

Sample case study on micro- environmental factors affecting target

[Business](#), [Company](#)



These are that factors that closely affect the company's ability to serve the customers according to its plans and objectives. (Case, 38). These factors are the competition from Walmart, customer markets, marketing intermediaries, product suppliers and the public. The competitor Walmart had a large impact on the targets microenvironment due to the proximity of the store in many retail centers.

During the recession times, competitors were still raking in profits while target was struggling. This enabled Walmart to provide greater customer value as well as satisfaction than targets group. The media and the public played a big role; their editorial opinions had an effect on the company opinion. Customers also affected the business operations as they were easily swayed by taglines of the competitors and their perceptions that Walmart valued their money. They were ready compromise fashion and design.

Macro-environmental factors affecting Target

Global recession in 2008 had a huge impact on the performance of target retailers. Increased unemployment, increased energy costs higher cost of living did not go well with the targets tagline. (Kinra & Aseem, 87). The tagline emphasizing pay more for higher quality did not resonate well with the economic status of the time. Customers believed that fashionable goods meant higher prices and target was for the rich.

This also worked in favor of its competitor whose low-cost selling strategy was enticing the customers. Target lost most of its customers since customers perceived it as expensive and for the rich. The media covered this underperformance and created this notion to the public that it was expensive.

Was “ Pay less” part of the slogan to pursue the best strategy?

Pay less concept was a good idea. The tagline helped to market Target store as the lower priced store of the choice in the entire country. The focus of paying less was critical especially in a time of recession, and this meant target was ready to compete with Walmart for that customer who prefers low prices over the value and quality. This tagline raised target to the same level as the competitor Walmart.

Alternative strategies that Target could have followed in responding to decline in revenues and profits.

Rebranding of target stores and change advertisement approaches. These changes were necessary to reflect the new low prices strategy adopted by the Target (Kinra &Aseem, 92). The aim was to convince the clients that target was no longer focused on the luxury, but the value for the customer's money by offering low priced goods. Target could have carried out surveys to establish why the customers preferred Walmart than them, and this would guide them in improving their customer relations.

Recommendations to the CEO Steinhafel for the Target's future

The rebranding process should continue while at the same time initiating aggressive marketing for the store. Marketing should focus on impressing the customers and convincing them that target is the destination of quality products with low prices. (Case, 22). This will use the “ pay less” slogan to create the impression that target stocks cheaper products than its

competitors.

Monitoring of customer behavior is another aspect the CEO should address.

This can be through interacting with customers in order to find out the exact needs that the target should address and also identify their limitations that they should address in customer service delivery. The management should ensure continuous contact and interaction with customers for feedback on the changes, performance and quality of services rendered.

Works Cited

Kinra, Aseem. Supply Chain (logistics) Environmental Complexity.

Frederiksberg, 2009. Print.