



Destination Supermarket

Swedish superstore Gekås is redefining the traditional supermarket with an innovative approach to retailing.

Images courtesy of Gekås



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As the largest department store in Scandinavia, Gekås is reinvigorating the traditional supermarket model and making its store a destination for customers. Each year, Gekås sees approximately 4.5 million shoppers come through its doors. With the average customer travelling 150 kilometres to visit the store, Gekås bought a camping ground in 2000, and later built a shopping motel to accommodate its eager customers.

Boris Lennerhov is the Managing Director of Gekås, and has sparked a number of innovative strategies for the superstore. With the superstore incorporating forward-thinking strategies and a simple word-of-mouth approach to marketing, Gekås is re-energising the retail market.

The CEO Magazine Europe spoke to Boris about how Gekås' unique proposition and approach has differentiated the superstore from its competitors for decades.

The CEO Magazine Europe: What led you to join Gekås?

Boris: I was headhunted, and the first few times I was approached, I declined. However, the third time I

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met the owners of the company. There used to be five and now there's two, so I met them and I understood what they were trying to do.

What attracted you to Gekås as a retail brand?

Even then, Gekås was a big retail company—the biggest in Sweden—but at the same time, I saw there were a lot of opportunities to build the company. I looked at it as a destination. A lot of people travel a very long way to shop here, so I wanted to add accommodation and eating components. When I first joined, it was just the store and the parking lot.

How have you seen the company develop since that time?

The turnover was around 1.5 billion krona and now it's around 4.5 billion, so we've tripled our growth.

What do you think have been your greatest achievements as CEO of Gekås?

I think it's about the small things because everything about Gekås—the buildings, the product range, the area—is so big. We built hotels and a camping site as we've got

around 3,500 people staying each night. It's not just shopping anymore; it's much more of a destination.

How have consumers responded to your introduction of a camping and hotel site near the store?

They've responded very well because we've built and built and built, and it's been fully booked for a long time. We bought a small camping area that originally turned over around 2 million krona and now turns over around 65 million krona.

It's grown substantially, and we've got a lot of great feedback on that. We have more and more customers staying as the store and its product range grows. Now they're shopping not just one day, but two days. Since they've travelled so far to get to the store, they want to stay overnight and sleep and eat and enjoy themselves. All this has grown around the shopping, and that's the reason why I call it a destination.

So the hotel and camping site are normally fully booked?

Over the years, the average is around 90 per cent occupancy. Our >



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“It’s very simple; I always say that we should aim not to be 100-per-cent better in one thing, but 1-per-cent better in a hundred different things every week.”

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camping site gets more travellers in 10 weeks than the rest of the country’s sites for the whole year.

How would you describe the culture of Gekås?

I would say it’s very soft; it’s about taking care of each other. It’s a very strong company culture. I think it’s been very important to our success because people stay here a very long time; our annual turnover is just 3 per cent. It’s a family culture; we’ve had three generations work here. We’ve had brothers and sisters and mothers and fathers work here. It’s a small space, and everyone knows each other because they live in a small area.

So it’s a family-style environment then?

Yes, it is. A lot of our employees went to school together in the nearby town and grew up together, so they already know each other.

How do you collaborate with suppliers and strategic partners to ensure you retain Gekås’ unique proposition?

A lot of them have been very long-term partners with us. For us, it’s very important that we have good relationships with suppliers because it helps us in the business. We are not the tough guy that likes to slam his fists on the table. We want to have good relationships with our suppliers.

We never stock up on new products in our company because people travel here to get products that are cheaper than in their home towns.

You rely on word of mouth rather than traditional marketing. What prompted that approach?

Our marketing budget is around 1 million krona—that’s not a lot when you think that our turnover is 4.5 billion krona, so it’s nearly nothing. However, due to the fact that we now have our own reality TV show, Ullared, the newspapers write a lot about us.

It’s a unique place and we have a lot of visitors, so that’s why it’s interesting to write about. If you don’t give the customer what they want then they won’t come back. They tell their friends about their experience so we don’t need any traditional marketing. I’m happy about that because a company like ours would normally use around 200 million krona and we only use 1 million.

When Gekås first opened, did you market the store a lot more or has this minimalist and word-of-mouth approach to marketing always been your style?

It was more in the beginning, but not a lot more. For the past 30

years we’ve had minimal promotion; nothing’s really been advertised. It has been a very, very long time.

Was the TV show something that you were approached about?

The production company approached us wanting to do it. They had to do a programming test. We looked at it with the people who work here, and we said okay. From the beginning, it was a big risk, because you never know how it’ll be received. We made an agreement that I would see every episode before it goes to air to make sure it’s alright. There’s only been one minute out of 32 episodes that I’ve asked them to take out, so it’s been pretty good.

As a leader, what is your vision for Gekås?

It’s very simple; I always say that we should aim not to be 100-per-cent better in one thing, but 1-per-cent better in a hundred different things every week. We always want to be that little bit better. We want our customers to come back to the store and say, “Oh, good, they’ve fixed that,” or “Wow, they’ve got that new thing.” We want something new and something a little bit better. •

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