Dear Mr. Cornell:

Thank you for allowing us to research and present a solution to the case. Our team spent many hours together reviewing research, forming our idea, and formatting the report. We hope you enjoy reading our report and considering our idea as an acquisition.

Our idea focuses on the growing market of organic products. According to the USDA, the organic industry has seen increasing sales and is forecasted as a growing market. We propose that Target acquire Abe’s Market to tap into the organic industry.

Abe’s Market is an online retailer of a variety of different organic products from food to home goods. It is a young, innovative company. Abe’s Market started in 2009 and was named one of the 25 Most Innovative Consumer and Retail Brands by Forbes in 2013 (Caldbeck). We believe that Target can expand its Made to Matter campaign through the acquisition and become the leading omnichannel organic retailer.

We would like to thank Indiana University librarians for assisting us in finding research for our idea. We would also like to thank our peers for looking over and giving us feedback on our project. If you have any questions concerning our report or idea, please feel free to contact us either by phone or email. Our phone number is (314) 398-0601 and email is crimsonconsulting2014@gmail.com.

Sincerely,

Nick Brant      Erin Corcoran      Grace Mower      Claire Schapker      Mary Stonner      Mary Wallander

Crimson Consulting
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EXECUTIVE SUMMARY

PURPOSE OF THE REPORT
Crimson Consulting proposes to 1) assist Target’s acquisition of Abe’s Market and 2) facilitate the expansion of Target’s inventory of natural and organic products through omnichannel retailing.

THE ORGANIC MARKET
According to the USDA, the organic market grew substantially in the last decade and will continue this trend into the near future. Therefore, we believe Target can profit from this trend by acquiring Abe’s Market. Organic and natural products have gained significant popularity in recent years, and Target needs to take advantage of this.

ABE’S MARKET
Abe’s Market, an online retailer, sells organic and natural products to customers who strive for a healthy living lifestyle. In conjunction with selling products, its website offers an interactive experience for online customers providing an overview of the products, reviews from past customers, and background information on vendors. Abe’s Market features an online blog that provides organic food recipes, health tips, and information.

THE PERFECT PARTNERSHIP
Furthermore, the acquisition of Abe’s Market will expand the marketing campaign of Made to Matter that Target incorporated into stores. The Made to Matter campaign focuses on integrating organic and natural products into Target that the entire family will love. In combination with its new organic food brand, Simply Balanced, Abe’s Market will provide a wider variety of organic and natural foods that can be found on Target’s shelves and online.

MARKETING THE ACQUISITION
An online marketing campaign will be essential in order to ensure customers are made aware of Abe’s Market. This online marketing will utilize social media platforms such as Twitter, Instagram, and Facebook. In addition to social media, Target will provide a link to Abe’s Market’s website in order to further inform customers of the acquisition. By having a bridge to the Abe’s Market site, Target customers will become exposed to the organic industry and will be driven to buy organic.

PILOTING THE ACQUISITION
To measure customers’ response to the acquisition, we recommend a pilot program in San Francisco. San Francisco was chosen as the pilot city because its residents embrace organic food and place an emphasis on living a healthy lifestyle (Ettinger). As the organic market grows, a pilot program, similar to the one in San Francisco, will be implemented into major cities. Although Target’s organic sales may not substantially change during the first few months of the implementation, there is a high probability that sales will increase as the marketing campaign takes effect. We believe that the online domain, Abe’s Market, will absolutely benefit from the social media exposure (Fidelman). Target can expect increased web traffic and sales stemming from the strategies detailed in the report. The pilot program and Abe’s Market’s online domain will strengthen Target’s organic market share. Through the use of end cap displays, Target can showcase Abe’s Market’s products to customers in its stores.
WHERE WE ARE
WHERE WE'RE GOING
SIMPLY ABE’S

Abe’s Market, an online retailer founded in 2009, focuses on Mindful Living (“What Is Abe’s Market”). Abe’s Market offers its customers a variety of organic and natural products in food, beauty, and household departments through an online domain. Abe’s Market stresses the importance of knowing where products come from and providing its customers an unbeatable online shopping experience. Many brands carried online through Abe’s Market are already carried in stores by Target. We believe Abe’s Market will be a strong addition to the Made to Matter campaign and make Target the leading omnichannel organic retailer.

THE IMPORTANCE OF OMNICHANNEL RETAILING

Today, modern retailers are turning to omnichannel retailing instead of solely operating in brick and mortar stores. According to Bob Pisani of CNBC, one of Target’s main problems is the lack of online shopping for customers. Today, shoppers often turn to internet shopping due to its convenience and accessibility. Unfortunately, Target is not the company consumers think of when they think “online shopping” (Pisani). Rather, consumers turn to companies like Amazon and eBay. This is extremely detrimental for Target and potential sales.

In fact, according to David Schick, a retail analyst at Stifel, half of all retail spending growth occurs online (Pisani). This is a clear indicator that Target needs to move in the direction of an omnichannel business model. Target has realized this and has made bold decisions to lure in customers. According to Nicole Leinbach-Reyhle of Forbes, Target has offered free shipping through December 20th in order to compete with Amazon and Walmart, two of its biggest competitors. This strategic move by Target aims to attract customers during the holiday season. However, it is crucial that Target considers long-term investments that will entice online consumers and make it a formidable player in the online shopping world. Many analysts believe Target’s lack of a reputation for online shopping is the core of its problems (Pisani). Thus, Target has acquired companies to fulfill the gap of online shopping in order to compete in the 21st century.

A LOOK INTO THE PAST

In past acquisitions, Target noticed a lack of market or growth within a certain department
and made the necessary changes to improve each area with an acquisition. In August of 2013, Target acquired DermStore Beauty Group, an online beauty retailer, in order to expand its online beauty retail presence as well as further differentiate the company’s retail segment ("Target to Expand Beauty"). However, the acquisition was viewed solely as a marketing strategy rather than an attempt to further its beauty selections ("Target to Expand Beauty"). DermStore’s success lies within its content beyond its products, such as its video tutorials and blogs. Target realized the positive effects that interactive marketing can have. Recently, Target launched Bullseye View, an online magazine, and gathered more than 15,000 YouTube subscribers further developing its marketing strategy ("Target to Expand Cooking").

Understanding the power of interactive marketing, Target acquired CHEFS Catalog and Cooking.com in March of 2013 (Stock). In efforts to expand its presence in the growing cooking and kitchenware market, Target acquired these online domains. Target also sought to acquire companies that represented expanding product categories important to customers. Both the August and March acquisitions were aimed at growing an existent market, which is comparable to Target’s initiatives in the growing organic industry.

ORGANIC GROWTH IN THE ORGANIC INDUSTRY

The emerging organic industry spans from food products to beauty products and everything in between. Organic purchases contain natural ingredients that comply with USDA National Organic Program regulations ("Green"). Traditionally, organic products are carried in small, local retailers instead of large corporations. However, recent statistics have attracted national retailers.

From 2005 until today, there has been a significant increase in organic sales. The customer demand for organic products has expanded, especially within organic foods. According to the USDA, in 2012 organic food sales reached $28 billion, an 11% increase from 2011. The USDA predicts that organic sales will reach $35 billion in 2014.

Due to the rising demand for organic products, there has been a substantial increase in organic farming. In 2011, there were approxi-
mately 5.4 million acres of organic pasture, range-land and crop-land (Green). According to the Organic Trade Association, this is an increase from the 4.8 million acres in 2008. Thus, the growth of organic products is not a fad, but rather a trend requiring significant investment.

Furthermore, the United States has signed agreements with Canada, the European Union, and Japan to expand trading in the organic market. Currently, agreements are being made with South Korea and Switzerland, demonstrating the global demand for organic goods (Laux).

SHOPPING ORGANIC IN THE RETAIL INDUSTRY

The data illustrates that the organic market is a formidable player in the US and global market. However, finding locations to purchase organic and natural goods can prove difficult.

Whole Foods, the world's leader in natural and organic foods, has 360 stores in North America and the United Kingdom ("Company Info"). According to the Online Ordering and Catering section of Whole Foods Market online, some locations have given customers the option to purchase items online to be picked up at the brick and mortar location. While ordering online and picking up items at the store is convenient, this feature is not available in all locations.

It can also be difficult for customers who do not have access to cars to shop online and pick up their orders at the store later in the day. Additionally, Whole Foods is not geographically located throughout the US like other major chains, making it difficult for consumers to buy products online.

One major retailer who is attempting online ordering combined with in-store pickup is Walmart. Walmart’s pilot project, “Walmart
To Go” in Bentonville, Arkansas, allows a customer to order from a selection of 10,000 products, and then pick up the products at the store (Tuttle). When a customer picks up his or her items at the store, a Walmart sales associate brings the items to the customer’s car. Walmart believes that using the online ordering system makes it easier for customers to stop by after work. Surveys state that “55 percent of shoppers said the idea of grocery pick-up (as opposed to home delivery) appealed to them” because they could get out of the car to pick up the items they may have forgotten to buy (Perez). The ease of ordering groceries online and receiving them same day or the next day lures customers to the website.

The biggest drawback with the “Walmart To Go” program is the lack of organic products. In April 2014, Walmart began carrying Wild Oats products to expand its selection of organic products ("Walmart and Wild Oats Online"). Walmart found that “91 percent of Walmart shoppers would consider purchasing products from an affordable brand” ("Walmart and Wild Oats Online"). The partnership with Wild Oats allows customers to choose from a selection of 100 organic products. It is difficult to discern the recent effects of the "Walmart To Go" program and the Wild Oats partnerships. However, Walmart is not alone in the business of expanding its selection of organic products.

According to Anne Gasparro of The Wall Street Journal, Kroger expanded its presence as an online retailer of vitamins and other nutritional products by acquiring Vitacost.com this year. Kroger CEO Rodney McMullen stated that Vitacost is an attractive “online retail destination in the growing nutrition and wellness market” (Gasparro). The acquisition complements its strategy of growing its omnichannel presence. Kroger plans to integrate its own natural and organic foods into the website. This is evidence that Target, a retailer similar to Kroger, could also benefit from a similar organic acquisition in the future. Target’s current Made to Matter collection further supports this idea.
The Made to Matter campaign is a green, organic-based initiative that launched in March of 2014 (Zmuda). This campaign allows Target to “hand pick” products that embody natural, mindful living, and promote convenient organic shopping. According to Elizabeth Harris of The New York Times, the organic food market has been one of the “fastest growing movements” for consumers. Currently, sixteen top brands including Annie’s, Burt’s Bees, and Method are represented by this platform and approved with the Made to Matter seal.

Each brand sells innovative products that are sold exclusively in Target stores across the country. This not only gives Target an edge over competition, but it also allows Made to Matter brands the opportunity to test new products under a powerful marketing campaign. 97 percent of Target customers said they would buy natural, organic, or sustainable products, proving the strength of the campaign (Harris). These selected products are marketed as healthy family choices, and they appeal to the everyday Target customer. Thus, the Made to Matter campaign benefits customers, Target, and natural brands.

As the need for organic products increases, Target has increased the capacity of developing its organic market selection. It recently partnered with the Honest Company, a natural family brand that, similar to Target, works to provide quality products for reasonable prices (“The Honest Company”).

In addition to the Made to Matter campaign and the Honest Company partnership, Target has recently added its own organic line called Simply Balanced that offers a less expensive alternative to other organic products. Therefore, customers can “expect more and pay less” with several brands that Target offers. Target could expand its omnichannel organic presence through the acquisition of Abe’s Market, an online domain that sells 300 brands of organic and natural products.

FIGURE 5: Products in the Made to Matter Campaign

Source: Target
WHAT TO DO
WHEN TO DO IT
WHY ABE’S MARKET?

If Target wants to become the leading omnichannel organic retailer, we believe Target should acquire Abe’s Market. Abe’s Market is a Chicago-based company that provides natural and organic products from a variety of vendors to its customers (“What Is Abe’s Market”). It offers a wide selection of organic products, making it convenient for customers to purchase items in one place. While all business is conducted online, Abe’s Market strives to establish rapport between customers and producers of the products by stressing the importance of knowing where products come from. This provides customers with an enlightening shopping experience.

This unique focus on customers landed Abe’s Market a place on Forbes’ list of the 25 Most Innovative Consumer and Retail Brands (Caldbeck). Forbes gave this title to Abe’s Market because of its vast selection of over 11,000 products and its partnerships with over 1,000 vendors. Abe’s Market believes in the importance of entrepreneurs in the organic industry and has invested in companies beneficial to the market as a whole. Laura Entis from the online publication Entrepreneur reported that Abe’s Market received $20 million in funding from Mistral Equity Partners, $10 million of which will be used for future investments (Entis).

While Abe’s Market facilitates the success of other companies, the company itself is also becoming more successful. Its estimated annual total sales of $180,000 are projected to grow exponentially (“Abe’s Market- Company Overview”). While small, Abe’s Market has the traction to pick up speed and become an influential company in the organic and natu-

FIGURE 6: Grandpa Abe Polin in his Pharmacy, Polin’s Drugs

Source: Abe’s Market
ral products market. Our recommendations detail how Target can make its acquisition a top performer, all while creating Target’s omnichannel advantage in the growing organic market. Through a social media marketing strategy and a pilot program in San Francisco, the acquisition of Abe’s Market will be the perfect complement to the Made to Matter campaign. It is important to first understand how Target should handle this acquisition.

After acquiring Abe’s Market, Target must take concrete steps that will ensure future success. However, it is a delicate balance of taking an active role in marketing Abe’s Market while still maintaining the integrity of this unique business.

**LEARNING FROM THE PAST**

In order to determine how Target should handle this acquisition, it is imperative to look at past acquisitions. For example, Target acquired CHEFS, Cooking.com, and DermStore within the last year in order to grow its online presence (“Growth Through Acquisition”). In these past acquisitions, Target did not devote resources to marketing these companies. Finding the links to these online partners on Target’s website proves difficult. In addition to lack of acknowledgement, Target takes a minimum amount of ownership on the sites of these acquisitions. As seen in Figure 7, Target is listed at the bottom of Cooking.com’s website as being a partner.

However, Target should take an active role in marketing its partnership with Abe’s Market. Abe’s Market began five years ago with three employees (“What Is Abe’s Market”). While the number of employees has grown, the company is relatively small and lacks the resources Target has available. Target’s ability to reach potential customers through its online presence can facilitate the expansion of Abe’s Market.

**FIGURE 7: Target’s Partnership Displayed**

Source: Cooking.com

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**FIGURE 8: Target’s Past Acquisitions**

Sources: Chefs Catalog, Cooking.com, DermStore
**FIRST STEPS**

The first step in promoting Abe’s Market is adding its link to Target’s website under the Grocery, Household, and Pets departments. The link would bring an online shopper directly to the Abe’s Market homepage where he or she could continue shopping in one location. The link would appear bold and green, as shown in Figure 9, to signify natural and organic products. Making the link bold will attract the attention of an online shopper who may be browsing Target’s site. His or her curiosity will cause the customer to click on the link, finding a wider variety of organic products than Target has to offer in stores. Similarly, Abe’s Market would have a link back to the Target site, creating a bridge for customers to toggle back and forth. Figure 10 is an example of how the Abe’s Market site would appear. Establishing links is the preliminary step in connecting the two companies and creating the seamless omnichannel experience for customers.
Many Abe’s Market customers will be concerned about how Target will keep the company’s integrity and organic appeal after the acquisition. Target can avoid losing current Abe’s Market customers by following precautionary steps. First and foremost, while we plan to implement Abe’s Market into the current business model, we do not recommend changing the brand itself. The company appeals to its customers with a non-corporate atmosphere (Chernova). We plan to continue the non-corporate appeal by marketing Abe’s Market’s brand without changing the company’s structure. The originality and simplicity of Abe’s Market is what differentiates it from competitors and makes it successful. Abe’s Market has a goal of helping companies achieve their full potential without changing their brands (Ransom). Our goal is to help Abe’s Market do the same. The next step is assimilating the Made to Matter campaign into Abe’s Market.

**MAKING IT MATTER**

During the implementation of Abe’s Market into Target, we plan to utilize the branding of the Made to Matter campaign. This campaign, as previously mentioned, allows Target to select certain organic, natural brands and market them as healthy family choices. Introducing the acquisition will enhance this existing campaign. For instance, Abe’s Market already sells multiple Made to Matter products on its online domain. These products include but are not limited to: Annie’s Homegrown, Burt’s Bees, Clif Bar & Company, Hyland’s, Kashi, Method, Plum Organics, and Seventh Generation (“Target Partners”).

**MARKETING THE BRAND**

We suggest marketing these products not only as Made to Matter brands but also as Abe’s Market’s online products. Thus, the optimal outcome would entice the customer to purchase healthier products and additionally, promote the convenient use of Abe’s Market.

Seeing the seal of Made to Matter and connecting it to Abe’s Market will be a powerful marketing advantage. Target executive Jeff Jones believes if customers “see that seal, that can be a short-cut to know that’s something better for you” (“Target Partners”). Most
organic shoppers appreciate the convenience when shopping at a large store like Target, and he or she would be more likely to purchase these products if their value was highlighted. According to Forbes, 77% of customers shop at non-grocers like Target and Walmart rather than places like Whole Foods and Trader Joes, in part because if “new, non-traditional items are available for sale, they are going to buy those items” (O’Connor). Thus, we believe that implementing additional products from Abe’s Market, ranging from home furnishings to petcare, into the Made to Matter campaign will entice customers to purchase more in one place. It is vital that Target place an emphasis on a strong marketing strategy to spread awareness of these benefits Abe’s Market will now offer Target customers.

In terms of marketing Abe’s Market nationally, a plan utilizing social media will provide the platform for a successful acquisition. Because Abe’s Market is bringing a fresh, organic look to Target, the marketing campaign will launch in early spring. As the winter fades and flowers begin to bloom, the campaign will highlight the renewed nature as Target acquires Abe’s Market.

Online media can provide many benefits including increased brand recognition, better search engine costs, increased inbound traffic, and decreased marketing costs (Demers). Target already has an extensive online presence. It is currently operating 22 accounts within 11 social media outputs including Twitter, Facebook, and YouTube ("Social Media at Target"). Abe’s Market, though much smaller than Target’s, also has established an online presence. According to its homepage, Abe’s Market is currently operating an online blog and three social media accounts: Facebook, Twitter, and Pinterest. Further research, however, proves it is also operating Instagram and Tumblr accounts as well. Figure 12 shows examples of social media that will be used.

It is essential to know which accounts both companies have in common in order to focus on those specific social media platforms. The social media posts will consist of announcing the acquisition, products being...
Part of marketing Abe’s Market includes marketing the organic lifestyle as a whole. This means not only posting product information but also information on living organic in general. Therefore, the posts will contain recipes and tips regarding living organic using the Abe’s Market products. Since Target and Abe’s Market already provide their customers with an abundance of tips, it is just a matter of making it known. Another social media platform that is gaining increased popularity is an interactive blog.

**INTERACTIVE BLOGGING**

According to Steve Olenski of Forbes, a recent study conducted by the University of Massachusetts Dartmouth revealed that “34 percent of Fortune 500 companies are now actively blogging, which represented the largest increase in the number of Fortune 500 companies blogging since 2008” (Olenski). Blogging is a cost effective marketing tool used to reach out to customers online. It has
many perks which includes content strategy, demographic targeting, and authority building (Olenski). For Target’s purpose, targeting a specific demographic would be the most useful tool while attempting to expand sales through its acquisition. Utilizing Abe’s Market’s online blog would help brand Target as an organic retailer, and it would give Target the freedom to write the blog in ways that promotes its own initiatives.

Abe’s Market’s online blog is comprised of daily articles on different subjects such as food facts, seasonal dish recipes, and health tips. Within the blog there are 11 different categories that include videos, interviews, and recipes. The online healthy recipes promote the use of organic products into customer’s daily cooking. The blog not only discusses organic products but also has a wide variety of information to attract a variety of viewers. By maintaining the interests of customers, Abe’s Market will establish a loyal customer base dedicated to reading the blog as well as shopping on the website. To promote the establishment of a loyal customer base, San Francisco will be the chosen city for piloting the launch of Abe’s Market.

PILOTING THE ACQUISITION

Testing Abe’s Market in an area that values organic products will allow Target to determine how receptive organic shoppers are to the acquisition. To pilot the launch of Abe’s Market, San Francisco is the optimal city because it embraces organic food. Specifically the focus should be the Bay Area of San Francisco because urban residents often prefer online shopping for household products due to the convenience.
SAN FRANCISCO

According to Organic Authority, San Francisco was ranked number one for its organic food lifestyle. San Francisco is known for valuing healthy eating and healthy living. The city’s residents place an emphasis on leading a healthy lifestyle even when purchasing healthy products is more expensive. According to the US Census Bureau, San Francisco’s median household income was $73,802 in the years 2008-2012. This is significantly higher than the median U.S. income, further supporting the idea that San Francisco would be the best fit for Target’s launch of Abe’s Market. Furthermore, customers can “expect more and pay less” with Abe’s Market “Try for $2” campaign. This allows customers to select three organic products for two dollars each while enjoying the benefits of free shipping. While this affordable option is available online, it would be a powerful marketing technique especially in San Francisco.

FIGURE 14: San Francisco
In addition to the national online marketing strategy we mentioned earlier, we also believe physical marketing in San Francisco would be beneficial. In three Target locations, there will be physical end caps displaying what products Abe’s Market offers. End caps are a useful way to bring customers’ attention to what a store already sells. For example, in 2007, Home Depot did a study on end caps and produced a display campaign titled “Create the Deck of Your Dreams” (“Take Advantage of Wireless End Cap Displays”). Later that year, Home Depot
reported a 50% sales increase in the deck accessories department. Sales increased due to simple end cap optimization. Target’s end caps will highlight some of the products that Abe’s Market sells.

The displays will showcase the Abe’s Market logo as well as QR codes in which customers can scan to find more information. This will lead customers directly to Target’s and Abe’s Market’s websites, as well as the social media platforms. By linking the two marketing strategies, it will further enhance the omnichannel retailing.

FUTURE GROWTH

There are other cities similar to San Francisco that would benefit from Target’s implementation of Abe’s Market end caps. Some examples of other pilot cities would be San Jose, California or Portland, Maine. Restaurants in San Jose, California include organic products within their meals because of the demand for organic, natural foods (Huxta). Similarly, Portland, Maine hosts the Common Ground Country Fair, an enormous festival for organic products (Mahoney). Therefore, Target can then think about expansion into these cities if the San Francisco pilot is successful. •
WHY IT MATTERS
We have addressed a comprehensive strategy for an acquisition to better serve Target’s customers. The social media campaign and the San Francisco pilot program complemented with the Made to Matter campaign will increase Target’s organic sales. Through the implementation of these recommendations, Target will become the leading omnichannel organic retailer, furthering the convenience, personalization, and broader assortments that Target offers its highly valued customers.

**FIGURE 19: Organic Produce**

Source: Organic Food Buyers
APPENDIX A: SCENARIOS

BASE SCENARIO

As the organic market grows, a pilot program, similar to the one in San Francisco, will be implemented into major cities. Although Target’s organic sales may not substantially change during the first few months of the implementation, there is a high probability that sales will increase as the marketing campaign takes effect. We believe that the online domain, Abe’s Market, will absolutely benefit from the social media exposure (Fidelman). Target can expect increased web traffic and sales stemming from the strategies detailed in the report. The pilot program and Abe’s Market’s online domain will strengthen Target’s organic market share.

LEAST LIKELY SCENARIO

The least favorable situation, though not probable, will result in the termination of the pilot program in fall 2015 for the San Francisco stores due to a weak reception from customers. Abe’s Market will still function as an online shopping domain for Target. This will provide customers with a greater selection of organic products. Furthermore, it will provide customers with the blog that includes videos, interviews, and organic recipes. We believe that if customers demand more organic products, the pilot program could be re-implemented into stores. This will leave Target best positioned to profit from increasing demand for organic goods.

BEST SCENARIO

The most favorable scenario will be determined by the success of the pilot program in San Francisco. As anticipated, it will establish a loyal customer base among women and men looking to live a healthier lifestyle. In addition to this, the customer base will grow as organic products will attract a larger demographic. The satisfied customers will endorse Target and Abe’s Market by leading new customers to Target. Then the pilot program can be expanded and implemented nationwide. This will allow every Target customer to benefit from the acquisition. It will provide customers with a comprehensive omnichannel experience to shop for products in stores as well as online. Ultimately, this will make Target the leading omnichannel retailer of organic products.
In winter of 2014, Target will acquire Abe’s Market. Upon the acquisition, Target will need to notify its customers, which will include marketing through social media and other publications.

In spring of 2015, Target will incorporate Abe’s Market into three San Francisco area stores. Spring is the optimal season to introduce Abe’s Market in stores due to the increase in available fresh crops and the revitalization the season represents. The products will be displayed in end caps that highlight a variety of goods the company offers online.

The end caps that feature Abe’s Market’s products will have a corresponding display with a QR code that leads to Abe’s Market’s website when scanned. Another way to bring customers to Abe’s Market’s website is through a link located on Target’s website. Customers who are browsing the Target website can easily access Abe’s Market. By this time, Target’s social media marketing strategy will be promoting increased traffic and sales online and in stores.

Finally, in the fall of 2015, Target can conduct a cost-benefit analysis of the acquisition. By examining the data and trends, Target can assess the products that had the highest grossing sales in the spring and summer months. If the implementation of Abe’s Market’s products proves to be successful, Target can expand the amount of stores that offers its products as well as its marketing campaign.
STRENGTH

Aware of organic market

Own brand Simply Balanced, partnership with Honest company, Made to Matter campaign

Better quality products compared to competitors

WEAKNESS

Web presence

Recognition of the variety of department

Distant from local vendors

OPPORTUNITY

Able to expand to other markets and customers

Web expansion, new uses of the website already in place

THREAT

Specialized markets (organic)

Other retailers (Walmart, Whole Foods, Kroger)
APPENDIX C: SWOT ANALYSIS

AFTER ABE’S MARKET

STRENGTH

More selection to organic products, in store and online
Create a stronger customer relationships online
Online food purchases

WEAKNESS

Keeping the integrity of Abe’s Market
May not appeal to the projected customer

OPPORTUNITY

Branch out to more customers
Keep up with the trends of what consumers want
Higher income customer shopping at Target

THREAT

Customers of Abe’s Market stop shopping at Abe’s Market because of its connection with a big corporation
Other businesses begin using online retailers to supplement their business


WORKS CITED


“Growth Through Acquisition.” Target Case. Fall 2014.


Works Consulted


WORKS CONSULTED


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