

STORES

Target Australia is on the recovery path thanks to big changes in store. **John Ryan** visits the Ringwood branch in Melbourne and talks to managing director **Stuart Machin**

Getting back on

It's November, there are Christmas trees and baubles on the shelves, and it's 27°C outside. Welcome to Ringwood, an eastern suburb of Melbourne in the Australian state of Victoria. This area, which is a fair distance from the city centre, is home to a large shopping centre called Eastland. The mall opened a massive extension last week and at the heart of it is a branch of Target.

Target is an Australian retailer – the only thing it shares with the US outfit is the name. It is part of the Perth-based Wesfarmers conglomerate that includes Kmart, Coles and Liquorland among its Aussie retail interests. And it has a British retailer at the helm, Stuart Machin, who took the reins a little over two years ago.

Machin is Target's managing director, a role he took after being chief operating officer at supermarket Coles. Machin has been in Australia for eight years and, prior to heading down under, worked for Sainsbury's, Tesco and Asda.

Turnaround tactics

At the time Machin took control, Target was on the way down and had been for some years. The store estate stands at 311 outlets and during his tenure, Machin has closed 26 unprofitable branches – there will be more.

He is quick to point out, however, that he has opened 15 new stores and refurbished 10 more, and that is an indication of the changes being made to bring Target back to profit.

Machin has had mammoth problems to contend with. When he started there were 120,000 SKUs in the stores. There were 111 warehouses holding Target stock and 80% of sales came from stock that had been discounted. There were also about 1,500 suppliers.

Two years later there are 26 warehouses, with plans in place to reduce the number to five, the SKU count has been halved and there are now 540 suppliers.

Of the 100 top team members who held office when Machin made the move from Coles, none remain and he



has recruited talent from across the world with six out of 10 of the top leadership team having come from UK retailers, including Marks & Spencer and Primark.

All of which means that the new 55,000 sq ft Eastland store is part of the new wave of shops that Machin has taken a very close interest in bringing to fruition.

Standing outside, it is hard not to notice this one. To the left of the main door there is a very large screen,

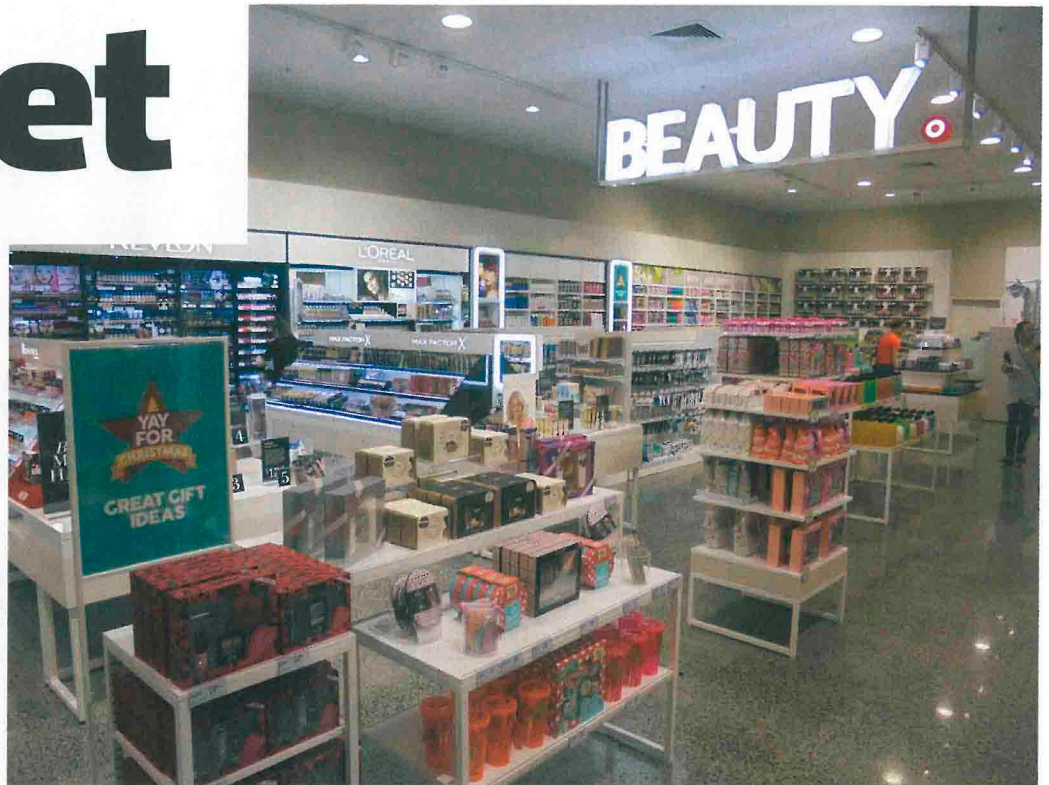
More photos of the new Target at the Eastland shopping centre in Melbourne on Retail-week.com/TargetAustralia



Target

TARGET EASTLAND, MELBOURNE

Size 55,000 sq ft
Opened October 29, 2015
Managing director Stuart Machin
Targeting Affordable family fashion
Store design concept Dalziel + Pow



which shows a mix of the current Target fashion video, the Target logo and a screen encouraging shoppers to click-and-collect.

The latter is particularly important for Target, according to Machin: "In some of the smaller stores of around 21,000 sq ft we can't show everything so this is a way of accessing the range," he says. This may seem obvious, but it is given added force when Australia's massive size and relatively small

The store lives up to managing director Stuart Machin's vision of Target as the Aussie home of affordable fashion for everybody

population of 24 million is taken into consideration.

Questioning attitude

The store lives up to Machin's vision of Target as the Aussie home of affordable fashion for everybody. Products are cheaper than at department store David Jones and a notch above Kmart. ▶

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► Inside, a bevy of mannequins stand in formation on a white plinth with Tom Dixon-style copper-coloured pendant lights hanging above.

To the left is a column with a light box showing more fashion video content, including a glimpse of TV personality Dannii Minogue, one of the celebrity pillars of Target's fashion offer.

To the right of the display is a semi-discrete cafe, where coffee – a big number in Melbourne – takes centre stage. And in front of this, the affordable fashion begins.

The devil is in the detail, and on Machin's first visit to the store, which opened the day before, on a walk round with members of his team, he fires off a series of things to put right.

"Why doesn't that sign sit properly on the equipment?" "Where is the chair that is meant to be here?" and "If there's one thing wrong with that sign, it's that it isn't big enough", are just some of the questions Machin throws out.

He is generally pleased however and looking across this enormous floor, it is easy to work out where everything is located thanks to straightforward signage and more screens. There is a loop-style walkway that guides shoppers, parading them past women's fashion, menswear, kidswear and toys, as well as homewares and a tech department towards the back of the shop.

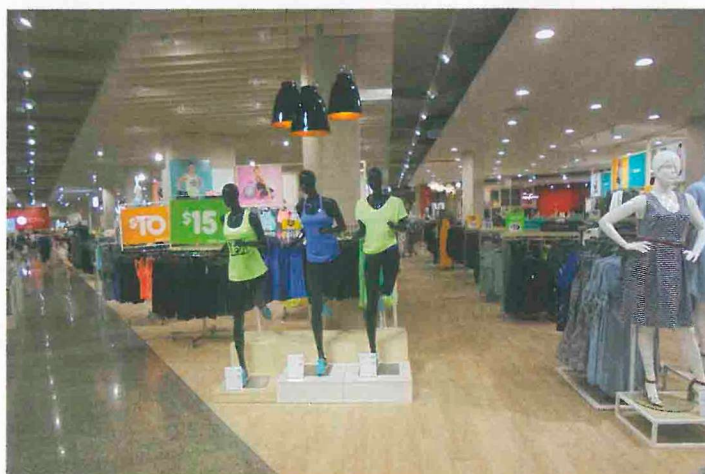
Customer focus

Prior to heading into the new store he spent about two hours looking at what the competition in the centre is doing and considering how Target measures up.

Given the retailer's history, one of Machin's biggest challenges has been converting customers from expecting everything to be discounted by 30% to an everyday low price strategy.

One of the measures taken to achieve that is using mid-floor display equipment featuring the price that an item was previously sold at alongside its new, everyday low price.

Machin seeks affirmation for the many changes that have been made – not from his team but from shoppers in the store. He pauses constantly to talk to Target customers to find out whether they like what they have



Retail recovery

Australia has plenty that is pretty different from the UK but, in terms of retail, the similarities are greater than the differences.

The new Target store at Eastland would probably be afforded warm accolades were it ever to make the trans-global trip back to the old country. For the moment, however, Machin is firmly focused on continuing with the recovery down under.

The rot at Target seems to have been stopped and modest day-by-day increases are being recorded.

Following a new look and a new management team, Target is on the way back and for the British retailers that are fortunate enough to make it to this part of the world, this store should be on the must-visit list. 🇺🇸

seen and what might be done differently.

"I'd give this about a six out of 10," he says, when looking at what's been done and how different it is from what came before. That does not sound like a

massive thumbs up and at the end of the visit, sitting in the cafe drinking water and eating a chicken wrap, Machin is critical of the way in which the queuing has been organised and proceeds to do something about it.