

UPDATE: Target Data Breach & Q4 Financial Outlook

Is your personal information secure? All Target customers offered one year of free credit monitoring and identity theft protection following data breach.

Target's data breach earlier this year alarmed many customers who visit the business. In addition to the payment card data theft that has already been disclosed, it has been discovered that the mailing addresses, phone numbers, and email addresses of up to 70-million customers were stolen as well. Target has assured customers that this is not a new breach, but instead was uncovered during their ongoing investigation. Target has begun reaching out via email to customers to warn against consumer scams and how to avoid them. Target has also instructed customers that all communication will be strictly informational; no personal information will be requested.

As well as their informational outreach, Target has assured customers that they will have zero liability for the cost of any fraudulent charges that have arisen from the data breach. Target is also offering one free year of credit monitoring and identity theft protection to all customers, providing they enroll in the program within the next three months. John Mulligan, Target EVP & CFO states "In light of the recent data breach, our top priority is taking care of our guests and helping them feel confident in shopping at Target."

Prior to the announcement of the breach, Target experienced stronger-than-expected sales figures, but following the announcement these figures declined from 2% to 6% for the remainder of the quarter. Expectedly, this decline was influenced by the announcement of Target's data breach, though in the last several days their sales have shown improvement.

As a result of poor financial performance, though, Target will be closing eight of its U.S. locations. West Dundee, Ill.; Las Vegas, Nev.; North Las Vegas, Nev.; Duluth, GA; Memphis, Tenn.; Orange Park, Fla.; Middletown, Ohio; and Trotwood, Ohio will all be closing on May 3, 2014. Target states that eligible team members will be offered the opportunity to transfer to other nearby locations. Mulligan states "We remain keenly focused on driving profitable top-line growth and investing our resources to deliver superior financial results over time. While we are disappointed in our 2013 performance, we continue to manage our business with great discipline and leverage our expense optimization efforts to reinvest in multichannel initiatives that generate long-term value for our shareholders."