

MYER



Wendy Marshall
General Manager
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Australian retailer **Myer** takes shrink management to a new level

Founded more than a century ago, Myer Ltd. has separated itself from its competition through a savvy combination of merchandise selection and attentive service. Now, the country's leading retailer is working more closely than ever with Checkpoint to develop and implement a comprehensive, holistic loss-prevention strategy.

Flying in the face of a weak economy and consumer anxiety, Australian department store giant Myer has continued to grow its sales and solidify its leadership position. The company's annual sales now top \$3 billion (2,05 billion Euros), and it managed an impressive 5 percent year-to-year quarterly sales growth in its most recent fiscal period. In an effort to preserve that sales momentum and protect its bottom line against merchandise theft, Myer is aggressively stepping up its shrink management program through a series of new loss-prevention technologies and a tighter working relationship with its LP solutions partner, Checkpoint Systems.

Myer's relationship with Checkpoint dates back to 1997, when it decided to install RF EAS systems in several of its stores. Myer – then known as the Coles Myer Group – was selective in rolling out the systems to individual stores at first, picking and choosing the initial installation sites based upon each store's shrink level and audience demographics. But after Myer was purchased by an international investment consortium in 2006, the company began an ambitious program to update and upgrade its stores, including fortifying its loss prevention capabilities.



A year later, Myer rolled out EAS to all its stores nationwide; the 48-store deployment included more than 1,000 antennas and 2,500 deactivation units, and was fully operational within four months. The typical Myer store has three floors and about 8-12 entry/exit points. There is an average of 15 to 20 points of sale on each floor – all requiring deactivation, hard-tag detachers and Alpha Systems S3 (a single key to unlock all Alpha solutions) keys to safeguard high-theft merchandise.

Central to Myer’s shrink management program was the decision to build a comprehensive, holistic defense against theft, not just to put EAS antennas in place at point of sale. Myer combined antennas with source tagging, security-tag printing and high-theft solutions to construct an integrated, synergistic theft-detection and –deterrent solution. For instance, Check-Net print shops are a key part of the solution, providing swing tickets and enabling Hard Tag@Source (source tagging for apparel applications) capabilities, allowing more Myer apparel products to be shipped to the stores in floor-ready condition. In 2009 alone, Checkpoint supplied over 18 million RF labels to Myer vendors in both Australia and Asia. It even went a step further, working closely with Checkpoint consultants to regularly evaluate Myer’s LP processes and procedures and provide feedback not only on how the systems are performing but how to make the solution more efficient for Myer.

“The Myer relationship with Checkpoint goes back many years,” noted Wendy Marshall, Myer’s general manager for asset protection. “However, it is only recently that we have been able to maximize all that EAS and Checkpoint

have to offer in terms of protecting our merchandise in Myer stores nationally.”

Marshall added that Myer not only has dramatically increased its support of new and different types of shrink management technologies, but has significantly evolved the way it looks at shrink management. “In the past 18 months, the introduction of Myer-branded ink tags and 3 Alarm technology to complement basic hard and soft tags has had a significant impact on the focus and culture in our stores,” she said. “As a result, merchandise protection, utilizing technology, is now considered an integral component of the Myer shrinkage reduction strategy.”



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To take it even further, Myer is about to introduce Alpha’s EAS Spider Wrap line to protect more products across different high-risk categories, and is working on implementing an EAS tag-recycle program as part of its source tagging efforts to reduce in-store tagging and improve floor-ready merchandise availability. “All of this is being done with support from Checkpoint, who also assists us by educating our teams on how to more effectively manage the EAS systems in our stores.”■

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The company now known as Myer Holdings Ltd. was founded in 1900 by Sidney Myer, a Russian émigré who eventually became a retailing giant and noted philanthropist in Australia. Myer leveraged strong internal growth with strategic acquisitions to become Australia’s biggest retailer, today operating 65 stores throughout the country. The company operated as the Coles Myer Group starting in 1985 as the result of the billion-dollar merger – the largest in Australian business history at the time – of Myer and Coles. In 2006, the company was sold to an investment consortium comprising the Texas Pacific Group, Newbridge Capital, Blum Capital and the Myer family for \$1.4 billion (900 million €).

In its most recent fiscal year, Myer generated sales of more than \$3.2 billion (Australian dollars, 2,05 billion €), and in the face of a difficult economy was able to grow its first-fiscal-quarter sales by more than 5 percent compared to the same quarter a year earlier. Myer retail outlets stock and sell more than 600,000 product lines across more than 2,400 brands, and does business with more than 800 suppliers. Its product portfolio spans a wide variety of categories, from apparel and footwear to electronics, homewares and cosmetics, among others.