

## **ALL ABOUT HYPERMARKETS**

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According to definition of the French institute of self-service, a hypermarket possesses following signs:

-It is a very large enterprise of retail trade in which the wide and quickly updated assortment of food and commodities is presented;

- The floor space is not less than 2.5 thousand square meters;
- There is a policy of the low prices and small margins (discount system);
- All chosen goods are paid on the base of self-service at once at cash desk;
- There is a big parking for cars according to the American formula « No parking, no business».

The hypermarket, as a separate form, can differ according to assortment's specification. Recently, the specialized hypermarkets trading in one field of goods like food, building, furniture, book, the home appliances goods have appeared. For example, in Krasnoyarsk, in 2009 was opened a first hypermarket of building materials called "Expert".

The history of hypermarkets started in the thirties years of the last century. In 1930 a manager of grocery Michael Kallen in New York organized a shop in the premises of the former parking in which wide assortment of products was offered. This institution also is considered to be the first supermarket in the world. The idea was so successful that in a year or two Kallen had been the owner of eight similar shops. It was Silvan Goldman who invented a trolley, which made easier a process of shopping. The invention was a cornerstone in establishing hypermarkets.

It is necessary to notice that hygiene habitual, household chemical goods and household goods were not sold in supermarkets that time. They appeared there during the Second World War – because of a lack of foodstuff in shops, they were filled with the nonfood goods.

Gradually floor spaces grew, and already by the middle of 1950s in the USA there had appeared the first hypermarkets – they occupied the space of 3 to 6 thousands square meters.

In 1967-1973 the number of hypermarkets grew very quickly; in 1973-1976 this growth was sharply slowed down; in recent years the quantity of hypermarkets has reduced.

Consumers of hypermarkets are individuals and organizations (enterprises). Factors' ratings of legal bodies and individuals are very different. As for individuals, the ten most major factors are: prices for the attractive goods, close arrangement to a place, where they live, integrated approach of service, an exhibitions and advisers, close arrangement of warehouses, design of the goods or a new fashion.

As for legal bodies the ten strongest factors are: the prices, in comparison with the prices of the nearest competitors; affinity of an arrangement from a work place; the prices, in comparison with the market; services.

Merchandising is the modern technology of retail trade used by the large retail enterprises of trade. They are supermarkets and the hypermarkets. The reason to open them is shortage of the qualified sellers.

There are 3 stages in Shop Merchandising

1. Organizational Merchandising for easy buyers` orientation

## 2. Manageable Merchandising

### 3. Tempting Merchandising

For example, when a new brand of sauce is launched in the market it is necessary to have a range of tastes to increase sales. As a rule, the beginning of sales begins with releasing small package of the product. This new product serves for increasing of sales.

For goods promotion it is possible to use following types:

- The selling assistant (furniture, building materials, technique)
- Demonstration (tastings)
- Information leaflets or other advertizing materials.

Advertizing is the information extended in any way, in any form and with using different means, addressed to an uncertain audience and directed to attract the attention to the advertizing object, formation or maintenance of interest to it and its promotion in the market.

All advertizing strategy of hypermarkets can be conditionally divided into 3 parts:

- The purposes directed to stimulating demand at a whole commodity assortment of the firm, and on the separate goods;
- A set of actions which create certain image of the firm in the buyers` opinion;
- The actions directed to lobbying interests of a firm in authorities, in public organizations, in other firms.

If the branch of hypermarkets opens a new complex the information about it can be presented in the form of advertisements, both in other shops of the this branch, and in other distribution channels (radio, commercials, leaflets, billboards).

The majority of hypermarkets prefers outdoor advertizing and advertizing on vehicles because they have a number of advantages:

- Often catches people`s sight;
- Draw the attention to itself;
- Brevity;
- Readable on the move without force ;
- Understandable.

Billboards and pages in magazines have the following content:

- The family which consists of three persons, the man holds the trolley filled by products in the left top corner: a logo contrastly allocated on the background of picture; the height of letters is 10 % from height of all poster;
- Under a logo there is a hypermarket slogan: "It is a hypermarket for all members of a family where everyone can find the goods for his taste";
- In the right bottom corner of the poster a separate strip of the address and phones of all firm hypermarkets.

Group of companies «O'K» is a multi format federal retail branch whose structure includes hypermarkets «O'K» and supermarkets «O'K - the Express».

It was registered in St.-Petersburg in July, 2001

For today the group of companies «O'K» consists of 31 trading complexes in Russia.

Since the end of 2007 the general director of this group «O'K» has been Mr. Patrick Long. Shareholders are Dmitry Troitsky, Boris Volchek and Dmitry Korzhev

By results of 2009 the Group of companies has shown prompt growth: the turnover was 2,178 billion dollars and activities doubled in 2008, the dimension is 177,200 sq.m. For today Group has 9,200 employees.