Unpacking Target's Calendar 4Q25 Results and 2026 Turnaround Plans

By Claire McBride // March 4, 2026 // Forecasts, Research

TL;DR: *After another quarter of declining growth, Target's investor day reinforced a familiar message: reclaim merchandising authority and reinvest in stores, while leaning into membership, Roundel, and marketplace to drive margin expansion. Top-line trends have improved sequentially although we remain in wait-and-see mode for longer term traffic stabilization. Brands should plan conservatively, lean into new, trend-forward assortment, and manage Roundel and Target Circle funding asks with discipline.*

8 minute read

After another quarter of negative comparable sales, brands are increasingly eager to understand what a credible turnaround actually looks like for Target.

At its investor day yesterday, Target's answer centered on reclaiming merchandising authority and elevating the in-store experience, two areas leadership openly acknowledged have deteriorated over the past several years.

Some skepticism is warranted. The company has been signaling a return to its roots for multiple quarters with limited measurable improvement. And while management emphasized that Target is "not an everything store" and intends to "play its own game," focusing on trend-forward assortment and design-led value, the competitive bar has never been higher:

- Walmart continues gaining share with higher-income households, often the digitally savvy, "busy families" Target is deliberately targeting
- Amazon pairs broad assortment with industry-leading fulfillment speed and digital convenience

The open question is whether Target can deliver enough differentiation on product, experience, and value to meaningfully shift traffic trends in a value-driven consumer environment.

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For now, we remain in wait-and-see mode. Encouragingly, top-line trends improved modestly exiting calendar 4Q25 and into February, and incremental investment signals seriousness, but sustained traffic stabilization will ultimately determine whether this strategic reset gains traction and successfully returns Target to long-term profitable growth.

Read on for our full analysis of Target's 4Q financials and management commentary for 2026 and beyond, including:

1. Brand Action Items
2. Calendar 4Q25 and 2025 Financial Performance
3. 2026 (and Beyond) Outlook
4. eCommerce Highlights

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