whose concepts and lifestyles resonate with the younger adults will allow us to build a special connection with our guests. Target should partner with micro-influencers, people with a smaller (1,000 to 100,000 followers) but more loyal and engaged fan base. As these influencers are

perceived to be more credible and ‘relatable’ than high-status celebrities, they can help Target promote an objective view of the brand. Having our products (stationery, room decorations, etc.) featured on their social media channels will also enhance Target’s authenticity and make us the store of choice when millennials start shopping for back to college.

Social platforms like Snapchat and Instagram are especially popular among those ages 18 to 24

% of U.S. adults in each age group who say they use ...



Source: Survey conducted Jan. 3-10, 2018.
 "Social Media Use in 2018"

PEW RESEARCH CENTER

Figure 1: Social media platform preferences among U.S. adults

In addition, with 64% of online shoppers say that videos on social media influence their decisions to buy a product, Target can actively run ads on platforms such as Instagram, YouTube, Facebook, and Snapchat to drive higher traffic our website as well as physical stores (Cydney, 2018). In addition, based on the data collected from these platforms, Target can personalize ads and present more relevant recommendations to prospective guests, encouraging more purchases to be made. Beside enhancing our online presence, we will also focus on traditional channels such as newsletters, brochures, and leaflets to reach non-tech-savvy guests.

Encourage Participation

Since part of Target's core guests are millennials with interests in technology trends, we propose the implementation of *Virtual Rooms* at 3 biggest Target stores, leveraging virtual reality (VR) to elevate college purchases. Through using a VR headset, they can design their dream rooms with Target's catalog of household items, furniture, and decorations and actually see how the designs will turn out. Furthermore, the VR sets stream image to an outside TV so bystanders can join in on the process. The finished design, along with lists of Target products used during the process, will be stored as a QR code, which guests can scan and have this information imported to their Target app. The *virtual room* allows Target to not only showcase more products without sacrificing its physical space, but also create a seamless shopping experience.



Figure 2: Bystanders can see what the shopper is doing in the VR headset through the TV screen

Moreover, to make BTC a memorable experience for both parents and students and reinforce the localization efforts, Target should partner with local universities to hold several 45-minute on-campus workshops during move-in week. These workshops, open to all families, will focus on various college-related topics such as meal-prep, DIY dorm room decorations, tips to avoid 'freshman-15' and staying healthy. After the workshop, each family member will receive a family photo as a reminder of these precious moments together. We will have Target team members to lead these workshops, giving them the chance to interact and build a connection with our guests, as well as sharpen valuable skills such as communication, leadership, and team-building. These are good opportunities for them to temporarily change their regular work settings while participating in new and exciting projects. In addition, Target will incorporate its product offerings into the workshops and give out brochures and coupons to the participants. This allows consumers to try out products before making purchasing decisions and get better deals on these items. We believe the experience and values brought to our guests through this initiative resonate well with the *Expect More, Pay Less* promise of the brand.

Kitchen Appliances



Bread Makers



Coffee, Tea & Espresso



Food Processors



Fryers

Figure 3: Possible featured items during workshops

Sustain Engagement



While the Back-to-college hype only lasts from July to September, the bond between parents and their children extends beyond the season. Therefore, we suggest that Target expand the existing subscription model to include *monthly care packages* - parcels of products that parents can customize and send to their children. The packages will contain necessary supplies with short lifecycle and high repurchasing rate that fall among categories such as stationery, laundry, and personal care. With 60% of parents wish to spread out their budget, *Care packages* serve as an efficient way for these guests to allocate spending throughout the year, while nurturing the relationships with their children. The new offering also allows Target to promote the use of REDCards, which give discounts on subscription-based items, and thus, pose an opportunity to convert these parents into lifelong guests.

SUMMARY

Implementing our strategy will enable Target to offer values within and beyond the BTC sales season. By spearheading awareness through partnership and advertisement, encouraging participation through virtual reality and on-campus activities, and maintaining engagement through care-package subscriptions, Target can increase its competitive advantage, while delivering excellent shopping experience for parents and students.



EXHIBITS




Exhibit 1: SWOT Analysis | Before Implementation

S Strengths	<ul style="list-style-type: none">• Differentiating merchandise assortment• High-quality products• High brand loyalty
W Weaknesses	<ul style="list-style-type: none">• Underutilized e-commerce capabilities• Emphasis on quality makes Target be perceived as <i>more expensive</i> than competitors
O Opportunities	<ul style="list-style-type: none">• Leverage marketing strategies to attract more guests.• Guests show adaptability with emerging technology• Improve shipping strategies to optimize the supply chain
T Threats	<ul style="list-style-type: none">• Possible recession that reduces customer purchasing power• Amazon's 6-month Prime Student, product variety and convenience• Walmart's low price and increasing online appearance

Exhibit 2: SWOT Analysis | After Implementation

<p style="text-align: center;">S</p> <p style="text-align: center;">Strengths</p>	<ul style="list-style-type: none"> • Leverage emerging technology to boost guests' excitement • Increase online presence • Promote long-lasting relationships with guests • Involve and create values for employees
<p style="text-align: center;">W</p> <p style="text-align: center;">Weaknesses</p>	<ul style="list-style-type: none"> • Target's pricing perception still exist • Missed opportunities to engage guests who only interest in visiting smaller stores.
<p style="text-align: center;">O</p> <p style="text-align: center;">Opportunities</p>	<ul style="list-style-type: none"> • The strategy is easy to be scaled up • Capturing more data about buying patterns allows Target to deliver tailored recommendations
<p style="text-align: center;">T</p> <p style="text-align: center;">Threats</p>	<ul style="list-style-type: none"> • Changing technology landscape can make VR become outdated • Intense competition as other retailers catch up with the strategy

Exhibit 3: Financial Projection

	Items	Costs	Notes
 <p>Raise Awareness</p>	Paid Partnership	\$ 150,000	<ul style="list-style-type: none"> 15 micro-influencers with 1,000 - 100,000 subscribers/ followers.
	Advertisements	\$ 50,000	<ul style="list-style-type: none"> Online: Social media ads Offline newsletters, brochures and leaflets
 <p>Encourage Participation</p>	Virtual Room	\$ 150,000	<ul style="list-style-type: none"> 4 VR stations each in 3 largest stores Virtual Room software development.
	Workshops	\$ 50,000	<ul style="list-style-type: none"> 2-3 workshops per university
 <p>Sustain Engagement</p>	Care Packages	\$ 250,000	<ul style="list-style-type: none"> Revamp Subscription microsite to be compatible with mobile devices Packaging costs
Total Costs of Implementation		\$ 650,000	

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