

# How the hypermarket became the marketplace

By Antonello Vilardi

Adapted by Hippo Zourides

Livorno is an Italian port city of 160 000 inhabitants, located in the west coast of Tuscany. Famous for its seafood, Livorno has a variety of retail food outlets ranging from limited assortment stores (Penny Market, Lidl, Eurospin), to larger surface supermarkets (Pam, Conad) and until recently an 8 000m<sup>2</sup> Unicoop hypermarket.

The Covid pandemic was a true wake up call for the Hypermarket, which stocked a huge variety of households goods and general merchandise, over and above its conventional food offering. Urgent strategy was needed and very soon, after tough negotiations with the landlord, a new 4 500m<sup>2</sup> superstore was born with a new identity.

Named as Livorno's Marketplace, the new store dropped its general merchandise range, as well as electronic/technology areas and the emphasis was totally placed towards its fresh departments.

The usual grocery area is surrounded by the fresh offering with wide aisles and inviting displays that start right from the entrance, where the revamped fresh produce department is situated.



Before and after ... Apart from the internal changes, the signage changed from Ipercoop (the hypermarket) to Coop il Mercato di Livorno. The external signage uses the terminology 'Livorno's market' to illustrate that it is more than just a supermarket.



The resulting statistics speak volumes for the new approach ...

- 70% of all transactions are logged onto the store's loyalty card.
- This allows card users (members, as they called) to benefit from huge discounts ranging from 20% on dairy products up to 50% in the pharmacy department.
- 40% of sales come from the fresh departments and more specifically, the contributions by service areas are large by Italian standards
  - Fresh produce 13%
  - Fresh meat (incl. poultry) 11%
  - Fishmonger 6%
  - Chilled and frozen products 18%
  - Groceries are limited to 38% of sales.
- Its 20 000 customer transactions per week are at an average of €49 (R833) ... pre-Covid the average was €35 (R595) – a 40% increase in average spend.
- Currently, the store produces €4,2 million (R71 million) per month in sales by its 230 employees.
- Of its 20 checkouts, nine are used as self-service points or payments for 'click and collect' orders. These nine points of sale are used by 45% of the store's customers, which illustrates the new era of large store convenience for a consumer who is prepared to either pre-order in advance or scan and pack his/her own merchandise. In this lot, there are so-called 'time saving' checkouts, where the customer scans the products and just pays a cashier for the transaction.



The fresh produce department is located at the entrance to create a first impression of freshness.



Wide aisles and lots of space allow full visibility of all the fresh departments at a glance.







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- The 'click and collect' facility was started in mid-2020 and a total of five employees are dedicated to receiving electronic orders to fulfil them in time for the arrival of the customer.
- The most popular line item on sale is Coop's own brand of mountain spring water, which is bottled locally from the surrounding mountain streams. Water bottles are made of 30% recycled plastic, which adds to Coop's social responsibility image.

The Covid pandemic has been a challenge for many food retailers. Some, like Coop, have seen it as an opportunity to re-invent themselves and create a win-win solution for both its customers and its bottom line.



Fresh produce is displayed in bulk to create a market feel.





The freezer aisles are covered for energy efficiency and the super-structure is used for allied merchandising (in this case, Coke and pizza).



Food safety, product origins and product traceability are made to stand out as the store's solid principles of transparency.



Price ticketing includes good information especially the provenance of the merchandise with special mention that products are farmed or produced locally.



The bakery is replete with freshly baked goods and the signage reminds the shopper that only Tuscan flour is used in the manufacturing process.

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