

Target expands omni-channel capabilities with delivery, app

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Target continues to integrate its stores and online operations, according to chairman and CEO Brian Cornell. "We're already shipping digital orders from approximately 140 stores, and by the end of this year, we'll be shipping for more than 450 locations," Cornell said on a second-quarter earnings call. "Ship-from-store capabilities allow us to balance inventory across the network, leverage the capital and labor already in our stores and reach guests more quickly," he said. Store-traffic and average-ticket increases helped drive Target's same-store sales up by 2.4% for the quarter.

The retailer has also launched Cartwheel, a proprietary smartphone app that distributes coupons and other promotions based on a customer's in-store and online shopping and browsing history. The app has some 18 million users. "Every time I am in stores, I run into guests that have their smartphone in their hand, and they're looking for their offers from Cartwheel," Cornell said.

In further pursuit of omni-channel integration, this fall Target will begin testing what it calls "available to promise" delivery, through which customers will receive a specific delivery commitment for online orders, whether to the customer's home or to a nearby Target store. Typically, Cornell says, the commitment will be somewhere around two or three business days.

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