

A conversation with Anne Dament, chief architect of Target Corp.'s revamped food business.

By Meg Major

Making Her Mark



Target Corp.'s recently hired SVP of merchandising, Anne Dament, is in the bull's eye of the 1,800-store retailer's bold campaign to convert the full potential of its estimated \$20 billion grocery business into an inspired destination in line with other parts of its stores. Settling into her still-new role of leading the strategic repositioning of the Minneapolis-based national retailer's food business to make it more reflective of its widely admired flagship brand, Dament is decidedly up for the task.

"My very first job was in a local grocery store, and I've had a passion for food ever since," affirms Dament, who relished the opportunity to bring her professional experience and love of the retail food business to Target as its grocery segment transformation got underway.

Charged with leading Target's food business makeover

— which has included item-by-item tear-downs and overhauled processes and practices to enhance freshness, assortment and convenience — Dament says she's pumped about the opportunities to elevate the company's gastronomic cred to destination levels. The key categories factoring most prominently in her agenda include better-for-you snacks, coffee and tea, premium sauces and oils, specialty candy, wine and craft beer, and yogurt and granola. Concurrently, she and her team are nurturing the expansion of purely natural, organic, locally grown and gluten-free choices; healthy meal solutions; exclusive partnerships; and unique selections for both everyday and special occasions.

Early results of her team's efforts have thus far been promising, as evidenced by Target's food segment outpacing its overall business in the back half of last year. Meanwhile, momentum continues to accelerate amid a companion menu of other large-scale initiatives that Dament is overseeing to elevate and solidify shopper affinity for the retailer's food offerings.

Maximizing Target's Food Segment

Recently chosen as a 2016 Top Women in Grocery — a first-time showing for Target on PG's national list of female food industry movers and shakers — Dament began her 20-year grocery and CPG career as a buyer at Minneapolis-based Supervalu. She next moved on to Safeway, where she held various category and sales management roles, and later led the Pleasanton, Calif.-based supermarket chain's homecare and general merchandising business operations, focusing closely on the retailer's global procurement strategies. In her final role at Safeway, Dament was group VP of perishables, where she orchestrated new assortment and merchandising strategies, including meal solutions and grab-and-go options.

Returning to Minnesota in April 2015 to join Target from PetSmart, where her most recent role was VP of services, Dament also worked at ConAgra Foods' Grist Mill Co. subsidiary and Otis Spunkmeyer.

"From a business perspective, grocery is a critical component that we're working to leverage as part of Target's overall strategy," says Dament. As the company's largest individual business unit, accounting for one-quarter of its total sales, Target's food segment "represents more than half of our total transactions," she notes.

To gain a better understanding of both its grocery business and customer profiles, Dament has spent the past year unpacking and digesting insights revealed in "significant deep dives across our entire business, inclusive of assortment, quality, produce, perishables and center store," alongside "very deep dives" into guest preferences, whose shared feedback "is a critical component as we shape our strategy."

Immersion Excursions

The most direct path to do so, observes Dament, "is by spending time in our guests' homes" to gain firsthand insights into their families' habits, routines and preferences. The overall experience and resulting takeaways, she adds, "were absolutely fantastic. They opened up their homes and let us look in their cupboards and refrigerators. We watched them create grocery lists, search for online recipes and post their ideas [on social networks]. And what we found from our extensive research," she continues, "was that our [core grocery shoppers] use food as a way to connect with their families, and how food keeps them connected to their communities and their culture."



Dament was also intrigued by other insights unearthed during Target's food immersion research interactions, which were gleaned from backyard guests in Minneapolis, as well as other major markets, including metro Dallas. "We absolutely learned that our [focus group panelists] want access to fresh and healthy options that are both easy and affordable, and that they really want to be inspired while food shopping," she recounts. "They love shopping at Target, but they don't necessarily look at grocery as the reason that they shop at Target."

However, considering that more than half of Target's transactions have a grocery item in the basket, Dament believes it's evident that "our guests are shopping for food while they're in our stores" — but not nearly to the fullest extent possible.

Armed with ample consumer data from the deep-dive findings of Target's extensive in-home research, Dament and her team were well equipped to mold a rejuvenated strategy and accompanying framework for "a very simple, yet very focused approach. We want to be a trusted and reliable option for our guests' food needs while they're shopping at Target, and we want to win in three component pillars," which are the "fundamentals of a laser-sharp focus on freshness, abundance and quality; a very strong presence of natural and organic; and excellent execution of natural and organic. We want to achieve differentiation with a relentless focus on assortment within our signature grocery categories."

The best way to achieve these ends, Dament asserts, is an imperative "to work as closely as possible with our vendors to create meaningful partnerships that lead to unique assortments" in the specified key consumable categories. "By fully leveraging the strength of Target, we want to make grocery shopping fun, enjoyable and easy," she notes. From an inspirational/aspirational perspective, Dament says, "We want to bring grocery to life in our stores, with really good displays, sampling programs and cross-merchandising."

Readily acknowledging the aggressive agenda before her, Dament is unwavering in her conviction that

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—Anne Dament, Target



FAB FARMERS

Key components of Target's evolving food strategy are curated products and exclusive partnerships with purpose-driven brandmakers, such as the Cooking Channel's "Fabulous Beekman Boys," Josh Kilmer-Purcell and Brent Ridge (right), whose Beekman 1802 Farm Pantry products further enhance the retailer's Made to Matter portfolio.

it's both realistic and attainable. "We've been working on much of this for a year, and from the minute I started in my role, I hit the ground running," she points out. "It's been a fantastic year, and we're really making substantial progress."

In Search of Meaningful Products

When asked to elaborate on the most advantageous opportunities residing in Target's total grocery and perishables portfolio, Dament replies: "We look at center store categories as an 'and' — yet not necessarily an 'or.' We do a really good job at many areas in center store," which she classifies as "a very strong performer in some segments. But we know we must have a well-rounded portfolio of fresh products," including produce, meat and dairy. "It's really about building the entire grocery basket, and satisfying the right assortment across the store for our guest," she explains.

At heart, Dament notes: "It's about being easy and uncomplicated for our guests. Given the very competitive sets and formats we have across our portfolio, it would be easy to say we want to be all things to all people. But at the end of the day, having exclusive products and compelling own-brand products and lines is a really key part of our strategy," an example of which is Target's alliance with the Cooking Channel's "Fabulous Beekman Boys" — Josh Kilmer-Purcell and Brent Ridge — to launch a 48-item line of exclusive Beekman 1802 Farm Pantry products.

Describing the Target-Beekman Boys partnership as "incredibly strong," Dament says: "We worked closely to create a unique 'farm-to-shelf' line," which includes locally grown and handcrafted ingredients like heirloom tomato pasta sauces, goat cheese salad dressing and hand-rolled granola. Each product features recipes developed by Ridge and Kilmer-Purcell, and also funnels a percentage of profits back to small farms across the country.

"We really like partnerships like this, which



enhance the portfolio of our Made to Matter line of purpose-driven brands and meaningful products," notes Dament, adding that they "offer our guests memorable, accessible, sustainable products with a curated assortment," and which also dovetail well with Target's established Simply Balanced and Archer Farms house brands. "We will continue to curate our assortment with products that are unique and impart differentiation in our portfolio," she says.

It's all part of an overarching strategy that Dament notes "ties back to our core strategy of being a trusted and reliable source for our guest. And when it comes to brands and products within our portfolio, and what we are learning about our guests' preferences, we are striving to really cater to their needs. When we look at innovation when working with our suppliers, we want to make sure they are also catering to our guest behaviors as well, and the brands that are winning are doing exactly the things I just described, with an established approach to satisfying our guests' needs."

Lighting Up the L.A. Initiative

Target is also cooking up new ideas to further evolve its in-store experience through food revamps in select markets such as the SuperTarget in Minnetonka, Minn., which was due for a full remodel. "We saw it as a great opportunity to put

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some food tests in motion in order to provide a closer look at how guests respond, and fine-tune as needed, moving forward,” explains Dament. Among the store’s updated features are a revamped product selection; new displays, layouts and signage; and fresh produce in an open-market format with prominent signage for organics and locally grown foods. In addition to an expanded selection of granola, yogurt and better-for-you snacks; baked-fresh-daily artisan breads; and grass-fed beef, the store boasts a do-it-yourself grain bar with nutrition information front and center.

Pleased with the progress made in Minnetonka, Dament and her team ventured west to the Los Angeles market in January as part of the company’s LA25 initiative, which aimed “to capitalize on our findings with assortment, format, guest experience and execution initiative across the grocery arena. And we’re super-excited about the work that we’re doing in L.A., where our stores are very locally focused. We have categories of priorities across the floor plan where we lean heavily toward signature categories like yogurt, beer and wine — specifically craft beer — and a heavy emphasis on local L.A. products. We’re also building a really exciting relationship with our store teams about how to best curate [store-specific] assortment, in order to provide the best selections that stand for a local presence, based on our L.A. guests’ needs.”

Other elements of the LA25 grocery overhaul, Dament continues, include new product displays and more in-store sampling, as well as wood-grain overhead signs and updated shelves with a black-and-gray color scheme. Additionally, a greater emphasis is placed on cross-merchandising products, such as

grilling must-haves like ketchup, mustard and hot dog buns, to make it easy for families to round up all of the products they need to create easy and delicious meals.

“We’ve also updated lighting, flooring and fixtures in the fresh market area, and added new bins to help enhance the produce presentation for our guests,” among other tactics, all of which Dament believes imparts a “brighter and more organized store that’s very easy to shop, and really showcases our high-quality approach to perishables.”

While Dament’s plate is certainly full, she remains upbeat and energized by the rewarding results and favorable feedback tracked thus far. During a recent visit to Target’s Los Angeles stores, Dament seized the opportunity to observe guests navigating through the grocery aisles, where she says they appeared “more leisurely and satisfied. I found them stopping, browsing and more carefully studying products before placing them in their carts,” a discovery she describes as both encouraging and invigorating.

Even better was the unsolicited guest, shopping for her son’s birthday party, who approached Dament to offer feedback on Target’s food transformation. Dament was unsure what to expect, but the guest’s comment that she had “no idea Target had so many great, quality brands” made the executive’s day.

“She went on and on, and it made me feel really good that we not only had a first-rate curated assortment across the whole grocery area, but also that she was able to get what she needed across the remainder of the store,” observes Dament. “That’s the kind of experience we’re working on in the L.A. market, and we’re going to watch it closely and test and learn from here.”

Her continuing journey — and Target’s — will indeed be well worth watching. **PG**