



**THE RESEARCH OF STRATEGY FOR THE 7-ELEVEN CONVENIENCE  
STORE IN THAILAND**

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STORE IN THAILAND**

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To  
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## ABSTRACT

Title: THE RESEARCH OF STRATEGY FOR THE 7-ELEVEN  
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Convenience store, as the name implies, is the place to bring customers convenience shopping. Convenience store generally located near the residential area or near the company office building. It mainly sales and provides real-time commodity or service. Compared with other retail convenience store's primary objective is the convenience. 7-ELEVEN in Japan is the world's largest chain of convenience stores, which has been extended to the scope of more than twenty countries on four continents.

In Thailand, the first 7-ELEVEN convenience stores open in 1988. 7-ELEVEN has gradually become outstanding Thai retail. 7-ELEVEN is rapidly growing in Thailand in the Thai capital of Bangkok; almost every street has one or two 7-ELEVEN.. Formats pattern change very big. At present domestic retail industry is very competitive in Thailand. In addition to competition in the industry, they also face competition from other industries. Many other industries saw the success of 7-ELEVEN so they follow 7-ELEVEN, for example, the supermarket in order to attract more consumers to buy food, have extended their licenses. Many gas stations also opened 24-hour convenience stores; the traditional grocery stories also sell coffee, sandwiches, hamburgers and so on. Facing the competition, how does 7-ELEVEN in Thailand maintain its leading position in the retail industry, is the key to the sustainable development problem.

This paper uses porter five and tools such as SWOT matrix analysis, PEST

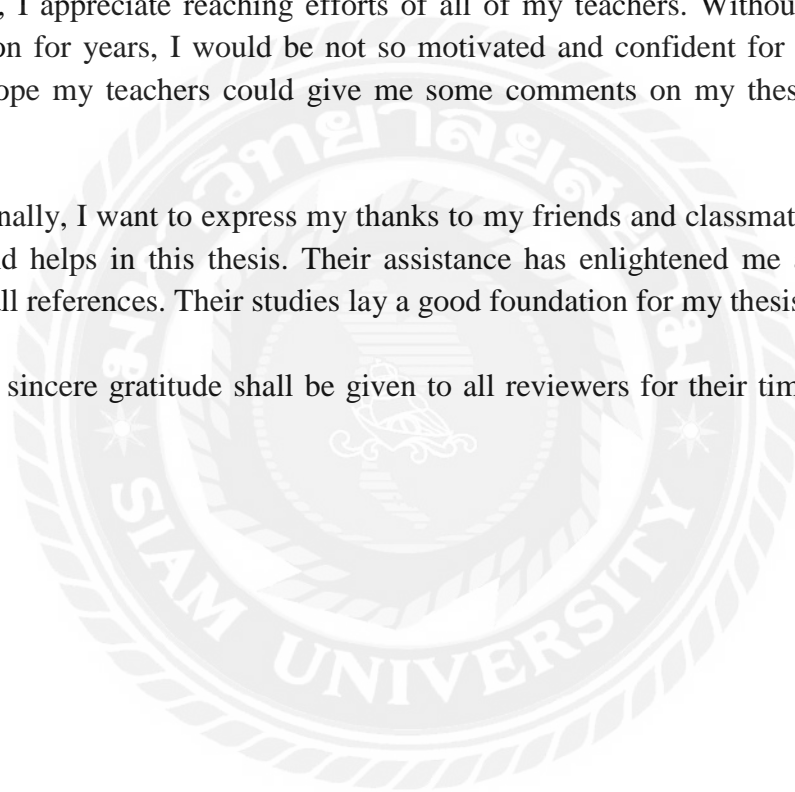
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# **THE RESEARCH OF STRATEGY FOR THE 7-ELEVEN CONVENIENCE STORE IN THAILAND**

## **1. INTRODUCTION**

### **1.1 Significance of choosing subject**

Since 1987, Thailand has entered a new era of retailing. High-tech and information management technologies have been used in the retail industry, and the retail business has become more diversified. Since Thailand has always maintained a highly liberal and open economic environment, the government has also encouraged economic development. This has provided many foreign retailers with the conditions and opportunities for independent freedom. This has led to a large number of foreign retail companies in fluxing into Thailand, of which 7-ELEVEN has been able to It is a leader in foreign retailing, Thailand's 7-ELEVEN convenience store has formed a considerable scale. With the continuous progress and changes in the society, the fast food culture has also been greatly developed, and the speed and efficiency have been continuously improved. Thailand 7-ELEVEN well adapted to this social change, implemented all-weather operations, chose addresses more focused on convenience, constantly improving its own quality, leaving a very good impression in the minds of consumers. In 2010, Thailand introduced a new urban planning policy. Large supermarkets with an area of more than 1,000 square meters must be opened 15 kilometers away from the urban area. Retail outlets with an area of 300-1,000 square meters can be opened in the urban area. With the accelerating process of urbanization in Thailand, the residents' living conditions and income levels have greatly improved. In addition, due to the changes in demographic structure, urbanization process, and the acceleration of the pace of life, people pay more attention to convenience and are more willing to shop nearby. As a result, consumers are increasingly demanding convenience stores. These are Thailand's 7- ELEVEN's continued leadership in the future has created favorable conditions. However, 7-ELEVEN is facing new challenges while also facing more fierce challenges, in addition to many other foreign retailers have begun to imitate 7-ELEVEN, launched their own small convenience stores, the growth of local convenience stores in Thailand is not to be ignored In the competition, Thailand 7-ELEVEN still has to maintain crisis awareness at all times, and it must constantly improve its competitive strategy to adapt to new market

changes.

## **1.2 Research purpose and key issues to be solved**

Currently, the franchise in Thailand is a popular trend, consumer brand awareness and brand loyalty in favor of commercial development, the implementation of the franchise has a lot of industries, such as retail, bookstore, laundry and education. The current market competition in various industries is very fierce. For the Thai retail leader, Chia Tai Group, it is also operating 7-ELEVEN convenience stores through franchising. The rapid expansion of 7-ELEVEN stores in Thailand shows that this is a successful way of doing business. But many other poor retail operators reach the desired goal, the difficulties encountered by factors such as: do not develop their own strategy, select store locations, business management and other reasons fail to make no longer operating. Research purposes and to solve the problems of this paper is to develop a strategic plan for the future development of Thailand's 7-ELEVEN through systematic analysis of the external environment and internal environment, a clear strategic direction for the development of Thailand's 7-ELEVEN, but can also make Thailand Learn and discuss Thailand 7-ELEVEN's successful experience in local convenience stores and provide lessons for their own development.

## **1.3 Research method and details**

The research method of this paper is mainly applied to the theory of enterprise strategic management, combined with the objective reality of 7-ELEVEN, using the classical Porter Five Forces analysis, SWOT matrix and PEST analysis method, and researching the development strategy of Thailand 7-ELEVEN. This article is divided into six parts to analyze and study the strategy of Thailand 7-ELEVEN convenience store. The first part is the introduction; the second part is the introduction of 7-ELEVEN convenience store and Thailand 7-ELEVEN convenience store. The third and fourth parts are the analysis of the external and internal environment of Thailand 7-ELEVEN convenience store. The fifth part is the analysis of Thailand 7-ELEVEN convenience store competition strategy. The sixth part is the specific analysis of Thailand 7-ELEVEN strategy implementation, including marketing strategy, human resources management strategy and supply chain management strategy. The last part is the conclusion.



## 1.4 Literature review

According to the different features of the tools, the scholars put forward many opinions. There are two categories of activities, which are classified as short-term and long-term purchase incentives according to the length of incentives provided by promotional tools, and are divided into two categories, namely, price reduction and value-added, in the form of incentives for promotions. (Aron, 2006) Traditionally, promotional activities are a kind of marketing method in which the company provides special effects or has incentive incentives to stimulate consumers' purchasing behavior. Its intention is to expand sales by encouraging trials, bulk purchases, and repurchasing. However, the promotion of convenience stores today is not just a simple sales promotion; it also reflects the market positioning and brand image. (Crowden, 2008) Suzuki Minwen, founder of the 7-11 retail industry in Japan, stated: "The new retail industry needs not economics but psychology." With the development of convenience stores today, commercial economic systems alone cannot survive. Creating cultural symbols has become a part of consumers' lives and can be closely integrated with consumers. (Porntip, 2008)

Consumers' promotional benefits are divided into functional and happy interests, and these created benefits will directly affect the consumer's shopping behavior and the evaluation of relevant experience. Different forms of promotion will bring different benefits to consumers. It is recommended that companies must understand and differentiate the consumers with propensity to promote and provide appropriate promotion activities for different benefit-oriented consumer groups in order to increase the effectiveness of promotional activities. (Philip, 2018) In May 2005, Taiwan 7-ELVEN aimed at 18-35-year-old student groups and young office workers targeting sales targets, using gift promotions to successfully create a happy, stylish brand image of the entire store, and laid the foundation for its unshakeable leading brand position in Taiwan. In the five years since then, the promotion of gifts has been the theme and mainstream of the annual marketing activities of Taiwan convenience stores, subverting the traditional promotion methods of convenience stores. (Trankle, 2009)

Convenience store promotion methods can be roughly divided into monetary promotions (such as discounts and discounts) and non-monetary promotions (such as gifts and sweepstakes). Most of the promotion activities aim at providing consumers with economic incentives, and rational consumers who pursue minimal costs will increase their consumption in the face of higher price changes. (Winter, 2011) Their

main goal is to attract and strengthen the behavior of consumers to buy, through the price promotion activities to create economic incentives to consumers to buy. Consumers can pay less money for each unit of product (service) purchased. Therefore, price promotions are often used by marketers to stimulate purchases in the market to increase product sales.

The nature of goods sold in convenience stores should be of convenience because consumers emphasize convenience, high homogeneity of goods, and convenience stores occupy less space, so they cannot provide more options for consumption. (Matney, 2014) Therefore, in the promotion tactics, convenience stores must provide a more convenient and cheap way to attract consumers, and different combinations of goods become the product of this idea.

There are five factors influence consumers: (Patrick, 2010)

1. When the products in the product mix are complementary products, they are more likely to attract consumers' higher willingness to buy than unrelated or similar products.

2. With the same price adjustments, consumers are more sensitive to price increases than price reductions.

3. Consumers will affect their willingness to purchase because of different ways of presenting prices.

4. In the case of different price levels, the consumer's willingness to purchase is changed by the price presentation method, and when the consumer is more familiar with the product, the change is more significant.

5. When prices are reduced, prices are presented in a combinatorial manner, which will lead to higher consumer willingness to purchase.

Gift promotions can be subdivided into a variety of forms; for example, free products and free gifts, both of which give consumers a very different perception of perception, because free products refer to "increase without increase" or "buy - get one". Although this method is also a kind of gift, but the feeling to the consumer is very similar to the monetary promotion method, because the cost is reduced and the loss to the consumer is reduced; the free gift is similar to "Buy a product and send a rose" What this way brings to consumers is the increase in profits.

## **2. COMPANY BACKGROUND**

### **2.1 Convenience store's sensibility and features**

Convenience store is a new type of retail business that originated in the United States. It pursues the convenience of shopping for consumers. In the past, traditional large supermarkets were often located in suburbs far from the city center, and the stores were very large. The goods were placed far away and the shelves were high. It took a lot of time for people to buy goods. As this has caused a lot of inconvenience to consumers, some new types of convenience stores have emerged. Most of the products sold in convenience stores are daily necessities with high consumer demand and are open 24 hours a day. With the continuous development of convenience stores, in addition to sales of goods, convenience stores have begun to provide consumers with convenient services. Convenience stores cater to changes in consumer habits brought about by rapid pace of life. At present, convenience stores have become one of the most popular retailing situations for consumers.

### **2.2 History of 7-ELEVEN company**

In 1920, the former continental ice company of the 7-ELEVEN convenience store was established in Dallas, Texas, USA. The main marketing scope was to produce and sell ice cubes. As the market expanded, it began to sell fresh milk. Breads, hams and other commodities used daily, and initially have a variety of commodity convenience stores. In 1946, the opening hours of the store were extended from 7 am to 11 pm, so the company renamed the shop as 7-ELEVEN. In 1952, the 100th 7-ELEVEN store opened, and in 1981, it had already 6328 7-ELEVEN convenience stores been in the United States. The first 24-hour convenience store in Las Vegas was opened on 7-ELEVEN, 1963, and it received great welcome. Therefore, 7-ELEVEN expanded its business hours to 24 hours. Japan's first 7-convenience store was established in 1973. Japan's Ito Yokado Corporation has signed a regional franchise agreement with Southland Corporation of the United States. In 1991, Ito Yokado Co., Ltd. of Japan acquired 73% of the shares of the United States Southland Corporation and officially changed its name to 7-ELEVENINC in 1999. In the 26 years between 1973 and 1999, there were 8,153 7-ELEVEN convenience stores in Japan.(Susumu, 2002)

### **2.3 Operation features and global expansion of 7-ELEVEN convenience stores**

7-ELEVEN's products are some of the best-selling branded everyday items, the price is higher than the average price of the store, but its biggest service feature is that 7-ELEVEN convenience stores to carry out franchise an important strategy is to focus on shop. Centralized shop opening refers to the purpose of quickly achieving economies of scale in a concentrated manner in a key area. Thailand 7-ELEVEN also implemented low-cost expansion through "franchise" and "regional license management" to obtain economies of scale in the convenience store chain system. This is the process that Thailand's 7-ELEVEN development must undergo. The goal of the 7-ELEVEN convenience stores is to become a global convenience store giant. Japan's ITEN Ocean reorganized the 7-ELEVEN company in the United States in 1991. This move further accelerated the progress of the 7-ELEVEN global expansion. In addition to Japan, in the 7-ELEVEN company's overseas market, the most successful is the number of Thailand and Taiwan in China. Thailand's 7-ELEVEN convenience stores have formed a considerable scale. The average number of visitors received each day has exceeded 20 million. Consumer groups with different characteristics and attributes have received convenience and services from it. On July 7, 2000, the United States 7-ELEVEN officially entered the world's most active New York stock exchange, becoming the most competitive chain convenience store.

7-ELEVEN Corporation regards Asia as one of its very important markets and continues to expand on a large scale. The number of 7-ELEVEN convenience stores in Asia has reached the top five in the world. Due to the rapid development of the Asian economy, the purchasing power of Asian people has been greatly enhanced, and the Asian market has great potential for development. At present, Hong Kong Dairy Company holds franchise rights in Hong Kong and Guangdong. The Taiwanese unified company owns the franchise of Taiwan 7-ELEVEN. In Thailand, the right to operate the 7-ELEVEN is controlled by the CP Group.



Figure 1

Japan	17206	China	2064	Sweden	192
United States	8152	Malaysia	1745	Denmark	190
Thailand	8127	Philippines	1282	Indonesia	187
South Korea	7231	Australia	611	Norway	156
Tai Wan(China)	5040	Singapore	493		

Figure 2

According to the statistics at the end of 2014 (figure 1&2) , the world's 7-ELEVEN stores have the largest number of stores in Japan, the second is the United States, and the third is Thailand. It can be seen from the store data that the number of 7-ELEVEN convenience stores in Thailand is now over 8,000. Overall, the development is relatively successful.

## 2.4 Thailand 7-ELEVEN Company profile

Thailand's first 7-ELEVEN shop was opened by CPALL in 1989 on Patpong Road in Bangkok, Thailand. The number of 7-ELEVEN stores in Thailand reached 1,000 in 1998. In 2002 Thailand 7-ELEVEN cooperated with Thailand's largest oil PPT Company to set up a 7-ELEVEN convenience store at the PPT gas station. The number of stores reached 2,000 in the same year. In 2003 Thailand 7-ELEVEN officially went public in Thailand. In 2006 Thailand 7-ELEVEN officially launched Smart pure is Thailand's first stored value card to facilitate consumption. In Thailand, the number of 7-ELEVEN convenience stores in Thailand reached 5,000 in 2009. Today, Thailand's 7-ELEVEN is the largest convenience store in Thailand. By the end of 2014, it had 8,127 stores. Thailand 7-ELEVEN Company adheres to the desire to see the smile from customers, through the development of happy employees, to provide convenience to all communities, and strive to create customer contact

communication channels, provide innovative products and services to strengthen the community and society good relationship. Establish sustainable growth and profits create high value-added products and services for customers and society through quality and effective work processes, and support employees to learn the culture, philosophy, vision and mission of 7-ELEVEN convenience stores.

Thailand 7-ELEVEN is a convenience store for Thais. It mainly provides consumers with daily necessities, fresh foods and convenience foods while strictly ensuring food safety. Thailand 7-ELEVEN also regularly develops new products with partners and develops products that are only sold in the 7-ELEVEN stores. In Thailand, an average of 9.2 million people enters the 7-ELEVEN convenience stores every day.

It can be seen from the table that at the end of 2013 (figure 3), there were 7,429 7-ELEVEN convenience stores in Thailand, among which 3,395 (46%) were in Bangkok and the remaining 4,034 (54%) shops in other districts. According to the type of shop operation, 3,248 (44%) are company-owned stores, 3,593 (48%) are franchise stores and 588 (8%) are sub-regional licenses. It can be seen that the average number of 7-ELEVEN is more than 500 in Thailand every year.

Types of shops/ Year	2010	2011	2012	2013
Corporate Chains	2834	2923	2984	3248
Franchise	2541	2884	3320	3593
Regional license management	415	466	518	588
Total	5790	6276	6822	7429

Figure 3

## 2.5 Thailand retail industry introduction

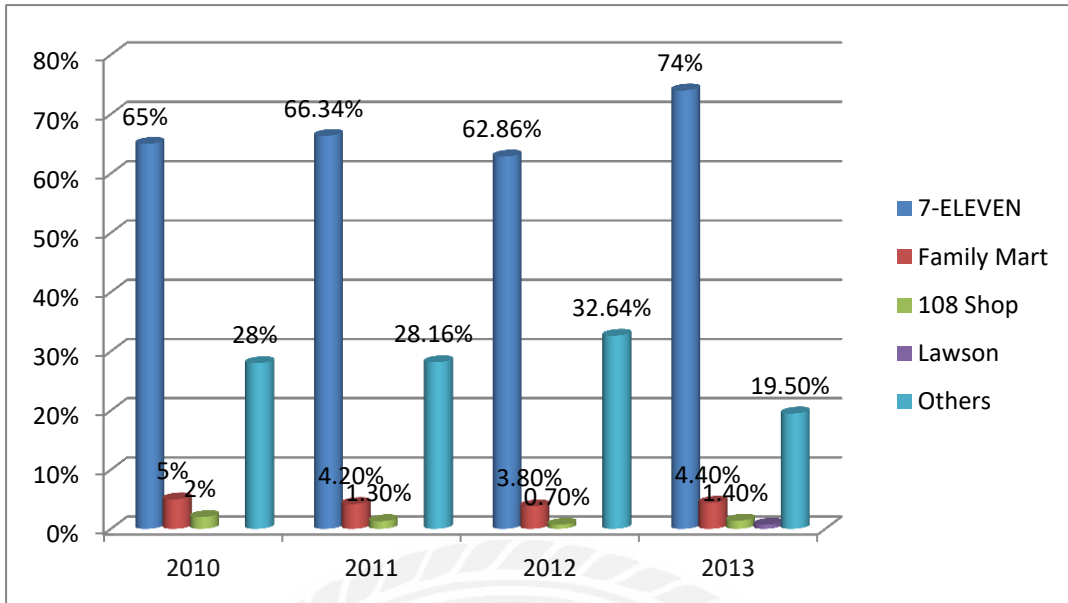
With regard to the changes in the Thai retail industry in recent years, there has been a change in the retail industry in Thailand in 2009. Due to the economic slowdown in Thai consumers, the purchase behavior has changed, including the preparation of regulations on the retail industry. Therefore, large retailers such as hypermarkets and hypermarkets are trying to expand their stores in the current situation. The communities entering the city have used a small supermarket area of less than 300 square meters to open up small supermarkets to face changes in the market. However, this behavior affects the entry of small retailers due to competitors.

The expansion of large retailers in 2010 was affected by urban planning. The

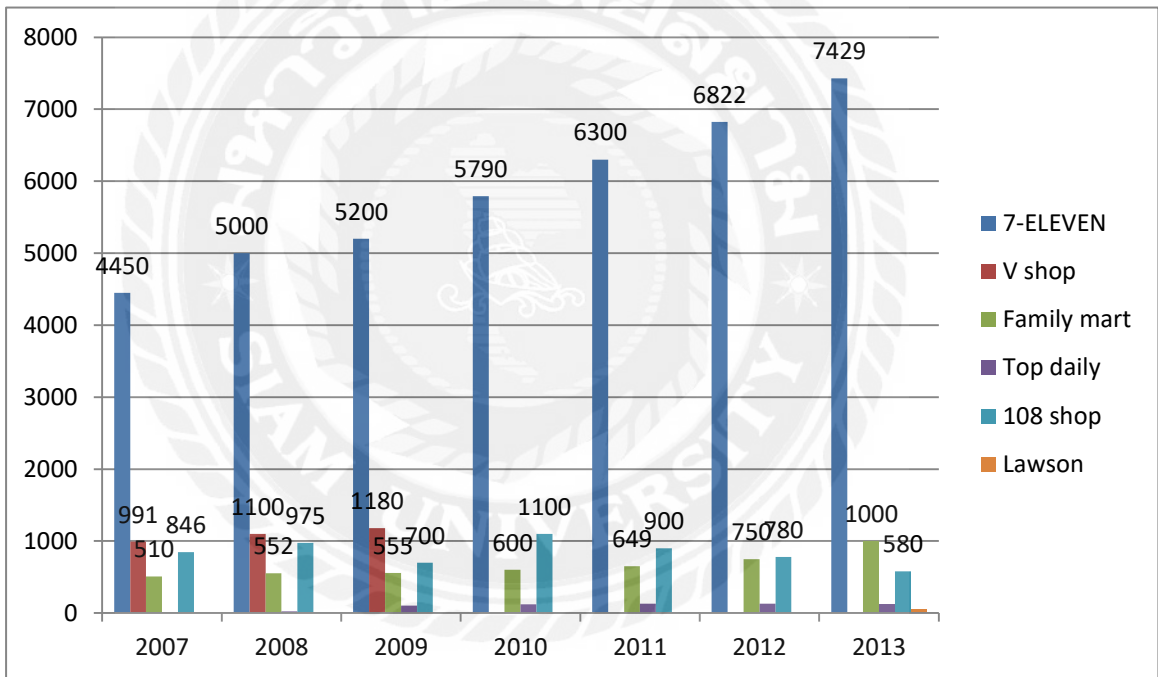
opening of large-scale supermarkets with an area greater than 1,000 square meters must be established within 15 kilometers of the urban area. Retail establishments with an area of 300-1,000 square meters can be opened in the urban area. This policy has an impact on the large retail industry but it does not affect the small retail industry. Therefore, these large retailers in Thailand, such as Tesco Lotus and BigC, have launched small supermarkets such as Tesco Lotus Express and Mini BigC in the urban areas in order to expand their stores. The introduction of such small retail stores has made the competition more intense.

In 2012, it was mainly convenient for Thai consumers to purchase, so for convenience stores, especially 7-ELEVEN, the emphasis was placed on the convenience of consumer convenience in office buildings, schools, and community establishments in many urban areas. 7-ELEVEN is high Lotus Express on the price of the product, but in order to attract customers 7-ELEVEN launched new services such as: payment, recharge and other services.

In 2013, it was a big change for Thailand's convenience store market. 7-ELEVEN had as many as 7,000 stores in the year. Other product convenience stores have also aggressively attacked this market, such as: Central Daily's Top daily and Japan's Family Mart have cooperated to share 50.29 percent of Thailand's Family Mart with CRC Power retail and merged with Top daily and Family Mart. The total number of home stores is approximately 900 stores. This partnership with Japan's Family Mart adds a strong competitor to Thai convenience stores. In addition, Sahapat cooperated with Japan's Lawson Corporation and opened SAHA Lawson Co., Ltd. Sahapat Co., Ltd. holds 51% of Japanese Lawson holding a 49% stake in cooperation. For Sahapat's unsuccessful operation of 108Shop, this time they had a clear goal to become the second convenience store in Thailand. In addition to the cooperation of these brands, there are also other brands that have exited: V shop has 1,159 stores and has to cease operations due to fierce competition and quit the convenience store industry.



Thailand Convenience Store Market Share



Comparison of the number of convenience

It can be seen from the table that 7-ELEVEN's market share in Thailand is far higher than that of other convenience stores of its own brand. From 2007 to 2009, the growth rate was slower. After 2009, the annual growth rate began to accelerate. On average, 600 new stores were opened each year, and the growth rate was faster than other convenience stores.



### **3. EXTERNAL AND INTERNAL ENVIRONMENTAL ANALYSIS**

#### **3.1 PEST analysis**

##### **3.1.1 Analysis of political environment**

The political environment refers to the political factors and legal systems that restrict and influence the business, and the political environment of its operational state includes the country's political system, rights institutions, promulgated guidelines and policies, political groups, and political situation. In recent years, the Thai government has encouraged economic development and provided numerous industries with conditions and opportunities for autonomy and freedom so that the industry can control its own initiative and autonomy in marketing. (Branch, 2008)

The current political environment has both opportunities and challenges for Thailand 7-ELEVEN. On the one hand, although these free and autonomous economic environments are likely to threaten some industries, they will not threaten Thailand's 7-ELEVEN company, but from another point of view it will provide good development for Thailand's 7-ELEVEN development opportunity, because Thailand 7-ELEVEN can strengthen collaboration and communication with foreign companies, and can attract many highly profitable products. On the other hand, for other Thai local and foreign retail companies, they will also get a lot of money from them and will grow their strength. From this point of view, the competition pressure of Thailand 7-ELEVEN will undoubtedly increase. Therefore, this freedom has advantages and disadvantages for Thailand 7-ELEVEN. 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 within 15 kilometers of the urban area. Retail establishments with an area of 300-1,000 square meters can be opened in the urban area. But this is an opportunity for small retailers. Therefore, these large retailers such as Tesco lotus and BigC have launched small-sized retail outlets such as Tesco Lotus Express and Mini BigC in the urban areas in order to expand their stores. The introduction of such strategies has made the competition between small retail stores and convenience stores more intense.

### 3.1.2 Analysis of economic environment

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 system, economic structure, degree of urbanization, and consumption structure. In recent years, Thailand has many factors that affect the development of Thai economy. The purchasing power of consumers, including the price of agricultural products, has been kept low in the international market, especially rubber, palm oil and corn. The economic slowdown of Thailand's manufacturing industry, exporters, and trading partners is especially in China, Japan, the United States, and Europe and concerns about the rising cost of living. According to the Ministry of Commerce, the price index of fresh foods, such as the rise of meat, vegetables, and fruits, and the rise in oil prices, also affect people's daily expenses. At the end of 2013, political demonstrations affected the atmosphere of tourism and consumption.

Despite the economic slowdown, the growth rate of the number of small retail stores is higher than that of the entire retail industry and the average growth rate for the overall retail industry is about 7%. However, the growth rate of convenience stores is about 15%. The main reason is that consumers can enter quickly and easily, in line with changing consumer demand. With the continuous depletion of the earth's resources, the price of oil has soared, and the frequency of price fluctuations has continued to increase. (Juyoun, 2018) Since its inception, 7-ELEVEN has stated that its logistics management is the most advanced and sound. The storage and distribution of goods are closely related. With the rise in the price of oil, the cost of the use of goods will continue to increase, and the cost will increase directly. Lead to the rise of commodity prices. Regardless of whether the operator will bear the cost of this part or increase it to consumers, the rise in oil prices will reduce marketing revenue.

Thailand's tourism industry is very developed. Every year, tens of thousands of tourists travel to Thailand. These tourists tend to have strong spending power and they pay great attention to branding. Most visitors to Thailand will choose to go to 7-ELEVEN convenience stores to buy products. The 7-ELEVEN convenience stores in Thailand has introduced many products and services for tourists, such as tourist phone cards, tourist maps, travel accessories and commonly used drugs.

Thailand's urbanization process has developed at a slow pace, and rural areas still account for a large proportion. The consumption capacity of the rural population is

weak. In addition, there is resistance from local small shops, which affects Thailand's 7-ELEVEN in rural areas.

### **3.1.3 Social, cultural and demographic analysis**

Changes in society, culture, and population have a major impact on all products, services, markets, and consumers. Enterprises in all industries, large or small, profitable or non-profit, face the opportunities and challenges brought about by changes in society, culture, and population. With the continuous development and progress of society, more women in the modern society have entered the workplace, and women's income has also increased compared with previous years. 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. Thailand 7-ELEVEN saw this opportunity to increase income, adjust its structure on the product, and join more popular foods and beverages such as vegetarian foods and fruits and vegetables to meet this demand. Their spending power has been constantly increasing. The increase in women's income has led them to pay more attention to health and beauty. If we can develop women's market very well, 7-ELEVEN's competitive strength will be greatly improved and it will grab more market share. For example: to provide vegetarian foods and healthy foods such as fruits and vegetables. Although the female market has good development potential and forward-looking ability, if it cannot seize the opportunities in front of other competitors and expand the market, this market will become a major challenge and threat for 7-ELEVEN.

In addition, the family structure in Thailand has also changed. More and more people choose to live alone, or young couples have no children and fewer and fewer family members. Therefore, they do not need to purchase a lot of things, and shopping is mainly for convenience. In recent years, the growth of vehicles in Thailand has been rapid, and the number of congested sections has increased. Many people do not want to go shopping far away, and prefer to shop nearer. With the continuous progress and changes in the society, the fast food culture has also been greatly developed, and the speed and efficiency have been continuously improved. Thailand 7-ELEVEN well adapted to this social change, implemented all-weather operations, chose to address the more focus on convenience, continuous improvement and Zeng Qian's own quality, leaving a very good impression in the minds of consumers. At the same time, the form of lunch has also been continuously improved, quality has been continuously improved, and consumers' trust has been continuously deepened. These are all

positive aspects.

### **3.1.4 Analysis of science and technology**

Science and technology restrict the entry threshold of industry, and provide sufficient time for the upgrading of the industry and the improvement of the structure. Thailand 7-ELEVEN's logistics system has always been the highest reputation in the industry. Fresh foods have been delivered three times a day. This ensures that every consumer can buy the freshest food and ensure that consumers can buy the best food. We want product. The company uses POS for sales. It can clearly understand the consumer's buying needs and purchase trends from the sales system, and can maximally tap potential spending power and resources. From the service point of view, Thailand 7-ELEVEN uses the most advanced network technology to provide customers with services such as photocopying, fax delivery, purchasing and purchasing, e-commerce pickup, ATM cash machines, and other services. The magic of science and technology lies in its ability to make existing commodities unpopular and to enable the desired products to become real-life products. From the development process of Thailand 7-ELEVEN, it can be seen that science and technology plays an extremely good role in industrial growth, and is a learning model full of positive energy.

## **3.2 Analysis of industrial structure (five forces model analysis)**

### **3.2.1 Competition among peer companies (competitiveness of existing competitors)**

Among the five competition factors, the competition among peers is often the most significant. Only when the company has a greater advantage than its competitors will its strategy succeed. Changing the strategy of an enterprise may inflict retaliation against adversaries, such as price cuts, quality improvement, feature enhancements, service enhancements, expanded guarantees, and increased advertising. At this stage, the growth of Thailand 7-ELEVEN has entered the most mature period. When the development of an industry has reached a mature stage, the market for this industry is already on the verge of saturation, and the emerging demand is only for replacement, and the growth of the industry will also become slow or even stop growing. Now, no matter where we are, we will see many convenience stores where consumers can get

the service they want.

At present, there is a relatively large competition in the convenience store industry in Thailand. Even retailers of the same size, such as 7-ELEVEN, Lawson, 108Shop, Family Mart, or large multinational retailers such as BigC, Tesco Lotus, and Carrefour's overseas competitors, will obviously use price wars and use various products. A variety of competitive strategies are organized for various marketing items such as buying 1 get 1 or buying 2 discounts. However, 7-ELEVEN's marketing strategy is not based on price wars but using differentiated strategies. It is more appealing to consumers than other convenience stores, and consumers think of 7-ELEVEN when they mention convenience stores. In Thailand, 7-ELEVEN has about 7,429 stores, covering all areas of the Ayutthaya town. Every Thai person receives the convenience and services from 7-ELEVEN. People in Big Cities can find: Every other person in the street, A few meters will have a 7-ELEVEN convenience store 7-ELEVEN store in Thailand's convenience store market share of about 70%, in 2013 the entire year's turnover exceeded 222 billion, 7-ELEVEN Thai daily average number of customers is 920 Tens of thousands of people make it difficult for other industries to surpass. In 2013, Thailand's large and small convenience stores had approximately 12,466 locations in various cities in Thailand. The convenience stores in Thailand such as 7-ELEVEN, Lawson, 108Shop, and Family Mart have established their brands and reputations. Other emerging convenience stores will face difficulties in entering this field. In Thailand, whether it is a Big City or a small town, many convenience stores will be found. The first problem faced by other operators in the same industry to join is the difficulty of site selection. It can be seen that in Thailand, the number of convenience stores is already on the verge of saturation, the potential danger is hard to enter.

### **3.2.2 Entering potential competitors**

For an industry, if new competitors enter the industry, this will affect the market share of the companies that already exist in the industry will be divided. If there is a certain threshold for entry into the industry, the threshold will be higher, which will benefit companies already existing in the industry. Potential contenders: Currently, 7-ELEVEN convenience stores do not compete in the same industry, and the same industry has become competitors of the company's competitors. Potential competitors for 7-ELEVEN convenience stores are large multinational retail industries such as BigC, Tesco Lotus, Carrefour, etc., which are set up in large cities or larger communities. These large multinational retail stores have relatively complete

infrastructure such as: All kinds of products such as payment, movie theaters, and small banks are also cheaper than the 7-ELEVEN convenience store. They occupy a certain market share in this retail industry. The size of the barriers to entry determines the risk of potential competitors entering. 7-ELEVEN does not need to sell tens of thousands of products. The most important product is to provide consumers with “convenience”. The barriers to entry for hypermarkets are:

1. Convenience of distances: Convenience stores tend to have a preference for address selection in smaller areas such as residential areas, office buildings, or near schools. These small shopping areas can easily reach customers on foot.

2. Convenience of time: The convenience of time has two meanings: First, it means that convenience stores are open for 24 hours, and customers can go to convenience stores to buy goods at any time; another means that customers spend very little money in convenience stores. Time can buy the goods needed because the goods in the convenience store are arranged very neatly, the type is very reasonable, and the customer can quickly find the desired product.

3. Convenience of goods: The convenience store's products can meet the daily needs of consumers from food to general household products, and the stores are in close proximity. Consumers usually prefer to go to convenience stores to purchase goods.

4. Convenience of service: In addition to the goods available, consumers can also enjoy many convenient services at the 7-ELEVEN stores, for example, they can pay various fees and ATM services.

5. Modern shops and equipment: The decoration design of the convenience store is generally simple and bright. The display of merchandise is very particular and looks clean and comfortable.

### **3.2.3 Supplier's bargaining ability**

The supplier has no effect on 7-ELEVEN, because 7-ELEVEN has many stores in Thailand. As of 2013, 7-ELEVEN has a total of 7429 stores in Thailand; so many suppliers want to supply 7-ELEVEN, because if suppliers can sell their products in the 7-ELEVEN shop, it will easily cover all of Thailand. 7-ELEVEN is more rigorous in the selection of suppliers. They set conditions for suppliers: if the supplier fails to

provide the goods on time and the lack of goods in the 7-ELEVEN stores affects the customer's purchase, the supplier will compensate 7-ELEVEN. 7-ELEVEN also rigorously screens for product quality and sales. If quality fails, it cannot be sold in the store. If the product does not reach the target, it will be removed.

### **3.2.4 Buyer's bargaining ability**

For 7-ELEVEN shop buyers are the ultimate consumers who purchase the product. The 7-ELEVEN convenience stores adopts price-based sales, and consumers only have the 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 ability to bargain. Although there are many retailers that make some marketing measures, 7-ELEVEN has no advantage in terms of price. However, in the current fast-paced society, people are increasingly pursuing convenience and speed, so 7-ELEVEN is the first choice for consumers to shop, because the wide range of goods in the store can basically meet the daily needs of consumers.

### **3.2.5 Development of potential alternatives (threat of alternatives)**

The threat of alternatives cannot be conclusive given that different consumers have different consumer needs and the different nature of the goods also have different threats. For example, beverages: Consumers can purchase similar beverages from a beverage shop; they can also choose their own brewed instant beverages; snacks: consumers can buy them from large supermarkets or grocery stores; cooked foods: consumers can be in 7-ELEVEN. Buy quick and easy microwave food, you can also go to the restaurant or canteen to buy cooked food; Household products: Consumers can buy commonly used household items in the 7-ELEVEN convenience store, but also to large supermarkets, wholesale stores to buy; books, newspapers, Magazines: Books and magazines sold in 7-ELEVEN are also available to consumers in bookstores.

### **3.3 Thailand 7-ELEVEN company competitive advantage**

#### **3.3.1 Innovation**

The so-called innovation is the use of new or unimagined forms in the actual business process, or in the production of a product. Innovation is mainly reflected in the types of products, production processes, management mechanisms, organizational structure, and corporate strategy.

The retail industry has previously attached importance to the selection of locations, followed by the selection of locations and innovation in the industry. In the past, it has also incorporated efficiency improvements. If you want to survive in the retail industry, you must have the above three points at the same time. It is also firmly believed in this idea that 7-ELEVEN was able to successfully transform itself from a grocer to a chain of stores. It will become the model of this industry, become the target of imitating, and become a global chain convenience store. Thailand 7-ELEVEN also continuously innovates, continuously improves its own management mechanism and logistics mechanism, provides consumers with more convenient and efficient services, continues to meet the needs of customers, and constantly launches new products and a wide range of products. Increasing customers' choices will subtly influence the customers' attitudes and habits. For example, the Smart purse service provided will no longer cause customers to feel distressed. Pursue differentiated operation of products, marketing from customers' emotional points, strengthen communication with customers, and provide various payment services. Customers can pay for electricity, water, telephone and other constant improvements in products and services. These practices all make 7-ELEVEN deeply integrated into the minds of consumers. While adhering to innovation, 7-ELEVEN continues to compete, which in turn enables 7-ELEVEN to stand proudly in the retail industry and become a role model for other competitors.

#### **3.3.2 Service advantage**

In order to continuously meet the needs of consumers, companies must constantly grasp the dynamics of the market and consumers and must be able to master more precise 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. He believes that the details are the main factor in measuring customer satisfaction. The main reason why 7-ELEVEN has a large number of repeat customers is that it allows consumers to enjoy the discovery. In addition to upgrading the storefront, the company will also be able to make room more convenient and convenient. For example, it will upgrade the sliding door refrigerator to a sloping plate refrigerator



and upgrade it to a full-open refrigerator. The company adopts an innovative business philosophy. The products introduced have aroused customers' nostalgia and created a topic. These practices have strengthened communication with consumers, and have enhanced customer loyalty to the brand, which has greatly increased the company's economic benefits.

### **3.3.3 Scale advantages**

The development trend of foreign convenience stores in Thailand is far more than that of local convenience stores because foreign convenience stores are often strong and can form scale advantages in a short period of time. Thailand's local convenience stores are mostly based on single store operations, and their economic strength is relatively weak. This restricts the development of local convenience stores in Thailand. Thailand 7-ELEVEN Company is aware of this, using scale advantages to reduce costs and increase profits. Thailand 7-ELEVEN Company's advertising, distribution, etc. are unified management. Many foreign convenience stores in Thailand have begun to focus on the advantages of scale and have begun to integrate. For example, after the merger of Thailand's Top daily and Japan's Family mart, there were approximately 900 stores in total. In addition, local Thai Sahapat Company and Japanese Lawson Company also started cooperation.

### **3.3.4 Technical advantages**

Unlike the open shopping environment of large supermarkets and shopping malls, the area of convenience stores is generally relatively small, usually only about 100 square meters, but the number of convenience store products is tens of thousands. This requires the use of advanced technologies and commodity management tools to maximize the use of limited space. Thailand 7-ELEVEN convenience store has a complete set of basic hardware such as computers, cash registers, barcode machines, surveillance cameras, etc. In addition, it also vigorously develops POS, EOS, MIS and other information systems. The formation of convenience store scales is often achieved by increasing the number of stores. In order to allow many stores to achieve store-store linkages and links between stores and headquarters, a strong information system needs to be established. At present, the rise of e-commerce has also provided new development opportunities for convenience stores. Convenience stores can use Internet technology to develop e-commerce businesses and form a network system that enables consumers to shop online and distribute goods among stores.

Thailand 7-ELEVEN convenience stores have gradually begun to focus on the automation of in-store transactions. Thai 7-ELEVEN convenience stores have installed self-service equipment such as coffee makers, ice makers, cigarette makers,

ATM machines, and automatic payment machines. Thailand 7-ELEVEN has invested in an important information technology system. This information system is the core link in the entire supply chain, ensuring that the store can efficiently meet 9.2 million customers every day. These systems include goods and services sold in stores, telephone call centers, ordering and distribution systems. Therefore, problems in the information technology system may affect the ability of 7-ELEVEN convenience store operations to provide services and may have a negative impact on the company's operating performance. The company realized the importance of information technology in the shops and various departments, so the company established a standby system that meets recognized standards. The company has set up two major information systems centers in different regions, not in Bangkok's Silom and Chaengwattana. If there is a problem with one information center, another information center will provide support.

In 2013, the company invested in a disaster recovery plan (DRP) to ensure that the most unexpected situation occurred in one center, and the information technology system would be able to work in one hour. 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 area. In addition, in addition to regular monitoring by the internal audit team, the external audit company also tests the company's information technology system each year. The advanced retail information system can provide tracking and feedback to customers and suppliers in the supply chain, improve the accuracy of purchases, reduce inventory backlog, accelerate capital turnover, and improve management efficiency.

### **3.4 Core competence**

#### **3.4.1 Strong brand strength**

Thailand 7-ELEVEN always adheres to a positive business attitude. Regardless of the type of goods or the quality of the goods, it has sufficient and strong group resources, and can influence the living habits of consumers, and constantly improve the quality of its products and services. Won the public's love and trust, and constantly enhance their own brand performance, has gained a good reputation and credibility, stand out in the fierce market competition, becoming the largest retail company. In addition, 7-ELEVEN continued to carry out social charity activities, contributed its own strength to the society, helped a large number of people in difficulty, and produced a large number of public service advertisements, such as: opposing the use of violence against women and children, South Asian tsunami fundraising, and concern for melancholy Patients, helping to find missing children. These actions have enhanced the reputation and credibility of 7-ELEVEN, winning the public's love and support.

### **3.4.2 Wide shop coverage**

In the streets and alleys of Thailand, 7-ELEVEN's convenience stores can be seen everywhere. They appear in every inconvenient corner and area, which brings consumers closer and provides more convenient and caring services for consumers.

### **3.4.3 Perfect network structure**

In Thailand, the 7-ELEVEN convenience stores have spread all over the streets and all corners and regions. It is also the most convenient store with ATM. Through the combination of online marketing methods, we can more fully meet the specific requirements of each customer and provide more comprehensive ordering services. In addition, the convenience store will also publish the latest news and product information on the Internet, and consumers will review it in time to learn more detailed product information.

### **3.4.4 Perfect information mechanism**

In 2003, 7-ELEVEN developed a complete and advanced POS service intelligence mechanism through unified information with transfer companies. This mechanism is mainly used to analyze and grasp the needs of customers and continuously improve the marketing system. It has a strong intelligence function, can detect and understand the status of incoming and outgoing shipments per hour, the daily weather conditions, can best meet the requirements of customers, and can improve the company's marketing capabilities. Through perfect system mechanisms and real-time data sharing, it can effectively save human resources, maximize the economic benefits of the store, and can satisfy customers' purchase requirements and wishes.

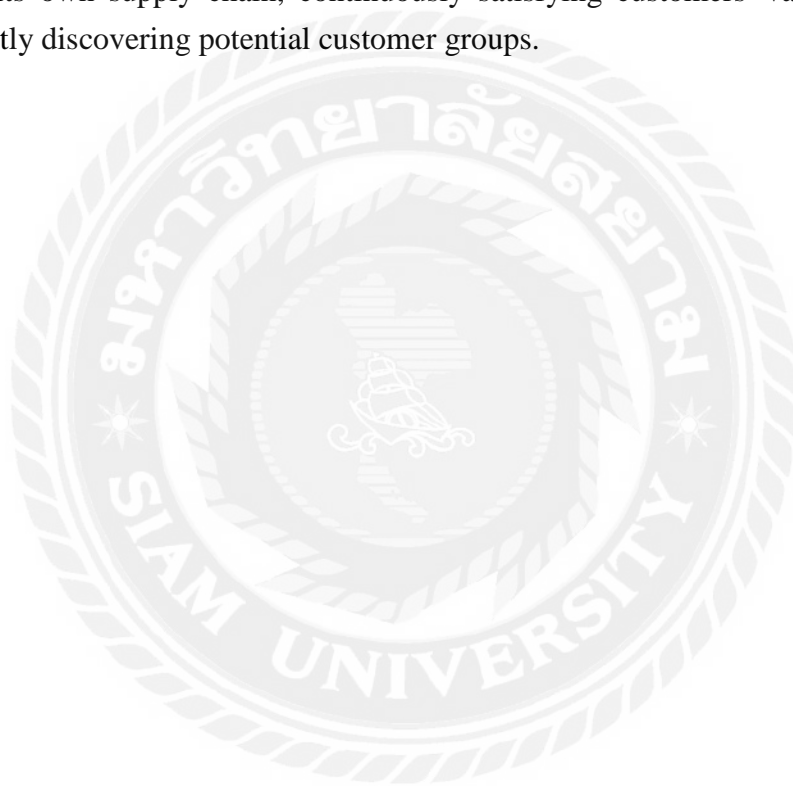
### **3.4.5 Strong marketing capabilities**

Thailand 7-ELEVEN has a sound retail supply chain and has realized the design-development-production-distribution-to-sales cycle. It is managed and supervised by a professional marketing team. A sound supply chain generates a sound consumer value chain. The better the consumer's satisfaction, the stronger the company's marketing strength. At this stage, Thailand 7-ELEVEN focuses on the complete and rich variety of goods, quality and service, and first-rate hygiene standards. These are 7-ELEVEN marketing methods at the present stage. The implementation of these methods depends on the company's competitive strength. The convenience store advertisements we see every day are maps of the retail network based on the addresses of convenience stores. Its unique competitiveness makes it

enter every inconvenient corner and area, providing people with the most convenient services.

### **3.4.6 Strong supply chain**

Thailand 7-ELEVEN has its own distribution center, unified distribution, 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. 7-ELEVEN will continue to improve the quality of its products by constantly improving its own supply chain, continuously satisfying customers' various needs, and constantly discovering potential customer groups.



## 4. COMPETITIVE STRATEGY

### 4.1 SWOT analysis

#### 4.1.1 Strengths

(1) The convenience of not closing the door. Since 7-ELEVEN's business hours are 24 hours, consumers can enter the store at any time to consume and use services just as the 7-ELEVEN slogan says "Be the nearest friend to your home."

(2) The convenience of distance. 7-ELEVEN shop covers a wide range of 7-ELEVEN convenience stores in commercial areas or residential areas.

(3) Excellent management team. Thailand's 7-ELEVEN convenience stores is operated and managed by Chia Tai Group. Chia Tai Group has ample experience in retail industry management. Thailand 7-ELEVEN has introduced the 7-ELEVEN management system and made adjustments to the system in combination with the Thai market, and regularly exchanged experiences with 7-ELEVEN management teams from all over the world.

(4) Advanced technology. The company uses the advanced Point of Sales, through which the 7-ELEVEN Thailand headquarters can obtain information of each shop in time, and make decisions in different regions to improve the operating efficiency of the 7-ELEVEN chain.

(5) Lower purchase cost. 7-ELEVEN is lower than the others in the purchase cost compared to the same convenience store or small retail store. Since 7-ELEVEN has strong ability to negotiate with suppliers in Thailand, because of the large number of stores and the large scale of purchases, they can obtain lower prices than other competitors.

(6) High-quality employees. The 7-ELEVEN convenience stores pay great attention to the staff's service, because 7-ELEVEN passed ISO9001:2000 training schools to train its employees to ensure the quality of 7-ELEVEN's employees, and made consumers feel gracious and comfortable in terms of services.

(7) A strong distribution center. Thailand 7-ELEVEN has an efficient distribution

center. The efficiency of delivering products to each shop is very high, and the product freshness is quickly guaranteed.

#### **4.1.2 Weakness**

(1) Distribution costs are relatively high. Since 7-ELEVEN is mostly set up in the community, it is costly to distribute in traffic-congested communities.

(2) The mobility of employees is relatively large. Thailand 7-ELEVEN's clerk is generally young, mostly between the ages of 22-32. People of this age often use 7-ELEVEN as an exercise before entering the workplace, so they rarely work long-term at the 7-ELEVEN convenience stores. Therefore, 7-ELEVEN employees in Thailand are relatively mobile.

(3) The types of products in the store are not complete. Because of the limited size of the shop, the number and type of goods are also limited compared to large supermarkets. Commodities mainly focus on convenience and are not suitable for large quantities of household goods.

(4) The product price is higher. Compared with those large supermarkets and wholesale stores, the price of 7-ELEVEN stores is slightly higher.

(5) Some stores lack a parking lot. In Thailand, most people choose to travel by motorbike or by car. This requires a lot of parking space. In order to facilitate people to buy goods, there is usually parking space in front of the shop. In Thailand, some 7-ELEVEN stores are located close to the road and do not have enough space for customers to stop. This will affect the traffic volume of the store.

#### **4.1.3 Opportunity**

(1) The consumer behavior of modern consumers has changed. Due to the acceleration of the pace of life, consumers pay more attention to convenience when purchasing products.

(2) The rapid development of the real estate industry in Thailand. More and more new communities have provided opportunities for 7-ELEVEN expansion.

(3) 7-ELEVEN increases the source of profits by increasing the ratio of private brand merchandise sales in stores.

(4) 7-ELEVEN can expand B2C business, use e-commerce platforms such as Internet mobile phone APP, and meet with its own physical store network to seek new business points.

(5) 7-ELEVEN's own strong brand effect. Cooperation with other industries, such as gas stations, laundries, banks, etc., to provide consumers with more diversified and comprehensive services.

#### **4.1.4 Threats**

(1) Thailand 7-ELEVEN There are many competitors in the industry. In addition to the same type of convenience store like Family Mart, there are big supermarkets such as BigC and Tesco Lotus.

(2) Most consumers' price sensitivity makes them less loyal to the 7-ELEVEN brands, and many consumers choose to purchase lower-priced products.

(3) The economic development in Thailand is uneven, and the economic level in some regions is lagging behind. Residents have different consumption habits and consumption concepts. These differences will hinder Thailand 7-ELEVEN from being hindered when the store expands.

(4) The rapid expansion of 7-ELEVEN in Thailand requires a lot of human resources, and the newly introduced law stipulates that the minimum wage is not to be less than 300 baht per day, which increases the wage cost to be paid by Thailand 7-ELEVEN.

#### **4.2 Vision and mission of Thailand 7-ELEVEN Company**

The company's vision is the long-term development direction and goal of a company. What kind of image and positioning the company will develop in the future is a blueprint for the future development of the company. It is an abstract concept and is a prospect for the future.

Thailand 7-ELEVEN Company's strategy is to continue to grow in operations and

profits, through efficient work and provide high-quality products for customers and society to create value-added products and services to support employees to learn to improve their capabilities. Thailand 7-ELEVEN's vision is "We bring convenience to every community"<sup>13</sup> The Company's mission is to achieve the corporate vision. As an operating organization, an enterprise plays an important role in the society. The enterprise has its own tasks and social responsibilities to bear. The company's mission includes many contents: including the overall goals of business development, the business scope of the company, and so on. Compared with the company's vision, the company's mission is more specific. It is the specificity of the nature and direction of the organization. For Thailand 7-ELEVEN's mission "to establish relationships with customers, product and service innovations, and strengthen relationships with the community and society."

#### **4.3 Thailand 7-ELEVEN development goal**

The corporate development strategic goal is to combine the company's strategic positioning and actual situation under the guidance of the company's vision and mission statement, set specific business development direction and target requirements and strategic planning time limit. By decomposing strategic objectives and strategic tasks, the selected strategic plan will be transformed into an implementable plan. Based on 7-ELEVEN's vision and mission, combined with the previous internal and external analysis of the actual situation of the company, based on the current knowledge and understanding of 7-ELEVEN, this study sets the overall goal of 7-ELEVEN's future development strategy: 7-ELEVEN Thailand aims to achieve 10,000 stores in 2018 and plans to open 600 stores every year.<sup>14</sup> The goal of 7-ELEVEN is to become a convenience food store and focus on the cleanliness, safety and innovation of food instant foods.

#### **4.4 Basic strategy - focus on differentiation strategy**

Thai 7-ELEVEN convenience store companies should adopt a differentiated competition strategy under the guidance of a centralized strategy. For convenience stores to stand out in the fierce market competition, we must get rid of the "small supermarket" positioning, and strive to play its own characteristics and advantages, pay attention to differentiation strategy. The differentiation strategy of convenience stores is mainly reflected in several aspects.



#### **4.4.1 Differentiation of products and services**

Thailand 7-ELEVEN always adheres to the idea of bringing convenience and quality service to its customers. It constantly studies changes in consumer behaviors and lifestyles and monitors changes in the population and society of each target customer group. This information is used to plan expansion stores and products and services provided in different regions to meet local consumers. The difference in price among Thailand's major retailers is very weak. Thailand 7-ELEVEN company realized that the price war strategy cannot continue to attract customers, so 7-ELEVEN emphasizes product differentiation. Through information research and expert advice, Thailand 7-ELEVEN strives to ensure that new products and services are different from its competitors. 7-ELEVEN takes the concept of FBO (First Best Only) to lead other competitors in the launch of new products, select the best quality, and can only be purchased at 7-ELEVEN. Brands developed by 7-ELEVEN include 7-Fresh and 7-Select. At the same time, the company's products sold in different regions have been constantly updated.

In Thailand, people are still accustomed to buying daily necessities in large supermarkets. Therefore, Thailand 7-ELEVEN mainly supplies frozen foods for product selection, and relying on Thai Chia Tai Group. Most of the food it sells is a brand of Chai Tai University. Very famous food manufacturers, people trust the food produced by the CP Group. Compared with other Thai convenience stores, Thailand 7-ELEVEN is unique in that it provides many convenient services in addition to providing tangible goods. Such as paying utility bills, mobile phone recharge, credit card and bank loans. In addition, 88% of the 7-ELEVEN convenience stores in Thailand are equipped with automatic teller machines. 7-ELEVEN can meet people's daily life and work in all goods and services. It can be said that Thailand's 7-ELEVEN already has the function of community service and has become a gathering point for providing community services.

#### **4.4.2 Differences in the quality of employees**

Thailand 7-ELEVEN staff has a good professional quality and self-cultivation, the company also held regular staff training, "welcome to" "thank you" and other terms are the basic language of convenience stores. In order to truly understand consumers, 7-ELEVEN has specially trained staff greetings, greetings and more. The company implements full-person training and even temporary employees must receive training

and education to impress consumers with heart and sincerity.

#### **4.4.3 Differences in address selection**

Thailand 7-ELEVEN convenience store is also very elegant in terms of location. Before opening the store, Thailand's 7-ELEVEN headquarters will examine the surroundings. Thailand 7-ELEVEN put forward the slogan "Be your best neighbor". In response to this slogan, 7-ELEVEN will set the address in the area where the customer normally activities, such as: the area close to the point of life, the way to work, the parking lot. Waiting for you, the 7-ELEVEN convenience stores in Bangkok covers almost every street, and you can usually meet 7-ELEVEN stores within 5-10 minute walking. In addition, Thailand 7-ELEVEN also cooperated with Thailand's largest oil company, PTT, and opened 7-ELEVEN stores at its gas stations.

#### **4.4.4 Differentiation of store layout**

The layout of the 7-ELEVEN stores in Thailand can clearly reflect the image of 7-ELEVEN. Although 7-ELEVEN's storefront area is not very large, the contents of the store are arranged in order and people feel very comfortable. To achieve this effect, we need to adopt a rational and scientific pattern: First, people passing by can clearly see the contents and layout of the store: The outlets and entrances of convenience stores are usually set on the left side of the storefront. Because people are walking on the right side, this will not cause crowding. Second, the use of pure white color: pure white can give people an illusion of vision development; can give people a clean and comfortable feeling. Third, the space for consumers to line up is very affluent: the distance between the cash register and the nearest shelf should not be less than 4 meters, so that consumers will not feel crowded while waiting for payment. Fourth, the design of the channel should be humane: The channels in the store should be as straight and straight as possible, which can give consumers a comfortable feeling, reduce their fatigue feeling and increase their time in the store. Fifth, pay attention to the placement of goods: The placement of goods must have a certain law, cannot be piled up in disorder, to be placed in accordance with the habits of ordinary people, to facilitate the customers to find.

## **4.5 Auxiliary strategy**

### **4.5.1 Marketing strategy**

The marketing strategy is centered on the realization of basic strategies, formulating marketing plans for enterprises, fully realizing marketing goals and making overall plans for marketing functions. It is a strategy for providing guidance for specific marketing work. The level of corporate marketing ability plays a crucial role in the success of strategy implementation. Companies generally market through the adjustment of five factors: target market, product, channel, promotion and price. Thailand 7-ELEVEN's marketing strategy has the following three aspects:

(1) Product Strategy: In product selection, Thailand 7-ELEVEN will provide targeted products and services by focusing on specific customer groups and different regional cultures, enriching their own products. The primary consideration for the structure of 7-ELEVEN convenience store products in Thailand is seasonal: Thailand's weather is very hot throughout the year. Therefore, Thailand's 7-ELEVEN convenience stores will focus on refreshing cool frozen foods, iced drinks, and daily necessities in the summer and these stable sales will be used as core products. At the same time, new products must be introduced for the needs of different consumer regions. These products are used as alternative products. Continuously provide a variety of convenient services, such as ATM repayment, collection of utilities, telephone bills and so on. In order to enhance and highlight the humanity of the 7-ELEVEN convenience stores, they will select the right merchandise to sell according to the local consumption level and economic basis and their spending habits, and thus have received praise for their humanized management.

(2) Customer Satisfaction Strategy: When formulating a customer satisfaction strategy, it is necessary to conduct research on the sensitivity of target market and target customers. The following factors should be considered: 1. Function: How does a consumer get satisfaction from products and services? The goods and services are not what you want? 2. Finance: How does this trade affect the customer's financial situation? 3. Freedom: How to use products and services more conveniently and quickly? 4. Feelings: What do customers feel about products and services? How do customers see the impact they bring to themselves? 5. Future: How will the company improve its own product and service quality in the future? Will consumers continue to support the company? What impact does the customer have on products and services in his future life?

(3) Promotion strategy: Compared with other general supermarkets, the convenience store will have relatively high prices for the commodities it sells. In some areas, the sales of products at the convenience stores will be as high as 39% or even higher. This is related to the operating principles implemented in convenience stores. They claim that “small and sophisticated” strives for perfection. They will sell some goods that have a short life cycle and a fast turnover cycle. The purchase price will also be about 10% higher than the supermarket price. . Therefore, when setting prices in convenience stores, we must first consider how we can reduce costs as much as possible. At the same time, we must also procure a large number of commodities that are suitable for consumer groups and may urgently need them, so that we can guarantee that we can use lower prices. Sales, for the benefit of consumers; Second, the convenience store in setting the price of goods, cannot blindly imitate the large supermarket prices, and do not attempt to use price war to compete, so the convenience store price is higher than the supermarket price It can also provide consumers with convenience while making profits. Because of this, it is also necessary to carry out the necessary discount sales of goods, so that it can consolidate and increase the corresponding sales. The main purpose of the promotion is to: first increase the sales amount of convenience stores; second, expand the consumer groups of convenience stores; third, reduce the stock of goods, increase the frequency of use of funds; and enhance the image and reputation of the fourth enhanced convenience store. More customers; fifth constant innovation, Wang consumers grasp the information of goods. Sixth, improve the quality of the staff. If convenience stores and large supermarkets compete to compete for the characteristics of convenience stores, they will cause irreparable damage to convenience stores.

#### **4.5.2 Logistics strategy**

In the competition of the retail industry, the cost of purchasing goods and the distribution costs of channels account for a very large proportion. The key to the logistics strategy is to adjust the organizational structure of logistics resources and monitor the logistics system so as to match the strategic development that will ultimately be achieved, and to increase the competitiveness of the company. The use of an efficient information system to integrate the resources of suppliers, distribution centers, distributors, terminal stores, and other resources, play a role in resource integration, and create value. From the order purchase management, distribution center warehousing, distribution monitoring, store inventory management and other logistics function activities, reduce costs and create value. Considering whether the

geographical location is superior in the site selection of the store, the concentration of stores and the rapid establishment of the market scale, the advantage of centralized store opening is the establishment of a regional common distribution center, the pursuit of a centralized distribution model, the reduction of the number of delivery, and the improvement of the delivery of the delivery vehicles. Rate, save logistics distribution costs, solve the problem of logistics cannot keep up because of the expansion of the store too fast. The information system is also an indispensable part of logistics management. Therefore, it is necessary to improve the existing POS and EOS systems, strengthen centralized procurement and inventory management, reduce procurement costs and reduce waste while ensuring product quality. In addition, natural factors such as weather and temperature have a certain influence on the efficiency and quality of distribution. This is also a problem that convenience stores need to consider when formulating logistics strategies.

#### **4.5.3 Brand strategy**

The formulation of the brand strategy should focus on the core value of the brand, that is, the brand's interest to consumers, and form a company's own brand system through differentiation to improve the market competitiveness of the company. 7-ELEVEN Thailand has a strong brand advantage compared to other convenience stores in Thailand, because for consumers, they buy from 7-ELEVEN not only goods and services, but also 7-ELEVEN such as hygiene, quality, and health. The guarantee brought by this brand, therefore Thailand 7-ELEVEN should take full advantage of this advantage, maximize the brand value, and strive to seek new opportunities.

I believe that Thailand 7-ELEVEN brand strategy can be used in the following ways: First, actively cooperate with the media, promote 7-ELEVEN, through TV, Internet, and mobile APP to attract consumers. Can also hold charity events or sponsor public welfare activities to promote the company's good image; Second, in conjunction with other well-known brands to expand the brand's influence, such as 7-ELEVEN and oil companies, mobile companies, food companies, tourist attractions and other brands , strengthen brand radiation; Third, use the channel advantage to find new profit growth points, can launch its own brand of goods, such as in traffic-intensive stores, launch 7-ELEVEN brand food, beverage and other profitable Fast-moving consumer goods; Fourth, actively build marketing platforms such as the Internet and mobile phone APP to extend the 7-ELEVEN brand value chain.

## **5. IMPLEMENTATION STRATEGY**

### **5.1 Thailand 7-ELEVEN human resource management measures**

In today's corporate activities, human resources, like yeast and springs, affect its development with its special charm in various productivity elements. He is an important resource in today's corporate culture. The development of 7-ELEVEN is closely related to the development of human resources. If you want to improve the competitiveness and development of a company, it is undoubtedly a huge booster for 7-ELEVEN. In the short term, Thailand's 7-ELEVEN development plans are to increase market share, and to consolidate existing advantages while also rapidly expanding stores. In the long run, it is necessary to maintain the core competitiveness of Thailand 7-ELEVEN, maintain its leading position and actively seek new profit points. In the final analysis, this is a question of talent. 7-ELEVEN should give full play to and make full use of the advantages of talents, rely on scientific job distribution, good teamwork, and guidance from managers to maximize the value of talents, enhance the ability of talents to reunite, and realize the long-term development and growth of the company.

For 7-ELEVEN, the staff is the company's wealth. For a company that wants to lay a good foundation for his advancement, 7-ELEVEN has done a very good job in this regard. It has laid a lot of emphasis on the quality of the employees in the foundation, and has continuously cultivated their Experience and ability, just like the military has a soldier with a numerical value, has also become an important pillar of enterprise development. However, many business leaders have found this problem. While human resources are not directly proportional to the development of the company, the delivery of talent is far from meeting the development needs of the company. This increases the pressure on the corporate training department. Therefore, people now understand human resources management as simply recruiting employees and recruiting the talents needed in the enterprise. Instead, they ignore important ways to classify and plan the recruited talents. They do not know how to retain talents and use them. When we can't use our resources to the opposite place, we lose the role of human resources. 7-ELEVEN continuously expands talents through effective absorption of talents and enriches management teams and store management teams.

Thailand 7-ELEVEN established the Panyapiwat Business School in 2005 and

formed a sound training concept and a complete training mechanism. The quality of the company's staff can reflect the company's overall competitive strength. Therefore, it is necessary to continuously train and train staff, improve their professionalism, enrich their knowledge, and transfer the company's current business concepts and company's Cultural concept. 7-ELEVEN strives to be realistic and practical. It combines actuality with actual strength to train employees, remove squanders, cut face work, and eliminate the rubbish scum project, striving to promote the development and growth of the company in employee training. . Combining internal training and external training organically, on this basis, we can make full use of the network as a platform, integrate network information technology into the training of enterprises, and combine today's social reality with down-to-earth efforts.

Thailand 7-ELEVEN has made constant attempts and efforts to motivate employees to upgrade their employees and their enthusiasm. They have continuously improved their 360-degree multi-angle and all-round performance appraisal system. However, the quantitative indicators of this system are not sufficient. Therefore, in order to improve the performance appraisal system, it should also cooperate with a performance appraisal system that can be quantified. For example, the first step is to avoid the need to adopt objective and specific evaluation criteria to change the assessment criteria at all levels according to their own supervisory objectives. Secondly, in order to reduce errors, it is necessary to continuously learn to introduce various quantitative statistics methods; In order to fully stimulate the initiative of the staff; we must make targeted adjustments to the distribution of wages and changes in the promotion of staff.

Executives of 7-ELEVEN Companies in Thailand also regularly "go out" to allow senior executives to step out of luxury offices and take the initiative to go to various departmental offices and sales terminal stores to understand their work progress, and thus obtain intuitive and accurate corporate information. The development information thus obtained will be more informative, and personal experience will make it easier for him to deal with the problem. This kind of walking management requires upper management to actively collect information and understand the situation so that problems can be identified and presented in time, and problems can be solved based on actual conditions. When the manager inspects the situation, he must carefully observe the information through careful observation to obtain the corresponding information. At the same time, he must actively answer and solve problems in this process, and actively use various methods to make timely and correct information. Respond, take precautions against problems, deal with problems in advance, avoid making problems pile up, and cause unnecessary trouble. Human

resources are a long-term business guarantee for Thailand 7-ELEVEN. It is an indispensable part of a company. The development and strengthening of a company cannot be separated from human resources.

## **5.2 Thailand 7-ELEVEN's marketing strategy**

### **5.2.1 Product and service strategy**

The collocation of 7-ELEVEN convenience stores on commodity structure has innovative thinking, and can also influence the sales of products through the display of convenience store products. Such a sales strategy is a psychological effect that will bring convenience and benefits to consumers. Good product selection and display is also a very good promotional tool. Thailand 7-ELEVEN formulates plans for products and services on a regular basis. The company's headquarters has been studying consumer changes in product needs and expectations. 7-ELEVEN's marketing team constantly tries to develop and select high-quality products and services that are different from competitors, meet the needs of different target groups, and meet new trends and market changes.

In addition to general merchandise, Thailand 7-ELEVEN is also committed to the development of other businesses to provide customers with the convenience and service of their daily work. At the same time, it continues to work hard to expand its alliance partners to provide a wide range of payment services. To better provide customers with convenient services, there are currently more than 300 suppliers offering up to 700 services. In addition, about 88% of 7-ELEVEN convenience stores currently have ATMs installed. At present, Thailand 7-ELEVEN products are mainly divided into the following two categories: First, food and beverage, accounting for 72%; Second, non-food products (excluding mobile cards), accounting for 28%.

### **5.2.2 Customer satisfaction strategy**

Thailand 7-ELEVEN company provides customers with convenient purchasing through the storage network dispersed in each community. The company's customer base is diverse, including consumers from different occupations, genders, and ages who live and work near the 7-ELEVEN convenience store. On average, in Thailand, a total of 8.3 million consumers purchased products and services from the 7-ELEVEN



convenience stores in 2012 and increased to 920 in 2013.

Depending on the location of the store, customers visiting each 7-ELEVEN convenience store will have different product and service requirements. Thailand 7-ELEVEN Company plans products and best service management strategies to meet customer needs by analyzing different behaviors and needs at each location. 7-ELEVEN company selects the type of product that fits the customer group according to its location, and prepares enough products and services, especially during the peak period of the sales of the stores in different locations. During the day and night, workdays and holidays or regional events and festivals, the peak sales time is different. Due to the location of the store cluster, sales profits of the 7-ELEVEN convenience stores in Thailand have continued to increase over the past year. In addition, Thailand 7-ELEVEN has set up its own FACEBOOK homepage and mobile phone APP so that consumers can visit and make comments and suggestions on it.

### **5.2.3 Promotion strategy**

Marketing is an important factor in marketing, is the consumer and the seller, the popular is to buy and buy the communication between the two sides. Under the market economy conditions of the 21st century, sales promotion has become the mainstream in sales. At the beginning, the practice of relying on strength to make the world is no longer applicable. Under the influence of commodity economy, propaganda activities are indispensable. Thailand 7-ELEVEN Company has done a very good job in promotion. There are sales promotions in shops in almost every day. Thai 7-ELEVEN convenience stores are set up by the company to formulate unified marketing plans, promotional themes, promotional merchandise and prices, and the distribution of promotional advertisements is also implemented by the company. Thailand 7-ELEVEN Company uses television, network, newspapers and radio and other media for promotion, a variety of promotional methods, according to different festivals and the latest trends in the development of different promotional strategies. At the same time, Thailand 7-ELEVEN will target the promotion mainly to young people and collaborate with various neighborhoods popular with young people. For example, the most popular social software among young Thais is LINE, and 7-ELEVEN will launched a series of product packaging with a LINE cartoon image and peripheral gifts that can be presented in full. This has received a great welcome among young people. Thailand 7-ELEVEN also develops its own APP phone software to send promotional messages every day. In addition, Thailand 7-ELEVEN convenience store also pays attention to the placement of goods, which is also a

means of its promotion.

### **5.3 Thailand 7-ELEVEN logistics and information system management analysis**

For retail companies, logistics and information systems management are inseparable and an organic whole. It plays a very important role in the management of the company and the two interact with each other. This section analyzes the logistics and information system management of 7-ELEVEN to find out the advantages and disadvantages within the company.

The so-called logistics management means that in the production process of the society, by analyzing and studying the laws of the changes in the material materials, we adopt the most appropriate and scientific methods to realize the supervision and adjustment of logistics activities and achieve cooperation among various logistics links. Save on the cost of logistics, enhance the efficiency of logistics, and enhance the company's revenue. The degree of logistics management in the convenience store will directly affect the operating costs of the company. However, the establishment of information systems has a leading role in improving the level of logistics management. With the establishment of Electronic Ordering System; EOS, Point of Sale; POS and Common Delivery, the efficiency of 7-ELEVEN logistics management in Thailand will be significantly improved, and a more efficient supply chain management system will be established. This section will be discussed from the following sections.

#### **5.3.1 POS system**

Point of Sale originated in the United States. It is based on the sales of goods, amount, quantity, time and other details. After a period of accumulation, retailers can analyze these data to capture consumer demand. In the mid-eighties of last century, 7-ELEVEN had adopted the POS mechanism and used this mechanism to successfully supervise the purchase activities of consumers and get rid of the limitations of traditional collection devices.

In 1998, 7-ELEVEN invested 490 million U.S. dollars to upgrade the system again. The upgrade was supported and helped by Microsoft's Seattle office. The newly upgraded system can achieve better network management and enhance 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 the three sales of the store during the day. After 20 minutes, it can see the specific analysis report, provide the best order advice and data for the store, and develop new marketing for the head office. The strategy provides support. Depending on the POS system, 7-ELEVEN can quickly identify which products and packaging are more attractive to customers. The POS system is like an automobile's speedometer. Depending on the POS system, 7-ELEVEN can know how to adjust its own business plan, which products sell well, sell time, consumer age, gender, etc. These POS systems can provide analyze data. For terminal branches, the POS mechanism can understand the characteristics of consumption in the region, be able to adjust the goods in time, and increase the revenue of the store. 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-sold products, and can formulate more reasonable and scientific sales strategy.

In the past, when the POS system was not introduced, employees often spent 2-3 hours to calculate the daily cash daily report, which caused great pressure and burden on employees, and the efficiency was low. After using the POS system, it is very convenient and quick to make cash daily reports. The employee can press just a few keys and it takes only about 2 minutes. The use of the POS system not only makes the ordering process easier and faster, but more importantly, it can always grasp the needs of consumers. The store can more accurately determine the type of goods in the incoming goods, thus avoiding unnecessary inventory reduction and scrapped goods.

### **5.3.2 EOS system**

The electronic ordering system is actually 7-ELEVEN, logistics agencies and suppliers and distributors after receiving the order notification, the person in charge of each branch does not need to repeat the order, the system will arrange the goods according to the specific conditions of each branch, the manager Adjustments can be made to the arrangement. This system can save time for the store to order the goods and can save the cost of managing inventory. After the implementation of the supply chain mechanism, the inventory pressure of 7-ELEVEN has been significantly eased, the efficiency of distribution of goods has been improved, and the connection and communication with suppliers and distributors have been strengthened, ensuring the

friendly relations between the two parties and the friendly cooperation between the two parties.

### **5.3.3 Common distribution center**

Common Delivery is a new delivery method that is different from the original delivery method. The previous delivery method is that the supplier directly delivers the goods to the store; the current delivery method is that the distribution agency collects the goods that need delivery, and then according to Delivery requirements are made for the delivery of the formulation. When 7-ELEVEN first opened a branch, the pattern adopted was a carpet scanning method. First, it opened high-density stores in one area, grabbed most of the market, and then increased the company's revenue. 7-ELEVEN's shop-opening approach provides a good opportunity for development of the logistics and distribution system. The storefront area of 20 convenience stores is generally very small, but there are many items placed. If consumers do not find the products they need, they need to go to other stores to make purchases. To solve this problem, convenience stores are to reserve very complete items, different suppliers are required to deliver them. 7-ELEVEN combined with suppliers to establish a sound distribution agency that can perform the most efficient distribution of goods, saving a lot of logistics costs and time.

7-ELEVEN planned a joint distribution strategy aimed at selling 3,000 products in a 100-square-meter store. This strategy can achieve this goal. The strategy is mainly based on different regions and goods, the goods will be unified to the joint distribution agency management, the agency for the distribution of goods. There will be a joint distribution agency within 35 km of the central city. There will be a common distribution agency near 60 km of market centers in other regions. This will enable efficient distribution.

After the implementation of this strategy, the store only needs to receive 12 transportation vehicles per day. At the same time, the joint distribution agency can grasp the sales of the goods in time, and can make timely adjustments and changes. With the fierce price war in the chain industry, as long as the continuous cost savings, can continue to enhance the company's revenue. Most products are sold to more than 7,400 stores nationwide 7-ELEVEN convenience stores are distributed through the company's distribution center; according to a given delivery date more than two thousand manufacturers and suppliers to send their products to the distribution center. Therefore, the distribution center plays a key and important role in delivering products to 7-ELEVEN throughout the country in a complete, correct and timely manner.

## 6. CONCLUSION

In the fierce market competition, Thailand 7-ELEVEN Company became the leader of Thai convenience stores, leading the Thai convenience store industry. The largest chain of convenience groups over world. Thailand's 7-ELEVEN company's success is largely due to the strong competitiveness of its business model. Through the study of this article, the key factors for the success of Thailand 7-ELEVEN convenience store can be summarized as the following aspects.

1. Consumers are supreme. Every decision made by Thailand 7-ELEVEN is based on consumer thinking. In order to continue to meet the needs of consumers, Thailand 7-ELEVEN company must constantly monitor the market and consumer dynamics, the first time to accurately grasp consumer demand. In order to enhance and highlight the humanity of the 7-ELEVEN convenience stores, they will select the right merchandise to sell according to the local consumption level and economic basis and their spending habits. At the same time, Thailand 7-ELEVEN continues to provide a variety of convenience services, such as ATM repayment, collection of utilities, telephone bills and so on. Thailand 7-ELEVEN convenience store also attaches great importance to consumer feedback, Thailand 7-ELEVEN also set up its own Facebook homepage and mobile phone APP so that consumers can visit and put forward opinions and suggestions.

2. Complete supply chain management system. For retail companies, logistics and information systems management are inseparable and an organic whole. It plays a very important role in the business operations. In the mid-eighties of last century, 7-ELEVEN had adopted the POS mechanism and used this mechanism to successfully supervise the purchase activities of consumers and get rid of the limitations of traditional collection devices. Later, the system was upgraded again, and the newly upgraded system was able to better implement network management and enhance communication with consumers. At this point, 7-ELEVEN's online channel has realized its own value to the greatest degree. In addition, Thailand 7-ELEVEN also has a complete electronic ordering system (EOS). Logistics companies and suppliers and distributors do not need to repeat orders after receiving orders. The system will be based on the specific conditions of each branch. The arrangement of the goods, the manager can make appropriate adjustments to the arrangement, this system can save time for the store to order the goods, can save the cost of managing inventory. A complete supply chain management system ensures

high-speed cargo turnover and low-cost requirements for chain expansion.

3. Localized operations. Thailand 7-ELEVEN has adopted many localized business strategies for Thailand's consumer market and environment. Thailand's year-round climate is hot. Thai 7-ELEVEN convenience stores sell almost nothing like hot drinks and Oden, but sell ice cubes and cold drinks. In order to cater to Thai tastes, Thai 7-ELEVEN has also launched many Thai traditional foods. Among Thailand's consumer population, visitors from all over the world account for a certain percentage, so Thailand's 7-ELEVEN convenience store also offers products and services for tourists, such as travel phone cards, tourist maps and Thai souvenirs.

4. Strategic alliances. Thailand 7-ELEVEN also uses its strong branding to actively cooperate with other famous companies. For example: Thai 7-ELEVEN collaborates with Thailand's PTT Oil Company to open a 7-ELEVEN store at each PTT gas station; it becomes a strategic partner with TRUE Mobile, one of Thailand's three major telecommunications companies, all in 7- Each TRUE user at the ELEVEN Convenience Store can receive 20MB of free traffic. In cooperation with LINE, Thailand's most popular social software, it has launched a series of cartoon peripherals. This cooperation has been greatly welcomed by consumers, but also to make Thailand 7-ELEVEN Company's influence further.

5. Good corporate image. In Thailand, 7-ELEVEN has become synonymous with convenience stores. The 7-ELEVEN convenience stores have become the first choice for people when buying everyday items. Thailand 7-ELEVEN always adheres to a positive business attitude. Regardless of the type of goods or the quality of the goods, it has sufficient and strong group resources to win the public's love and trust. Constantly enhancing its own brand performance, obtained a good reputation and credibility, and emerged in the fierce market competition, becoming the largest retail company. 7-ELEVEN also continued to carry out social welfare activities, contributed its own strength to the community, helped a large number of people in difficulty, and produced a large number of public service advertisements. All these actions set a good corporate image for Thailand 7-ELEVEN.

At present, 7-ELEVEN convenience stores in Thailand have reached a level of maturity. In the face of their own development, it has not stopped the pace of advancement and innovation, and continues to create innovative marketing methods, providing a powerful background support for its mature development. In the near future, when Thailand 7-ELEVEN enters the saturation stage and new competitors emerge, we also believe and hope that it will break through and continue to update

itself.



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