

case study: Myer

# Myer Club Queensland pilot ON COURSE

Myer Club  
will go  
nationwide  
if Queensland  
succeeds

Following the example of department stores in the US, which have had enormous success with similar concepts, Myer is currently piloting its Myer Club in Queensland.

The Club has no selection criteria other than a membership fee of \$3.50 a month. Each member is given a swipe card with a unique number, which entitles them to:

- a Myer Club magazine
- in-house benefits, in the form of discounts on selected goods
- discounts with certain external businesses, including travel agents and hotel chains
- automatic entry into a monthly lottery in which 10 \$1000 'shopping sprees' are awarded each month
- sporting clinics for children of members
- tickets to a shows of interest to Club members for instance, Pavarotti
- Christmas parties for Club members' children, and
- free tickets for members to luncheons with well-known authors, and the like..

The magazine is the main means of communication with Club members, and, following along the lines of similar US publications, it serves as an up-market, soft-sell catalogue. The magazine's editorial content is described as strong, with editorial content ranging from hi-fi equipment through to restaurant reviews. The subject matter of the editorial will often be related to offers made to Club members in the magazine. However, it is hoped that first and foremost the Club magazine will be something the target audience will enjoy reading and not think of as a catalogue.

The line between magazine and catalogue is a fine one to tread, with the desire to give readers something they devote a lot of leisure time to having to be balanced by the need to justify the exercise by selling product.

At one stage Myer contemplated increasing the dimensions of the magazine but the clear message from research was that this would be a mistake.

"We have to establish a balance," says Jeremy Apsey, general manager of financial products. "We have an editorial policy that outlines how much editorial we'll have relative to advertising and we stick to that very rigidly."

Just how much importance Myer Club places on getting its magazine right is shown by the fact that it has commissioned an external research company to carry out extensive questioning of current and lapsed Myer Club members, asking them specifically what they like and dislike about the Club magazine.

At one stage Myer contemplated increasing the dimensions of the magazine but the clear message from research was that this would be a mistake, because many Club members (presumably women) found the present size ideal for carrying in their handbags.

Another discovery of the research, says Jeremy, is that "the lifetime of the magazine is very long."

The Club, which draws many of its members from existing Myer Card-holders, is seen as an extension of Myer's previous loyalty program (also piloted in Queensland before going national), which ran for two years.

Myer sees clubs and schemes to build customer loyalty as the way marketing is going to go in the '90s, and says it has many more such ideas in the pipeline.

"As a company we're always looking at ways of building relations with our customers in ways that are unique and add value," says Jeremy.

The most Myer will reveal about the progress of the pilot scheme is that it's "on course", and that "it's where we expected it to be at this stage."

"With something as complex as the Club you don't go ahead with it nationally until you're absolutely sure," says Jeremy. "We have to establish the correct balance and make sure we can maintain that balance. The product has to develop consistency, and that takes time." ■