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## **In July 2007 Star Company To Open First Supermarket With Trade Area Of 2100 Sq M In Armenia.**

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In July 2007, Star Company, the largest trade network in Armenia, will open the first supermarket with a trade area of about 2100 sq.m in Yerevan. Yelena Abovyan, Head of the Company's Design Department, told ArmInfo correspondent that the new supermarket is situated in the Nork third unit. She noted that in 2007 a multiformat conception of the network's development was approved, and this conception is unprecedented for Armenia. "Division into formats allows to respond to the preferences of consumers' each segment more efficiently.

In case of the Star network, we suppose to develop three formats," Y.Abovyan emphasized. According to her, the formats will be distinguished by their range of products, location, they will be meant for different segments of consumers. The first format shops will be situated in the center of Yerevan, in the business and recreational zone, and will occupy an area of 200-400 sq.m.

"The quantity of assortment names will total 5000-7000, representing both basic goods and premium class goods. The emphasis is done on the supply of fresh products and cookery," Y.Abovyan noted. At the same time, she pointed out that such supermarkets are meant for everyday purchase, therefore the proportion of the assortment units of food and non-food sectors makes up approximately 75% against 25%.

As for the medium format shops, Y.Abovyan noted that they focus on complex purchase. "The assortment matrix of this format implies a proportion of food and non-food items that makes up about 67/33," she said. The shops are situated in densely populated regions and, as a rule, occupy separate buildings where other retail operators are represented, e.g. mobile communication show-rooms, chemists shops, etc.

The third format supermarkets, trade halls, with an area of over 2000 sq.m. offer bigger number of assortment (about 20000), mainly, due to an extended range of non-food items. Y.Abovyan emphasized that she is not going to hold price differentiation yet, adhering similar prices for similar goods in all the shops. "Meanwhile, the perception of the price level may differ because of differences in assortment. Large trade areas allow to offer wider assortment for each category and bigger price range," she stressed.

Y.Abovyan also pointed out that at the moment the Star network of supermarkets has two "city center" shops (in Amiryan and Tigran Metsi streets), two medium format supermarkets (in Avan and Zeitun), and one large supermarket to be shortly opened (Nork Massiv). In July, Star will put into operation a new shop in the center of Yerevan (in Mashtots Avenue), which will be different from the others by the lack of counter service. By the end of 2007, the network will comprise 10 shops. Speaking of a long-term outlook of development, Y.Abovyan noted that by the end of 2010, the Star network will comprise 10 supermarkets in the center of Yerevan, 20 medium format shops and 20 large supermarkets, 4-5 of them in Yerevan, 15- 16 - in the regions. Expansion in the regions is expected by the end of 2008. She pointed out that the company leases premarketing. "The main activity of our company is a retail trade, as the purchase of real estate would be an inefficient distribution of resources. Let realtors and developer companies do that," she said.

In conclusion, she noted that in the near future Star will implement a project on opening small bakeries in the shops, that will allow to offer the customers a wide range of baked goods under own brand.

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