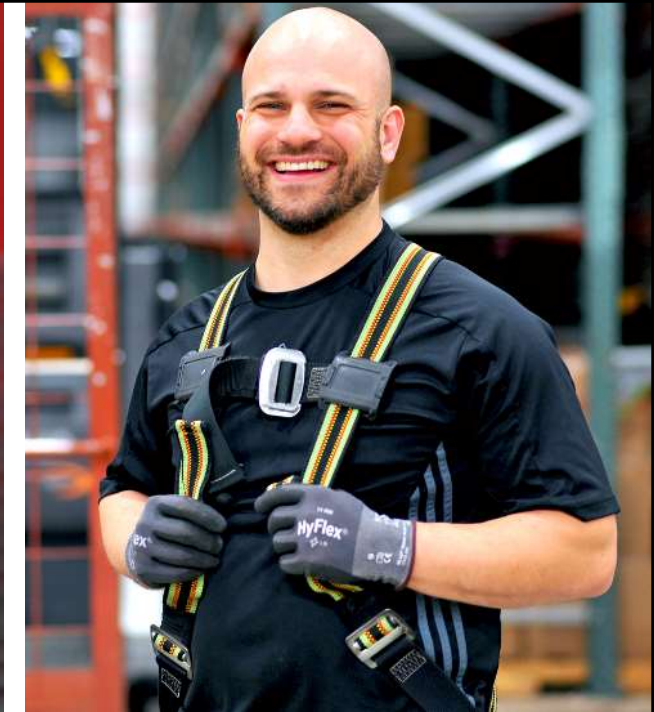


# **John Mulligan**

Executive Vice President  
and Chief Operating Officer







# Using stores as hubs



# Order Pickup

## Entrega de pedidos

Guest Service  
Servicio al cliente

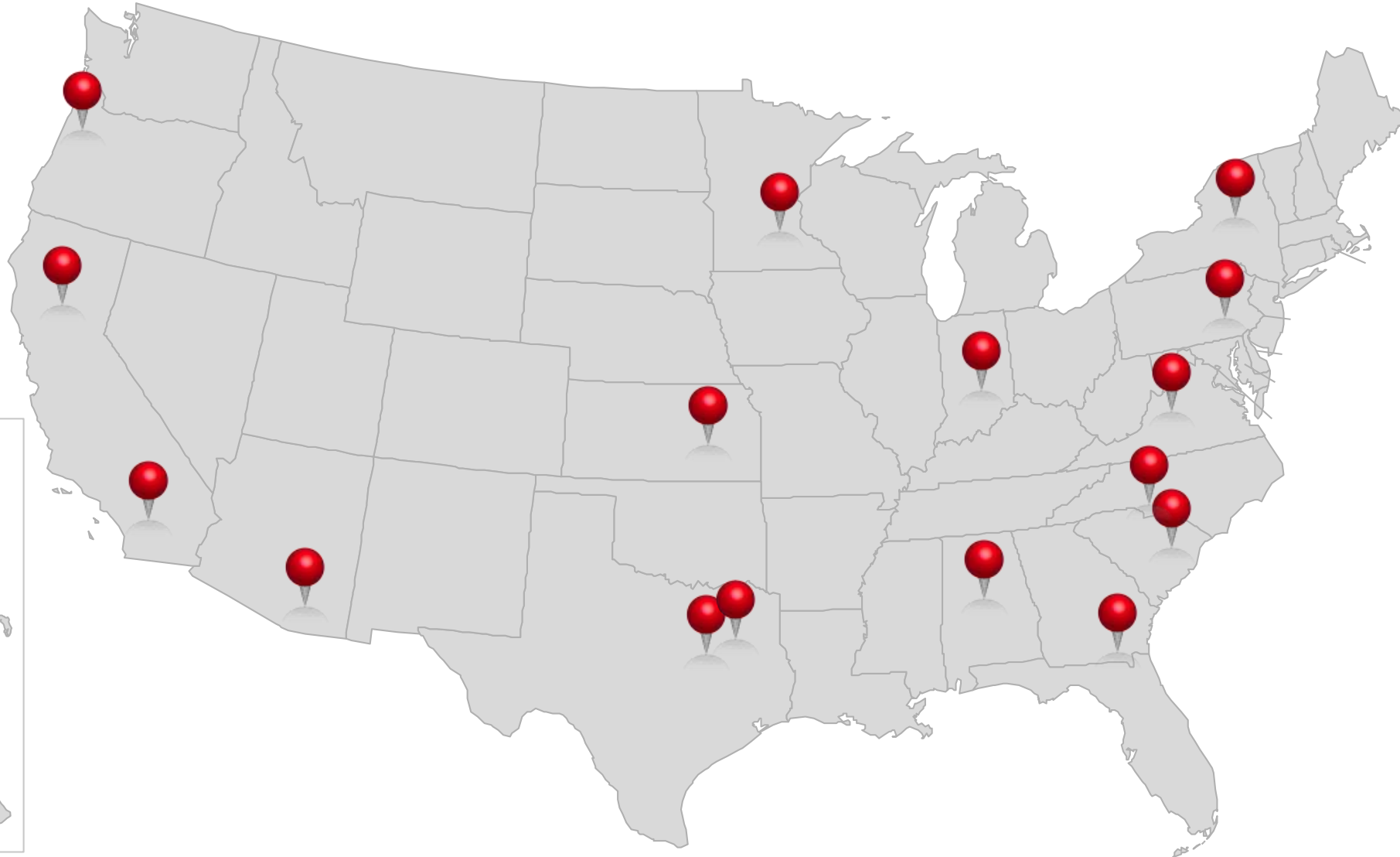
Gift Registry  
Listas de regalos

Returns & Exchange  
Devoluciones y cambios



In a digital world,  
**why invest in stores?**

# Fulfillment Centers





# Fulfillment Network





new  
& only  
at  
Target  
←←

Goodfellow  
& Co  
Where style & fit are always  
in good company.

Novelty Vee Tee  
just 2 for  
\$18

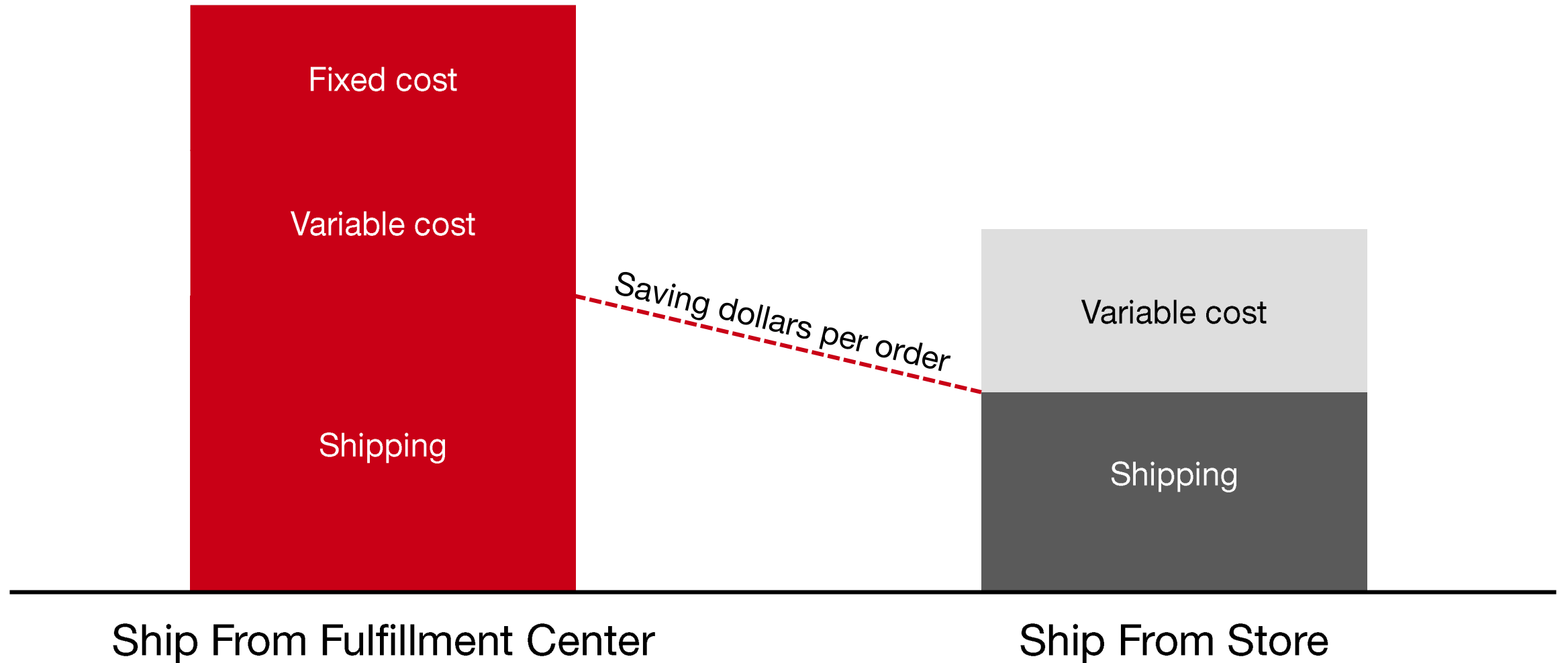




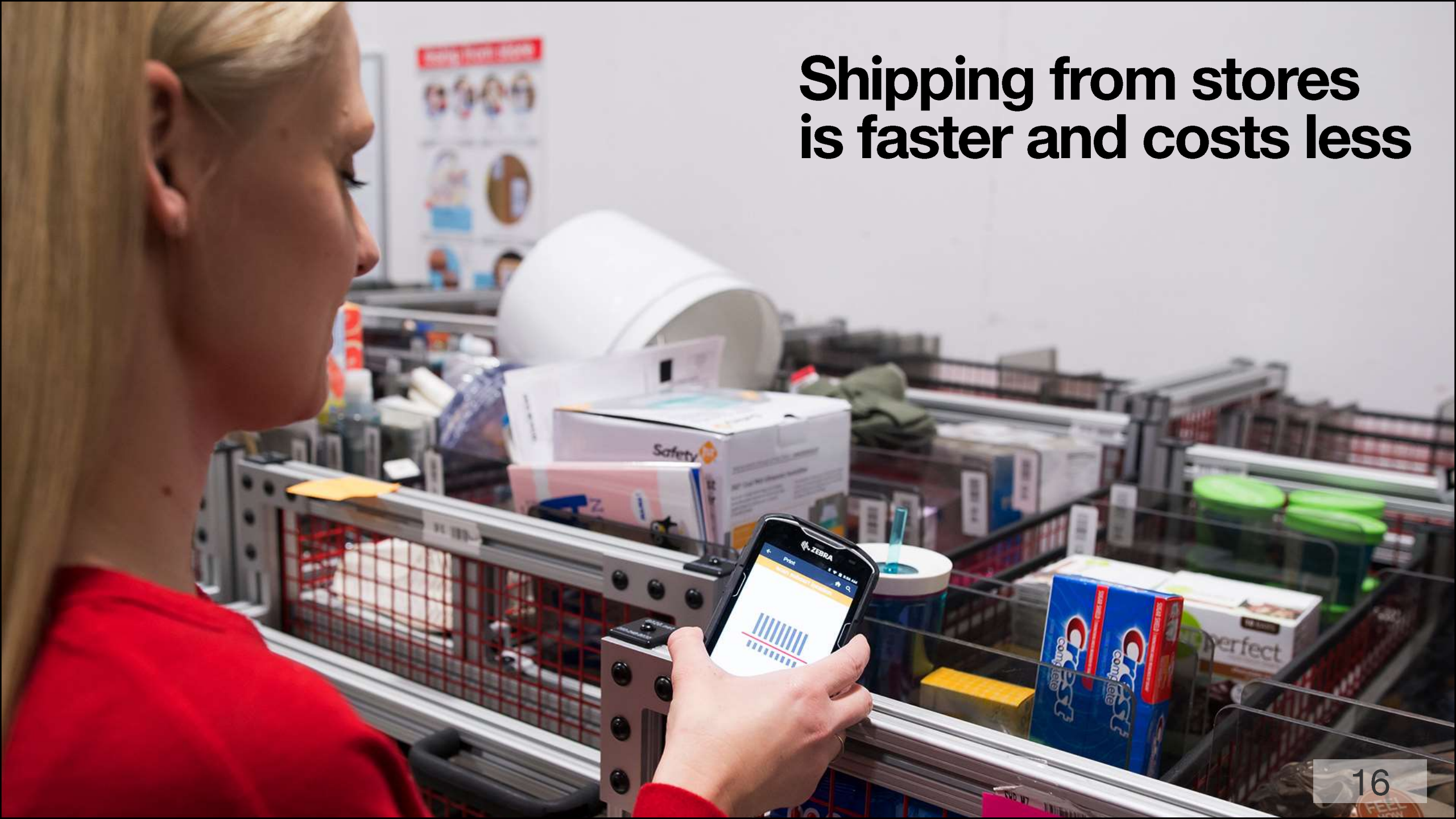


Shipping from a store is the best way  
**to lower the total cost  
of digital fulfillment**

# Total Cost of Fulfillment



**Shipping from stores  
is faster and costs less**



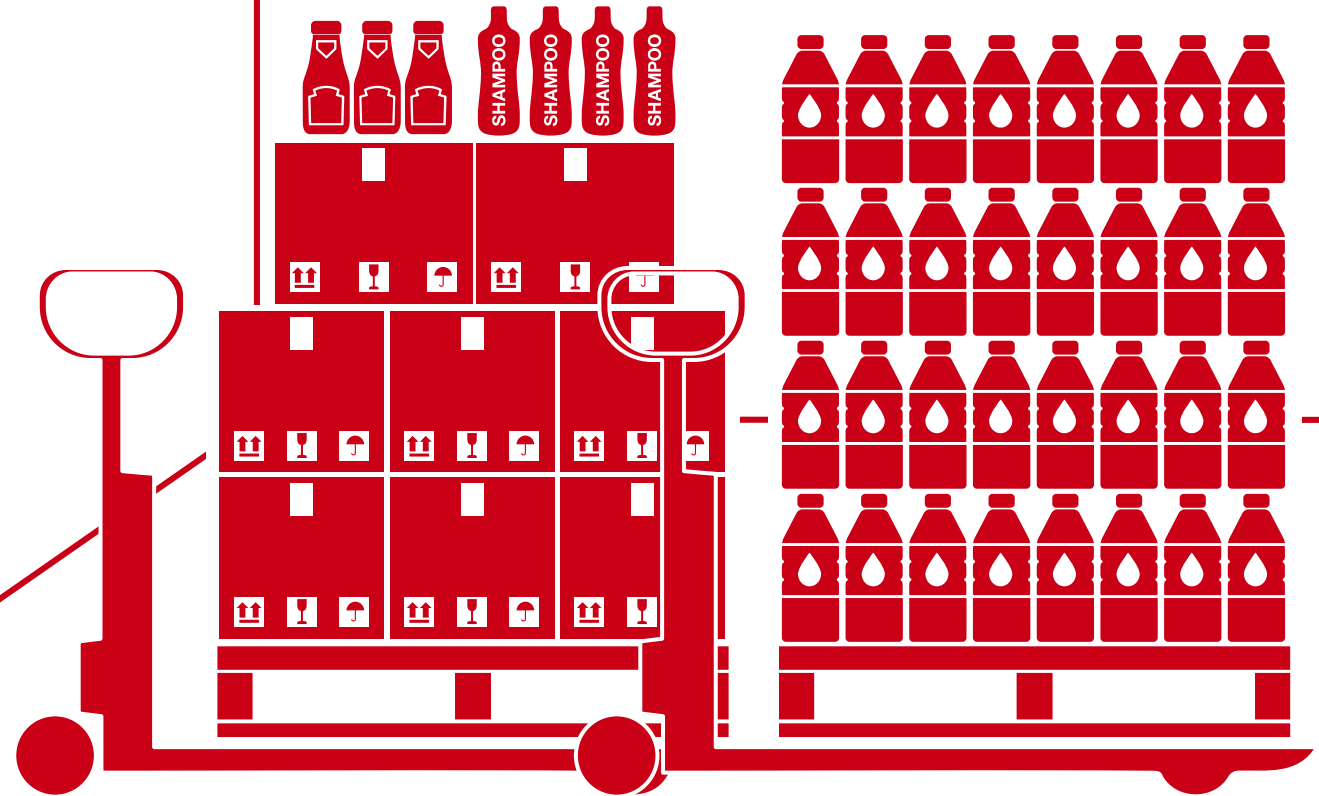




The key is to send the stores  
**the right product at the right time**

# Supply Chain Modernization

# Backroom



**Stores supported  
by this distribution center  
have cut backroom  
inventory by more  
than one-third**



# Out-of-stocks cut in half



# New Supply Chain Model Expansion

- Expanding the operation in the Northeast
- Adding the capability to more distribution centers
- Scaling promising robotics solutions

# Ship From Store Expansion







**Twice as many packages**  
will be shipped from the store  
on Cyber Monday 2018

Our guests will notice  
**our increased delivery speed**

### household essentials

Target / household essentials (5650)



sm

## Get free 2-day shipping

On hundreds of thousands of items when you spend \$35\* or use your REDcard™.

[Learn more](#)

\*Conditions apply.



#### Drive Up

Order with the Target App & we'll bring it right to your car.



#### Order Pickup

Buy online, pick your order up today.



#### Target Restock

Fill up a box, get next-day delivery. Order before 7pm, Mon-Fri.



#### Subscriptions

Essentials delivered on the schedule you set.



**SHIPT**<sup>SM</sup>



SHIPT

GET PAID TO SHOP

HELP

GIFT

LOG IN

SIGN UP



**Expect more to  
your door, today.**

Explore membership plans and  
special offers in your area.



Enter ZIP code

GET STARTED

**Everything you love about  
Target at your fingertips.**

50,000 items across  
our assortment



# Target + Shipt

- Same-day delivery already rolled out in the Southeast and Twin Cities
- Next month we're adding more states
- We will be the first retailer to offer same-day delivery in nearly every major market by holiday





# The guest shops and we deliver



# GRAND JUNCTION



# GRAND JUNCTION





**drive up**





**Drive Up's Net Promoter Score is consistently over 80**



**Adding Drive Up to nearly 1,000 stores by the end of the year**





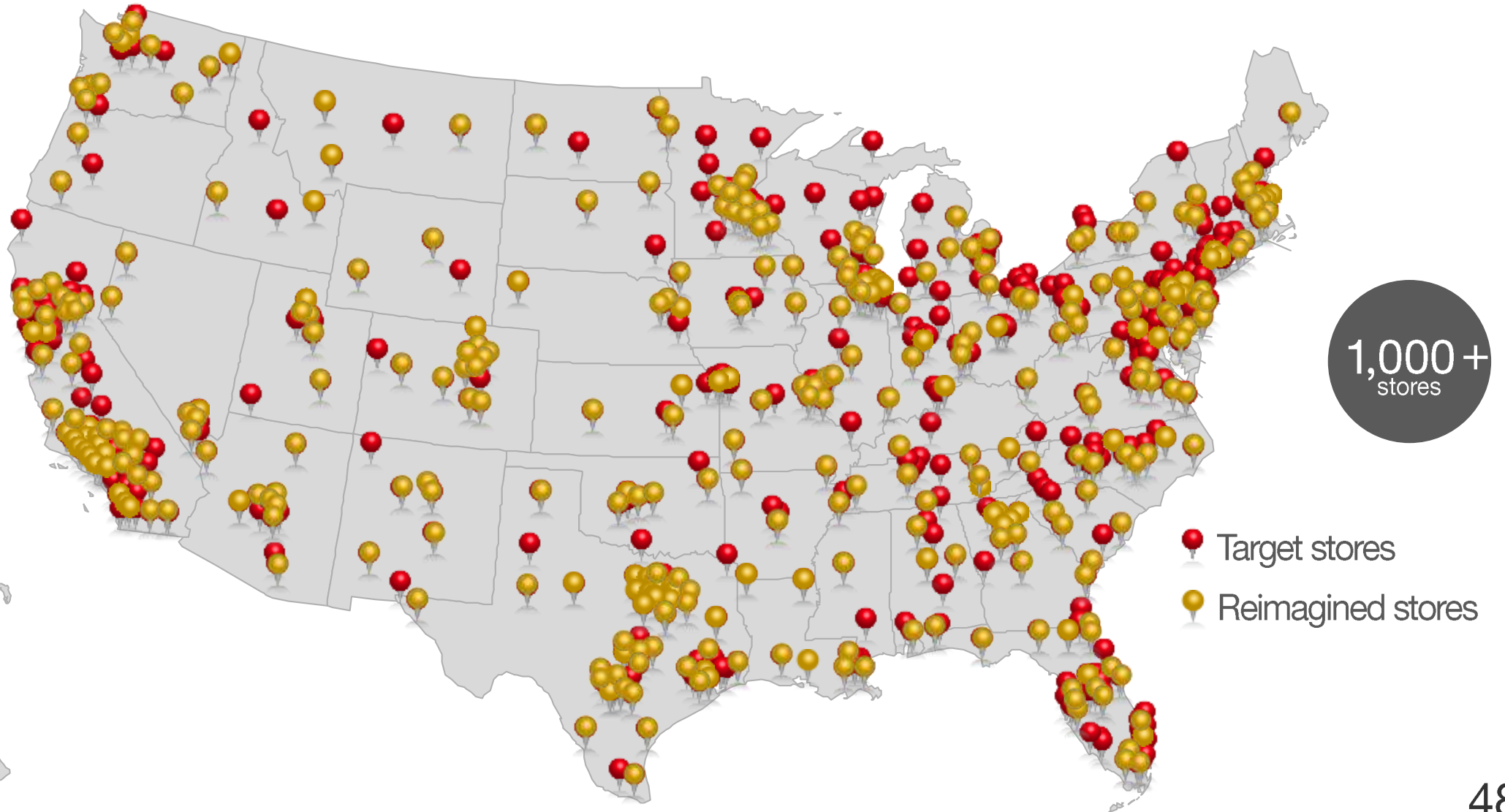








# Reimagining Stores



\*representative sites only





Nuura  
TARGET

Sale!

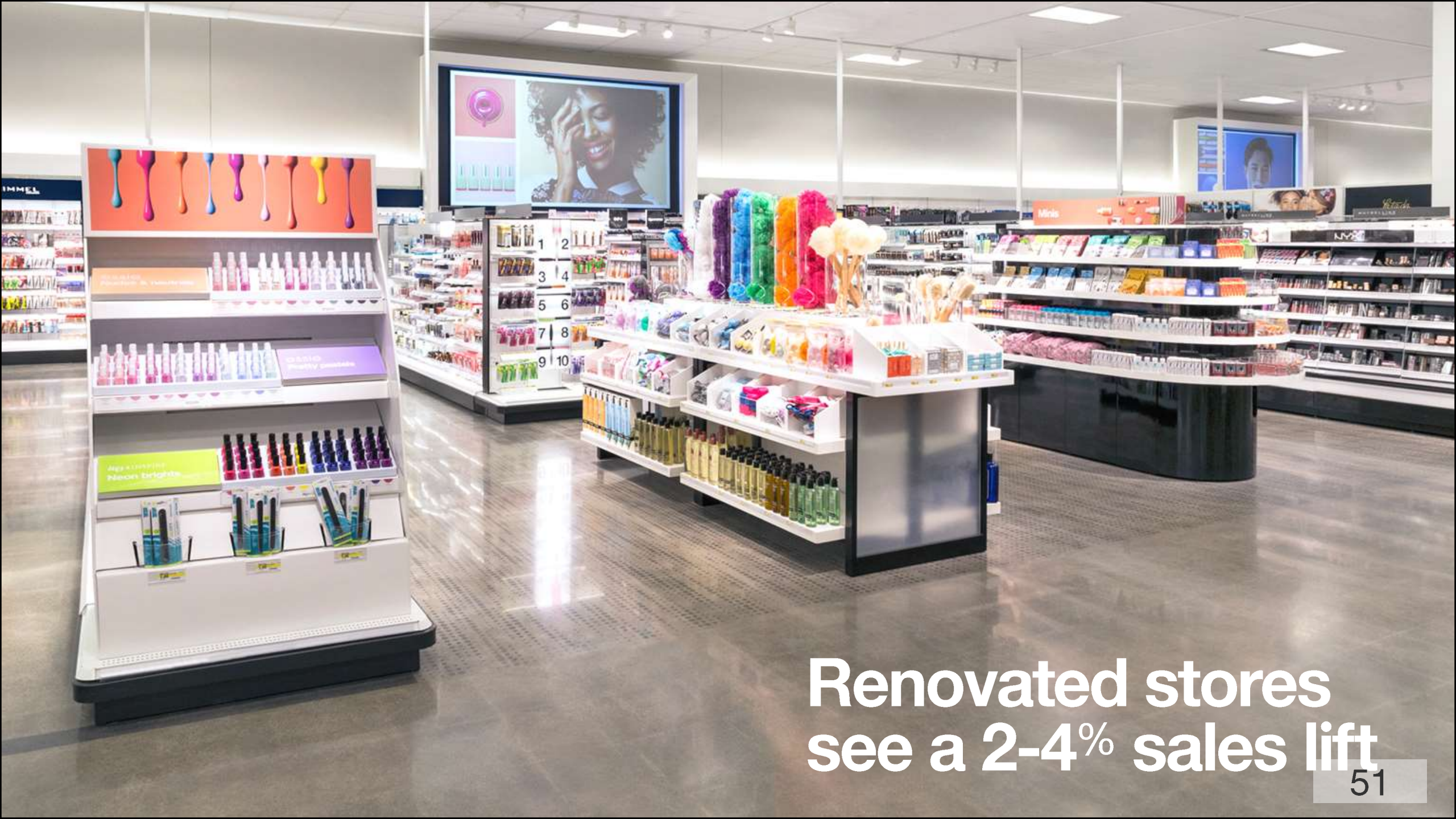
19.99

2.0 K425 Single Serve Drip Coffee Maker  
\$139.99

STARBUCKS PIKE PLACE ROAST

STARBUCKS PIKE PLACE ROAST

KEURIG HOT 2.0 K425



**Renovated stores  
see a 2-4% sales lift**





Aug 28

Loving the layout of my “new” #target



This @target is beautiful!!!!

Dec 28



Aug 28

Great, now I’ll be spending even more money @Target! 😊



Aug 28

Looking good, Tarjay! #target #gorgeous



# Twin Cities Remodel Plan

- Reimagining 28 local stores
- Taking inspiration from our learnings in Dallas and Los Angeles
- Putting next-generation design into an important testing ground

Oceanside, CA



Chicago, IL



Port Washington, NY



# South Burlington, VT





Cincinnati, OH



State College, PA



**University of Texas  
Austin, TX**



**Lakeview Ashland  
Chicago, IL**  
58





**130 small format  
stores by 2019**





# Store Staffing

Before

Monday



Wednesday



Now



Subject Matter Experts









**The guest is at  
the center of  
everything we do**



