

Target corporation



Executive Summary:

This report shows an in-depth study of Target Corporation, the accomplishments, and the programs offered, it shows why this is a place where consumers can shop in comfort and security. It also shows a place where people like to shop, and why people like Target Corporation. It goes beyond the cash registers, with a multitude of socioeconomic programs and community outreach endeavors. Target gives back to local communities on a large scale in education and internships for the development of our future leaders and business people. Target offers a workforce and a workplace that embrace diversity, which gives the corporation an economic advantage, which makes them more competitive in this global economy. Although, if you searched for bad comments about a corporation you can find them and this will hold true of any corporate giant. These articles are misleading and should not be taken out of context. We are dealing with the positive aspects of this Corporation that far outweigh the negative. So take a trip to your local Target store and see for yourself. Experience the helpful staff, the clean and bright shopping environment, and everything that Target is offering over the competition! The founder's vision, for a company that is focused on all of the stakeholders remains clear.

Team 1 has concluded that we do in fact like Target very much, and have enjoyed writing this report. Every one of us has formed a positive opinion of the discount chain, although the company is not perfect it does stand out as the best in its class. Other discount stores that compete with our favorite just do not measure up to the same commitment to the quality of the shopping experience. If you compared how the stores are kept and organized Target is

always in the lead. Kmart and Wal-Mart may try to beat the pricing, but Target will match prices and always beat them with the overall shopping experience. We hope that this report will give you a better insight into why Target is the leader, from their commitment to the environment and local communities to the generosity shown to the educational system and charitable organizations. In addition, above all else it really is fun, pleasant, clean and economical to shop there.

Our report focuses on five major things to consider:

- * The Business Plan. Their history plays a major factor in their success and we have found this is why it is a sound investment. It is why they are still a growing company worldwide.
- Environmental Concerns and Local Communities: How this company approaches the concerns of our environment is to be admired. As well as, their giving back to education and a multiple of charities is noteworthy.
- Employee Experience: People who work for this innovative entity have stated their overall satisfaction with their jobs. To mirror the community is a diversification goal also.
- Marketing Strategies: A clean, orderly and safe atmosphere coupled with competitively lower prices, and offering their own brands, is their true strategy.
- Advertizing: Top rated commercials, national popular sponsorships, and choice of logo and colors are the core of their advertizing campaigns.

Because of these findings, we have concluded that Target is everything we love and more. We recommend that you do your shopping at a local Target store this holiday season, and enjoy your shopping experience as we do.

Introduction:

Why is Target so successful and why do we like shopping there so much?

The purpose of this report is to show the details of positive attributes that this corporate giant has to offer, as individuals, as well as the local communities, the environment, and the world.

* What are their economic standings, growth, and investment opportunities?

Are they what we are looking for?

* Are they a responsible company to the environment and local areas in which they do business? Are they kind to the less fortunate?

* How do their employees feel about working there? Is diversity truly a goal and do they mirror their local communities?

* When you enter the store do you feel comfortable and safe? Are the prices and products what you want to see?

* Are the commercials and sponsorships memorable? Does the Target logo and colors stick with you afterwards?

Background:

This report is part of our Business Communications Class at College of the Sequoias; our topic (Target Corporation) was first chosen with others by our professor Lucy DeCaro then chosen again by Susan McCormick. All of us on

<https://assignbuster.com/target-corporation/>

Team 1 voted unanimously to claim Target as our company to research. We wanted to see if Target held up to our impressions we had prior to researching this company.

If you have never shopped at a Target store, this might give you a reason to do so. Target is in almost every city in United States and is gaining a foothold in the global market place. Their logos are a household name with good feeling attached to it. Targets' integrity is unmatched in the discount franchise market place.

Our goal is to show the direct and indirect benefits that Target has to offer. We intend to prove that this store lives up to the advertizing and slogans we have heard and seen for years. We will highlight the key points and attributes of this company to show how even a corporate giant can be a down to earth positive force for our own personnel benefit and the benefit of others.

Their Business Plan: The Target Way

Target History in Brief

In 1902 Dayton Dry Goods was formed in Minneapolis, Minnesota by George D. Dayton. In 1901 George was a banker / real estate investor who became a partner in Good Fellow's Dry Goods Company. Within one year, he took over and became the owner / president and renamed Good Fellow's Dry Goods. It was then called Dayton Dry Goods for ten years. In 1912 it is renamed The Dayton Company and is more widely known as Dayton Department Stores. In 1916, The Dayton Company starts Retail Research Association (A co-op of retailers) after two years becomes Associated Merchandising Corporation. 1

Target full_report Corporate Responsibility In 1920, the company faced a freight-handlers strike, which threatened to stop all delivery of merchandise to the stores. Therefore, Dayton's decided to use airplanes to deliver the goods to the stores in Minneapolis. The goods were in such high demand because of the strike, that the public escorted the planes through the streets to buy the goods thus started a new era of shipping methods.

1938 George D. Dayton dies and his son George N. Dayton takes over. 1950 George N. dies and Donald C. Dayton takes over as president and gradually all the grandsons take top positions in the company, a truly family owned company.

In 1956, The Dayton Company spearheads the first fully enclosed shopping mall putting the top retailers in one shopping building. This was to address the sprawling suburbs needs and changed forever the way we shop here in America.

1960 Target is born. It was the innovative thinking that changed the Dayton's Department stores into a new discount store chain we now call Target. It was in 1961 that Douglas J. Dayton targets the department stores vast wealth and knowledge to combine fashion, supermarkets, and discount quality into one shopping place.

1962 they debated and came up with Target as the name of the new chain. They also chose the red and white colors and a Bulls Eye as the new logo. "As a marksman's goal is to hit the center bulls-eye, the new store would do much the same in terms of retail goods, services, commitment to the community, price, value and overall experience."

<https://assignbuster.com/target-corporation/>

May 1st 1962 Target's grand opening in Roseville, Minnesota, followed by St Louis Park, Crystal and Duluth, all in Minnesota within the same year. In addition, in 1966 Target starts up outside of Minnesota in Denver, Colorado. Dayton make the transformation complete as it becomes a national retailer and ceases to be the department store chain it once was.

The stock goes public on Sept 6, 1967 with five divisions: Dayton's Department Stores, Target Stores, B. Dalton Bookseller, Dayton Jewelers and Dayton Development Company. The next year the company defines the Target symbol Icon, The single red dot with one circle around it. (Target.com)

Target has evolved in many ways, but a century later still adheres to the founders' scrupulous sense of ethics, with thoughtful management, well-defined corporate governance, and continuity in leadership, Target sticks with Dayton's view of giving back to community.

Investing In The Target Way

1. Take Stock in Target

Investing in Target Corporation (TGT: NYSE): Is it a good investment today?

The stock market is a still quite volatile and with down turn in the economy, or recession, investors should think twice about it. Many of us are still licking our wounds and frustrated with our 401k plans. So, why invest with a company like target?

Ockham's rating (as of 10-14-09) for the past ten years show the cash earnings ratio of price to sales per share highest to lowest are 1. 13x to 0.

72x. What this means is that the price of the stock must produce a certain cash flow ratio compared to the cost of each share.

Targets cash earnings are one of the most important things to consider when thinking of investing in the company. (Dividends are not the most important thing, although, it is nice to get a check in the mail for owning a piece of the company.) The real deal is that if the price of the stock has the ability to generate cash earnings. (Does it make money?) This is what we call the P/E price to earnings ratio. As of 10-16-09, the price per share of Target stock is \$51.35 and each share earns \$2.86 per share per year. The price to earnings ratio is a bit on the high side at 18.10, based on historic values, (the lower the number the better) but still holds a rather firm grip with investors. Ockham also considers the recent economy and its historical ratios of 16.00 and to 10.02. Dividends are another factor to consider but not the biggest by any stretch at \$.68 per share per year, meaning a yield of about 1.38% currently. You should also factor in the historical highs of 2.72% and a low of 0.50%. Today the median dividend is only off by about 14.29% of its median, which is not that good or bad. Overall, it is still a good and safe stock market investment today. (Ockham)

2. Economic Responsibility

Target maintains the standards of well-defined corporate governance, a strong commitment to ethical operations, and transparent financial disclosure. (Target 43)

Corporate governance has been a Target practice for more than fifty years. (Target 45) Target has a passion to create value for the customer, the

stockholders, a value for employees, and a value for the communities in which they do business. Strong Corporate governance at Target starts with a Board of Directors that is independent, engaged, committed, and effective. The Board establishes, maintains, and monitors standards and policies for ethics, business practices, and compliance that span the company. Working with management, they set strategic business objectives, ensure that Target has leadership that is dynamic and responsive, track performance, and institute strong financial controls. Target believes in strengthening investor confidence and creating long-term shareholder value, so they can continue to deliver innovations that provide opportunities for customers and the Target Corporation. (Target Report 45)

When searching for companies to invest in, character counts. Target has won numerous awards for these things. (Target Report 47)

The 2009 Awards

- Target ranked 41st on the list of “ America’s Most Reputable Companies” Forbes

- * Target ranked one of the “ World’s Most Ethical Companies” Ethisphere magazine

- Target named one of “ 25 Noteworthy Companies for Diversity” Diversity Inc

- * Target named one of “ America’s Most Shareholder-Friendly Companies” Institutional Investor magazine

- Target named one of “ America’s Most Popular Stores” Forbes

<https://assignbuster.com/target-corporation/>

* Target recognized as “ Best in Class for Corporate Governance”

Governance Metrics International (GMI)

* Target ranked 19th of 363 companies on the list of “ World’s Most Admired Companies “ Fortune magazine

* Target ranked 11th among the “ Top 100 Employers of the Class of 2009”
Black Collegian magazine

* Target named one of the “ Best Places to Work for Recent Grads”
Experience. com

* Target recognized on Dow Jones Sustainability North America Index Dow
Jones

* Target ranked 8th on the list of “ Best Places to Launch a Career” Business
Week

The details of Target Corporation, accomplishments, and the programs offered, show why this is a place where consumers can shop in comfort and security. This report shows a place where people like to shop, and why people like Target. From front end to back end, Target has all the bases covered. Target Corporation goes beyond the cash registers, with a multitude of socioeconomic programs and community outreach endeavors. Target gives back to local communities on a large scale in education and internships for the development of our future leaders and business people. Target offers a workforce and a workplace that embrace diversity, which gives the corporation an economic advantage to be competitive in this global economy. (Target pressroom) Although, if you searched for bad comments <https://assignbuster.com/target-corporation/>

about Target you can find them, this is true about any big company.

(Complaint board) These are misleading, and should be put to the test. We are dealing with the positive aspects of this Corporation that far outweigh the latter statement. So take a trip to your local Target store and see for yourself, the helpful staff, the clean and bright shopping environment, and everything that Target is offering over the competition! The founder's vision, for a company, that focuses on all of the stakeholders remains clear. (Target Report)

Expanding

1. New Targets have Environmental Concerns

It starts with their architecture and storefront design. “ Target Corp. is breaking out of the big-box mold with unique exterior designs for its new and renovated stores.” They are being required by the cities where Target wants to build new stores that they not only are attractive, but also fit the surrounding community themes.

They are doing just that in many of the hosting cities by working with Eames Gilmore, senior manager of architecture of store designs for Target. In order to stay profitable the store design and cost must reach a balance between Targets profitability and cities demands. The exterior designs must also reflect the Target image of cleanliness, modern, and upscale merchandise inside the stores. (John Vomhof Jr.)

2. Super Targets

The first Super Target opened in Omaha, Nebraska in 1995. 218 Super Target stores have opened in 22 different U. S states. Most of the stores

have opened in Texas and Florida. Super Target stores are approximately 175, 000 square feet, offering many amenities to its guests, including a bakery, deli, full grocery selection, and fresh produce. Most Super Targets have a Starbucks, and Pizza hut express. Some stores even have a Taco Bell Express, but are currently being phased out. Super Targets also have a Pharmacy, Target Photo, Target Portrait Studio, and some stores also have a U. S Bank or Wells Fargo. Target’s goal is to make their stores a one stop shop, to many shoppers. These days time is money, and to be able to do your banking, grocery shopping and pick your prescription up in one stop is just what we are looking for. (Wikipedia)

3. The Target Way Website

targetdotcom. jpg 2 Started in 1999 “ www. target. com” is an enormous and viable part of the corporate entity, started in 1999 it remains a great stronghold to the company profile. They do so well that Target. com is rivaled only by Amazon and eBay for new shoppers visiting the site in December, and they growing by an annual 26% increase year after year. They are in the top eleven online retailers for the overall strongest sales. (Internet Retailer)

This is very impressive for the online community as Target is an internet and World Wide Web giant. This just proves again that innovation and forward thinking of the marketing strategy is truly one to make an example of.

Target. com is so well designed that almost anyone can complete their shopping in little to no time at all. It offers many different uses such as finding a local store, viewing the weekly ad, gift registry, photo and

pharmacy. The website has many offers for the consumers during the holidays such as free shipping if you spend more than \$50 online. You can also purchase a gift for a loved one online and have it shipped directly to your family member. Target also uses its website for employees who can view and print their paychecks as well as sign up for benefits. (Target. com)

Diversity

1. The Strength of Many the Power of One

Our Commitment – The strength of many. The Power of One. 3

42% of Target team members are ethnic minorities (vs. 32% across the u. s)

59% of target team members are women (vs. 48% across the u. s.) 4 Target

renamed it diversity program “ the strength of many the power of one”.

Diversity at Target isn't a program; it is a core value that is integrated into every area of their business. Target takes pride in being a performance based company that gives equal opportunity to all that perform, and boldly defines diversity as individuality. Target's Diversity Statement on Target . com states; “ Individuality may include a wide spectrum of attributes such as personal style, age, race, gender, ethnicity, sexual orientation, gender identity or expression, language, physical ability, religion, family, citizenship status, socioeconomic circumstances, education and life experiences.” To Target diversity is an attribute that makes an individual unique that does not interfere with effective job performance.

Target has also taken steps to extend their domestic partner benefits to straight, gay, and lesbian employees. And has received a score of 86 on the

Human Right Campaign's equality index score. Target was also named " One of the top 100 best companies for working mothers" in 2004. (Wikipedia)

2. Mirror the Community

Target's goal is to make sure their employees mirror the diversity of their communities as stated in J. Groves personal communication report (2007). As each employee during their training, usually within the first three months of employment, attend courses teaching them about some of the situations they may be faced with and help them to understand the value of diversity with Target. Some of the classes they attend cover dealing with differences among the employees, effective communication skills, working in a multi cultural workplace, and managing inclusion. It is Target's commitment to diversity, their value of the communities in which their stores are, and the ability to hire employees with the same values that keep Target's arms wide open to diversity. (J. Groves)

Environmental Concerns and Local Communities

Environmental Responsibilities

1. Plans and Goals

Target knows the responsibility it shares in taking care of the environment and being a good steward of our natural resources. With these things in mind, Target's plan is thus:

- * Minimize their carbon footprint
- * Use resources responsibly
- * Eliminate waste

<https://assignbuster.com/target-corporation/>

- * Offer a selection of natural, organic and eco-friendly products
- * Develop facilities that align environmentally, community and business needs
- * Influence their vendors and suppliers to embrace sustainable practices

(Target Report)

2. Reducing the Carbon Footprint

Carbon Footprint, the new buzzwords in corporate talk these days, many corporations build this into their overall marketing plan. A marketing plan is not just advertising and selling the product, it is the entire goal and plan of the company with an insight of how the company will affect all stakeholders. The stakeholder in this instance is the environment. Target has since 1989 been using an energy management system, that optimizes their use of energy. According to testimony given to Congress, the U. S. Green Building Council states that buildings emit 39% of all U. S. CO₂ and use 71% of the nation's electricity.(USGBC) Target's energy management systems, is centrally located and monitored at the corporate headquarters to enable company-wide energy policy and troubleshooting. Along with the close supervision of energy consumption, Target is now looking at the feasibility of retrofitting stores with on-site energy systems, to include renewable energy such as solar cells (see 5) and fuel cell technology, with a goal to reduce Targets overall carbon footprint.

Solar roof panels harness the suns energy at a Los Angeles Target store.

3. Eliminating Waste

Post Consumer Products has been a great way Target has been generating revenue. Target maintains programs to recycle, corrugated cardboard, electronics, plastics, mixed paper, aluminum and much more. Target also creates policy for internal actions that are much stricter than the local and regional regulations to ensure compliance, with an eye on protecting the natural resources of our planet. Corporate keeps in mind that any company which does not respect the communities that they do business in, and take a proactive environmental stand, will ultimately fail. Target proves that they understand the power of the court of public opinion. (Target Report 28)

4. Offering a Selection of Natural, Organic and Eco-friendly Products

Target Food and Grocery is an organic produce retailer, the USDA certified Target in 2006 and Target now carries more than 700 organic items. Many of the organic items that Target sells, are owned-brand items from Archer Farms© label. They produce milk, cereal, whole-wheat pasta, pizza, applesauce, frozen yogurt, olives, tea, and so many other products. (Target Report 31)

The health and beauty selection at Target also maintains environmentally responsible standards. All of the personal care products have not been developed through animal testing, and are free of synthetic materials such as phthalates, sulfates and parabens. These standards of environmentally conscious and consumer minded ideals have made Target an industry leader and innovator in how to conduct responsible business in our communities and throughout the world. (Target Report 31)

Target also influences vendors, how they use resources, ethical and product safety standards, and the fair treatment of all employees. Target requires that vendors guarantee that all goods are made in compliance with all relevant laws, both U. S. and the laws of the country in which the goods are produced. This includes the Fair Labor Standards Act of 1938, which governs how employers pay and treat their employees. To be in compliance with this contract term, the vendors must confirm that their business partners are also in compliance with the law. In addition, they establish similar basic minimum requirements in certain countries where labor laws are not yet well developed. If a vendor violates their agreement, the penalties range from the loss of the contract or order to the loss of all future business with Target. (Target Report)

Local Communities and Schools

1. Community Outreach

Since 1946 Target has given 5% of income through community grants and programs that support education and the arts and social services. Whether it helps kids read, make art supplies available or offering emergency aid in a time of crisis, Target demonstrates its commitment to its communities in many ways. Some of the ways Target supports the community is through giving red card holders the option to choose which school locally they choose to donate 1% of their purchase to. Also Target celebrates Dr. Seuss's birthday yearly with volunteers at each store to read to children. Target also provides seniors with a personal shopper during the holidays and even assists them with free gift wrapping. These are just a few of the great things Target does within their stores.

Target focuses its community giving efforts in four key areas: arts, education, social services, and other vital partnerships.

Arts: Target supports arts experiences that are family-oriented and affordable, including programs such as art exhibits, free days at museums, classes, performances and those that bring the arts to schools or schoolchildren to the arts.

Education: Reading is an essential element of each child’s educational process. Target supports programs that promote a love of reading or encourage children to read together with their families. We specifically focus on programs that inspire young readers (birth through 3rd grade). In addition, our Take Charge of Education program is a school fundraising initiative. “ Ready. Sit. Read!” is dedicated to fostering a life-long love of reading in children. The program focuses on children from birth to age nine, and was developed in partnership with the United States Department of Education. “ Ready. Sit. Read!” includes a partnership with the national non-profit organization Reach Out and Read; sponsorship of the Library of Congress “ Letters about Literature” project; monthly children’s crossword puzzles; and sponsorship of book festivals throughout the country. Target also supports United Through Reading, a program to help deployed military members and their children stay connected by videotaping the parent reading a book, sending that video to his/her children, and returning a video to the parent that shows the reaction of the child watching the video of the deployed parent reading.

Social Services: Target supports organizations that help build strong communities in which we do business. For example, they support organizations that help prevent family violence such as parenting classes and family counseling. In addition, they also provide assistance for support groups and abuse shelters.

Other Vital Partnerships: Target supports communities through numerous volunteer programs and the United Way. We are a partner with the American Red Cross to support immediate and on-going disaster relief and preparedness. Our partnership with United Way is one of the most successful campaigns in retail. In keeping with partnerships around the world, Target considers its stewardship vital to the success of all stakeholders and resources. (Target. com)

2. Schools and Education

Target supports education with the help of our REDcardsm holders, they have donated more than \$260, 000, 000 to K-12 schools since 1997. Take Charge of Education was launched in 1997 and has contributed to over \$260 million to more than 110, 000 schools nationwide. Through the Take Charge of Education program, Target donates an amount equal to 1% of REDcardsm (Target Visa and Target Card) purchases made at Target and Target. com and 1/2% of Target Visa purchases made elsewhere, to the eligible K-12 school of the cardholders' choice. Schools have used these unrestricted funds for everything from student recognition programs and new playground equipment to library books and school musical costumes. An impressive 9 million Target cardholders participate in the program.

The Target Corporation will award 5, 000 field trip grants of up to \$800 each for the coming K-12 school year. Managed by Scholarship America, the Target Field Trip Grants Program is open to education professionals who are at least 18 years old and employed by an accredited K-12 public, private, or charter school in the US with a 501(c)(3) or 509(a)(1) tax-exempt status. Educators, teachers, principals, paraprofessionals, or classified staff of these institutions must be willing to plan and execute a field trip that will provide a demonstrable learning experience for students . Grant funds may be used for visits to art, science, and cultural museums; community service or civics projects; career enrichment opportunities; and other events or activities away from the school facility. Funds may also be used to cover field trip-related costs such as transportation, ticket fees, resource materials, and supplies, (Stephanie Gerding & Pam MacKellar librarygrants. blogspot. com)

TCOE (Take Charge of Education©): Target assists K-12 schools in generating extra income by providing all the necessary formats. Target provides clip art that allows the school to create personalized material for fundraisers, website banners and flyers for their events. Here is how target helps schools raise money. Targets take Charge of Education Campaign gives the schools links to download. With the following links:

* Promotion Letter

* Thank-You Letter

* Donation Letter

* Press Release

<https://assignbuster.com/target-corporation/>

* Full-Page Flyers (8.5" x 11")

* Download a Banner

* Clip Art

* Website Banners

All you have to do is click on the subject you want, highlight, cut and paste and you create the document appropriate for the event. (Target. com)

Target gives the schools tips for success

· Use your parent newsletter and school website to encourage RED cardholders in your community to enroll in Take Charge of Education.

Express your thanks to those parents who have designated your school!

* Generate excitement—set a donation goal and share your progress.

* Tell the community how much your school received from Take Charge of Education, and how it was used. Talk about how the program is making a difference.

* Make it easy for people to designate your school by providing the community with your 5-digit school ID assigned by Target.

If you would like to participate in Take Charge of Education but prefer an option that does not involve credit cards, you can choose to promote the Target Check Card. It links directly to an existing checking account, with all of the ongoing rewards of a RED card credit account. (Target. com)

3. Charities, The United Way, Salvation Army, Red Cross and The Target House

Social Services 6 Target is very active in donation to other local charities such as the United Way. Target has actively supported the United Way since 1962. According to Target. com, Target and individual team members donated 13 million dollars in 2008, as well as donating 32, 000 volunteer hours as part of the United Way campaign. Target also proudly supports the Salvation Army. In 2008 Target provided 2. 42million in direct support of the Salvation Army’s mission and programs. Target is also active with the American Red Cross providing relief to flood, fire and tornado victims, Target team members donate time and money on an as needed basis.

<http://www.joshsportstalk.com/Target-House-Front.gif> 7 Since the opening of The Target House in 1999, Target in partnership with St. Jude’s Hospital provides long term housing for patients and their families during their treatment, all at no cost to the family. Patients are assigned to the Target House if the patient’s treatment is set to be longer than three months. The Target House features 96 two bedroom apartments, fully furnished. They also provide families with free laundry facilities, a playground, a music room, a gym and a library full of books and movies. The Target house is set up to make families feel at home during their loved ones treatment. To date the Target house has housed 1, 290 families from 42 states and 36 countries. (stjude.org)

The Target Employee

Is It a Good Job?

1. The Employee Experience

<https://assignbuster.com/target-corporation/>