J.C. Penney hires Target exec as its president

The Associated Press

J.C. Penney Company Inc. hired Target's top marketing executive as its new president as the department store operator tries to redefine its brand.

Penney's incoming CEO, Ron Johnson, said the company hired Michael Francis, 48, to "re-imagine the department store experience" in Penney's more than 1,100 stores.

Francis will assume his new role as Penney's president on Tuesday. He will be responsible for merchandising, marketing and product development.

Penney has made a number of management changes recently as it tries to modernize its image. In June, the company had named Johnson, who pioneered Apple Inc.'s hip retail stores, as its new chief executive.

Analysts expect Johnson to focus on revamping the stores and expanding Penney's mobile and Web efforts. Johnson will succeed Myron Ullman III, Penney's CEO since Dec. 2004, starting on Nov. 1.

J.C. Penney has struggled as its middle-class customers face high unemployment and a weak economy. The store also has tough competition from other department stores such as Macy's and discounters such as Target and H&M.

The Plano, Texas, chain has changed its merchandise in recent years. It has moved from offering mainly store brands to filling its floors with trendy Sephora cosmetics shops and exclusive lines such as Cindy Crawford Style home furnishings.

Meanwhile, Francis' appointment is a loss for Target Corp. He helped turn the cheap-chic chain into one of the nation's top retailers. A longtime Target executive, he became chief marketing officer since 2008 and was overseeing Target's expansion into Canada, where it hopes to open 125 to 135 stores beginning in 2013.

Target, based in Minneapolis, operates 1,762 stores across the U.S.

Shares of J.C. Penney fell 71 cents, or 2.7 percent, to close at $26.07. Target stock dropped $1.23, or 2.5 percent, to $47.81. Broader stock markets closed sharply lower on Monday.

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