

Marketing Plan

TARGET

Group XX:

Firstname Lastname

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EXECUTIVE SUMMARY

Target Corporation was founded in 1902 and is the second largest retailer in the United States following Walmart. The company is a multibillion dollar company meeting customer's demand in an array of products from retail merchandise of women and men's clothing, apparel, accessories, automotive, gardening equipment and supplies. Target is a major employer in the United States and Canada with approximately 366,000 employees in corporate, store, and warehouse in various positions. Their estimated 1,793 stores make Target a well position company both nationally and worldwide to fulfill their mission "Expect More. Pay Less".

Target's SWOT analysis identifies strengths in their merchandise mix, appealing store layouts, and superior guest services. An area of improvement is their consumer data security as recent events exposed thousands of consumer data to be breached. Some areas of opportunities for the 21st century is expansion of e-commerce and innovation new ways better service and meet guest needs. Reducing the size and number of stores and shifting the capital to new markets. New talents have been recruited to grow and position Target in front of the next generation of e-commerce.

Target's customer segmentation is broken into three sections: the characteristics of its consumers, the market segments, and the industry trends. Target's demographic customer is composed different backgrounds from Hispanics, White Americans, African Americans, and Asians.

Target's marketing intent is to take full advantage of its brand potential and introduce a line of appliances under a private label "🎯 Bull's-eye" to our guest. Initial

rolled out will take place in four states featuring three brands Samsung Electronics Co, LG, and “🎯 Bull’s-eye”. Each brand will offer a suite of home appliances which consist of five major components: refrigerator, range, dish washer, washer and dryer.

The pricing strategy will use odd-even pricing to generate demand for our appliances. We will implement the push strategy to aggressively introduce the new product line to our guest. The use of mix media will consist of media advertising, customer relationship management, and sales promotions. Key sales promotion programs will feature 12 Month Same as Cash, Lease to Own Program, and Next Day Delivery all of which will add value to our guest.

Our five year sales projections estimates a volume of \$77 million with 107 thousand in combine units sold. We project an increase rate ranging between five to fifteen percent year over year for the first five years. An estimated sales goal of \$160 million with a total of 500 thousand units sold by year five.

A new merchandising team is expected to be established under the current EVP of Merchandising, Essentials & Hard-lines, Jose Barra. This merchandising team will be responsible for the forecasting, buying, implementation, merchandising, and training of this new product line. Implementation will begin with 500 stores in four states and will expand to other states with top performing stores and similar guest characteristics for the following years.

We will continue to monitor the same stores sales growth for large appliances year-over-year to determine what changes can be made to increase our foothold in the market. We will continue expand our offering of large appliances to other stores

steadily as same stores sales increase to ensure success on focus on small areas of concern initially as we expand.

Overall, Target has the opportunity to expand in a new product line which will add revenue by delivering outstanding value, continuous innovation and exceptional guest experiences by consistently fulfilling our Expect More. Pay Less brand promise.

COMPANY DESCRIPTION

Target Corporation was incorporated in Minnesota in 1902 originally known as Dayton Dry Goods Company. They offer essentials and fashionable consumer products, household goods, food assortment such as perishables, dry groceries, dairy and frozen items at a discount price. Target refers to their customers as “guests”. Target leverages their strong supply chain and technology infrastructure, their culture of innovation embraced throughout the organization, and their discipline in managing their business strategically while investing in their future growth.

Target Corporation operated in two segments: United States with a store count of 1,793 and Canada with its first year of operations in 2013 with a store count of 124. The U.S. segments is comprised of four types of store layouts: General Merchandise (16%), Product Fresh (69%), Super Store (14%), and City Target (0.4%)¹. Target is currently the second largest general retailer in America.

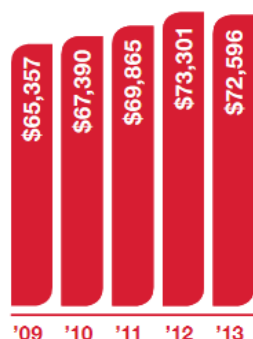
Financial Resource

Target’s performance in 2013 resulted with a decrease of -1.0% in total revenues however, it had a Five-year Compound Annual Growth Rate (CAGR) of an increase 2.3%. Net earnings for the same year resulted with a -34.3% with a Five-year CAGR of -2.3%. A negative factor resulted in a comparison in performance between 2012 which consisted of a 53-week fiscal year versus 52-week year in 2013 as shown on Figure 1.

Financial Highlights (Note: 2012 was a 53-week year.)

Total Revenues

IN MILLIONS



2013 Change: -1.0%
Five-year CAGR: 2.3%

EBIT (Earnings before interest expense and income taxes)

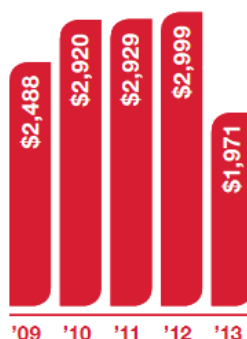
IN MILLIONS



2013 Change: -21.3%
Five-year CAGR: -0.8%

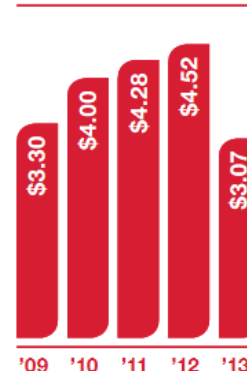
Net Earnings

IN MILLIONS



2013 Change: -34.3%
Five-year CAGR: -2.3%

Diluted EPS



2013 Change: -32.1%
Five-year CAGR: 1.4%

Figure 1 Target 2013 Annual Report

In addition, Target experienced a data breach during the fourth quarter of 2013 in which hackers obtained sensitive payment card and other guest information. (Target 2013 Annual Report , 2). A total of \$61M of pretax expensed were recorded related to the data breach which impacted approximately 40 million credit card and debit card accounts of our guest who shopped at our stores between November 27 and December 17, 2013. Additional expenses are expected as the investigation, legal and professional services with the data breach continues in future periods (Target 2013 Annual Report , 18).

Human Resources

As of 2014, Target employs 366,000 team members worldwide (Corporate Fact Sheet). The Unites States make up over 300,000 team members who support the

corporate offices and 1,793 stores, Canada has over 700 team members with its 124 store operations, and India facilities make up over 2,500 team members with focus on Information Technology roles. They are comprised of various positions located in a corporate, store, or warehouse facilities.

Corporate level positions are made up of various levels of management, human resource, finance and accounting, legal and risk management, marketing, merchandising, real estate & property management, supply & distribution support, and technology services. Senior management reside here and the majority of the strategic plans and major decisions are made in these facilities. Each division is grouped in its own hierarchy of senior managers and their direct reports based on job functions.

Store level positions range in multiple levels of management roles, merchandise & visual display, account roles, human resources, loss prevention, cashier & operations, and maintenance positions. Each member of this team has a direct impact on the store execution of operations or guest services such as front register interaction or visual display and stock position of merchandise.

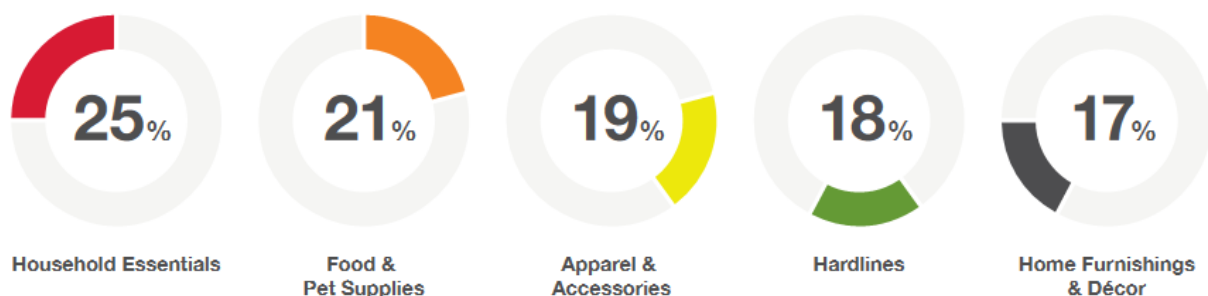
Warehouse facilities consist transportation drivers, mechanics, warehouse associates, and stockroom staff responsible to unload/load and sorting of the merchandise based on destination. Each member is focused on delivery of product to the proper destination in a timely manner to service the guest indirectly.

Target recruits team members with a diverse background, skill level and educational degrees. They range from entry level positions, pharmacist, veterans, and college graduates. Target invest in the growth and development of all team members and is committed to build the best team suited for the community they serve. (Careers)

Product Portfolio

Target carries a variety of goods which are broken up into five major areas: Household Essentials, Food & Pet Supplies, Apparel & Accessories, Hard-lines, and Home Furnishings & Decor. In figure 2, it demonstrates a breakdown by these categories for the U. S. market for 2013. Household essentials contributes 25% of the

Total U.S. Segment Sales: \$71.3 Billion



total annual sales in the U. S. market followed by Food and Pet Supplies with 21%.

Figure 2- Sales by product category²

Household essentials consist of Beauty Products, Personal Care, Pharmacy Products, Baby Care, and Cleaning and Paper Products. Some of the well-known

brands in this category include COVERGIRL, L'Oréal, Neutrogena, Clorox, Bounty, Tide, Milkbone, Purina One, and others as the list is too long to mention all brands³. This is a clear indication Target's guests are shopping for daily essentials and not exclusively for the fashions in apparel and accessories.

STRATEGIC FOCUS AND PLAN

Mission

Target's mission is to become your preferred shopping destination in all channels by delivering outstanding value, continuous innovation and exceptional guest experiences by consistently fulfilling our Expect More. Pay Less brand promise. ®
(Mission & Values)

Goals

For the coming three years Target seeks to achieve the following goals:

- Nonfinancial goals (Goals & Reporting)
 1. To increase sustainable seafood selection to 100% by 2015,
 2. To increase organic food offerings by 25 percent by 2017,
 3. To enhance at least 50 owned-brand packages designs to more sustainable by 2016,
 4. To improve transportation efficiencies 15% by 2015,

5. To increase ENERGY STAR certifications buildings for at least 75% by 2015,
 6. To reduce water usage by 10% per square foot by 2015,
- Financial goals (Target Corporation Financial Community Meeting - Preliminary)
 1. To generate \$7.20 of EPS in the US by 2017,
 2. To increase US sales 5% annually,
 3. To achieve an annual dividend of \$3 or more by 2017,
 4. To achieve \$6 billion in annual sales in Canada by 2017,
 5. To earn \$0.80 in earnings per share in Canada by 2017,
 6. To open 150 stores in Canada by 2017

Core competency and sustainable Competitive Advantage

In terms of core competency, Target Corporation seeks to achieve a unique ability to (1) deliver lowest prices on very broad assortments with a focus on value by providing a more upscale, differentiated assortment in discretionary categories and a curated assortment of branded hard goods (2) combined with the superior in-store experience and great prices and (3) the growth in development multichannel digital world to better handle their guest's shopping habits through Target.com, mobile business, and in store terminal leveraging their new innovation center in San Francisco and the technology talent in that area. (Target Corporation Financial Community Meeting - Preliminary)

To translate Target's core competencies into a sustainable competitive advantage, Target Corporation will establish partnerships with key name brands such as The Walt Disney Company, Levis Strauss, Converse, Ben & Jerry's, and iTunes just to name a few. In addition, increase their private label sales such as Archer Farms, Market Pantry, Merona, Play Wonder, Xhilaration, and Room Essentials of which 10 brands generated more than \$1 billion in annual sales independently (Target Corporation Financial Community Meeting - Preliminary).

SITUATION ANALYSIS

SWOT table (Strengths, Weakness, Opportunities, and Threats)

Internal Factors	Strengths	Weaknesses
Management	New CEO has executive leadership experience	Target CEO resigned in May and left a void in leadership
Offerings	Good mix of products and many discounts & rewards for loyal customers	Undiscounted prices are high for irregular customers
Marketing	Differentiate with appealing stores and fashionable low priced merchandise	Disappointing sales in new stores in Canada
Personnel	Good benefits which boost motivation	Elimination of health benefits for part-time workers lowers morale

Finance	Target has continued to make a positive net income	Target data breach hurt sales for first half of year
External Factors	Opportunities	Threats
Consumer/Social	Physical stores allow consumers to get needed merchandise right away	Low prices and next-day delivery offered online
Competitive	E-commerce allows big-box stores opportunity to downsize buildings	Online retail only businesses have less overhead costs
Technological	Internet increasing access for consumers to shop online	Online shopping allows consumers to compare prices
Economic	Increase in U.S. consumer spending	Consumers not shopping in stores as much

Table 1 SWOT for Target Corp.

SWOT Description

Strengths

Target is a large upscale discount retailer that offers both owned-brand and exclusive brand merchandise. Target seeks to differentiate itself from other retailers by providing everyday items along with fashionable merchandise at easy-to-navigate stores for a great guest experience. Target offers good benefits such as health insurance, 401k plans, vacation days, and tuition reimbursement which keeps employees motivated (Target 2013 Annual Report). Target offers price matching and discounts

such as the REDcard which allows guests to link their debit card to a Target REDcard and get 5% off all purchases and free shipping from online purchases and price matching to ensure Target lives up to its “Expect More. Pay Less” brand promise (Mission & Values). Target recently appointed Brian Cornell as Chairman and CEO which brings a sense of innovation as this would be the first time Target has appointed a CEO outside of the company. It brings a sense of stability and allows interim CEO John Mulligan to return to his position as CFO (Zionbro and Lublin). Target has remained in positive territory for 2013 and thus far in 2014 (Target 2013 Annual Report).

Weaknesses

Target had a troubling slow start in 2014 due to the data breach that lowered consumer confidence in the retailer. Target CEO Gregg Steinhafel resigned in May 2014 after mounting pressure from top executives. Target stores in Canada performed poorly and the data breach added negativity to the retailer which eventually led to his resignation (Zionbro and Lublin). Target followed suit with other retailers in eliminating its health benefits for part-time workers. If not managed properly it can lower employee morale (Berman-Gorvine). Target’s differentiation strategy relies heavily on consumer trust and loyalty. Target’s image was damaged by the data breach and poor sales in the first half of 2014 reflected this (McGrath).

Opportunities

E-commerce has shifted the way consumers are shopping in the 21st century and Target can use this to its advantage. Target can begin to downsize its large buildings to

decrease cost. Online retailers such as Amazon offer low prices due to not having physical stores and only selling products online. Stores are still needed because online sales only make up a small percentage of overall retail sales. Target can compete by lowering overhead cost of the buildings and increase sales online (Welch, Burritt and Coleman-Lochner). As the U.S. economy continues to rebound and add more jobs, this will add to consumer spending (Sharf).

Threats

Retail giants have become too big and left themselves exposed to decrease in shoppers at physical stores. The retail environment is shifting as many consumers prefer shopping online and comparing prices with different stores to find the best deal. Amazon took advantage of this gap and started an online retail business with no physical stores. It has taken market share from big-box stores due to its low overhead cost allowing it to offer low prices. The lack of consumers buying merchandise in the physical stores increases overhead cost to Target. (Reingold and Wahba). Target must not mismanage the way it downsizes its stores because most retail sales are still done in physical stores. Online sales are growing so there is a need to take steps to ensure there are enough physical stores in opportunistic locations along with an increase in e-commerce tactics to ensure continued growth and stability (Welch, Burritt and Coleman-Lochner).

Industry Analysis: Trends in the Retail Industry

Consumer behavior over the last decade has shifted to purchasing merchandise online. Many online retail stores such as Amazon can offer low prices and compete with big-box stores like Target and Wal-Mart. Best Buy Co. is closing down 50 of its big stores. Target is in a better position than Best Buy because they are diversified in the products they sell whereas Best Buy is heavily focused on Consumer electronics. Target and Wal-Mart have recently been shifting their business to smaller stores. Physical buildings aren't the problem as much as they must shift their business models to match the consumers of today. Many consumers are price sensitive and some like to make purchases online. Target and other big-box retailers need to work to increase online sales revenue and lower cost to compete in today's retail environment (Welch, Burritt and Coleman-Lochner). Retailers in the U.S. are having trouble because they have a large square foot per capita of retail space and the trend towards online shopping do not help the cause. American stores have a 52.4 square footage per capita whereas other countries have a lot less, such as Germany who has 16.4. The industry shows an overall trend towards square footage reduction with many retailers opening smaller stores and also an increasing competition in the e-commerce market. Online sales currently only account for 6.4% of overall retail sales in 2014 but they continue to outpace in-store sales on a year over year basis (Reingold and Wahba).

Competitor SWOT Analysis: Walmart Stores Inc.

Walmart Stores Inc. is by far the biggest retailer in the world with multipurpose stores in the United States, Canada, Mexico, and to other parts of the world. Their stores

consist of super centers, supermarkets, and warehouse clubs. It also includes business in e-commerce such as Walmart.com. The company offers an array of products through its stores. In the supermarket arena, the company offers meat, dairy, bakery, frozen foods, as well as alcohol and stationary products. Their retail stores are filled with various products and sectioned into different departments such as electronics, health products, automotive, footwear, communication equipment, and gardening outdoor products. The company has an approximate of 11,000 stores under 71 banners in 27 both domestic and international.

Walmart SWOT Analysis

Internal Factors	Strengths	Weaknesses
Offerings	Being able to compete in smaller venues like supermarkets	Low profit margins are always a risk
Marketing	Resources to improve ecommerce	Needed improvements in ecommerce
Personnel/Management	Professional opportunities growth	Lower benefits offer to employees
Finance	Increases in revenue	Loss in revenue due to shoplifting

External Factors	Opportunities	Threats
Consumer/Social	Openings of smaller stores serving smaller communities	Not being a good citizen of the planet with respect to environmental
Competitive	Continue growth in the	Opening mega stores

	opening of super centers	requires big cash out flows
Economic	Consumer confidence is increasing	Lowering product prices reduces profits
Legal/Regulatory	New wages could increase consumer spending	New legislations to increase minimum wages

Table 2 SWOT for Walmart

Walmart strengths and opportunities summary

Strategically located small stores in small communities position the stores as major competitor with supermarket chains, pharmacies, and local retail stores. A store manager of a Walmart store located in a small community states, "For us, it's all about the customers being able to come in and get their immediate needs met". This gives the company the diversity in being able to compete not only on large venues like superstores, but smaller business venues as well (Placek).

Walmart continues its expansion of opening new super centers in Canada. The company continues to gain consumer confidence in the Canadian market by providing a one stop shop. The goal of the superstores is to be well supplied with grocery items normally found at the local supermarket chains. The company expects to increase its market presence by opening more super center stores (WalMart Stores Inc International Conference for the Investment Community Merchandise Growth Strategies - Final).

The company is able to make profits in spite of various losses. The company was able to increase net sales by \$11.9 billion even with losses of \$5 billion from currency exchange rate fluctuations and \$730 million benefit expenses from acquisition cost

(WalMart Stores Inc International Conference for the Investment Community Merchandise Growth Strategies - Final).

"Economic perceptions signaled positive momentum as global job prospects, personal finances, and spending intentions cautiously edged up in Q1 2013", said Dr. Venkatesh Bala, chief economist at The Cambridge Group. The consumer confidence has increased in several key economies including United States that increase four points over the last quarter. The consumer confidence has also extended into part of Europe and Asia, for example in Germany the growth increase four points while Asian countries such Hong Kong, Japan, South Korea, experienced double digit growth (Nielsen: Q1 2013 Consumer Confidence Climbs in Economies Around the World).

Walmart weaknesses and threats summary

The company continues to struggle in the e-commerce business sector. Rivals such as Amazon.com are continually aggressive in package goods and are capturing market share in the e-commerce sector. As e-commerce continues its expansion into urban markets, Walmart will just have to "take another stab" in reaching upscale consumers and instead build smaller stores. The company has made some new efforts in hiring e-commerce experts to establish a strategy to catch up with the well-established competitors such as Amazon.com (Neff).

The public perception has a negative effective on the company revenues. An internal marketing report by Walmart's then agency stated, "Bad corporate citizen who doesn't treat employees well and isn't acting as a good citizen of the planet (Kabel). This

claim is of no surprise since it is not uncommon to see news stories of Walmart being involved in litigation issues about employment discrimination, and environmental issues (Meeks).

Competitor SWOT Analysis: Sears Holding Corporation

Sears Holdings Corporation operates retail stores in the United States and Canada. The company operates under two company names: Sears and Kmart. Kmart offers merchandise under “Jaclyn Smith, Joe Boxer, and Alphaline labels”. Sears provide different departmental products such as women and men clothing, electronics, garden equipment. The company is supplied by well-known brands such as Kenmore, Craftsman, Diehard, and Lands End just to name a few. Other services include home improvement services from installations of household equipment to repairs. The company is composed of approximately 1,980 stores in the United States and 449 stores in Canada.

Sears Holding SWOT Analysis

Internal Factors	Strengths	Weaknesses
Offerings	New stores designs	Stock between Walmart and Target economic demographic
Marketing	Increase revenues with holiday promotions	Stop running promotional adds
Personnel/Management	Strong management team	Declining personnel in service department

Finance	Sales of store offset losses	Declining profits in Canadian chain of stores
External Factors	Opportunities	Threats
Consumer/Social	Increases in electronic and communication equipment	IT Staff not proactive, but reactive
Competitive	Kmart is a well-known company name	Competing against well establish competitors like Walmart and Target
Economic	Projected US economy to increase through 2014	Conflicts between congressional budget legislation could slow growth
Legal/Regulatory	Product recalls regulatory	Possibility of class action law suit due to collection practices on customers who filed bankruptcy

Table 3 SWOT for Sears Holding Corp.

Sears Holding strengths and opportunities summary

The US in the Consumer Electronics category is expected to grow at 2.86% between 2012 and 2017. The biggest growth will be in the communications equipment with a potential increases in revenue to approximately 5.98% (Consumer Electronics Retailing in the United States: Market Snapshot to 2017).

The US treasury department has forecasted increases in the general economy extending through 2014. The Treasury is predicting a 9% increase from the year 2013.

This was possible by the congress approval for the budget, therefore, reducing hurdles in future economy (PROSPECTS 2014 Q2: US Economy).

In an effort to increase sales Kmart stores are undergoing in a new store design to attract customers. This is the story of famous sisters named Kim, Khloe and Kourtney Kardashian that brought 29 year old mother who normally shops at Nordstrom Rack to stop at a Sears store in the mall. "Normally I wouldn't shop at Sears at all, but a \$38.99 black jumpsuit looked promising compared to \$68 at other stores". By combining Sears brand and reputation in customer service, the company is strong in attracting new customers (Kmart Offers One-Stop-Shopping Destination for Families).

Sears Holding weaknesses and threats summary

The company is struggling to capture profits in its Canadian stores. They posted \$11-million loss in its most recent second quarter, however the company losses could have been worse provided that they were able to vacate two Toronto stores, therefore reducing their losses (Shaw).

The continued struggle in agreements among congressional representatives could halt the economy. These budgets is an indirect cause an effect to the general economy since they affect the largest government agencies such as the defense industry which accounts for a large percentage of government fiscal expenditures. Any disruption in the flow of funding in these government agencies could slow the economy growth yet affecting retail sales among other businesses (Gray).

State your "educated" opinion regarding "gaps" in the market: targets, positions

While both companies Sears Holding and Walmart target their own customer segmentation whereas is by demographically, geographically, internal customer relationship management, they both experience a market gaps when it comes to fulfilling the expectations consumers have in mind when shopping in their locations. Sears shows signal of market gap in the service repair and sales in appliance which is an odd area for Sears to not do well. As Sears report net losses in appliances, home repair stores such as The Home Depot and Lowe's report double-digit gains (Kapner). This was also revealed when their projected revenues sales in the service home improvement fail short with the Canadian home improvement consumer. As for Walmart it also reveals market gap in the home appliance business and have begun testing in a few Dallas-Fort Worth stores. The first stores: a Supercenter in Frisco and stores in North Richland Hills and in Fort Worth (Walmart Testing Home Appliance Sales, First in Texas). The home appliance segment appears to be underserved as Sears loses its control of the market with in appliance sales and competitors begin to position themselves to obtain a higher market share. Consumers' disposable incomes are increasing and they are remodeling their homes at a higher rate than in previous years (Consumer Appliances in the US). As consumer confidence builds, appliance sales will rise as consumers invest in their homes and the appliances used to improve their lifestyle.

Customer Analysis

In terms of customer analysis, the components in this section describes (1) the characteristics of consumers (2) market segments and (3) industry trends

Customer Characteristics at the industry level

Consumers that shop at Target represent a broad range of demographic, socioeconomic and behavioral characteristics.

“Demographically, Target mostly consists of women of the median age 42, with 50% of them having children at home and 48% of shoppers have completed college and earn approximately \$63K per year. The target market tends to be families with lower income brackets and parents with children. It emphasizes on wholesale and convenience for long-term home and grocery shopping” (Target Corporation’s Environmental and Consumer Behavior). Target also has a higher affinity with Millennials and Hispanics (Target Corporation Financial Community Meeting - Preliminary). The company understands that the focus is the attitudinal and behavioral union of consumers who love to shop, consumers who use technology, & consumers who are deal conscious.

Define the segment(s)

The Target market for Target Incorporated could be broken up as follows:

Segment Name	Demographic	Behavioral
Moms of median age	35- 50	Time pressured & family orientated

Middle income families	35-65+	Saving & deal conscious
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Woman of median age want convenience for they are pressed in time and have young children who also have a say in the decisions from the household. Middle-income families with an approximate income of \$64K are looking for deals that will best suit their financial needs. Approximately 43% have children at home and about 57% have completed college. (Corporate Fact Sheet)

Industry trends

Socially

Target is aware of the social media trends and is committed to proving the support to their community through this business strategy. The effect of these trends on the industry level is being able to provide news to a large amount of people at any specific time. “Target has a massive social audience including Twitter, Facebook, Instagram, YouTube, Pinterest, Vine, and LinkedIn followers” (Target on Social Media: How the Retail Giant Markets to a Social Audience of 138 Million | Simply Measured). They all allow different consumers of different interest to follow to the Target experience they want. This community involvement has strengthened the brand image and reputation of the company.

Environmental

Target is committed to achieving milestones in the business by using resources responsibly, eliminating waste and minimizing carbon footprint. This effect of this trend on the industry is to be more environmental savvy because recent years have proven customers own sense of desire to help the environment. Target is careful about recycling and disposing of electronic waste as well as merchandise and materials used in the supply chain. “Our goal is to reduce our operating waste by 15 percent by the end of the 2015 fiscal year” (Our Carbon Footprint & Resource Conservation | Target Corporate)

Target is aware how social and environmental trends can be used to make possible positive impacts. However, these trends also have uncontrollable factors. The diversity of values in different societal, business and corporate cultures makes it difficult to agree on what is the correct way to agree for social responsibility and ethical choices on environmental trends. However, Target will continue to base industry trends with “sustainable development...” in which they will be “conducting business in a way that protects the natural environment while making economic progress” (Kerin, Hartley and Rudelius 74).

MARKETING & PRODUCT OBJECTIVES

Target’s marketing intent is to take full advantage of its brand potential while building a base from which other revenue sources can be mined both in and out of the current retail segments. Our current store locations and on line services will serve as the

platform to expand new test markets and further drive our sales revenue potentials. These are detailed in four areas below:

Current Markets

Current markets will be grown by introducing our line of large appliances. This new line will complement our small appliance and electronic departments while delivering or guest the same values as the rest of our merchandise selection. We will be true to our motto of “Expect More. Pay Less brand promise. ®”. This new line will help increase same-store sales over the previous years and continue to increase as our guest awareness increases of this line of large appliances. In addition, this line will solve the gap our guests face large appliances are not easily accessible.

New Markets

Within three years, we will have our new line successfully rolled out in 500 stores (25% of total store count). The initial roll out will take place in the higher volume stores in California, Texas, Florida, and Illinois. These states have the highest concentration of store and will serve as our initial focus group. This will allow Target to compete in a new market which is experiencing an increase in sales volume. Target would be positioned to capture 10% of the total market share of the \$18 billion in annual revenue in the major appliance industry (Household Appliance Manufacturing - Quarterly Update 8/11/2014). According to Whirlpool, an improving housing industry and a pent up in demand for appliance replacements has resuscitated the market. Whirlpool expects to see an increase in unit shipments in the U.S. by 5% to 7% in 2014 (Tita).

New Product

Target will introduce a complete suite of large appliances which consist of five major components: refrigerators, range, dish washer, washer, and dryers. The collections will include Samsung Electronics Co and LG both manufactured in South Korea and a private label collection “ Bull's-eye” which is manufactured in the U.S. by Whirlpool. The “ Bull's-eye” label will deliver the highest quality utilizing the latest technology and energy efficiencies at a value price for our guest. It will be backed by Whirlpool's manufacture warranty. Delivery of the entire line of appliances will be available for delivery the next day from purchase.

Target Market

The primary target market for Target's new line will be new and current homeowners which are looking to purchase/replace an appliance with high quality, energy efficient units at affordable prices.

Target's pricing strategy will be to offer competitive prices on name brands and exceptional cost savings when purchasing the “ Bull's-eye” appliances in combination with the REDcard savings of 5%. When you add it all up, our guest will be offered an unbeatable price in the market. The initial introduction will be advertised on the front page of the weekly ad distributed via direct mail and supported on TV and Radio

broadcast in addition with social media. Our loyal guest will see the exceptional value and trust our brand as we have proven to produce quality products.

Points of Difference

The “points of difference” – that make “🎯 Bull’s-eye” appliances unique relative to competitors – fall into three important areas:

- Innovation at the lowest price. Our “🎯 Bull’s-eye” appliances will provide the latest in innovation at the lowest cost as promised to our guests with our mission, “Expect More. Pay Less”.
- World class shopping experience. Our guests are familiar with our exceptional store experience accompanied by our knowledgeable guest service they can expect when purchasing their next home appliance.
- Next day delivery and installation. Our logistics team has the latest in technologies to ensure 100% delivery and installation by certified technicians.

Positioning

Target has been known for superb customer service throughout its history as a preferred shopping destination for fashionable trends, innovative products, and a one stop destination. Our guests can now feel confident our knowledgeable team members will be able to service their needs with the home appliance collection. Target’s “🎯 Bull’s-eye” appliances will offer a tremendous value to our guest at the lowest price due in the market. It will have all the bells and whistles currently available in top brands and the

reliability of proven models from Whirlpool. Target will display the “🎯 Bull’s-eye” collection side by side with Samsung and LG collections for easy comparison of the features and cost. In addition, our best in class customer experience will provide our guest with a knowledgeable team member who will assist to determine the best choice for their needs. Our guests will not have to go to a cold hardware facility which is limited in knowledgeable staff to shop for their home appliances. Target’s Price Match Guarantee will further ensure our guests will not be under sold when making a large purchase in our stores. Our marketing campaign will introduce the “🎯 Bull’s-eye” appliance collection in the focus area. The goals it to build its customer perception of low cost and poor reliability to an excellent value and high reliability as customer become more familiar with our private label and word of mouth spreads as demonstrated in Figure 3.

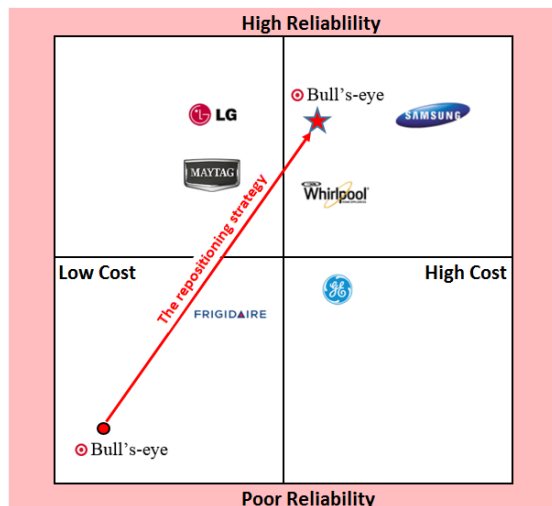


Figure 3- Perceptual Map of Target's private appliance label

MARKETING PROGRAM

The four marketing mix elements of the Large Appliance Line marketing program are detailed below. Note the new product line will consist of three brands: Samsung Electronics Co, LG, and our private label “🎯 Bull’s-eye” which is made by Whirlpool. This will allow us to provide a Good, Better, and Best and show the added value when purchasing our “🎯 Bull’s-eye” collection.

Product Strategy

After first summarizing the product line for each brand, the approach to product quality for our private label “🎯 Bull’s-eye” is covered.

Product Line.

Target’s product line consist of five major components: refrigerators, range, dish washer, washer, and dryers from three brands:

- Samsung Electronics Co
 - Refrigerator retailing at \$1,699.99 is a larger capacity 24.5 cu. ft. with Side-by-Side doors available in stainless steel.
 - Range retailing at \$2,299.99 is a 30” Flex Duo Slide-In Electric Range z/ Convection Oven available in stainless steel.
 - Dish Washer retailing at \$1,199.99 is a 24” Built-In with Water Wall system available in stainless steel.

- Washer retailing at \$999.99 is a 4.2 cu. ft. Front-Load Washer w/ Steam Washing in Stainless Platinum.
- Dryer retailing at \$999.99 is a 7.5 cu. ft. Electric Dryer in Stainless Platinum.

- LG
 - Refrigerator retailing at \$1,299.99 is a larger capacity 26 cu. ft. with Side-by-Side doors. It will be available in white and black finishes. Stainless steel available for an additional \$200.
 - Range retailing at \$949.99 is a 6.3 cu. ft. Freestanding Electric Range available in white and black finishes. Stainless steel available for an additional \$50 and gas option for an additional \$150.
 - Dish Washer retailing at \$649.99 is a 24" Built-In with Flex EasyRack system available in white & black. Stainless steel available for an additional \$150
 - Washer retailing at \$899.99 is a 4.3 cu. ft. Ultra Large Capacity Front Load Washer w/ Steam in White. Graphite Steel available for an additional \$100.
 - Dryer retailing at \$899.99 is a 7.4 cu. ft. Ultra Large Capacity Steam Dryer. Graphite Steel available for an additional \$100.

- Target's private label "🎯 Bull's-eye

- Refrigerator retailing at \$1,099.99 is a larger capacity 26 cu. ft. with Side-by-Side doors. It will be available in white and black finishes. Stainless steel available for an additional \$150.
- Range retailing at \$849.99 is a 6.4 cu. ft. Freestanding Electric Range available in white and black finishes. Stainless steel available for an additional \$50 and gas option for an additional \$100.
- Dish Washer retailing at \$549.99 is a 24" Built-In with Easy Load Rack system available in white & black. Stainless steel available for an additional \$150
- Washer retailing at \$799.99 is a 4.5 cu. ft. Ultra Large Capacity Front Load Washer w/ Steam in White. Graphite Grey available for an additional \$100.
- Dryer retailing at \$749.99 is a 7.5 cu. ft. Ultra Large Capacity Steam Dryer. Graphite Steel available for an additional \$100

Unique Product Quality.

Target's private label "🎯 Bull's-eye" will be manufactured with highest quality materials, latest technology available in the industry, and energy efficiencies as we look to reduce our energy consumption. Our "🎯 Bull's-eye" brand is manufactured by Whirlpool which has 103 years of home appliance experience selling approximately \$19 billion annually in more than 130 countries around the world (Corporation). Our partnership with Whirlpool represents the quality and innovation our guest are looking for and combined we can leverage our purchasing power and store locations to deliver this exceptional value. In addition, our "🎯 Bull's-eye" brand will be manufactured in the United States which will help contribute to our guest's local economy.

Pricing Strategy

Target currently partners with LG, Samsung, and Whirlpool for different products. We will expand on this partnership with the addition of our large appliances. We will offer these products slightly below market price to adhere to our “Expect More. Pay Less” brand promise. The price of the items will be slightly lower than our competitors but not too much because additional offers such as the Target REDCard 5% discount and other promotions will add extra incentives and will lower the price even more. We will also use the odd-even pricing method to generate demand for our appliances. We must have a price that is competitive but allows Target to maintain a reasonable profit or at least cover our cost as we establish ourselves in the home appliance market. Our “🎯 Bull’s-eye” brand will be introduced as the lowest priced item with a high quality to ensure we can establish a strong partnership with Whirlpool as they create our high quality private branded appliances.

Kitchen Appliances

LG					
Refrigerator Model	Retail Price	Target's Price	Range Model	Retail Price	Target's Price
LSXS26326S	\$1,499.99	\$1,299.99	LRE3083SW	\$1,049.99	\$949.99
Dishwasher Model	Retail Price	Target's Price			
DLEX4070W	\$999.99	\$899.99			

Samsung					
Refrigerator Model	Retail Price	Target's Price	Range Model	Retail Price	Target's Price
RS25H5121BC	\$1,799.99	\$1,699.99	NE58F9710WS	\$2,399.99	\$2,299.99
Dishwasher Model	Retail Price	Target's Price			
DW80H9940US	\$1,299.99	\$1,199.99			

🎯 Bull's Eye (Whirlpool Models)					
Refrigerator Model	Retail Price	Target's Price	Range Model	Retail Price	Target's Price
WRF560SMYM	\$1,199.99	\$1,099.99	WFG320M0BS	\$949.99	\$849.99
Dishwasher Model	Retail Price	Target's Price			
WDF540PADW	\$649.99	\$549.99			

Laundry Appliances

LG					
Washer Model	Retail Price	Target's Price	Dryer Model	Retail Price	Target's Price
WM4070HWA	\$999.99	\$899.99	DLEX4070W	\$999.99	\$899.99

Samsung					
Washer Model	Retail Price	Target's Price	Dryer Model	Retail Price	Target's Price
WF42H5200AP	\$1,099.99	\$999.99	DV42H5600EP	\$1,099.99	\$999.99

🎯 Bull's Eye (Whirlpool Models)					
Washer Model	Retail Price	Target's Price	Dryer Model	Retail Price	Target's Price

WTW4800BQ	\$899.99	\$799.99	WED4800BQ	\$849.99	\$749.99
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Promotion Strategy

Target will be directing the promotional mix to channel members to establish cooperation in ordering and stocking the product (Kerin, Hartley and Rudelius 326). Target will need to focus on a push strategy that will introduce the large appliances line aggressively because they will be competing with already established brands sold by other retailers. This strategy will be even more effective with our private level, “ Bull’s-eye”, since consumers will be unfamiliar with this new brand and brand awareness must be created quickly. Push strategy focuses on value and our focus with this new private label will be just that, an unbeatable price for a high quality product. This strategy will include mass media advertising, customer relationship management (14), and sales promotions (322) (Kerin, Hartley and Rudelius). The promotion mixes are all integrated to reinforce each other by advertising great product quality, identifying prospective buyers, service and having great pricing and purchasing strategies. The strategies will all be consistent and complementary to increase the sale turnover.

Promotion Strategy

Our push strategy will have Target placing the product in front of the customer. Therefore, placement and high visibility of this new line will be of importance. Not to

mention, advertisement to make sure the consumer will be aware of the existence of this new line and the private label Target will be offering. Additionally, key promotion programs feature 12 Month Same as Cash, Lease to Own Program, Next Day Delivery.

12 Month Same as Cash.

This element will focus on customers who are in need of the appliance immediately but can't financially afford to splurge on a large appliance. This helps promote towards individuals that interested in having appliances at an interest-free loan for twelve months. We will offer this for customers who sign up for our store REDcard credit card. This feature plus savings of 5% when signing up for the Target card will promote our guest an unbeatable price in the market. Customers will be able to make minimum payments during the promotional period knowing if they don't pay off the balance in full by the end of the promotion period a retroactive interest from the beginning of purchase will apply.

Lease to Own Program.

This promotional element will target low-income guest. Shoppers who don't have enough cash or credit to buy a large appliance will benefit from this feature. Some guest will not have the option to buy new appliances when their refrigerators, dishwasher, range, washer and/or dryers break. Therefore, Target will be providing those options for them. Guest who selects Target's lease-to-own financing will make the first lease payment at the store and then will be able to make monthly payments. The

guest will be able to make payments at the store or for their convenience an automatic bank withdrawal.

Next Day Delivery.

This will provide premium delivery within one day for our guest that would want expedited delivery. Also will be additional convenience for guests that do not have the means of being able to deliver large appliances home. Plus additional benefit of being able to connect to water line and test the equipment if needed for the appliance. Power up the unit, level and test it. This will compete with other companies, for example Sears, which also offers different delivery options and service upon delivery.

Place (Distribution) Strategy

The selective distribution strategy will be the most effective distribution implementation for large appliances since this is the most widely used distribution strategy used by other major competitors like Walmart, The Home Depot, and Sears Holdings (Journals). The selective distribution strategy takes into account many logistical factors that have a direct cost effect on the sale of large household appliances. Some of the major expenses are the cost of warehouse personnel as well as storage space, the cost assigned to store square footage space inside the store, technical support specialists, shipping and delivery cost from manufacturer and to consumers, and a service department in charge of home installations (Business And Economics).

The stores located near to new housing construction development will be the first line of stores chosen to offer sales of large household appliances. Historical sales of

large home appliances are predominantly from new home purchasers. Other stores will be evaluated in the type consumers within their geographical location by considering factors such as population demographics, family size, household income level, and percentage of homeownerships in a given location. All these factors will be carefully analyze in order to maximize profits and reduced risk (Journals). Target stores that meet the above criteria will be the ones equipped to sale large household appliances.

FINANCIAL DATA AND PROJECTIONS

Past Sales Revenue

Target currently does not have sales revenue in large home appliances. This will contribute to future sales revenue without impacting current product lines. On the contrary, this new product line will complement the small appliance category.

Five-Year Sales Projections

The US consumer bureau sales for house hold appliances are expected to be stable for the next five years staring year 2014⁴. The US industry is mainly composed of 300 manufacturers of household appliances generating annual revenues of \$18 billion dollars (Household Appliance Manufacturing - Quarterly Update 11/3/2014).

Although international manufacturers do have a market share in US home consumers their percentage of market share in the US is minimal.

The projected unit sales for the next five years⁵ are derived from information retrieve about industry percentage sales as explain above. The projection is adjusted quarterly with a growth rate between five and fifteen percent per year. First year projections on sales are estimated at \$77 million composed of 107 thousand combine units from refrigerators, washer and dryer, range, and dishwashers⁶ as shown in Table 4. It is estimated that by the year five sales should be close to \$160 million with a total of 500 thousand units sold. The growth will continue until market share maturity, which it should experience a slightly decrease due to market share adjustments before reaching stability (Ltd 2014).

FIVE YEAR PROJECTED SALES SEASONALLY ADJUSTED BY QUARTER										
	Refrigerators		Washer and Dryers		Dishwashers		Range		Grand Total	
	Dollar sales	Unit sales	Dollar sales	Unit sales	Dollar sales	Unit sales	Dollar sales	Unit sales	Dollar sales	Unit sales
TOTAL YR 1:	\$18,000,000	15,000	\$18,000,000	21,177	\$36,000,000	65,456	\$5,400,000	6,353	\$77,400,000	107,986
TOTAL YR 2:	\$21,600,000	18,000	\$21,600,000	48,000	\$43,200,000	216,000	\$6,480,000	7,624	\$92,880,000	289,624
TOTAL YR 3:	\$25,920,000	23,564	\$25,920,000	57,600	\$51,840,000	259,200	\$7,776,000	9,148	\$111,456,000	349,512
TOTAL YR 4:	\$31,104,000	28,276	\$31,104,000	69,120	\$62,208,000	311,040	\$9,331,200	10,978	\$133,747,200	419,414
TOTAL YR 5:	\$37,324,800	33,932	\$37,324,800	82,944	\$74,649,600	373,248	\$11,197,440	13,174	\$160,496,640	503,297
GRAND TOTAL	\$249,897,600	222,544	\$249,897,600	536,505	\$499,795,200	2,384,432	\$74,969,280	88,200	\$575,979,840	1,669,833

Table 4- Target's Five Year Projected Sales for Home Appliance

ORGANIZATION

Target Corporation's present organization appears in Figure 3. It shows the seven directs under the President and CEO Brian Cornell. Below this level of management are additional layers of management which consist of Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, and Managers.

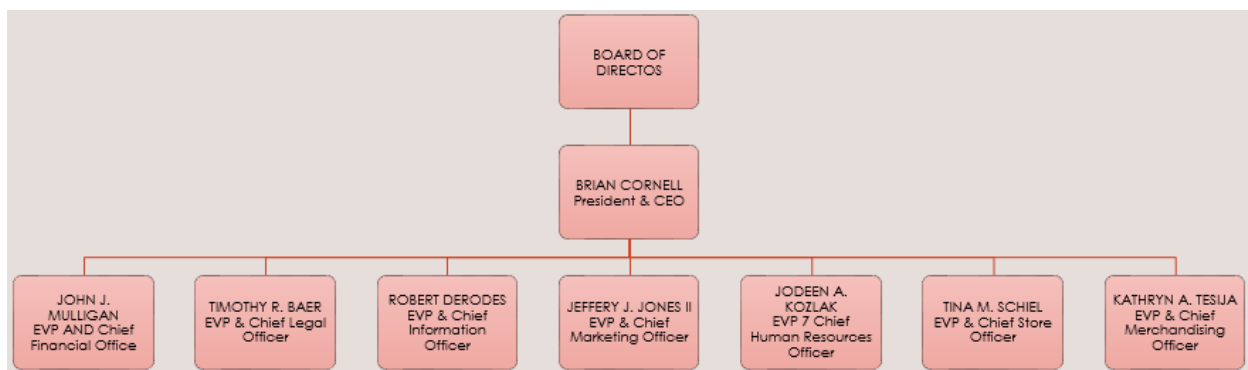


Figure 4 Target's org chart- target.com/leadership

Under the Chief Merchandising Officer we have Jose Barra EVP Merchandising, Essentials and Hardlines who oversees small appliances, electronics and kitchenware. We recommend creation of a new position, SVP of Large Appliance reporting to Jose Barra. The SVP will have his/her own directs which will be responsible of the forecasting, buying, implementation, merchandising, and training of this new product line. In addition, highly experienced team members with past appliance experience will be required to provide guest the highest level of service and drive sales performance.

IMPLEMENTATION PLAN

Timeline

Target currently has 1,801 stores in 49 states and 133 stores in Canada. We will begin by adding our large appliance section to our top 500 high volume store locations in California, Texas, Florida and Illinois as well as online at our Target.com website. California has a total of 250 stores and we will begin by offering our large appliances in 220 best performing stores starting in mid-2015 based on our results of fiscal year ending 2014. Texas has a total of 149 stores and starting in mid-2016 we will offer our large appliances in the top 120 performing stores based on the financial results of fiscal year ending 2015. Florida currently has 123 stores and Illinois has 90. We will take the top 160 stores based on fiscal year 2016 financials and offer our large appliances in mid-2017 in these stores. Offering the large appliances mid-year allows awareness to build amongst our customers before the holiday season when sales spike.

Year	New Markets Added Each Year	Cumulative Markets	Cumulative % of Major U.S. Markets
Year 1 (2015)	220	220	0.43%
Year 2 (2016)	120	340	2.1%
Year 3 (2017)	160	500	3.5%

EVALUATION

Once we finish implementing the launch of all the planned stores in year 2017 we expect to be in control of 3% of the total market for large home appliances. We will evaluate initial sales for the first stores at the end of 2015 as well as year-over-year sales in 2016 to see how same store sales progress over time. We will continue to monitor

year-over-year sales throughout the launch and see what is affecting sales so that we may update the marketing program as needed to adapt to the environment. If our initial launch progresses well with the planned 500 stores we will continue to offer our large appliances in more stores. If the program is not successful and any changes marketing changes made do not make Target competitive in the large home appliance market, we will phase the large appliances out of our 500 initial stores after 2 unsuccessful year-over-year sales growth.

CONCLUSION

Overall, Target's objective is to be the preferred shopping destination that continues to deliver outstanding value, continuous innovation, and exceptional guest experiences. Target's marketing plan starting with the SWOT analysis evaluated the strengths, weakness, opportunities and treats. This allowed understanding of its current position for a new product. With these in mind and after doing a thorough analysis Target can confidently introduce a new line of large appliances for the home.

Target's product line consisting of five major components of refrigerators, range, dish washer, washer and dryers, will add to the company's mission, goals and core competencies that we try to accomplish. This line produced by three well-known brands, including Whirlpool who will manufacture Target's private label, "Bull's-eye", will all add value to Target. This quality product line of large appliances has never been introduced to Target. Yet, they will appeal to our guest because we are

confident they will be of the highest quality materials, latest technology, and energy competences that we look in to reduce our energy consumption.

Whirlpool has had an exceptional brand name that has been trusted over the years and now being partnered up with Target it will represent beyond the quality and innovation our guest desire. Not to mention, the added pricing, promotional and pricing strategies we've outlined will all generate a new source of revenue for this company. Target expects this product line to complement with the small appliance category they already provide to guest that will increase future sales revenue. Within the five-year sales projection, Target is estimating they will be close to \$160 million on large appliance sales.

Target's marketing plan intent will be to take advantage of its already well-known brand and further benefit from another base of revenue source. Target will initially add large appliance to our top performing 500 stores located in California, Texas, Florida and Illinois. This will give us an understanding of how we will continue to implement large appliance throughout our store based upon these locations performances. Target knows that a new line of appliances and the private label "🎯 Bull's-eye" will demonstrate Target's dedication of not only meeting, but also exceeding our "Expect More. Pay Less brand promise" (Mission & Value). The pricing strategy will allow for our guest to continue their expectations of paying less for a quality product.

Target will continue to offer competitive prices on the name brands and beyond exceptional cost savings with the private label. Additionally, an incentive to save with the REDcard will persuade guest to purchase these items at even a more inexpensive price. Overall, we expect these stores to succeed and continue an increase in sales revenue. Knowingly that our guest will be able to expect a high quality, latest technology and energy efficient valued products within our collection.

Appendix

A.

TARGET CORPORATION

Number of Stores

Annual, Fiscal 1962 to Present

Year-End Store Count by Store Format

Fiscal Year	GM	PFresh	ST	City	U.S. Segment Total	Canadian Segment Total	Grand Total
2013	289	1,245	251	8	1,793	124	1,917
2012	391	1,131	251	5	1,778		1,778
2011	637	875	251		1,763		1,763
2010	1,037	462	251		1,750		1,750
2009	1,381	108	251		1,740		1,740
2008	1,441	2	239		1,682		1,682

B. Target product selection

Products:

Household Essentials:	Electronics:	Major Products and Services:
Beauty Product	Video Game Hardware and Software	Home Decor
Personal Care	Food and Pet Supplies:	Seasonal Merchandise:
Pharmacy Product	Frozen Food	Holiday Decor
Baby Care	Dry Grocery	Patio Furnishing
Cleaning and Paper Products	Candy	Apparel and Accessories:
Hardlines:	Dairy	Apparel
Movies	Deli	Intimate Apparel
Music	Beverages	Shoes
Books	Meat	Jewelry
Sporting Goods	Snacks	Accessories
Computer Software	Bakery	Services:
Toys	Produce and Pet Supplies	Instore Pharmacy
	Home Furnishings and Decor:	Opticals
	Kitchenware	Food Courts
	Furniture	Clinics and Other Amenities
	Lighting	
	Small Appliances	
	Bed and Bath	
	Automotive	
	Home Improvement	

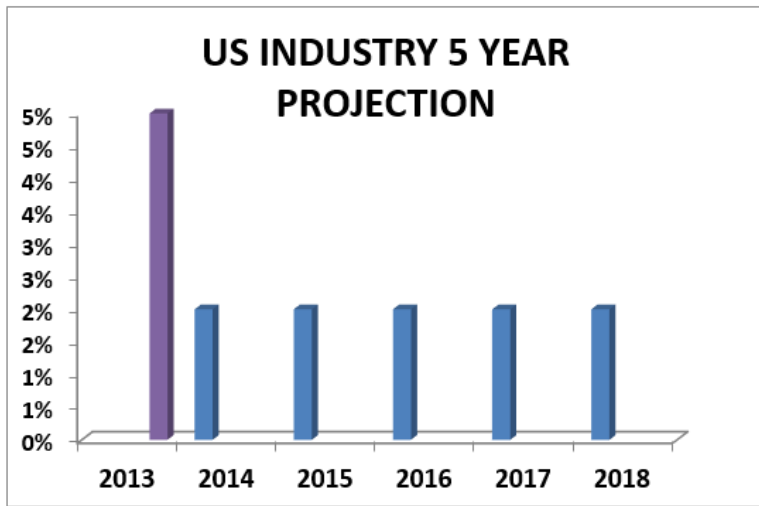
C. Target Household Essential brand samples

Beauty Brands:	Skin Care Brands:	Household Brands:	Pet Supply Brands:
Boots	Boots	Bounty	Boots & Barkley
CHI	Laneige	Charmin	Milkbone
COVERGIRL	Neutrogena	Clorox	Beneful
e.l.f.	Olay	Downy	Pedigree
Laneige	SheaMoisture	Gain	Purina One
L'Oréal		Method	Fancy Feast
pixi		Seventh Generation	IAMS
TONI&GUY		Swiffer	Arm & Hammer
Sonia Kashuk		Tide	PetArmor
SheaMoisture			Tidy Cats

Samples of featured Brands:		
Apple	Huggies	Rachael Ray
As Seen on TV	Johnson's Baby	Room 365
Boho Boutique	Just One You by Carte	Room Essentials
C9 by Champion	Keurig	Rubbermaid
Calphalon	KitchenAid	Shaun White
Chicco	labworks	Simply Shabby Chic
Circo	Leapfrog	Sonia Kashuk
Converse One Star	LEGO	Thomas O'Brien
dENiZEN by Levi's	Lexmark	Threshold
Disney	Liz Lange	TOO by Blu Dot
Dyson	Merona	Xhilaration Home
Fisher-Price	MudHut	
Garmin	Nate Berkus	
Gerber	Pampers	
GE light bulbs	Purina	

* Target.com

D. US Industry 5 Year Projection

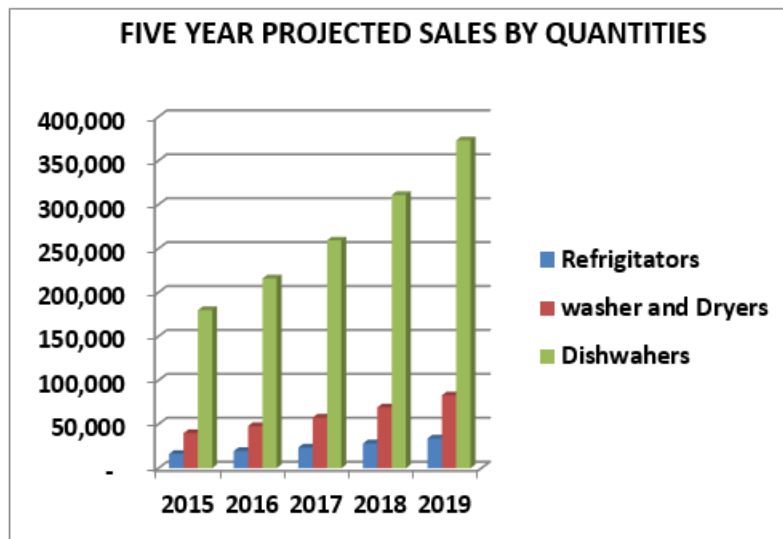


(Household Appliance Manufacturing - Quarterly Update 11/3/2014)

E. Target's Five Year Projected Sales for Home Appliance

FIVE YEAR PROJECTED SALES									
SEASONALLY ADJUSTED BY QUARTER									
	Refrigerators		washer and Dryers		Dishwashers		Range		Grand Total
	Dollar sales	Unit sales	Dollar sales	Unit sales	Dollar sales	Unit sales	Dollar sales	Unit sales	
2015 - 1Q	\$1,800,000	1,500	\$1,800,000	2,118	\$3,600,000	6,546	\$540,000	635	
2015 - 2Q	\$4,500,000	3,750	\$4,500,000	5,294	\$9,000,000	16,364	\$1,350,000	1,588	
2015 - 3Q	\$4,500,000	3,750	\$4,500,000	5,294	\$9,000,000	16,364	\$1,350,000	1,588	
2015 - 4Q	\$7,200,000	6,000	\$7,200,000	8,471	\$14,400,000	26,182	\$2,160,000	2,541	
TOTAL YR 1:	\$18,000,000	15,000	\$18,000,000	21,177	\$36,000,000	65,456	\$5,400,000	6,353	\$77,400,000
2016 - 1Q	\$2,160,000	1,800	\$2,160,000	4,800	\$4,320,000	21,600	\$648,000	762	
2016 - 2Q	\$5,400,000	4,500	\$5,400,000	12,000	\$10,800,000	54,000	\$1,620,000	1,906	
2016 - 3Q	\$5,400,000	4,500	\$5,400,000	12,000	\$10,800,000	54,000	\$1,620,000	1,906	
2016 - 4Q	\$8,640,000	7,200	\$8,640,000	19,200	\$17,280,000	86,400	\$2,592,000	3,049	
TOTAL YR 2:	\$21,600,000	18,000	\$21,600,000	48,000	\$43,200,000	216,000	\$6,480,000	7,624	\$92,880,000
2017 - 1Q	\$2,592,000	2,356	\$2,592,000	5,760	\$5,184,000	25,920	\$777,600	915	
2017 - 2Q	\$6,480,000	5,891	\$6,480,000	14,400	\$12,960,000	64,800	\$1,944,000	2,287	
2017 - 3Q	\$6,480,000	5,891	\$6,480,000	14,400	\$12,960,000	64,800	\$1,944,000	2,287	
2017 - 4Q	\$10,368,000	9,425	\$10,368,000	23,040	\$20,736,000	103,680	\$3,110,400	3,659	
TOTAL YR 3:	\$25,920,000	23,564	\$25,920,000	57,600	\$51,840,000	259,200	\$7,776,000	9,148	\$111,456,000
2018 - 1Q	\$3,110,400	2,828	\$3,110,400	6,912	\$6,220,800	31,104	\$933,120	1,098	
2018 - 2Q	\$7,776,000	7,069	\$7,776,000	17,280	\$15,552,000	77,760	\$2,332,800	2,745	
2018 - 3Q	\$7,776,000	7,069	\$7,776,000	17,280	\$15,552,000	77,760	\$2,332,800	2,745	
2018 - 4Q	\$12,441,600	11,311	\$12,441,600	27,648	\$24,883,200	124,416	\$3,732,480	4,391	
TOTAL YR 4:	\$31,104,000	28,276	\$31,104,000	69,120	\$62,208,000	311,040	\$9,331,200	10,978	\$133,747,200
2019 - 1Q	\$3,732,480	3,393	\$3,732,480	8,294	\$7,464,960	37,325	\$1,119,744	1,317	
2019 - 2Q	\$9,331,200	8,483	\$9,331,200	20,736	\$18,662,400	93,312	\$2,799,360	3,293	
2019 - 3Q	\$9,331,200	8,483	\$9,331,200	20,736	\$18,662,400	93,312	\$2,799,360	3,293	
2019 - 4Q	\$14,929,920	13,573	\$14,929,920	33,178	\$29,859,840	149,299	\$4,478,976	5,269	
TOTAL YR 5:	\$37,324,800	33,932	\$37,324,800	82,944	\$74,649,600	373,248	\$11,197,440	13,174	\$160,496,640

F. Five Year Projected Sales by Quantities



(Ltd)

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