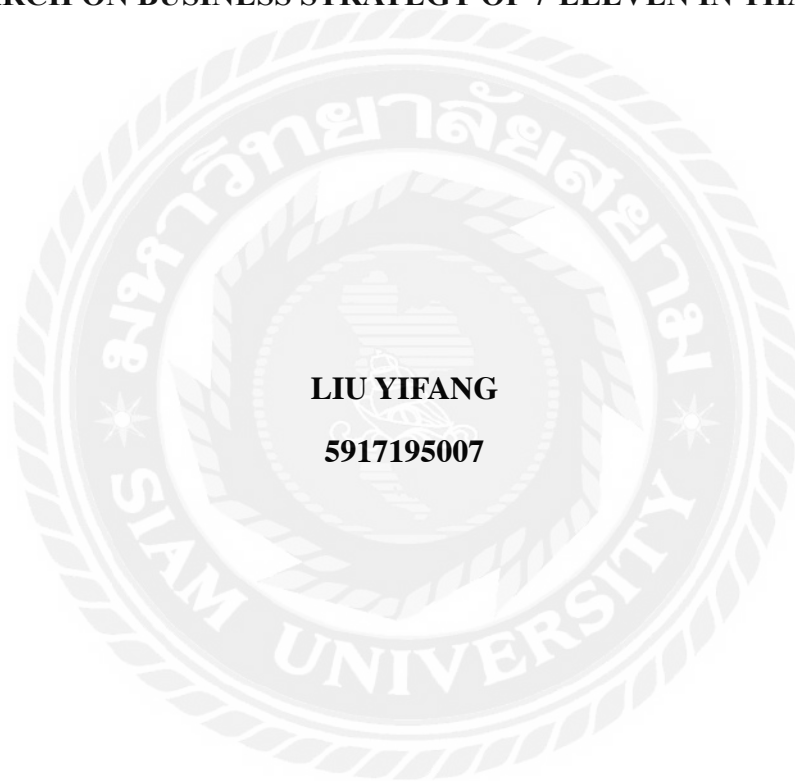




RESEARCH ON BUSINESS STRATEGY OF 7-ELEVEN IN THAILAND



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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL
FULFILLMENT
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RESEARCH ON BUSINESS STRATEGY OF 7-ELEVENIN THAILAND

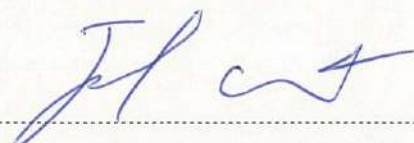
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To

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This Independent Study has been approved as a Partial Fulfillment of the Requirement of International Master of Business Administration in International Business Management

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ABSTRACT

Title: Research on Business Strategy of 7-ELEVEN In Thailand
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The convenience store, CVS in short, is a kind of retail business that satisfies customers' emergent needs and convenience. The convenience store industry has thrived in Thailand in recent years. Especially as a Japanese convenience store, 7-ELEVEN witnesses more than 10,000 stores in 2018 after CP ALL has obtained the franchising in Thailand. With such sound momentum, it is necessary to analyze and study its business strategies and provide a reference for the development of Chinese convenience stores.

Beginning with a brief history of 7-ELEVEN's development in Japan and Southeast Asia, this paper analyzes 7-ELEVEN's marketing methods in Thailand through such means as SWOT, 4P, PEST, Five Forces, and internal and external environment analysis, defines 7-ELEVEN's operating characteristics, summarizes its success factors, identifies its existing deficiencies, and points out the direction for the future development.

7- ELEVEN is a Japanese-owned American international chain of convenience stores, headquartered in Irving, Texas. The chain was known as Totem Stores until it was renamed in 1946. Its parent company, Seven-Eleven Japan Co., Ltd., operates, franchises, and licenses some 64,319 stores in 18 countries as of January 2018. Seven-Eleven Japan is headquartered in Chiyoda, Tokyo. Seven-Eleven Japan is held by the Seven & I Holdings Co.

Key words: Convenience Store, 7-ELEVEN, Franchising Model, Southeast Asian, Marketing Strategy Business Model

摘 要

题目: 7-ELEVEN 在泰国的经营策略研究

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便利店, 英文简称 CVS (Convenience Store) 是一种用以满足顾客应急性、便利性需求的零售业态。近几年泰国便利店行业如火如荼, 特别是 7-ELEVEN, 作为日系便利店, 被 CP ALL 取得在泰国连锁经营授权权利后, 到 2018 年已经有超过一万家的分店数量。在如此良好的发展态势之下, 有必要对其经营策略和战略进行分析研究, 为本国便利店的发展提供借鉴。

本文先是简述泰国在日本和东南亚的发展历史, 之后主要通过其在泰国的发展使用 SWOT、4P、PEST、五力、内外环境分析等手段对泰国 7-ELEVEN 的营销手段进行分析, 明确泰国 7-ELEVEN 的经营特点, 进而总结出其成功要素, 辨明其现存的不足, 为未来得以更好发展找到方向。

7-ELEVEN 是一家日资的美国连锁便利店, 总部位于德克萨斯州的欧文市。该连锁店被称为图腾商店, 直到 1946 年更名。它的母公司 7-ELEVEN 日本有限公司, 经营, 特许经营, 并在 2018 年 1 月在 18 个国家拥有 64,319 家商店。7-ELEVEN 日本总部位于东京千代田。7-ELEVEN Japan 由 Seven & I Holdings Co. 持有。

关键词: 便利店, 7-ELEVEN, 特许经营模式, 东南亚, 行销策略, 经营模式

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RESEARCH ON BUSINESS STRATEGY OF 7-ELEVEN IN THAILAND

CHAPTER 1 INTRODUCTION

1.1 Background and Motivation of the Study

In modern people's lives, increasing attention has been paid to convenience and speed. The shopping choice is no longer limited to large shopping malls and supermarkets but becomes more dependent on such retail business as convenience stores.

In recent years, Thailand has experienced a rapid expansion of convenience stores and the overwhelming existence of supermarkets in the streets and lanes. Although the competition among convenience stores has become increasingly fierce, the marketing strategies of various convenience stores are not the same. In particular, 7-ELEVEN has accounted for 90% of the total convenience stores and come first on the list in terms of both number and density in Thailand. This paper deems it necessary to analyze and summarize its marketing strategies, and draw the rules and advantages for reference (Wikipedia,2018).

7- ELEVEN is a Japanese-owned American international chain of convenience stores, headquartered in Irving, Texas. The chain was known as Totem Stores until it was renamed in 1946. Its parent company, Seven-Eleven Japan Co., Ltd., operates, franchises, and licenses some 64,319 stores in 18 countries as of January 2018. Seven-Eleven Japan is headquartered in Chiyoda, Tokyo. Seven-Eleven Japan is held by the Seven & I Holdings Co.1.2 Research Objectives (Wikipedia,2018).

1.2 Research Purpose

To review the development course of 7-ELEVEN in Japan with a focus on the introduction of franchising model and its expansion in the ASEAN region.

To use SWOT, 4P, Five Forces, and internal and external environment to learn the strengths and future threats of 7-ELEVEN in Thailand.

To explore 7-ELEVEN's marketing models in Thailand and analyze which marketing methods it uses and what services it provides to attract consumers.

1.3 Research Significance

Today's retail market is very competitive. CP ALL, the retail leader in Thailand, operates 7-ELEVEN convenience stores by acquiring the franchising right. The rapid expansion of 7-ELEVEN stores in Thailand can also reveal this is a successful business model. However, many other convenience stores are operated poorly to achieve their desired goals and cannot keep on due to various difficulties such as failure to formulate their own strategies, wrong choices of store locations, and bad management. This paper also allows local convenience stores in Thailand to learn and discuss the successful experience of 7-ELEVEN's operation in Thailand and provides lessons for their own development. This is also why it is important to write this paper.

1.4 Innovations of the Paper

Since the current business model of convenience stores is actually derived from the local business model in Japan, this paper will first introduce the establishment of 7-ELEVEN's business philosophy in Japan. Then it will analyze 7-ELEVEN's marketing model in Thailand. The study on the reasons for the success of 7-ELEVEN in Thailand is started with Japan and ended with Thailand.

CHAPTER 2 LITERATURE REVIEW

2.1 Background of 7-ELEVEN Company

2.1.1 Concepts and Features of Convenience Stores

The convenience store, CVS in short, is a kind of retail business that satisfies customers' emergent needs and convenience. Convenience stores refer to a retail form that usually occupies an advantageous position and mainly sells food with long business hours but limited variety of products. Customers visit convenience stores for quick replenishment often after work or at leisure. The popular items sold in convenience stores are gasoline, milk, groceries, newspapers, soda drinks, cigarettes, beer and fast food.

This type of operation first originated in the United States and then has two branches derived, namely, traditional convenience stores and petroleum-based convenience stores. The former has developed in Japan, Taiwan, and other Asian countries and regions, while the latter is more prevalent in Europe and the United States.

The feature of convenience stores, as the name suggests, is [convenient]. In the past, traditional large-scale supermarkets were often located in suburbs far from the city center, and the stores were very large. The goods were placed far away from each other, the shelves were high and messy, and the variety was numerous. It took too much time and money to visit a shopping mall. Since the pace of life of modern people is fast, sometimes they may not have too much time and there is no need to go to a big shopping mall for one or two small items. This obviously does not meet the modern life characterized by increasingly fragmented time. The emergence of convenience stores satisfies precisely this need. In order to pursue efficiency, the types of products are certainly limited, and most of them are the items with the greatest daily demand (Mizuho Research Institute, 2018). It can be said that this approach of doing more with less and substituting completeness with careful selection has hit the point and captured the core of modern life. In terms of site selection, there are many places suitable for the opening of convenience stores, such as schools, commercial areas, residential areas, and even hospitals. In addition, convenience stores are often open 24 hours a day to meet people's needs for rapid consumption despite the time and location.

2.1.2 Corporate Origin and Equity Ownership of 7-ELEVEN

In 1927, Southland Ice Company employee John Jefferson Green began selling

eggs, milk, and bread from one of 16 ice house storefronts in Dallas, with permission from one of Southland's founding directors, Joe C. Thompson, Sr. Although small grocery stores and general merchandisers were available, Thompson theorized that selling products such as bread and milk in convenience stores would reduce the need for customers to travel long distances for basic items. He eventually bought the Southland Ice Company and turned it into Southland Corporation, which oversaw several locations in the Dallas area.

In 1928, Jenna Lira brought a totem pole as a souvenir from Alaska and placed it in front of the store. The pole served as a marketing tool for the company, as it attracted a great deal of attention. Soon, executives added totem poles in front of every store and eventually adopted an Alaska Native-inspired theme for their stores. Later on, the stores began operating under the name "Totem Stores". In the same year, the company began constructing gasoline stations in some of its Dallas locations as an experiment. Joe Thompson also provided a distinct characteristic to the company's stores, training the staff so that people would receive the same quality and service in every store. Southland also started to have a uniform for its ice station service boys. This became the major factor in the company's success as a retail convenience store.

In 1931, the Great Depression affected the company, sending it toward bankruptcy. Nevertheless, the company continued its operations through re-organization and receivership. A Dallas banker, W.W. Overton Jr., also helped to revive the company's finances by selling the company's bonds for seven cents on the dollar. This brought the company's ownership under the control of a board of directors.

In 1946, in an effort to continue the company's post-war recovery, the name of the franchise was changed to 7-Eleven to reflect the stores' new hours of operation, which were unprecedented at the time. In 1963, 7-Eleven experimented with a 24-hour schedule in Austin, Texas, after an Austin store stayed open all night to satisfy customer demand. Later on, 24-hour stores were established in Fort Worth and Dallas, Texas, as well as Las Vegas, Nevada. In 1971, Southland acquired convenience stores of the former Pak-A-Sak chain owned by Graham Allen Penniman, Sr. (1903–1985), of Shreveport, Louisiana.

With the purchase in 1964 of 126 Speedee Mart franchised convenience stores in California, the company entered the franchise business. The company signed its first area licensing agreement in 1968 with Garb-Ko, Inc. of Saginaw, Michigan, which became the first US domestic area 7-Eleven licensee.

In the late 1980s, Southland Corporation was threatened by a rumored corporate takeover, prompting the Thompson family to take steps to convert the company into a private model by buying out public shareholders in a tender offer. In December 1987, John Philp Thompson, the chairman and CEO of 7-Eleven, completed a \$5.2 billion management buyout of the company. The buyout suffered from the effects of the 1987 stock market crash and after failing initially to raise high yield debt financing, the company was required to offer a portion of stock as an inducement to invest in the company's bonds.

Various assets, such as the Chief Auto Parts chain, the ice division, and hundreds of store locations, were sold between 1987 and 1990 to relieve debt incurred during the buyout. This downsizing also resulted in numerous metropolitan areas losing 7-Eleven stores to rival convenience store operators. In October 1990, the heavily indebted Southland Corp. filed a pre-packaged Chapter 11 bankruptcy in order to transfer control of 70% of the company to Japanese affiliate Ito-Yokado.

Southland exited bankruptcy in March 1991, after a cash infusion of \$430 million from Ito-Yokado and Seven-Eleven Japan. These two Japanese entities now controlled 70% of the company, with the founding Thompson family retaining 5%. In 1999, Southland Corp. changed its name to 7-Eleven, Inc., citing the divestment of operations other than 7-Eleven. Ito-Yokado formed Seven & I Holdings Co. and 7-Eleven became its subsidiary in 2005. In 2007, Seven & I Holdings announced that it would be expanding its American operations, with an additional 1,000 7-Eleven stores in the United States.

For the 2010 rankings, 7-Eleven climbed to the No. 3 spot in Entrepreneur Magazine's 31st Annual Franchise 500, "the first and most comprehensive ranking in the world". This was the 17th year 7-Eleven was named in the top 10.

Also in 2010, the first "green" 7-Eleven store opened in DeLand, Florida. The store features U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) elements. Also, the environmentally-friendly design brings the store savings in energy costs (Dai, 2004). That same year, 7-Eleven went mobile with the launch of the iconic Slurpee drink's iPhone and Android Application (App). The Slurpee drink app made it easy to find 7-Eleven stores and provides driving directions. The following year, 7-Eleven celebrated its 40,000th store opening and within two years of that milestone opened its 50,000th store.

2.2 Overview of Franchising Model

2.2.1 Concept of Franchising Model

Franchising is the rights concerning the trademark, service identification, trade name, and operating techniques, as well as impression creation of the same products and conduction of other matters after the conclusion of agreements between the franchisor and the franchisee. Besides, the franchisee needs to pay the franchisor a certain amount of fees, including the franchising fee, expenses for the trademark right, the guidance and assistance provided by the authorizer, and the remuneration for the business support. The franchisor and the franchisee are mutually dependent.

2.2.2 Development of Franchising Model

Franchising is a business model that originated in the United States. It first appeared in the manufacturing industry in the mid-19th century. After entering the 20th century, the automaker Ford built a sales system for special dealers. With the popularity of automobiles, petroleum stations expanded and thus facilitated the development of franchising. Taking this as an opportunity, this model was gradually introduced into industries such as drugs, drinking and ice cream. The then franchising model was still “commodity-trademark authorization” and mainly used in manufacturing.

Then, after the World War II, franchising rapidly became popular. In the 1950s, such service industries as restaurants and hotels also introduced franchising with a slight difference from the original franchising model, that is, the new [business model authorization]. The founder of this model is the large beverage company in the drinking industry, i.e. [Coca-Cola Company]. In order to reduce the huge cost of shipping its products to various places of the United States, the company began to set up factories in various places for the production, bottling and other operations and directly sold the products right on the spot.

In the middle of the 20th century, franchising entered a period of all-round development. In many industries, the food and beverage industry led by McDonald's and KFC witnessed rapid development through this business model, followed by the service industry. This period was the mature time of the [business model authorization]. KFC and McDonald's required franchisees to provide completely the same foods, drinks, and services when authorizing the franchising. The store decoration design and the waiters' clothing should also be strictly consistent. The advantage was that it strengthened the management and control of the franchising stores, thereby ensuring

the core competitiveness of the franchisors' brands.

Since the 1960s, the franchising model was not limited to domestic companies in the United States but gradually expanded in the United Kingdom, France, and other European countries. The fast-food industry, hotels, and restaurants began to use this business model.

Since the 1980s, franchising entered into a period of rapid development on a global scale due to the widespread commercial application of computer network technologies and the rapid development of e-commerce. At the same time, due to the impact of globalization, enterprises with international advantages were no longer confined to the scale of their own capital. Instead, they exported mature brand goods, management models, technical means, cultural concepts, and service systems in the form of franchising contracts, which quickly formed the momentum of [international franchising]. Today, franchising has been extended among various industries, with the business direction as a distinction, and has different forms in each country.

The countries with the largest number of franchising chains and stores in the world in recent years are shown in Table 2-1. From this table, it can be seen that of the 10 countries, Asia accounts for 4 places, North and South America account for 3 places, and Europe accounts for 3 places. In addition, China ranks first in terms of the number of chains, and the United States has an overwhelming advantage in terms of the number of stores.

2.2.3 International Franchising

As companies expand in scale, they will not be satisfied with the domestic market and tend to seek overseas development. This is the so-called international franchising. The so-called international franchising refers to the form where the headquarters aim at providing overseas companies and franchisees with fee-charging trademarks, goods, and technologies through the conclusion of contracts, thus enabling the expansion of the business around the world.

The development of international franchising can be achieved through the conclusion of the following two types of contracts. The first type is [direct franchising contract], a contract directly concluded between the headquarters and local franchisees. The second type is [indirect franchising contract] where the headquarters grant a local franchisee the right of local authority delegation, enabling the franchisee to become an

overseas headquarter that is also called [overseas branch] and enjoy the right to recruit franchisees locally. Generally, the latter one is dominant among the international franchising models.

2.2.4 Advantages of Franchising Model

By adopting the franchising model, the headquarters can rapidly expand its business scale with only a small amount of investments and entrust the business to the franchising stores instead of direct intervention. This is its most distinctive feature.

The size of the headquarters grows with the increasing number of franchising stores. Thus, as the purchase volume of products continues to increase, the cost of products will decline, so will the advertising costs for television and commercial marketing means. This is the so-called benefits of economies of scale.

In addition, the stores under this business model are generally closer in terms of geographic location, and the freight of the goods will be maintained at a relatively low level.

As the expansion of the store network increases the number of the same stores in the same area, the awareness of the brand is improved and the sense of trust in the stores is also increased from the consumer's point of view.

From the perspective of the operator of the headquarter, they can increase the number of stores without their own investments. As a result, companies with tight funds can also quickly expand the scale and scope of their stores with fewer investments. Since the main expenses for opening a store are borne by the franchisees, a large store network can be built in a short time. Second, subject to the authorization regulations in the franchising contract, the franchising stores must pay a certain fee to the headquarters which enables the rise of the sales of the headquarters.

From the perspective of franchisees, the first point is that franchising allows franchisees to use the skills and techniques developed by the store, saving a lot of money and time and reducing the risk of business failure(National Statistical of Thailand,2008). The second point is that all inexperienced franchisees will receive training on business in the headquarters and will often receive guidance on how to run a business. The third point is that the brand of the headquarter already has already established some awareness among consumers, and franchisees will be accepted by

consumers at a faster rate when they first open a store. In particular, if the headquarter's brand has made a good impression on consumers, it will be easier for franchisees to build trust relationships with consumers. Fourth, since the headquarter will make all decisions regarding the development and launch of products, the expansion of upstream purchasing points and other activities, franchisees can concentrate their efforts on how to run their own stores and fully meet the needs of customers. Fifth, goods, consumables and equipment are all purchased in large quantities by the headquarters, so the price will be relatively low. Therefore, the unit price of the merchandises in the store can also be relatively low, thus increasing their competitiveness in the market.

2.2.5 Disadvantages of Franchising Model

The franchising system is designed to pursue a standardized business model, which unifies the business of the entire store chain. Therefore, it is extremely difficult for franchisees to promote their own unique products or implement unique marketing methods.

From the perspective of franchisees, in order to start the business, it is necessary to pay the fees of land purchase, shop setup, purchase of business equipment, purchase of commodities and raw materials, and the initial fee paid to the headquarter. Above all, it is also required to pay the monthly authorization fee, resulting in a reduction in the net profit achieved at the beginning(Christopher & Towill,2002).

Since the franchising store can obtain various technical support from the headquarter and forget about their position as an operator, they are content with the status quo and are unwilling to seek new changes.

If the franchisee ends the franchising contract, it cannot use the skills and customer groups acquired when joining the company because he cannot continue the same kind of business.

Although franchising allows franchisees to operate in accordance with the will of the headquarters, there will be some confrontation between the franchisees and the headquarters, given that they are independent business entities.

Franchisees must pay a certain amount of franchising fees and authorization fees to the headquarters, and the headquarters must provide relative technical support for the competitiveness of their own companies. Therefore, in order to constantly update

and improve their own technologies and skills, the headquarters must invest a steady stream of financial and human resources(Howard,2011).

Since all franchising stores are based on the same brand and impression, if there is a problem with one of the stores, it will affect all stores of the entire chain.

2.3 Development of Franchising Model of 7-ELEVEN

It can be seen from the development history of the aforementioned franchising model that the franchising model gradually spread to various industries such as retail and catering after the 1960s(Endo ,2010). The first convenience store that introduced the franchising mode was 7-ELEVEN, Ice Cream Company of Southland Corporation in the United States. After being acquired by Ito Yokado, the expansion of the local store chain network was all operated by 7-ELEVEN INC.

2.3.1 Significance of Franchising Model for the Japanese Retail Industry

Since Ito Yokado obtained the franchising right in Japan from 7-ELEVEN in the United States in 1973, it opened its first branch in Tokyo in the second year as a franchisee.

This type of convenience store is a reform of modernizing the operation of small and medium-sized retail stores in Japan that were in a state of predicament at the time. The organization and the scale expansion of existing small and medium-sized retailers in the form of franchising stores successfully recaptured the market share from the market occupied by large supermarkets (Frankel, et al.,2002). The large number of independent small and medium-sized retailers selling drinks, food, and groceries turned to convenience stores for survival. In other words, the predecessors of convenience stores were actually small and medium-sized retailers. In fact, it was the drinks that the first 7-ELEVEN established by Ito Yokado mainly sold at that time.

The franchising model was a means of rejuvenation for small and medium retailers in Japan, making small and medium-sized retailers believe that the operating form of convenience stores was rejuvenated.

2.4 7-ELEVEN's Development in Thailand

2.4.1 Brief Introduction of the Retail Industry in Thailand

With the accelerating urbanization and the expansion of new shopping channels in Thailand, the retail industry in Thailand faces increasingly fierce competition as the “emerging star” in the commerce and trade sector. The investment in building retail channels also increases and more importance is paid to sales through the new network channels. It mainly has the following features:

The retail industry grows at a surprising rate in Thailand, but the market is not yet saturated. The wholesale and retail in Thailand is the most solid industry in the ASEAN region, with an astonishing growth rate and many new business models (Kawamura et al., 2006). In the past ten years, Thailand’s wholesale and retail industry has maintained an average growth rate of 7% to 8%, attracting high attention from foreign investors (Prachachart Business Newspaper, 2008). In particular, large supermarkets are able to attract both local residents and foreign tourists.

Although major business groups are expanding their operational scales and both small shops and large shopping malls increase in numbers, there is still room for further growth for the retail market in Thailand. Still, both original players and new entrants have chances.

Each group pushes forward expansion plans, and the competition among small and medium-sized supermarkets is fierce. Compared with large shopping malls, convenience stores require a small investment but offer quick results (Feeny, et al., 1996). Now it is quite easy for companies that have branch stores across the country to open new stores. At the same time, convenience stores are operated in a flexible manner, winning more and more favor from investors in this field (Jitpleecheep P, 2009). While the main competition that convenience stores face in the future will be around ready-to-eat and fast-food products, the competition of service is also increasing.

Large-scale supermarkets continue to attract investments, and several large shopping malls will be launched soon. With the aggressive expansion of small and medium-sized convenience supermarkets, more investments will be poured into large-scale supermarkets. The vice chairman of The Mall Group once expressed the plan to invest more than THB2 billion in the continuous in-depth expansion of the market.

2.4.2 7-ELEVEN in Thailand

Thailand’s 7-ELEVEN obtained the authorization by CP ALL (Volkswagen Co., Ltd.) from 7-ELEVEN in the United States in 1989 and became a local franchise-

designated business in Thailand. As a subsidiary of Chia Tai Group, the largest integrated company in Thailand with a wide range of businesses, CP ALL engages in the industries covering food production and processing, agriculture and commerce. Founded in 1988, CP ALL has gradually become the main marketing business of Chia Tai Group. Its main business is the operation and management of all 7-ELEVEN convenience stores in Thailand. In addition, it also operates other ancillary businesses such as Counter Service Co., Ltd. that specializes the agent payment of various types of billing businesses; CPRAM Co., Ltd. that produces various types of frozen foods and bakery products; CP Retail Link Co., Ltd. that operates the sales and maintenance of various electrical equipment of convenience stores; ThaiSmartCard Co., Ltd. that operates various payment card systems; Gosoft (Thailand) Co., Ltd. that operates information processing and service business; Dynamic Management Co., Ltd. that operates the logistics and distribution center business of convenience stores; MAM Heart Co., Ltd. that operates market management business; Suksa Phivat Co., Ltd. that operates Panya Phivat Technology College and Panya Phiwat College (PIM-Thia Tai Management College); Panya Tara Co., Ltd. and All Training Co., Ltd. that operate academic seminar activities related to various kinds of skills training and businesses. While the number of 7-ELEVEN stores has continued to grow, CP ALL has always maintained the development of new products, the timely adjustment of on-shelf products, and the provision of various additional services. CP ALL Co., Ltd. has flexibly utilized the advantages as an integrated company, employed new means to create subsidiaries, and continued to improve the operating system in order to expand the business of 7-ELEVEN. Until the beginning of 2017, the number of its stores had reached 9,680(Nagai,2013). At the beginning of this year, CP ALL planned to invest THB7 billion in adding more than 700 stores in Thailand. This expansion will bring the number of 7-ELEVEN stores in Thailand to 11,000.

Thanks to the construction of new transportation infrastructure and the government's strong support for the Eastern Economic Corridor (EEC) initiative, it is expected to attract more foreign investors to invest in Thailand, and other convenience stores and small supermarket chains including FamilyMart, Lawson108, Mini Big C and Tesco Express may expand their businesses. The government's policy on European Economic Community is expected to bring more foreign investments to the eastern provinces, especially Chonburi. People's spending power in the eastern provinces is expected to increase, and CP ALL is also preparing to open more 7-ELEVEN stores in this region.

2.5 Thailand's Strengths Among 10 ASEAN Countries

Compared with other ASEAN member countries, consumers in Thailand have higher purchasing power. Although the recent Thai economy has no remarkable aspects, Thai consumers' purchasing power has reached a higher level than that of neighboring countries thanks to the economic development results achieved so far.

From the perspective of the consuming class in Thailand, the proportion of the middle-income group, whose daily income reached USD10-USD20, rose from 17.1% to 32.3% from 2002 to 2013. Affected by income levels, individual consumption levels have also increased(Kung,2017). According to the household expenditure survey conducted respectively in 2001 and 2015, the annual consumption of each household rose from THB8,758 to THB11,843. In particular, the capital consumption volume accounting for 15% of the total consumption witnessed an average THB26,719 for each household every year, which was significantly higher than in other regions.

On the other hand, with the increase in expenditure, food spending also increased. Therefore, it was not consistent with the normal circumstance that the increase in the consumption level was often accompanied by a reduction in food expenditures. As can be seen from the chart, Thai people's spending on foodstuffs accounted for about 40% of the total all the time(Collis & Hussey,2003). Despite this context, the dietary habits in Thailand have actually changed. In recent years, a large number of foreign-funded restaurants have entered Thailand, especially Japanese-style restaurants, which have injected fresh blood into Thai dietary life. In addition, even when they are at home, most people prefer to purchase ready-to-eat foods from supermarkets and convenience stores to replace cooking at home. This is probably the reason why Thailand's expenditure on foodstuffs has not dropped(Thanee,2010).

Recently, the retail business in Thailand has also undergone significant changes. In the past, Thai people tended to go to local markets or retail stores for daily necessities. Recently, they have a tendency to shop at large-scale shopping malls and chain convenience stores(Kawabe,2012). With the increase of modern retail stores year by year, it can be seen that the streets and lanes in Bangkok are filled with countless convenience stores and malls(Zheng,2018). Moreover, due to the beautiful natural scenery, the government's introduction of a series of policies favorable to tourism and the vigorous promotion of local brands have attracted a large number of foreign tourists, thus further facilitating the expansion of the entire retail market.

CHAPTER 3 RESEARCH METHODS AND MAIN CONTENTS

3.1 Research Methods

The research methods adopted in this paper are mainly data collection and field investigation. The author had conducted surveys on the development of 7-ELEVEN, the ASEAN economy, the commencement of franchising of Japanese convenience stores, and carried out the collection, statistics, and analysis of data. The academic papers that have been published so far, reports, news, and periodicals, as well as various intelligence from the Internet have been sorted out, analyzed and integrated. In addition, due to the geographical advantage of living in Bangkok, it is convenient to conduct on-site investigations into local 7-Eleven convenience stores, observe Thailand's customs and social landscape closely, and provide sufficient factual basis for the research content of this paper.

3.2 Main Contents of this Paper

This paper can be roughly divided into two major parts. The first part focuses mainly on Japan. It will introduce the gradual development and expansion of 7-ELEVEN as a Japanese brand after a failed operation in the United States. In this part, the focus is placed on the discussion of the refined business models of Japanese convenience stores as well as the influences of the introduction of franchising model on the business of convenience stores(Coyle et al.,2003). Further, this part explains the reason why 7-ELEVEN started overseas expansion, the reason why 7-ELEVEN selected Southeast Asian countries for its expansion and the specific entry process, which lays a foundation for explaining how 7-ELEVEN has achieved such great success in Southeast Asia, especially in Thailand.

In the second part, the author will study how 7-ELEVEN adapted to local society, culture and folk customs, adjusted its business strategies after entering Thailand, and thus blazed a similar and different path from Japanese convenience stores(Whipple & Russell, 2007). These include the analysis of 7-ELEVEN's internal and external environment in Thailand, the analysis of the convenience store's competitive strategies, and the implementation of the strategies - including marketing strategy, human resource management strategy, and supply chain management strategies. In the end, it makes a summary, discusses the problems that still exist, and envisions a future. The research methods used in this paper are mainly the application of theories related to enterprise marketing and strategic management(Yadin,2002). The specific analysis methods include Porter's five forces analysis, SWOT matrix, 4P marketing analysis and PEST

analysis.



CHAPTER 4 RESEARCH RESULTS

4.1 PEST Analysis

4.1.1 Analysis of Political Environment

Concept: The political environment refers to the political elements and legal systems that restrict and influence enterprises, and their operational status. The political environment includes such factors as a country's political system, authorities, released guidelines and policies, political groups and political situation.

Overview: The free and open political environment offers both opportunities and challenges. In recent years, the political situation in Thailand has not been very stable, but it has still maintained a highly liberal and open political environment. The government also encourages economic development and provides many industries with conditions and opportunities for autonomy and freedom, so that the industries can control their own initiatives in marketing and retain autonomy. The current political environment in Thailand offers both opportunities and challenges for 7-ELEVEN. On the one hand, although the free and autonomous economic environment is likely to threaten some industries, it will not threaten 7-ELEVEN Thailand. Instead, it will provide good development opportunities for 7-ELEVEN Thailand, because 7-ELEVEN can strengthen collaboration and communication with foreign companies, and attract many highly profitable products. On the other hand, for other local and foreign retail companies, they will also greatly benefit from such sound political environment and use it to increase their strength. From this point of view, the competitive pressure on 7-ELEVEN Thailand will undoubtedly increase. Therefore, this freedom provides 7-ELEVEN Thailand with both advantages and disadvantages.

The expansion of large retailers was affected by urban planning in 2010. The opening of large-scale supermarkets with an area greater than 1,000 square meters must be established at least 15 kilometers from the urban area. Retail establishments with an area of 300-1,000 square meters could be opened in the urban area. However, this was an opportunity for small retailers. Therefore, these large retailers such as Tesco lotus and Big C have launched small-scale retail stores such as Tesco Lotus Express and Mini Big C in order to expand their stores in the urban areas. These initiatives increased the competition between small retail stores and convenience stores.

4.1.2 Economic Environment Analysis

Concept: The economic environment refers to the socio-economic conditions that constitute the survival and development of enterprises and the country's economic policies, including such factors as economic systems, economic structures, the degree of urbanization, and consumption structure.

Overview: In recent years, Thailand has many factors that affect the development of Thai economy. The price of agricultural products has been kept low in the international market, especially rubber, palm oil, and corn. Thai manufacturing and exporters have accelerated their economic slowdown for trading partners, especially China, Japan, the United States, and Europe. People are concerned about the rising living cost. According to the Ministry of Commerce, the rise of price indexes for fresh foods such as meat, vegetables, and fruits as well as the increase of oil prices also affect people's daily expenses.

Despite the economic slowdown, the growth rate of small retail stores is higher than the average level of the entire retail industry. The average growth rate for the whole retail industry is about 7%, but the growth rate of convenience stores is about 15%. The main reason is that consumers are able to gain quick and easy access to the convenience stores, which is in line with the changing consumption demand. With the continuous depletion of the resources on earth, the price of oil has soared, and the frequency of price fluctuations has continued to increase (Zhang, 2015). Since its inception, 7-ELEVEN has touted its logistics management as the most advanced and sound management. The storage and distribution of goods are closely related. With the rise in the price of oil, the transportation cost of goods will continue to increase, and the increasing cost directly leads to the rise in commodity prices. Regardless of whether the business operator will bear the cost of this part or impose it on consumers, the rise in oil prices will reduce marketing revenue.

Thailand's tourism industry is highly developed and receives tens of thousands of foreign tourists every year. These tourists tend to have higher spending power and pay great attention to the brand effect. Most visitors to Thailand will choose to go to 7-ELEVEN for the purchase of products. The 7-ELEVEN convenience stores in Thailand have launched a number of products and services for tourists, such as travel phone cards, travel maps, travel accessories and commonly used drugs that are specially provided for tourists. This is a good example of successful product selection in line with local characteristics.

Since Thailand's urbanization has developed slowly, rural areas still account for a large proportion of the whole country and the consumption power of rural people is

weak. In addition, there is resistance from local small shops, which affects the market share of 7-ELEVEN Thailand in rural areas. However, due to the continuous economic development in recent years, the middle-income groups in Thailand and even in Southeast Asia have greatly increased, which well serves the expansion of the future market of convenience stores.

4.1.3 Social, Cultural and Demographic Analysis

Concept: Changes in society, culture, and population have a major impact on all industries, products, services, markets and consumers. Since this factor will directly affect the consumers' consumption behaviors, companies in all industries, large or small, profit or non-profit, need to pay attention to this factor.

Gender factor: With the continuous development and progress of society, more women have entered the workplace in the modern society and their income has also increased compared to previous years. Therefore, the proportion of female consumers in the consumer group has also witnessed significant increase. At this stage, among the middle-income consumers in Thailand, the proportion of women is increasing, and the consumer groups tend to be more feminine. Compared with male consumers, women pay more attention to health and beauty when purchasing products. 7-ELEVEN Thailand has grabbed this opportunity to increase its incomes by adjusting its product structure and adding more foods and beverages such as vegetarian foods, fruits, and vegetables to meet this need. Their spending power continues to increase and the rise in incomes also prompts them to pay more attention to health and beauty. If the female market is well explored, 7-ELEVEN's competitive strength will be greatly improved and it will seize more market shares. Although the female market has big potential for development and prospects, if 7-ELEVEN cannot seize the opportunities in front of other competitors to expand the market, this market will become a major challenge and threat for 7-ELEVEN.

Family factor: the family structure in Thailand has also changed. More and more people choose to live alone, or young couples do not prefer to have children. With smaller family members, they do not need to purchase a lot of things. As a result, convenience is the first choice for shopping. In addition, due to the improvement of the overall consumption level, students' spending power has also increased. Therefore, satisfying students and other young people is another important factor that 7-ELEVEN should consider when selecting on-shelf products.

Social factor: In recent years, with the improvement of living standards, Thailand has seen increasing private cars and it has become one of the world's busiest countries in terms of traffic, especially the capital. Therefore, many people are reluctant to go shopping far away and prefer to shop nearby.

Cultural factor: With the continuous social progress and changes, the fast food culture has also developed rapidly with increasing speed and efficiency. 7-ELEVEN Thailand has well adapted to this social change by implementing all-weather operations, focusing more on convenience during site selection, continuously improving and strengthening its quality, and giving customers a very good impression. At the same time, the forms of lunch box have also been continuously improved with higher quality, thus increasing customers' trust in it. All of these are positive aspects. On the other hand, due to the deep influence of Japanese culture on Thailand, 7-ELEVEN will often provide products of some Japanese manufacturers. In terms of local culture, 7-ELEVEN has also launched many new products that incorporate local food elements, such as mango-flavored milk and bread, durian-flavored cakes and banana-flavored snacks.

4.1.4 Analysis of Science and Technology

Concept: The science and technology determine the threshold for industrial entry, and provides a solid foundation for industrial upgrading and structure improvement. In particular, IT network technology plays an important role in the convenience store industry that operates under the franchising model. Barcodes, POS machines, databases, ERPs, EOS, CRM and other systems are widely used in commerce and make franchising a booming trend.

Logistics: In the retail industry, commodity procurement costs and logistics distribution expenses will greatly affect their competitiveness. The key to logistics and delivery depends on the adjustment of the organizational structure of logistics resources and the monitoring of the logistics system. In this regard, an efficient information system is needed to integrate the resources of suppliers, distribution centers, distributors and terminal stores. Science and technology are also indispensable. The logistics system of 7-ELEVEN Thailand has always enjoyed the highest reputation in the industry. Its logistics transportation is divided into four major systems: normal temperature, published products, low temperature, and fresh food. The delivery service at all levels of temperature is provided in accordance with the varieties and characteristics of commodities to ensure the freshness and timeliness of the products.

At the same time, fresh products are delivered three times a day, ensuring that every consumer can buy the freshest and most needed products.

Sales: The company uses POS during the sales, can clearly learn the consumers' purchase needs and trends from the sales system, and can maximally tap potential spending power and resources.

Services: 7-ELEVEN Thailand jumps out of the single supermarket business model and adopts the most advanced network technologies to provide customers with services such as photocopying, fax receiving, agent purchase, e-commerce delivery at the shop and ATM cash withdrawal. From the development of 7-ELEVEN Thailand, it can be seen that science and technology plays an extremely positive role in the growth of the industry. It serves as a key booster in the growth of the industry and is an indispensable indicator.

4.2 Five Forces Analysis [Industrial Structure]

4.2.1 Peer Enterprise Competition (Competitiveness of Existing Competitors)

Among the five competition factors, the competition among peers is often the most prominent. Only when the company has a greater advantage than its competitors will its strategy succeed. Changing the strategy of an enterprise may inflict retaliation from adversaries, such as price cut, quality improvement, feature addition, service enhancement, expanded guarantees and increased advertisement. At this stage, the growth of 7-ELEVEN Thailand has entered the most mature period (Coelho, et al.,2003). When the development of an industry has reached a mature stage, the market for this industry is already on the verge of saturation, the demand emerges only for replacement, and the industry grows slowly and even stops growing. Now, no matter where we are, we will see many convenience stores where consumers can get the services they want.

At present, there is a relatively fierce competition existing among convenience stores in Thailand. Retailers of the same size, such as 7-ELEVEN, Lawson, 108 Shop and Family Mart, or large multinational retailers such as Big C, Tesco Lotus and Carrefour from foreign countries, are all clearly waging price wars and adopting a variety of promotional strategies such as the holding of various promotional activities like two-for-one or discount for two(Noisuk, et al.,2006). However, 7-ELEVEN does not rely on price wars in terms of marketing strategies but uses differentiated strategies, including product differentiation and service differentiation. It also pays attention to

establishing a brand image so that consumers think of 7-ELEVEN when they mention convenience stores. In today's Thailand, 7-ELEVEN has about 9,000 stores, covering all cities and towns, big or small. Every Thai person enjoys the convenience and service from 7-ELEVEN, especially in large cities where there is a 7-ELEVEN convenience store every few meters.

7-ELEVEN stores account for approximately 70% of the convenience store market in Thailand. In 2013, 7-ELEVEN witnessed more than THB222 billion of turnover and received an average of 9.2 million customers per day, making it difficult for other industries to surpass it. In 2013, there were approximately 12,466 large and small convenience stores distributed among all cities in Thailand. The convenience stores such as 7-ELEVEN, Lawson, 108 Shop and Family Mart established their own brands and reputation(Li,2003). Other emerging convenience stores will face difficulties in entering this field. In Thailand, whether it is in a big city or a small town, there are many convenience stores. The first difficulty faced by other peers who want to get a slice of the cake is the site selection. It can be seen that the number of convenience stores is already on the verge of saturation in Thailand and it is difficult for potential competitors to enter the field.

4.2.2 Entry of Potential Competitors

For an industry, if new competitors enter the industry, operators already existing in the industry will have their market shares taken by those newcomers. However, if there is a high threshold for entering the industry, companies already existing in the industry will benefit from such requirement.

Potential contenders: At the present, they do not compete with 7-ELEVEN in the same industry. Potential competitors of 7-ELEVEN are large-scale multinational retail industries such as Big C, Tesco Lotus, and Carrefour, which are set up in large cities or larger communities(Usui,2011). These large multinational retailers have relatively complete infrastructure such as various payment methods, cinemas, and small banks, and sell a full range of goods at lower prices than a 7-ELEVEN convenience store. They occupy a certain amount of market shares in this retail industry.

The size of the entry barriers determines the risk faced by potential competitors entering. It is not necessary for 7-ELEVEN to sell tens of thousands of products. The most important thing is to provide consumers with "convenience".

Barriers to entry for hypermarkets include:

Convenience of distance: Convenience stores tend to have a preference for smaller shopping areas such as residential areas, office buildings or places near schools during site selection. These small shopping areas can be easily accessed by customers on foot.

Convenience of time: The convenience of time has two meanings: First, it means that convenience stores are open 24 hours, so customers can buy goods at any time; Second, it takes customers very little time to buy necessities, because the goods in convenience stores are placed in a neat and organized manner and the separation of categories is reasonable, facilitating the location of goods for customers.

Convenience of products: The products in the convenience stores, from food to articles for daily use, can meet the daily needs of consumers. Besides, the stores are located in close proximity. Therefore, consumers usually prefer to go to convenience stores to purchase goods.

Convenience of service: In addition to the purchase of products, consumers can also enjoy many convenient services at the 7-ELEVEN store. For example, they can pay various fees and use ATM services.

Modernized shops and equipment: The decoration of convenience stores is generally simple and bright. The products are displayed in an organized manner, delivering a sense of cleanness and comfort.

4.2.3 Bargaining Power of Suppliers

Since 7-ELEVEN has occupied a large number of shares in the retail market in Thailand, many suppliers are willing to provide 7-ELEVEN with products. Therefore, 7-ELEVEN has a say in this regard. Due to the strong influence of CP ALL, if suppliers can have their products on the shelf of 7-ELEVEN stores, it is easy for them to cover all places in Thailand. 7-ELEVEN has stricter requirements for suppliers during the selection and sets conditions for suppliers that they should compensate 7-ELEVEN if they fail to provide the goods on time and the lack of goods influence customers' experience of purchase (Latika, 2009). It also imposes strict requirements in terms of product quality and sales that the products should be pulled off from the shelf if they are not qualified in quality or the sales volume of products do not meet the goal.

4.2.4 Bargaining Power of Purchasers

The 7-ELEVEN convenience store adopts the sales strategy of commodity pricing. Consumers only have to make one option of buying and not buying and cannot make a decision on the price of the product. Therefore, consumers of 7-ELEVEN convenience stores do not have the power to bargain. Although there are many retailers that adopt some marketing measures, 7-ELEVEN does not have the advantage enjoyed by other large retailers in terms of price. However, since the current pace of life is getting increasingly faster, more people tend to pursue convenience and speed, so 7-ELEVEN is the first shopping choice for consumers (National Statistical of Thailand,2008). On the one hand, most of the products in the store are produced by Thai Tai Group, and the quality of the products is guaranteed. On the other hand, some products are sold only at 7-ELEVEN stores, and consumers can only purchase here.

4.2.5 Development of Potential Alternatives (Threat from Substitutes)

The threat from alternatives cannot be generalized because different consumers have different needs and the different natures of the goods also face different threats. Take beverages for example. Consumers can buy similar beverages from a beverage store; they can also choose to brew instant beverages. For snacks, consumers can buy cooked food from large supermarkets or grocery stores, and they can also buy quick and easy microwave foods from 7-ELEVEN or go to restaurants or canteens to buy cooked food. For household products, consumers can buy commonly used household items at 7-ELEVEN convenience stores, and may also go to large supermarkets or wholesale stores. For books, newspapers, and magazines, the books and magazines sold at 7-ELEVEN are also available to consumers in bookstores.

4.3 Analysis of the Internal Environment of 7-ELEVEN in Thailand

4.3.1 Competitive Advantages of 7-ELEVEN Thailand

Innovation The so-called innovation is the use of new or never-present forms in the actual business process or in the production process. Innovation is mainly reflected in the categories of products, production processes, management mechanisms, organizational structure and corporate strategies.

The retail industry previously attached importance to the selection of locations, followed by the selection of locations and innovation of the industry. Now, with the

progress of science and technology, to increase efficiency becomes another focus. To survive and dominate in the retail industry, it is necessary to do a good job of selecting locations, making innovation and increasing the efficiency. It is with a firm belief in this concept that 7-ELEVEN is able to successfully transform itself from a grocer into a chain store, becomes the model in this industry, attracts followers and becomes a global chain convenience store. 7-ELEVEN Thailand also makes continuous innovations, improves its own management mechanisms and logistics mechanisms, provides consumers with more convenient and efficient services, continues to meet the needs of customers, constantly launches new products and various products, increases customers' choices, and thus subtly influences the customers' attitudes and habits. For example, with the Smart purse service provided, customers will no longer be troubled by changes. It pursues differentiated operation of products, markets the products from customers' emotional points, strengthens communication with customers, provides various payment services such as the payment of electricity bills, water bills, and telephone bills in stores, and keeps on improving its products and services. These practices all brand 7-ELEVEN in the deep hearts of consumers. While adhering to innovation, 7-ELEVEN continues to participate in the competition, which in turn enables it to keep on standing out in the retail industry and become a role model for other competitors.

Service Strengths In order to continuously meet the needs of consumers, the company must constantly grasp the dynamics of the market and consumers so as to capture precisely the needs. Differentiation is mainly determined by the design, service and after-sales service. Therefore, the company must build its own brand and increase the company's revenue. 7-ELEVEN attaches great importance to the details. It believes that the details are the main factor in measuring customer satisfaction. The main reason why 7-ELEVEN has retained a large number of customers is that it allows consumers to enjoy fun in the discovery. In addition to upgrading the decoration, it also makes the room inside the store more convenient and efficient. For example, it replaces the sliding door refrigerator with sloping plate-typed refrigerator and then with doorless full-open refrigerator. The company adopts an innovative business philosophy. The products introduced arouse customers' nostalgia and create topics one after another. These practices have strengthened the communication with consumers and enhanced the customer's loyalty to the brand, which has greatly increased the company's economic benefits.

Scale strengths,The development momentum of foreign convenience stores in Thailand is much stronger than that of local convenience stores because foreign convenience stores often have the strong financial competence and can form scale

advantages in a short period of time. Their scales of purchase and sales cannot be matched by that of local convenience stores in Thailand. Most of the local convenience stores are operated in the singular form with relatively weak economic strength and cannot procure products in a large scale. This restricts the development of local convenience stores in Thailand. 7-ELEVEN Thailand is well aware of this fact and takes the scale advantage to reduce costs and increase profits. The advertising and distribution of 7-ELEVEN Thailand are under unified management. Many foreign convenience stores in Thailand then start to pay attention to the advantage of scale and conduct merger in succession. For example, the total number of stores of Thailand's Top daily and Japan's Family mart after the merger reaches approximately 900. In addition, the local company of Sahapat and Japan's Lawson also form cooperation.

Technical strengths, Unlike the open shopping environment of large supermarkets and shopping malls, the area of convenience stores is generally relatively small with only about 100 square meters in most cases, but the number of products reaches tens of thousands. This requires the employment of advanced technologies and commodity management tools to maximize the use of limited space. 7-ELEVEN Thailand has a complete set of basic hardware equipment such as computers, cash registers, barcode machines and surveillance cameras. In addition, it has also vigorously developed POS, EOS, MIS and other information systems. The scale of a convenience store is often formed by increasing the number of stores. In order to facilitate the connection among stores and between the stores and the headquarter, it is necessary to build a strong information system. At present, the rise of e-commerce has also provided new development opportunities for convenience stores. They can use Internet technologies to develop e-commerce businesses and form a network system that enables consumers to shop online and unified delivery for all stores. 7-ELEVEN Thailand has gradually begun to focus on the automation of in-store transactions. 7-ELEVEN convenience stores have installed self-service equipment such as coffee makers, ice makers, cigarette makers, ATM machines and automatic payment machines.

7-ELEVEN Thailand has made an investment in important information technology systems which are the core link in the entire supply chain and ensure efficient daily reception of 9.2 million customers. These systems cover goods and services sold in stores, call centers, ordering, and delivery. Therefore, problems emerging in the information technology system may affect the ability of 7-ELEVEN convenience stores to operate and provide services, which may exert a negative impact on the company's business performance. The company has realized the importance of information technology in the shops and various departments, so it has established a backup system that meets recognized standards. The company has set up two main

information system centers in different regions with one in Silom in Bangkok and one in Chaengwattana in Nonthaburi. If there is a problem with one information center, another information center will provide support.

In 2013, the company invested in the Disaster Recovery Plan (DRP) to ensure that the information technology system would be able to resume work in one hour after the most unexpected situation occurred in one center. In addition, the company has a team of experts to prevent fires and floods. The company also regularly monitors the continuity of the continuous development of information technology in this field. In addition, in addition to regular monitoring by the internal audit team, it also hires external audit companies to test its information technology systems each year (Saunders, Lewis & Thornhill, 2007). The advanced retail information system can provide tracking and feedback from customers and suppliers in the supply chain, improve the accuracy of procurement, reduce inventory, accelerate capital turnover, and improve management efficiency.

4.3.2 Core Competence

Strong brand strength, 7-ELEVEN Thailand has always adhered to a positive business attitude. In the terms of the type or the quality of goods, 7-ELEVEN has sufficient and competent resources from the group and can influence the living habits of consumers. It has constantly improved the quality of their products and services to win the public's favor and trust, continued to enhance the effectiveness of its own brand, won high reputation and credibility, stood out in the fierce market competition, and thus become the largest retail company (Morash et al., 1996). In addition, 7-ELEVEN has continued to carry out public welfare activities, made a contribution to the society, helped a number of people in difficulty, and produced numerous public welfare advertisements such as opposing the use of violence against women and children, fundraising for South Asian Tsunami relief, concern for patients with depression, and helping find missing children. These actions have all enhanced the reputation and credibility of 7-ELEVEN, winning the public's favor and support.

Wide coverage of stores, 7-ELEVEN convenience stores can be seen everywhere in the streets and alleys of Thailand. Their pervasive existence in every corner and area with poor transport conditions has brought consumers closer and provided more convenient and thoughtful services for consumers.

Perfect network structure, In Thailand, 7-ELEVEN convenience stores have been

scattered on all streets, in every corner and area. Besides, it also provides the largest number of ATM machines among convenient stores in Thailand. By combining with online marketing methods, it can more fully meet the specific requirements of each customer and provide more comprehensive ordering services. In addition, it will also publish the latest dynamics and product information on the Internet, so consumers can review them in time to learn more detailed product information.

Perfect information mechanisms, In 2003, 7-ELEVEN developed a complete and advanced POS service intelligence mechanism through unifying information with reinvestment companies. This mechanism is mainly used to analyze and capture the needs of customers and continuously improve the marketing system. It provides the strong function of intelligence, can detect and offer the status of incoming and outgoing merchandises per hour and the daily weather conditions, and is able to meet the requirements of customers to the greatest extent and improve the company's marketing capabilities. Through this perfect system mechanism and real-time data sharing, 7-ELEVEN can effectively save human resources, maximize the economic benefits of stores, and satisfy customers' purchasing needs and desire.

Strong marketing capabilities, 7-ELEVEN Thailand has a sound retail supply chain and has realized the whole cycle from design, development, production, delivery of sales that is managed and supervised by a professional marketing team. A sound supply chain generates a sound consumer value chain. The higher the consumer's satisfaction, the stronger the company's marketing competence. Now, 7-ELEVEN Thailand focuses on the completeness and variety of products, high quality, sound service and first-rate hygiene standards. These are 7-ELEVEN's marketing methods for the present stage. The implementation of these methods depends on the company's competitive strength. The advertisement of 7-ELEVEN we see every day is the map of its retail network landscape drawn based on the addresses of all stores. Its unique competitiveness allows its march into every corner and area with poor access, providing people with the most convenient services.

Robust supply chain, 7-ELEVEN Thailand has its own distribution centers for unified delivery. All branches and retail outlets can share the resources provided by the group, which will help reduce the company's marketing costs and enhance operating efficiency. With its own perfect supply chain, 7-ELEVEN continues to improve the quality of its products, satisfy customers' needs, and discover potential customer groups.

4.4 SWOT Analysis

4.4.1 Strengths

Convenience of 24-hour operation. Since 7-ELEVEN is open for 24 hours, consumers can enter the store at any time for consumption and use of services just as 7-ELEVEN's slogan says "Be the friend nearest to your home".

Convenience of distance. 7-ELEVEN stores have a wide coverage and can be found in both commercial and residential areas.

Excellent management teams. 7-ELEVEN convenience stores in Thailand are operated and managed by Chia Tai Group with ample retail management experience. 7-ELEVEN Thailand has introduced 7LELELE-Management System, made adjustments to it in accordance with the Thai market, and regularly exchanged experiences with 7-ELEVEN management teams from around the world.

Advanced technologies. The company uses the advanced POS system (Point of Sales), through which the 7-ELEVEN headquarter in Thailand can obtain information of each store in a timely manner and make decisions for different regions to improve the operating efficiency of the 7-ELEVEN chain.

Lower procurement cost. 7-ELEVEN's procurement cost is lower than that of convenience stores with the same target customers or small retail stores. 7-ELEVEN has bargaining power against suppliers in Thailand and can obtain lower prices than other competitors because of its large number of stores and sheer procurement scale.

High-quality employees. 7-ELEVEN convenience stores pay great attention to the employees' services. They have their own training schools for employees, thus ensuring the quality of employees and delivering customers kind and comfortable services.

Robust distribution center. 7-ELEVEN Thailand has an efficient distribution center providing high efficiency of delivering products to each store, thus ensuring fast update of products and the freshness of products.

4.4.2 Weakness

High distribution costs. Since most of the 7-ELEVEN stores are located in the communities, it is costly to deliver products to traffic-congested communities.

High turnover of employees. Generally, the employees of 7-ELEVEN Thailand are young, with ages ranging from 22 to 32. This age group often regards 7-ELEVEN as an prelude the workplace, so they rarely work long-term at the 7-ELEVEN convenience store(Endo ,2014). Therefore, 7-ELEVEN has a high turnover of employees in Thailand.

Incomplete product types in the store. Because of the limited size of the store, the number and type of products are also limited compared to large supermarkets. 7-ELEVEN mainly sell convenient products and is not a right place for people to buy large quantities of household goods.

Higher product prices. Compared with those large supermarkets and wholesale stores, the price of products in 7-ELEVEN stores is slightly higher.

Lack of parking lot for some outlets. In Thailand, most people choose to travel by motorbike or by car. This requires big parking space. In order to facilitate the purchase of goods, there is usually parking space in front of the store. However, some 7-ELEVEN stores in Thailand are located close to the road and do not have enough space for customers to park cars or motorbikes. This will affect the traffic volume of the store.

4.4.3 Opportunity

The consumption behaviors of modern consumers have undergone changes. Due to the acceleration of the pace of life, consumers pay more attention to convenience when purchasing products.

The rapid development of the real estate industry in Thailand has offered 7-ELEVEN an opportunity for expansion to more new communities.

7-ELEVEN will increase the source of profits by raising the ratio of self-owned products in stores.

7-ELEVEN can expand B2C business, use e-commerce platforms on the Internet or APPs, and combine them with its own physical store network to seek new businesses.

Strong brand effect of 7-ELEVEN With cooperation formed with other industries, such as gas stations, laundries and banks, 7-ELEVEN can provide consumers with more

diversified and comprehensive services.

4.4.4 Threats

7-ELEVEN Thailand faces many competitors within the industry. In addition to the same type of convenience stores like the Family Mart, there are big supermarkets such as BigC and Tesco Lotus competing with it.

The price sensitivity of most consumers makes them less loyal to the brand of 7-ELEVEN, and many consumers choose to purchase lower-priced products.

Domestic economic development in Thailand is uneven, and the economic level in some regions is lagging behind. Besides, residents have different consumption habits and concepts. These differences will hinder 7-ELEVEN Thailand from store expansion.

The rapid expansion of 7-ELEVEN Thailand requires a large number of human resources. The newly introduced law requires the minimum wage to be higher than THB300 per day, which increases the wage costs to be paid by 7-ELEVEN Thailand.

Development Goals of 7-ELEVEN Thailand:

The corporate strategic development goal of 7-ELEVEN is to combine the corporate strategic positioning with the actual situation and determine the company's specific development direction, requirements for goals and time schedules of strategic planning under the guidance of corporate vision and mission. By decomposing strategic goals and strategic tasks, it is able to turn selected strategic plans into implementable plans. Based on 7-ELEVEN's vision and mission, the previous internal and external analysis of the actual situation of the company, and the current knowledge and understanding of 7-ELEVEN, this research paper sets the overall goal of 7-ELEVEN for future development strategy as follows: 7-ELEVEN Thailand aims to achieve 10,000 stores in 2018 and plans to open 600 stores every year. The strategy of 7-ELEVEN for realizing the goal is to become Convenience Food Store with a focus on the cleanliness, safety, and innovation of instant foods that are only available in the 7-ELEVEN stores.

4.5 Marketing Analysis

4.5.1 Products

7-ELEVEN mainly adopts the customer-oriented marketing method. It places the

focus on the needs of customers, abides by the principle of small amount and diversity, and aims to make shopping easier for customers. The analysis is mainly conducted from four aspects.

Climate factor: Due to the tropical climate in most parts of Thailand, the annual temperature is not less than 18 degrees Celsius, and the average annual rainfall is about 1000 millimeters. The dry season and the rainy season alternate. In such hot weather, 7-ELEVEN Thailand will sell cool foods, beverages, and medicines as its main products. The sales of these products are stable and they are the core products of 7-ELEVEN.

Regionality: Since Thailand shows different levels of consumption and different regional cultures, 7-ELEVEN will use this as a standard to provide targeted goods and services, and provide differentiated products for different consumption areas. For example, in areas outside Bangkok, 7-ELEVEN will sell regional products such as bread produced by local bakers and local famous sweets. Such products are known in Thailand as OTOP (One Town One Product). The product selection concept of 7-ELEVEN has not only enriched consumer choices with diversified geographical features but also win the market for local small and medium retailers, highlighting the humane management of 7-ELEVEN.

Serviceability: Compared to other convenience stores in Thailand, 7-ELEVEN convenience stores offer a wide variety of convenience services in addition to tangible goods, such as ATM withdrawals, agent collection of utilities, payment of telephone bills, cellular phone replenishing, and repayment of credit cards and bank loans. In addition, 88% of 7-ELEVEN convenience stores in Thailand are equipped with automatic teller machines and coin-operated weight scales. 7-ELEVEN can provide all products and services in daily life. It can be said that 7-ELEVEN Thailand has already provided the function of community services and has become a gathering place for community services. 7-ELEVEN is not only a place for consumers to purchase goods but also closely linked with the lives of consumers.

New product development: 7-ELEVEN will regularly launch different flavors of the same product, attracting consumers who love freshness to try a different flavor. Take meji milk as an example, 7-ELEVEN has introduced successively the flavor of banana, cantaloupe, and mango, greatly stimulating consumers' consumption desire. In addition, 7-ELEVEN's product development mainly relies on Chia Tai Group that owns the brands of most of the foods it sells. Chia Tai Group is a very famous food producer in Thailand and people have trust in the food produced by this group. This also well

demonstrates the sound application of 7-ELEVEN of brand effect.

4.5.2 Price

What needs to be mentioned here is that the price gap is very small among the major retailers in Thailand. 7-ELEVEN Thailand has developed proper prices with a small difference from that of other convenience stores after realizing the impossibility for the price war strategy to continuously attract customers. However, the prices may be slightly higher than that of supermarkets, enabling 7-ELEVEN to make profits while providing consumers with convenience. But 7-ELEVEN will attract consumers through regular promotional activities, such as two for one or price reduction for product portfolio. The main purposes are the following. The first is to increase the sales amount of convenience stores. The second is to expand the consumer groups of convenience stores, such as consumers who originally do not intend to purchase products from the convenience store but may find the discount attractive. The third is to reduce the inventory. Most of the products on sales may have poor sales volume and high inventory. The fourth is to enhance the image of convenience stores and shape high reputation among customers so that the brand effect can be maximized. It should be noted that if a convenience store wages a price war against a large supermarket, it will inevitably lose the strengths as a convenience store, which will cause irreparable damage.

4.5.3 Channels

7-ELEVEN mainly sells products through chain stores, takes into account whether the geographical location is superior during the selection of sites, and tries to open stores in a concentrated manner to quickly form market scale. In this regard, CP ALL strives to take the advantage of franchising to give a full play to the [convenience] of convenience stores. A dense number of outlets can be found in all streets of Thailand. Sometimes some stores are even located in extremely close proximity. There are even cases where stores are located across the street. In addition, the advantages of concentrated stores are that those stores can establish regional common distribution centers to pursue centralized delivery modes, reduce the number of delivery times, increase the cargo loading rate of delivery vehicles, save logistics costs, and solve logistics problems caused by excessive expansion of exhibition stores.

4.5.4 Promotion

7-ELEVEN has cooperated with LINE to launch a point-card activity. Each time consumers buy THB50 of goods or designated items, they will be given some stamps as vouchers to some extent. Consumers can use this stamp as a substitute for cash or accumulate a certain number of stamps in exchange for rewards. The rewards are daily items like cups, bowls, lunch boxes and picnic mats. Cute characters of LINE printed on the stamp not only satisfy consumers' collection hobby of cute stamps but also offer some practical value. In addition, 7-ELEVEN also attaches great importance to the operation of the brand and strives to shape its image of health, quality, and health. In terms of brand strategy, 7-ELEVEN uses the following methods. First, it actively cooperates with the media to publicize 7-ELEVEN, attracts consumers through television, network, mobile APP and other advertising means, and establishes a sound image through holding charitable activities or funding public welfare activities. Second, it unites with other famous brands such as oil companies, mobile companies, food companies and tourist attractions to expand the brand's influence(Tracey & Vonderembse,2005). Thirdly, it uses channel strengths to find new profit growth points. It can launch self-owned branded products such as food, beverages, and fast-moving consumer goods at stores with high customer flow. Fourth, it actively invites celebrities as spokespersons to advertise itself and enhance the charm of their products.

4.6 Strategy Implementation of 7-ELEVEN Thailand

4.6.1 Human Resource Management Measures of 7-ELEVEN Thailand

In today's corporate activities, human resources, like a catalyzer and spring, affect a company's development with its special charm among various productivity elements and serve as an important resource in today's corporate culture. The development of 7-ELEVEN is closely related to the development of human resources. If it wants to improve the competitiveness and realize the development, human resources will undoubtedly be a huge booster for 7-ELEVEN. In the short term, the development plan of 7-ELEVEN Thailand should focus on the increase of the market share and rapid expansion of stores while consolidating existing strengths. In the long run, it is necessary to retain the core competitiveness of 7-ELEVEN Thailand and maintain its position as an industry leader while actively seeking new profit sources. This is, in essence, the problem of talents. 7-ELEVEN should give full play to and make full use of the strength of talents, rely on scientific job distribution, good teamwork and guidance from the management to maximize the value of talents, enhance the cohesion of talents, and thus realize the long-term development and growth of the company.

For 7-ELEVEN, employees are the company's wealth. For a company, how to lay a solid foundation for future development is not easy. However, 7-ELEVEN has done a very good job in this regard. It has laid much emphasis on the quality of employees, continuously cultivated their experience and capabilities and turned them into well-trained talents just like soldiers in the army, which has certainly become an important pillar of corporate development. However, many business leaders have identified this problem that the progress of human resources lags far behind the development of a company and the talents hired cannot sufficiently satisfy the development need of the company, which also increases the pressure on the training department and forces talents to quit. Nowadays, human resource management is simply considered as recruiting employees and absorbing the talents needed by the enterprise, thus ignoring the important thing concerning the classification and planning of talents absorbed. If a company does not know how to retain talents and make the best and proper use of them, human resources cannot play its role. 7-ELEVEN continuously expands the talent team through effective absorption of talents and enriches management teams and store operation teams.

7-ELEVEN Thailand established the Panyapiwat Business School in 2005 and has developed a sound training concept and a complete training mechanism. The quality of the company's employees can reflect its overall competitive strength. Therefore, it is necessary to continuously train them, improve their professionalism, enrich their knowledge, and instill them the company's current business concepts and corporate culture. 7-ELEVEN strives to be realistic and practical. Based on the actual situation, it uses its real strength to train employees, remove nice but false appearance, cut the vanity tasks, eliminate the jerry-built projects and aims at promoting the development and growth of the company through employee training. After combining internal training with external training effectively, it can make full use of the network as a platform to integrate information technologies into the training and should be down-to-earth in light of the current social environment. Through this combined training method and the attitude of seeking truth from facts, all employees will make joint progress and make their own contribution to achieving the company's strategic goals.

Thailand 7-ELEVEN has made constant attempts and efforts in motivating employees to upgrade their employees and their enthusiasm. They have continuously improved their multi-angle and all-around performance appraisal system. However, this system has insufficient quantitative indicators. Therefore, in order to improve the performance appraisal system, 7-ELEVEN should also build a performance appraisal system that can be quantified. For example, it is necessary to adopt objective and

specific evaluation criteria to prevent employees at all levels from changing the appraisal criteria according to their own responsible goals. Second, it is necessary to continue the learning and introduce various approaches for quantitative statistics to reduce errors. Third, it is necessary to adjust the distribution of salaries and positions accordingly to fully stimulate employees' initiative.

The senior management of 7-ELEVEN Thailand should also regularly walk out of the luxury offices, take the initiative to go to various departmental offices and terminal stores to learn the employees' work progress, and thus obtain intuitive, accurate and rich corporate development information. Besides, the personal experience will allow them to deal with problems in an easier and handier manner. This kind of management activity requires the upper management to actively collect information, learn the situation, identify and put forward the problems in time, and solve them based on actual conditions. When the managers inspect the situation, they must conduct careful observation to obtain corresponding information. At the same time, they must actively answer and solve problems during this process, actively use various methods to make timely and correct responses to the information, and deal with the problem in advance to avoid piling of problems and unnecessary trouble. As a guarantee for the long-term prosperity of 7-ELEVEN Thailand, doing a good job of human resources is indispensable software for the company. The development and growth of 7-ELEVEN cannot be realized without the robustness of human resources.

4.6.2 Marketing Strategies of 7-ELEVEN Thailand

Product and Service Strategies,The mix of product structure in 7-ELEVEN convenience stores reflects innovative thoughts. 7-ELEVEN can also affect the sales of products through the display. Such sales strategy aims to bring customers a psychological effect of convenience and affordability. At the same time, informed product selection and display are also very good promotional tools. 7-ELEVEN Thailand formulates plans for products and services on a regular basis. The headquarter has been studying changes in consumers' demand and expectations for products. 7-ELEVEN's marketing teams keep on trying to develop and select high-quality products and services that are different from competitors, meet the needs of different target groups and are consistent with new trends and market changes.

In addition to general merchandise, 7-ELEVEN Thailand is also committed to developing other businesses to provide customers with convenience and serve their daily work. At the same time, it continues to increase its alliance partners to provide a wide range of payment services. In order to better provide customers with convenience services, there are currently more than 300 suppliers offering up to 700 services. In

addition, about 88% of 7-ELEVEN convenience stores currently have installed ATMs. At present, the products of 7-ELEVEN Thailand are mainly divided into the following two categories: food and beverage, accounting for 72%; non-food products (excluding phone cards), accounting for 28%.

Customer satisfaction strategy, 7-ELEVEN Thailand provides customers with convenient purchase through the storage network dispersed in each community. The company's customer base is diverse, including consumers of different genders and ages who live nearby and engage different occupations. On average, a total of 8.3 million consumers purchased products and services from 7-ELEVEN convenience stores in Thailand in 2012, and the number increased to 9.2 million in 2013.

Customers visiting 7-ELEVEN convenience stores with different locations will have different needs for products and services. 7-ELEVEN Thailand develops best management strategies for products and services by analyzing different behaviors and needs at different locations to meet customers' demands. It selects the types of products that fit the customer group according to the location, and prepares sufficient products and services, especially during the sales peak of the stores in different locations. The sales peak occurs at different times for the day and night, workdays, holidays or major regional events and festivals. The division of locations of storage clusters allowed 7-ELEVEN convenience stores to increase sales profits over the past year. Moreover, 7-ELEVEN Thailand has set up its own FACEBOOK homepage and mobile app so that consumers can visit them and leave their comments and suggestions.

Promotion strategy, As an important factor in marketing, promotion is the communication between buyers and sellers. Under the market economy conditions of the 21st century, the promotion has become the mainstream of sales. The practice of achieving success through strength is no longer applicable. Under the influence of commodity economy, advertising activities are indispensable. 7-ELEVEN Thailand has done a very good job in the promotion. There are promotional activities in stores almost every day. The company is responsible for not only formulating all promotional plans, themes, products, and prices of 7-ELEVEN convenience stores but also distributing promotional advertisements. 7-ELEVEN Thailand uses television, network, newspapers, radio and other media for publicity. It has a variety of promotional methods and develops different promotional strategies in accordance with different festivals and the latest trends. At the same time, the promotion of 7-ELEVEN Thailand mainly targets young people. It collaborates with various peripheral companies that are welcomed by young people. For example, it has formed cooperation with the most popular social software LINE, launched a series of product packages printed with the

cartoon image of LINE, and offered free peripheral gifts of this cartoon image once the consumption volume meet relevant requirements. This activity has received great popularity among young people. 7-ELEVEN Thailand also develops its own APP to send promotional messages every day. In addition, 7-ELEVEN convenience stores also pay particular attention to the placement of products, which is also a means of promotion.

4.6.3 Analysis of Logistics and Information System Management

For retail companies, logistics and information system management are closely linked. The two form an organic whole and play a very important role in the businesses' operations. This section analyzes the logistics and information system management of 7-ELEVEN to determine the strengths and weakness of the company.

The so-called logistics management means that the most appropriate and scientific methods are adopted after analyzing and studying the laws of changes in the materials during the production process of the society to monitor and adjust logistics activities and realize the cooperation among all logistics links, thus saving the cost of logistics, enhancing the efficiency of logistics and increasing the company's revenue.

The logistics management of convenience stores will directly affect the company's operating costs. The establishment of an information system plays a leading role in improving the level of logistics management. With the establishment and upgrading of the Electronic Ordering System (EOS), Point of Sale (POS) and Common Delivery, 7-ELEVEN Thailand has increased the efficiency of logistics management significantly and established a more efficient supply chain management system. The discussion in this section will focus on the following.

The POS system originated in the United States and records the detailed information on the products sold, amount, quantity and time during the occurrence of sales behaviors. After a period of accumulation, retailers can analyze these data to capture consumers' needs and their consumption trends and habits. 7-ELEVEN adopted the POS mechanism early in the mid-eighties of last century and used this mechanism to successfully supervise the purchase activities of consumers and get rid of the limitations imposed by traditional collection devices.

In 1998, 7-ELEVEN invested USD490 million in upgrading the system. This upgrade was supported and assisted by Microsoft's Seattle Office. The newly upgraded system can better realize network management and enhance the communication with

consumers. At this point, 7-ELEVEN's online channel has realized its own value to the greatest degree.

Through this mechanism, 7-ELEVEN can receive three pieces of sales information from the stores during the day and can see the specific analysis report after 20 minutes, thus facilitating the provision of the best ordering advice and data for the stores. At the same time, POS supports the headquarter's formulation of new marketing strategies. Depending on the POS system, 7-ELEVEN can quickly identify which products and packages are more attractive to customers. The POS system is like an automobile's speedometer. With the POS system, 7-ELEVEN knows how to adjust its business plans and can learn the popular products, sales time, ages and genders of consumers, and other analytical data that the POS system can provide. For terminal branches, the POS mechanism can offer insights into the characteristics of consumption in the region, so that they can adjust the products in time and increase their revenues(Onose,2007).From the perspective of the company, the company can adjust the product structure according to the needs of consumers, develop more suitable products, improve the procurement management model, strengthen the accounting and measurement of pre-sale products, and formulate more reasonable and scientific sales strategy.

In the past when the POS system was not introduced, employees often spent 2-3 hours calculating the daily cash report, which caused great pressure and burden on employees and slowed the efficiency. After the POS system is used, it is very convenient to formulate daily cash reports. The employees are only required to press several buttons and it takes about 2 minutes. The use of the POS system not only makes the ordering process easier and faster, but more importantly, it can always capture the needs of consumers. With it, stores are able to make more precise decisions on purchase volume and categories of products, thus avoiding unnecessary inventory and scrapped goods. Regarding the collection system, 7-ELEVEN Thailand has recently added such payment APPs as WeChat and Alipay to the payment methods to benefit the large number of Chinese tourists, students and Chinese residents in Thailand.

EOS With the electronic ordering system, the responsible persons of all branches need not repeat the order after 7-ELEVEN, logistic institutions and suppliers receive order notices because the system will arrange the goods according to the specific conditions of each branch. The heads of stores may make proper adjustments to the arrangement. This system can help save the time for product ordering of branches and save the cost of inventory management. After implementing the supply chain mechanism, the inventory pressure of 7-ELEVEN has been significantly eased, the efficiency of delivery of goods has been improved, and the connection and

communication with suppliers have been strengthened, thus ensuring the friendly relations and sound cooperation between the two parties.

Common Delivery Center:

Common delivery is a new delivery form that is different from the original delivery form. Previously, products were delivered to the stores by the suppliers. Now, the products are firstly gathered by the delivery institution and then delivered in a customized manner in accordance with the delivery requirements. When 7-ELEVEN opened the first branch, the pattern adopted was carpet-scanning. First, it opened highly dense stores in one area to seize most of the market and then increased the company's revenue. Such store-opening approach provided a good opportunity for the development of the logistics and delivery system. Despite the small area of convenience stores, a variety of products were placed on the shelf. If consumers did not find the products in need, they had to go to other stores for them. In order to solve this problem, convenience stores were required to have a comprehensive range of products, which required the delivery by different suppliers. In light of the supply situation, 7-ELEVEN established a sound delivery institution that can perform the most efficient delivery of products and thus save a lot of logistics costs and time.

7-ELEVEN formulated a strategy for a joint distribution center with the goal of selling 3,000 kinds of products in a store of 100 square meters. It becomes the truth. According to this strategy, all products go to the common delivery institution for unified management and delivery. There will be a common delivery center of 35 km from the central city and a common delivery center of 60 km from the market center in other regions. This will enable efficient delivery.

After the implementation of this strategy, the store only needs to receive 12 transportation vehicles per day. At the same time, the common delivery centers can learn the sales of the goods in time, and make timely adjustments and changes. With the fierce price war in the chain industry, only the cost is continuously saved can a company continue to increase the revenue. Most products are delivered to more than 7,400 stores. The products of all 7-ELEVEN convenience stores in Thailand are delivered through the company's delivery centers. According to the given delivery date, more than 2,000 manufacturers and suppliers send their products to the delivery center. Therefore, the delivery center plays a key and important role in delivering products to 7-ELEVEN stores throughout the country in a complete, correct and timely manner. Serious force majeure events that occur to the delivery center such as floods, fires, and failures of communication systems and information technologies will influence both suppliers of products and 7-ELEVEN stores and exert a negative impact on their

business.

4.7 CP All about Franchise Benefits

We will assist you in investment in equipment store decoration and renovation supply of goods and service throughout the contract educational provision, management techniques by training in practical and theory different services throughout the contract, as follows providing assistance with various activities from the beginning of contract consultation on how to tackle problems as arise or as requested consistently delivering quality products assisting in management of stock assisting stores to keep up their standard in various aspects

giving new knowledge and technique for improvement advertising, public relations and sales promotion in accordance with CP's business plan.

4.8 Value Chains

The concept of value chains as decision support tools, was added onto the competitive strategies paradigm developed by Porter as early as 1979.[dubious-discuss] In Porter's value chains, inbound logistics, operations, outbound logistics, marketing and sales, and service are categorized as primary activities. secondary activities include Procurement, human resource management, technological development and Infrastructure according to the OECD Secretary-General the emergence of global value chains (GVCs) in the late 1990s provided a catalyst for accelerated change in the landscape of international investment and trade, with major, far-reaching consequences on governments as well as enterprises.

CHAPTER 5 CONCLUSION

In the fierce market competition, 7-ELEVEN Thailand has stood out among Thai convenience stores and played a leading role in the Thai convenience store industry. It has now become the world's largest convenience store chain group. The success of 7-ELEVEN Thailand is largely due to the strong competitiveness of its business model. Through the study of this paper, the key factors for the success of 7-ELEVEN convenience stores in Thailand can be summarized as follows:

Consumer-oriented:

Every decision made by 7-ELEVEN Thailand is consumer-oriented. In order to continue to meet the needs of consumers, 7-ELEVEN Thailand must constantly monitor the dynamics of the market and consumers to learn accurately the needs of consumers in time. In order to enhance and highlight the humanity of 7-ELEVEN convenience stores, they will select proper products to sell in accordance with the local consumption level, financial competence and consumption habits (Sekine, 2017). At the same time, 7-ELEVEN Thailand continues to provide a variety of convenience services, such as ATM repayment, agent collection of utilities and payment of telephone bills. 7-ELEVEN Thailand also attaches great importance to consumers' feedback. It also sets up its own Facebook homepage and mobile APP so that consumers can visit and post opinions and suggestions.

Perfect supply chain management system:

For retail enterprises, logistics and information system management are inseparable and form an organic whole. They play a very important role in the operation of enterprises. 7-ELEVEN adopted the POS mechanism early in the mid-eighties of last century, and used this mechanism to successfully supervise the purchase activities of consumers and get rid of the limitations imposed by traditional collection devices. Later, the system was upgraded again, and the newly upgraded system was able to better realize network management and enhance communication with consumers. Now 7-ELEVEN's online channel has realized its own value to the greatest degree. In addition, 7-ELEVEN Thailand also has an improved electronic ordering system (EOS). The responsible persons of all branches need not to repeat the order after 7-ELEVEN, logistic institutions and suppliers receive order notices, because the system will arrange the goods according to the specific conditions of each branch. The heads of stores may make proper adjustments to the arrangement. This system can help save the time for product ordering of branches and save the cost of inventory management. A sound supply chain management system can ensure high turnover rate of goods and

lower the cost for expansion of stores.

Localized business:

7-ELEVEN Thailand has adopted many business strategies localized for the Thai consumer market and environment. The weather is hot in most of the year in Thailand. 7-ELEVEN convenience stores in Thailand almost never sell any hot foods such as hot drinks and oden, but sell ice cubes and cold drinks. In order to cater to the tastes of Thai people, 7-ELEVEN Thailand has also launched many Thai traditional foods. Among the consumers in Thailand, visitors from all over the world account for a certain percentage, so 7-ELEVEN convenience stores also offer tourists products and services, such as traveling phone cards, tourist maps and Thai souvenirs.

Strategic alliances:

7-ELEVEN Thailand also uses its strong brand effect to actively cooperate with other famous companies. For example: 7-ELEVEN Thailand has collaborated with Thailand's PTT Public Company Limited to open a 7-ELEVEN store at each PTT gas station. It has become a strategic partner with TrueMoveH, one of three major telecommunications companies in Thailand (Neuman,2006). All in TRUE users who buy things at 7-ELEVEN stores can get 20MB of free mobile data for each order. By cooperating with LINE, the most popular social software in Thailand, it has launched a series of peripheral cartoon products. The cooperation has been greatly welcomed by consumers, further expanding the influence of 7-ELEVEN in Thailand.

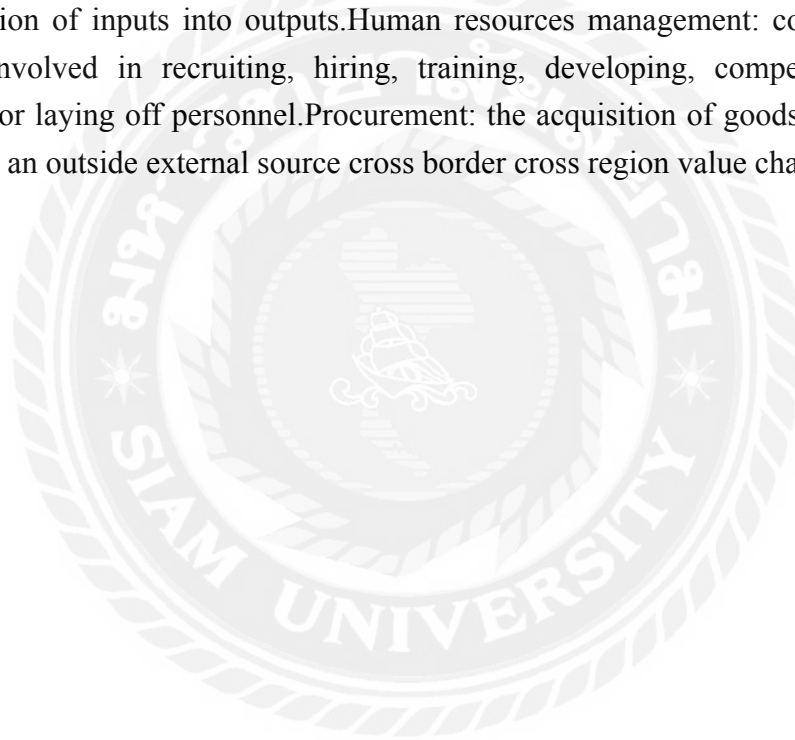
Sound corporate image:

In Thailand, 7-ELEVEN has become a representative of convenience stores. The 7-ELEVEN convenience stores have become the first choice for people when buying everyday items. 7-ELEVEN Thailand has always adhered to a positive business attitude. In terms of the type and quality of products, it has sufficient and rich group resources to win the public's favor and trust. It has constantly enhanced its own brand effect, obtained good reputation and credibility, stood out in the fierce market competition, and become the largest retail company. 7-ELEVEN has also continued to carry out social welfare activities, contributed its own share to the community, helped a large number of people in difficulty, and produced a large number of public service advertisements. All these actions help establish a good corporate image for 7-ELEVEN Thailand.

At present, 7-ELEVEN convenience stores in Thailand have reached a level of maturity. In the face of its present achievements, it has not yet stopped the pace of advancement and innovation, and continued to create innovative marketing methods,

providing a strong support for its further development. In the near future, when 7-ELEVEN Thailand enters the saturation stage or new competitors emerge, it is also believed and hoped that 7-ELEVEN can break the limitation of itself for a continuous upgrade. It is also hoped that its leaders will use their wisdom and forward-looking projections to lead 7-ELEVEN in defeating its competitors and march into a new era. In the end, due to my limited writing ability and professional level, it is difficult to collect comprehensive materials and sort them out properly. It is hoped that more attention will be paid to the development of 7-ELEVEN Thailand through future study and discussion.

Value chain support activities, Infrastructure: consists of activities such as accounting, legal, finance, control, public relations, quality assurance and general (strategic) management. Technological development: pertains to the equipment, hardware, software, procedures and technical knowledge brought to bear in the firm's transformation of inputs into outputs. Human resources management: consists of all activities involved in recruiting, hiring, training, developing, compensating and dismissing or laying off personnel. Procurement: the acquisition of goods, services or works from an outside external source cross border cross region value chains.



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