



**The Future of Traditional Convenience Stores
in Yangon**

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A handwritten signature in blue ink, appearing to read "Om Huvanand".

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Advisor

Date:

A handwritten signature in blue ink, appearing to read "Jomphong Mongkhonvanit".

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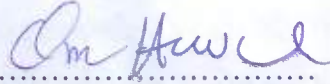
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Abstract

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This study is to identify the direction of the traditional convenience store business and the possibility of its business in the future of Yangon. In other words, to provide the information for entrepreneurs that want to do the traditional convenience store business in Yangon, Myanmar. According to a developing country, it has a lot of traditional shops, and many people are still using street markets or 99% of wet markets.

But, on the other side, foreign investments like G&G, ABC are coming into Myanmar's convenience store market. They have useful service quality, and customer relationship strategically. Because of the attractive of a new product, the traditional convenience store's customers have been losing. Although this situation used to be in developing countries, furthermore, they don't find interesting in competition with others and don't have strategies. But it might not know how our traditional convenience store would be in the future when foreign investment would come into Myanmar. That's why conventional convenience stores' owners must have prepared for the future.

Therefore, for competition with foreign investors, this research will help Myanmar entrepreneurs of the traditional convenience store in Yangon. Additionally, according to developing the economy of Yangon, the traditional convenience stores will get more profits in the future by doing the preparation of technology, requirement of environment, services, facilities, and customer relationship and behavior. So, this research could help them to improve their business indirectly as much as not more.

Keywords: Tradition, convenience store, and Yangon.

Approved by



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I. Chapter 1

1.1. Introduction

Yangon which is a population of about 5.7 million is the biggest economic city in Myanmar (Kojima, Futose, Binh, and Kato, 2015). People around the countryside have been coming to Yangon for their careers by the hopefulness that they can provide their family by doing in Yangon. The population of Yangon city has been growing monthly according to Myanmar is a developing country and the largest country in ASEAN with 676,577 Km² and 60 million inhabitants (Laplace & Rouelle, 2016). After allowing Democracy, Yangon's business situation is apparent. But most of the workers in Yangon rely on traditional convenience stores because the foods from it are enough for them as getting a salary. That's why convenience store is an essential part of our daily life. We can get necessities that we want in there quickly (Zhou, Rau, et al., 2011).

On the other hand, although the workers' demands were growing up, now the traditional convenience store's customers are less than before because foreign investment is coming into convenience store market like G&G, and ABC (Htike, 2018). For those convenience stores are infiltration strategically into the convenience store market, and they could give a good service quality, the Myanmar traditional convenience stores are less in Yangon. Service quality and security can change the customer's mind by driving word-mouth recommendations from consumers to consumers to increase customers' satisfaction (Sakolnakorn & Tepsing, 2013).

Nevertheless, Myanmar is one of ASEAN countries built by aiming include accelerating economic growth, social progress, sociocultural evolution among its members, protection of regional peace and stability, and creating opportunities for member countries (Kovathanakul, 2015). Having built with excellent characteristics, the growing up of economy among the ASEAN countries impacts those countries more and less. Now Myanmar is practicing the open system in economy and trying to be the right Democracy country leading by Aung Sun Su Kyi. That's why Myanmar has a lot of opportunities in tourism being no smoking economy. As long as the world population is growing day by day, the tourism has been developing year by year according to those data that international tourists arrived in Southeast Asia from 21.2 million arrivals in 1990 to 96.7 million in 2014 (Dolezal & Trupp,

2015). And then, in 2014, Thailand has gotten about 2,000 million THB per year from tourism, and they could be the creation of around 2.4 million jobs in 2015 (Chulaphan & Barahona, 2016).

On the other side, tourist arrivals in Myanmar were more than 2.04 million in 2013, and they expect to increase in international tourist arrivals around 7.5 million in 2020 (Mon, 2014). According to those data above, tourism will overgrow in the future of Myanmar. Making tourism to develop is creating an income of the country, and it helps traditional convenience store and others. After now, most tourists are attractive in tradition and fantastic cultures. Culture tourism will be benefits in tourism (Chokriensukchai, 2017).

1.2. Research Background

Yangon is one of the world's great traditional heritage cities and has more historical assets – these include buildings, buildings of religion, traditions, and relationships with neighborhoods (U-, Lwin, Mann, and Chan, 2016). Yangon means "end of strife." It was given by Alaungpaya after attacked a small Mon village (town) called Dagon, in the mid-eighteenth century. After that, in 1783, the British East India Company got permission from Myanmar king to open a trading post on this swampland, called the name of "Rangoon". Then, Dr. William Montgomerie and Alexandr Fraser planned to build a new city as the name of "Rangoon" (Helfrich, 2012). Here is some book, it was said that the year which builds Dogon was in the 11th century (Rhoden, 2014). Now all people are calling "Yangon." Yangon city is 794.62 square kilometers, and square miles are 306.81. It has four districts: the Eastern District, the Western, the Southern and the Northern Yangon District. There are 33 townships (Tun, 2011) with 5.7 million inhabitants in Yangon (Kojima et al., 2015). Most of the people around the countryside are living in Yangon.

Before colonized the Yangon by English, most people in Yangon were using the traditional street market. After that, in 1962, the Bogyoke Aung San Market was built on the Bogyoke Aung San road. It was Scott market by honoring Mr. C. Scott who was municipal commissioner of Yangon. In that market, there are 1.641 shops (Myanmar travel information, 2018). However, currently, most labors working in Yangon relied on the traditional convenience store and traditional street markets. But, for coming into Myanmar convenience store market, traditional convenience store market, and foreign investment become a threat to

them. The future of the traditional convenience store is in the balance in Yangon. But traditional markets still are leading the sector an integral part of the purchasing of people in Myanmar, over 50% of people in Yangon go to a grocery store and 30% a convenience store (Hardaker, 2018). Exactly, if the traditional convenience store does not reform for the future, although it has opportunities, those will become less in Yangon. That's why entrepreneurs are going to prepare their policies for competing with others in the market. Everything is changing. And also is their mind for the future.

1.3. The problem to be investigated

The challenges of the traditional convenience store in Yangon is that foreign investors are coming into the convenience store market of Myanmar because City Express is open 24 hours a day, and also Grab & Go are trying to be increased 800 shops in 2020 (Hardaker, 2018) and giving the franchises of foreign convenience store's investors. This is a problem for a traditional convenience store in Yangon. For example - in South Thailand, because the government gave the franchising a prominent investor such as 7-Eleven shops, many customers changed their minds about buying at 7-Eleven shops. They would be shopping at 7-Eleven because 7-Eleven could give security and excellent service quality (Sakolnakorn & Tepsing, 2013). And traditional convenience store doesn't use the strategies like that giving a promotion can grow the sale, reducing the selling price can make creasing of buyers, and giving a good service quality can make customer satisfaction. That's why they don't have any strategy and technical system to provide their business.

In other words, Myanmar is still a developing country. It doesn't have enough electricity. Sometimes they use the Electricity alternately in Yangon. The country's first city, Yangon (formerly Rangoon), is hoping to become Southeast Asia's next boomtown and a city chock-full with heritage buildings and visiting places like Shwe Dagon Pagoda, golden land, the Custom House, and the Central Post Office (Bouchet,2014). Foreigners have been coming to see those heritages yearly. Local services are not strong, and convenience stores are not like Seven eleven convenience stores in Thailand. But traditional convenience stores have on every road in Yangon. But most tourists don't use to buy from them. They used to buy supermarket, and Ocean grocery stores because most traditional stores in Yangon are not created to be engaging in their shops by owners, they have weakness in technical skill and

they are using traditional ways in a sale. They don't have ideas about how to do to become my customers. Another reason for the disappearance of the regular store is online shopping. Today most people don't want to spend much time shopping. Therefore they are using online shopping. Darrell K. Rigby said that the shopping of the future would be online (2011, December). They would use the technology in the future to buy what they want. Generally, those are problems facing by owners of the traditional convenience store in Yangon.

1.4. The objective of the study

The objective of this study is to study factors that the traditional convenience stores are becoming disappearance in Yangon, and customer services and behavior of the traditional convenience store. Additionally, every nation should respect the traditional ways as a culture. But it could be done with age suitably because most people would like to be first in a different and new thing. Consequently, for the development of traditional convenience store system, the research objectives are as flowing:

1. To examine the customers' needs of the traditional convenience stores in Yangon.
2. To analyze customer services and behaviors at the traditional convenience stores in Yangon.
3. To study the factors causing the closing down of traditional convenience stores in Yangon.

1.5. The scope of the study

This study area is Yangon which population is 5.7 million as of 2013 (Inaba & Kato, 216) and traditional convenience store and its possibilities in the future of Yangon. Yangon is a big city having more heritages like historical buildings of Pagodas, government buildings, and traditions. Additionally, we can say that tourism with the country's situation has been developing by seeing this data, from 254 million dollars in 2010 to 2.12 billion dollars in 2015 (Martin, 2017). Therefore the position of Yangon tourism will soar.

This is documentary research. On finding a date about this document to write, all data will be from books, articles, journals, and websites written about this topic given. However, according to the objectives, the reason for becoming less of a traditional convenience store in

Yangon. And then, to examine that becoming less of conventional convenience stores is because of customer service and customer relationship on buying or not. In the other words, what the traditional convenience stores will happen or possibilities in the future in Yangon. Therefore those three characteristics will be an area of this study.

1.6. Research Significance

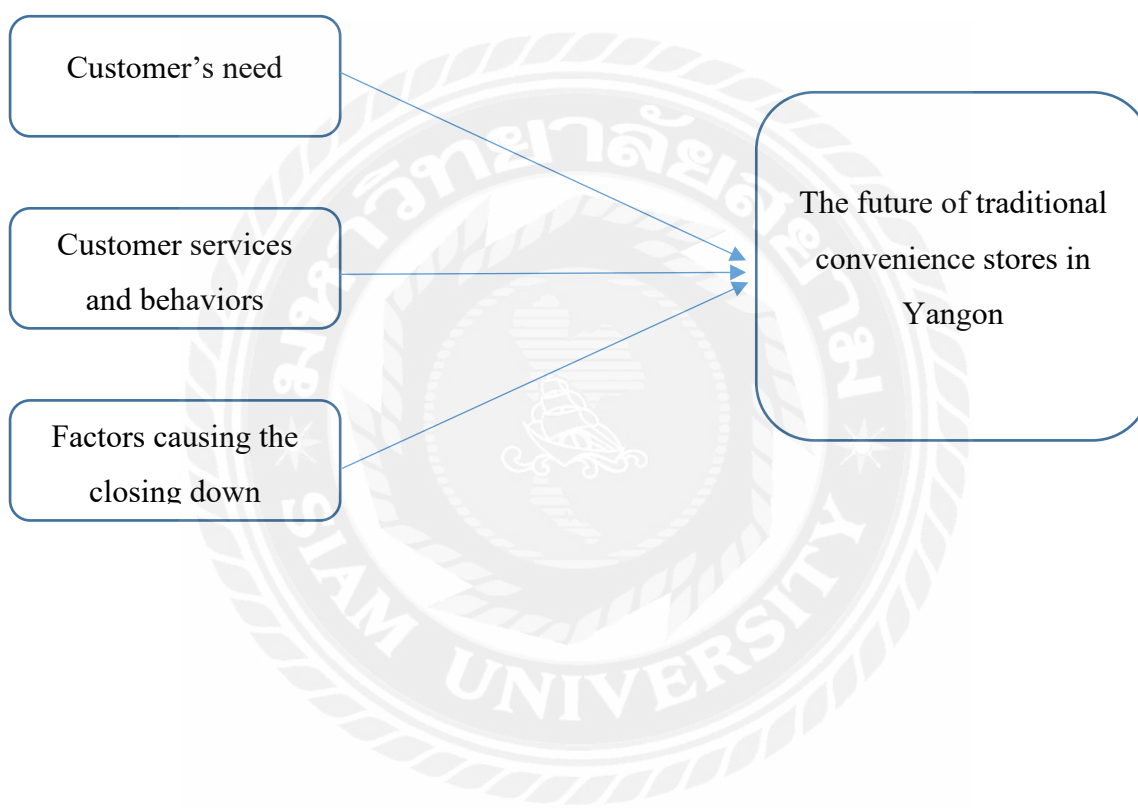
The traditional convenience store market is still used over 50% by most of Myanmar people in Yangon (Hardaker, 2018). But, after foreign investments have come into the convenience store market, traditional convenience store markets are less. Some of them changed as a modern convenience store. So, what is a problem for coming less of the conventional convenience store in Yangon? This study is to analyze and identify the reasons for those problems. Without knowing the disease, we can't give any medicine. In the same way, without knowing about the causes of the issues that traditional convenience stores are being less in Yangon, we can't do anything to develop them. That's why this research was done for the future of those stores.

Nevertheless, this documentary research will be the benefits when creating the traditional convenience store suitable modern society. Most traditional convenience stores in Yangon don't have cleanliness to be interested in by customers, and they can't do a good relationship with customers. These are reasons for the disappearance of the traditional store. But after reading this documentary research, a great modern regular convenience store could be built because of including data about the store.

On the other hand, the most critical thing in business for today is technology. We could say that today is technology because most of the people are alive depending on the technology wherever you see. A favorite example is Amazon and Alibaba e-commerce companies. And then, in Harvard Business Review, the United States alone is now approaching \$200 billion in revenue (Rigby, 2011). By thinking of those data above, how important the technology is. In the future, people will be with technology for everything. Besides, how much technology is vital in business or daily life could be known in this documentary research. When it is going to invest in a traditional convenience store, a high condition could be understood by studying this documentary research. So, Yangon city is not only expanding, but also the population is growing day by day and because Myanmar is, delicately, a democratic country practicing the

open system, most foreign investors are engaging in to expand industries. When coming into Myanmar with a big project, owners of traditional convenience stores could be hardiness by using data from this documentary research. For analyzing the reasons for the problems appearing about a regular convenience store in the future, the date of this document will provide to be successful in the business of it, and it will benefit.

1.7. Conceptual Framework



II. Chapter 2

2.1. Literature Review

The traditional convenience store is still dominated by most of the people in Myanmar. Nevertheless, foreign direct investments that are the US \$ 8.1 billion then expectations in 2014-2015 are coming into Myanmar because they expect that Yangon will be a global city by 2040. And some of the local entrepreneurs build the supermarkets. Now City mark is not only leading in-retailer sectors but also open hype markets. On the other side, the retailer convenience stores such as City Express are tried to expend around Myanmar (Hardaker, 2018). But today, traditional leading brands are useless. The owners cannot hold on to their customers (Connolly & Connolly, 2017). As a result, the general stores that people have been buying are changed as a new convenience store and less yearly. That's why this research is written to analyze how traditional convenience stores are going to be in next time in Yangon and find out the ways how to support strategies to develop under this topic "the Future of Traditional Convenience Store in Yangon." Furthermore, if the traditional convenience store has two types, the general convenience store that is the firm and the traditional street market that could be called 'traditional convenience store.'



(Source:<https://www.alamy.com/myanmar-burma-asia-store-yangon-city-colourful-convenient-market-open-image68453592.html>)

This store is a traditional convenience store in Yangon. Most of the people living in Yangon city are using this store for basic needs in daily life. Myanmar is still a rather developing country, with a meager minimum wage. Currently, the minimum salary in Myanmar is 4,800 Kyat per day. That is USD 3.6 per day or about USD 80 per month, in a month with 22 days of work. It is for primary workers. Nevertheless, in Yangon, some workers are at around \$300 per month (Check-in Price, website). Therefore, many people depending on traditional convenience stores are 99% in Yangon because workforces who came from the countryside are many than people who live in Yangon.



(Source:<https://theculturetrip.com/asia/myanmar/articles/best-street-markets-yangon-myanmar/>)

This is a street market in Yangon. They have two times to sell their goods at a demarcating place on the street. They are usually selling their products in the morning and evening. People are using that street market every day for food. There are three forms to develop convenience store modes which are self-build, co-operation with third-party convenience and merger with a mature convenience store. A self-build way is promising to elevate the entire image of the enterprise and build the brand through the unification of ideas, brand management, and identifier. What's more, the systematic management is the security of high quality of service. Co-operation with third-party convenience store mode contributes to reducing entire operation cost. To merger with mature convenience store is also full of challenges. Self-express will give away 8% profit to the convenience store, but the co-operation mode can reduce labor costs and investment in the early stage and decentralize operational risk. This is the best mode to reduce operational risk for an express enterprise whose convenience store is still in the infancy (Zhang & Lou, 2015).

2.2. Tradition

“Tradition is not the dead hand of the past but rather the hand of the gardener, which nourishes and elicits tendencies of judgment which would otherwise not be strong enough to emerge on their own” (Yadgar, 2013). In the other words, “Tradition is the transmission of customs or beliefs from generation to generation; it is a long-established custom or belief that has passed from one generation to another” (Maluleke, 2012). If writing a mention on this tradition, it means belief coming down to the customs from a generation to a generation. Someone said that tradition is two types by gender identity: the older culture and the newer tradition. The older tradition emerged from research on individual differences in personality and interests. The social identity perspective sparked the more original tradition in social psychology that highlights people's sense of belonging to the social category, or group, of women or men (Wood & Eagly, 2015).

However, the tradition may have a lot of types in different ethnic groups because people's belief came with birth. As much the people are alive, the views of people are living ever. One of the people coming down to the beliefs from one generation to one generation is also included Myanmar people. Myanmar is the biggest county in mainland Southeast Asia. Its population increased from 34.5 million in 1980 to 51.9 million in 2010, and it has over 130 ethnic groups with eight major groups (Hong, Peltzer, Lwin, and Aung, 2018) which are Kachin, Kaya, Karen, Chin, Mon, Burmese, Rakhine, and Shin. The Burmese ethnic group is dominant in Myanmar, at around two-thirds of the population (Breen, 2017).

On the other hand, as a religious view, there are Buddhist -87.9%, Christian 6.2%, Muslim 4.3%, animist 0.8 %, Hindu 0.5%, and other 0.3% in Myanmar (Sohel, 2017). So, there is nothing special to say about the tradition in Myanmar because several races are living there together. Here means that culture refers to the traditional market which is a small shop. Most of Myanmar people are using the street market for food, not used to go to a supermarket, and also in Yangon (Chisholm, 2018). The traditional street markets are beneficial for Myanmar people because the salary is a minimum wage of 4800 Kyats (the US \$ 3.50) (Aung, 2018). Therefore many labors rely on traditional convenience markets, including others, and most essential for them in daily life in Yangon.

2.3. Convenience store

The convenience store is a small store with mostly ready to eat foods and staple groceries and a limited supply of fresh food (Lind, Jensen, Glumer, and Toft, 2016). The convenience store is a small retail store that could buy goods, diets, and others easily in daily life. And it has a lot of types in convenience stores such as a mini-convenience store, hyper convenience store, traditional convenience store (NACS online). The convenience store, one of them was established in the United States in 1927 (Chiao, Lu, and Liu, 2012). The convenience stores are an essential part of daily life. The products being necessary for regular are gotten in that store. So, It is called "daily products or convenience goods" (Fitrianto & Daud, 2016).

In Myanmar, the traditional convenience stores are 3 million around the country. The owners of them are facing difficulties because they don't have any preparation for competition with foreign investment. On the other hand, foreign investors are eyeing the challenges to invest in Myanmar (Shine, 2018). Exactly, Myanmar conveniences market does not improve yet. That's why the Myanmar government considers allowable foreign company's list (Ko, 2018). If the government of Myanmar allowed foreign investment for the convenience store market, traditional convenience stores would lose their customers because they don't have the power of competition with international companies. But it is a challenge for the general convenience store. Because Yangon has a lot of heritages: pagodas, the government buildings in the central city, and the culture of ethnic groups. By doing an interest situation, tourists could be invited as customers. Before the Rakhine state crisis destroyed, Myanmar tourism is very potential for growth. Myanmar increased earnings 3.15% from 3.44 million in 2017 to 3.55 million (Thu, 2019). And tourist travelers have increased more than 40% each year (Olanwjitwong et al., 2017).

Moreover, it is sure that Myanmar's economic environment is not touched yet. It has more opportunities and also has more resources. In the future, a big convenience store market would be in Myanmar. Now Thailand is leading convenience store market in Southeast Asia. There are other markets like supermarkets, hypermarkets, etc. in Thailand. Even though other convenience markets, convenience store market is leading by 83.7%. By seeing it, if investors who are looking for a new marketplace come into the convenience store market, the convenience store market will be the rapid development. On the other side, the traditional convenience store market of Myanmar will be less yearly.

2.4. Yangon.

Yangon, with a population of about 5.7 million as of 2013 (Kajima, 2015) is a business city of Myanmar in Southeast Asia. It is compounded with four districts including 33 townships (Tun, 2011). Yangon was built in the mid-eighteenth century as a Mon village that is called "Dagon." It is a fishing village that is on the bank of the Hlaing River. After attacked by Alaungpaya, Burmese king, he has changed as a "Rangon" which means "end of strife." There is a big Pagoda which names "Shwedagon." It is modified again. After that, in the back of being annexation by British, Sr. William Montgomerie and Alexander Fraser drew up plans for a new "Rangoon" (Helfrich, 2012). "Rangon" is a correct name with a full meaning. But in Burmese ethnic force, they cannot pronounce "R" correctly, just pronounce "Y." It must be pronunciation "R." There is an ethnic group who can pronounce rightly "R." That group is Arakanese people (Rakhine). But the meaning of "Rangon" and "Yangon" is the same. It is just different pronounce.

Now, Yangon is one of the very potential cities in business in Southeast Asia. It is a city that is interested in by foreign investors in a part of the retail market (Aung et al., 2018). On the other hand, Kian Joo Group, the largest packaging business in ASEAN, is going to invest in a packaging plant in the Thilawa (Chau, 2017). Thilawa I an exclusive economic zone in Yangon, Myanmar. By seeing this data, Yangon's economic growth is showing that Yangon will be a modern global city in 2040 (Hardaker, 2018). But, although we expected that if Myanmar would become a Democratic county, the economy will overgrow because Rakhine crisis appeared, and the economy has been growing so slowly.

However, situations of the traditional convenience store market of Myanmar are not suitable for its owners. But they have to innovate in their business by using conventional ideas to grow up. Because "everything is changing," they have also to be changed by themselves, and prepare for the future.

2.5. Past Research

Previous research is called that books or reports which someone wrote about a topic taken by the researcher. On the other hand, it means presentation comparing research theories that will present and research theories presented in the past. But when past research is searched, to get a topic being similar is a difficulty. But there may be the topics being the same by theories although not having the same name. Those books or reports could be written as a reference for past research. I, therefore, wrote previous research comparing with theories of other books as follows.

There may be many previous studied books or reports related to the topic "The future of traditional convenience store in Yangon." But a book named "the future of traditional grocery stores" written by Michaela Jernbeck and Josefine Sojde was found out. In that book, a researcher said that he wanted to investigate how the grocery store will develop to investigate the eventual change in traditional grocery stores' area requirements and what customers need or want for instance 15 years from now. After that, the researcher examined what the traditional grocery store will be happening in the future by the following theories: change, technology, customer relationship, and customer behavior. The researcher said that a company's future profitability would be affected by changes, which will occur independently of competitors' actions such as changes in economic conditions, lifestyles, preferences, and demography (Jenbeck & Sojde, 2017). Therefore a successful strategy has to consider all of those changes. If someone will build a good convenience store in the future, he has to consider the situation of the present time because everything is changing and do business by analyzing things happening at present about it. The researcher said that if going to develop a good traditional store or retailer, the changing must be considered (Jenbeck & Sojde, 2017). Without having to change the old ideas, that retailer or traditional convenience store will not improve.

That is why change is the most important for all. In other words, today is technology. It has important effects on business operations (eHow.com). If it supports by good technology, there will be a good traditional convenience store as a new convenience store and could give the satisfaction of customers because technologies are profoundly changing consumers' shopping habits and expectations, and the pace of change is impressive (Gregus, 2015). Therefore, the traditional convenience store for success in the future needs innovative

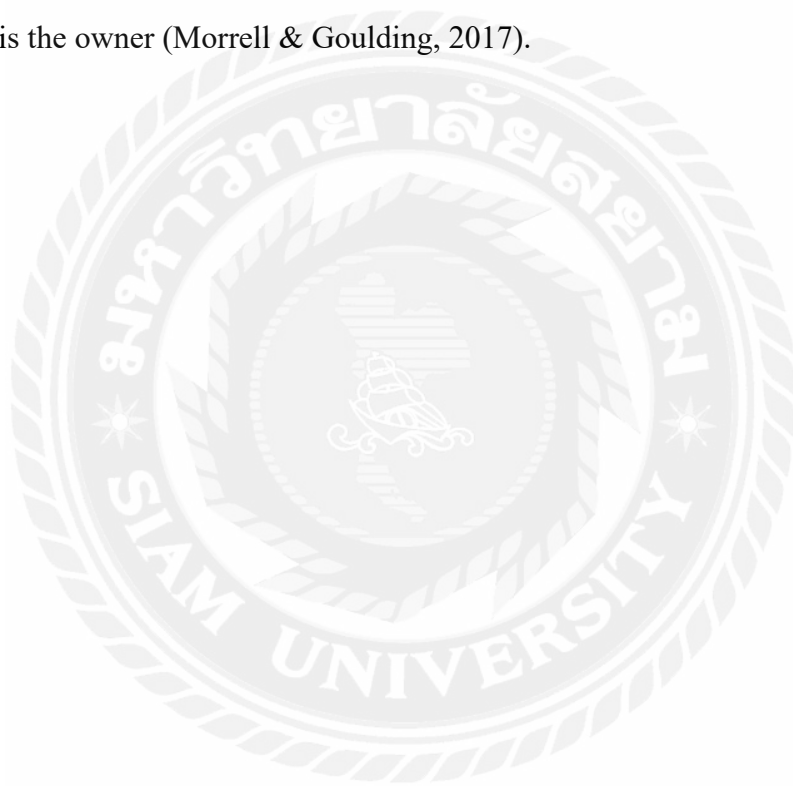
technology. Furthermore, for the achievement of the general grocery store, there need to analyze customer relationships and customer behavior.

As a result, there have the characteristics which are changes, technologies, analyzing customer relationship and behaviors. That traditional convenience or grocery store could be improved in the future. However, these characteristics following the above are strengths of conventional grocery stores for the future. As for weaknesses, most people are using online shopping to get something which they want because they don't wish to spend much time on that one. So, this is one of the trends for traditional convenience or grocery or retailers in the future. After analyzing or checking the needs or wants of customers, the best suitable services have to be given to them. Only if, a traditional grocery or convenience store could be built in the future according to this book "the future of traditional grocery stores."

The second one is a report "2017 future of food retailing" written by Inmar Willard bishop analytics. The theories of this report guess the future of traditional grocery stores, non-traditional stores and convenience stores based on a big data analysis. Although giving the name "2017 future of food retailing", after collect data from 1988 to 2016, the researcher was targeted the '2022'. So, to be a good store in 2022 showed what to do. The messages that he wanted to give is focusing on services, customer behavior, and promotion (Inmar, 2017). The service is the action of helping or doing work for someone (Oxford Living Dictionaries). If the service is good, everyone will joint whatever stores. Therefore service quality is essential for owners of the business. Service quality describes customers' overall judgment or attitude about the quality of the service and its superiority (Roy, Sreejesh and Bhatia, 2019). And then, the owner of the store has to analyze the customer behaviors to promote them. Those characteristics could support the owners of the traditional convenience store to be a good store in the future.

The third one is a report, "future of retail" by written Marcus Morrell & Lynne Goulding. This report aims to help designers, developers, and retailers better understand and prepare for the forces shaping the retail environment. In this report, the researcher focused on demography that is aged 65 or older and youth market as known generation X. in 2015, although 12% of the global population was aged 60 or over, in 2050, 20% of the population will be accounted. So, the retailers have to focus on older people for the future and they will have an impact on the design of products, services, and retail environments. That's why a person who wants to do biz of the traditional convenience store in the future will have to

focus on these three things to be successful. After that, for the youth market, retailers need to be aware of the shifting preferences of younger generations who have different attitudes to brands and different ways of interacting with retail environments. The generation Z is digital natives who expect everything on demand. Thus, in the future, staff will need to be as knowledgeable as the smartphone carrying customer, or technologically savvy enough to point them to the correct information online, and most people will use online shopping what they want because they are using the store of 62%, and other of 38%. In other words, the environment and service are essential for success. If being unclean climate, no one will come there and also is service if having an inadequate service. As a result, in the future, a person who wants to do the traditional store or grocery store has to focus the information following above and also is the owner (Morrell & Goulding, 2017).

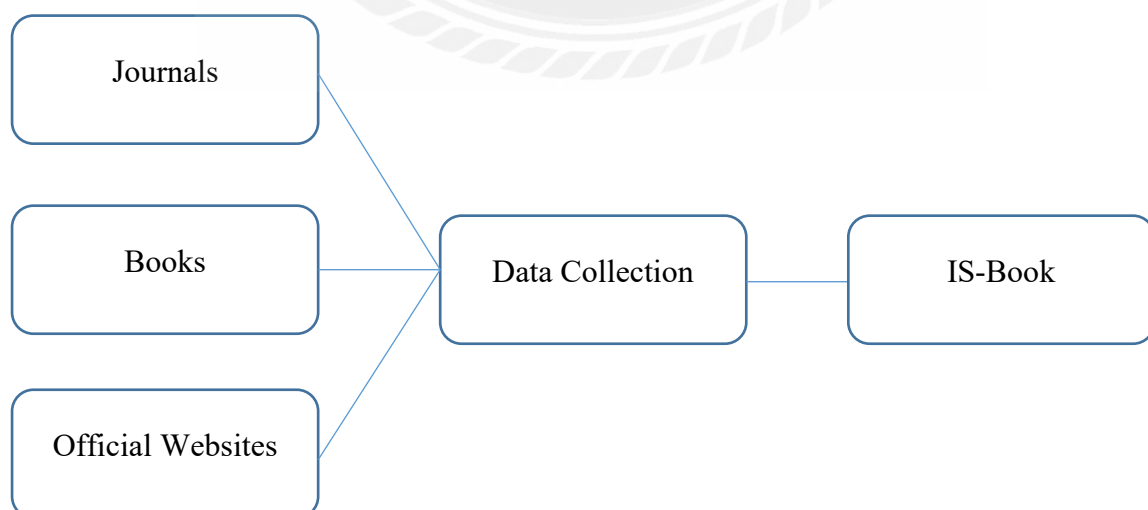


III. Chapter 3

3.1. Research Methodology

This chapter explains the overview of research methodology and research processes. It presents research methodology which focus on identifying the factors of the future of traditional convenience stores in Yangon how this research is done. Research is an academic activity and as such the term should be used in a technical sense. As such the term ‘research’ refers to the systematic method consisting of enunciation the problem, formulating a hypothesis, collecting the facts of data, analyzing the facts and reaching certain conclusions either in the form of solutions towards the concerned problem. (Kothari, C.R, 2014).

On the other wards, Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. (Kothari, C.R, 2014). This research is to study the weaknesses and strengths of the traditional convenience stores in the Yangon area. In other words, the aim of this one is to study disappearances, customer relationships, and operating strategies of the traditional convenience stores. As this is documentary research, the research methodology was based on data from journals, books, articles, and some websites. Some of the data from them wrote in the next part of the result. But here is a diagram how the information (data) were collected.

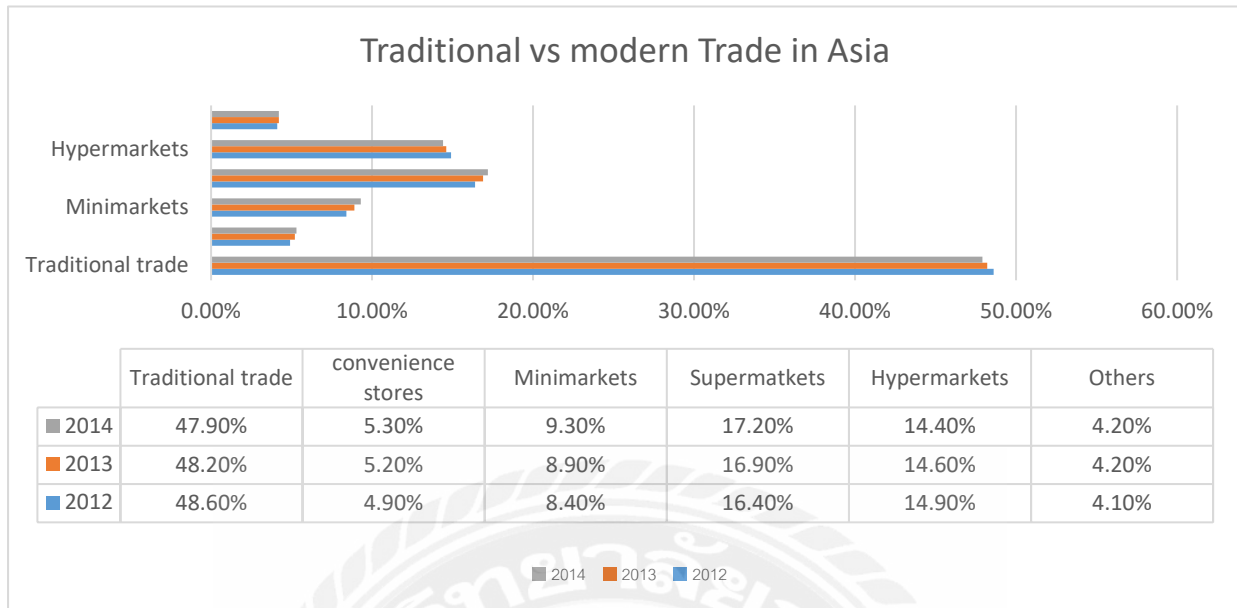


IV. Chapter 4

4.1. Finding and Discussion

Being this research is a documentary, and for writing this finding based on books, journals, reports, and websites, there may be needed some information. But analyzed data, the newest and possibility is put in here. However, there are many reasons which could change the traditional convenience store in Yangon. Some of the rights are facilities, technologies, electronic, customer relationship and behavior and services. The facility, one of them is a reason that makes customer satisfaction or a thing that is happy to customers. So, the need for this facility in Yangon about traditional convenience store is 90% of it to be a place attracting the customers. The necessity of electricity has 3,000 megawatts by 2021 (Naing & Lee, 2018). As using a smartphone, Myanmar people are using 81% (Nielsen, 2015). And then, customer relationship and behaviors are the most important for success. But most of seller or worker is not a good relationship and also is behavior. The last one is service. Without having services, there won't be a success in business. That information could support the traditional convenience store as a new convenience store in the future.

Traditional stores are still active in Asia. But those stores are elevated as a modern convenience store. According to that information below (below table 1), in 2012, traditional trade was 50% percent. After that, in 2013 and 2014, the traditional business was diminished. Although that information was analyzed in Asia, those are efficiencies in South Asia and also in Myanmar. Myanmar is just developing a country. As a result, 50% of people in Yangon depend on grocery stores and 30% convenience stores for essential goods in daily life. Here if analyzing around the country, Myanmar is gradually arising in an attractive food retail market. Myanmar retail trade grew by an estimated 7-15% per year, in line with GDP growth of over 7% over the same period last year. All categories of consumer goods recorded a significant increase in sales from 2009 to 2013, and from 2014 to 2018, a growth of 15% is predicted for the consumer goods industry (Harvi, 2017).

Table-1

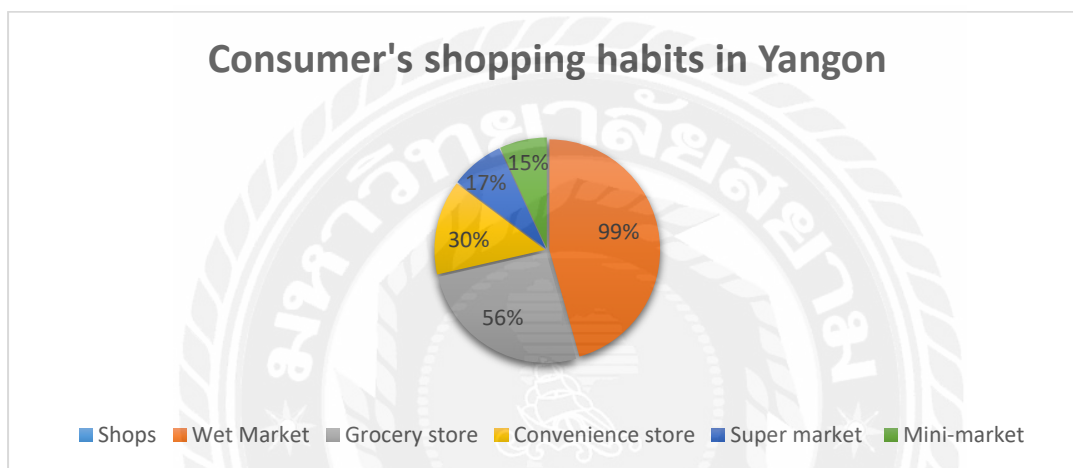
(Source: <https://www.nielsen.com/my/en/insights/reports/2015/the-power-of-traditional-trade.html>)

According to this information on the table above, the traditional trade channels are almost half of all grocery sales in Asia and India. In 2014, 47.9% of all retail sales were made through regular trade channels. It is more than the supermarket. Having more amount of traditional trade shows that most people are using or depending on the traditional market or stores. But from 2012 to 2014, the conventional business became less year by year because modern co-operation is an excellent and modern convenience store, supermarket, and shops are developing day by day or year by year. Daw Wai Thit Lwin said that “we have to worry for the future of traditional shops against big foreign competitors because these shops might disappear in future, which is not good for customers” (Aye, 2013). However, although modern co-operation is arising, the traditional trade, stores or market will never be lost in the future.

Myanmar retail market is estimated to be around 15% of the country's GDP. There is currently one convenience store for every 250,000 people. There are more needs in Myanmar retailer market when comparing neighboring countries such as Thailand, Malaysia, Singapore, and Vietnam. But as anticipation of Myanmar retailer, according to McKinsey Global Institute 2013, consumer spending could triple from \$35 billion to \$100 billion by 2030. On the other hand, traditional trade has 90% in Myanmar.

Moreover, modern trade is rapidly arising in Myanmar with the number of new retail outlets reaching 700 in 2015-6, according to the Myanmar local association. However, 90% of households still go to traditional markets to buy foods. Some foreign companies are investigating to come into Myanmar convenience store markets like 7-eleven, Kraft, Pepsi, Coca-Cola, and Nestle (Yan Soe, 2018). That's why the traditional convenience store's market in Myanmar must change some part of the exchange or the stores such as facility, technology, services, customer relationship. Only if, the traditional convenience stores could be competitive with new coming outlets or convenience stores in Yangon.

Table - 2



(Source: <https://www.bangkokpost.com/business/news/701840/myanmar-abc-wants-partners-for-basics>)

This is a diagram comparing consumer at markets. The wet market is the traditional market with 99%. Most of the people in Myanmar are still using the traditional market such as a general store and traditional street market. The second one is grocery stores are used through middle class having somewhat income and also is 30% at convenience stores, 17% at the supermarket and 15% at min-market. According to McKinsey Global Institute's report from June 2013, Myanmar consuming class will reach 19 million people by 2030 from 2.5 million in 2010. And then, spending on consumer products in Myanmar could grow to \$100 billion by 2030 from current spending of \$35 billion (Yan Soe, 2018). As a result, in the future, most people will buy the goods online because they don't want to spend much time and competition will be more.

V. Chapter 5

5.1. Conclusion

This is documentary research investigated for future condition about a traditional convenience store in Yangon, Myanmar. This research aims to share information about conventional convenience store and help the owners of it to be competitive the foreign companies. Primarily, it will help them with what will happen in the future is researching the reasons for the problems faced by the owners of traditional convenience stores or traditional stores and shops in Yangon. Precisely, the owners of it are facing the problems. Therefore, some retailer said that "we are worried about the traditional store to come less because the foreign investment is investing in the convenience store market" (Aye, 2013). That's why this research could help them from worry.

The scope of this research is the biggest city, Yangon in Myanmar. Before attacked by Alang Phaya, the Burmese king, Yangon was a small fishing village lived by Mon nations. After that, the king gave a name that is "Rangon." And then, after fighting with the English Army, English government called "Yangon." Yangon is an industrial city having heritage buildings, places, and religious cultures. Because NLD leading by Aung Sun Su Kyi wined in the election of 2015, they have been practicing the open system. So, foreign investment companies came into Myanmar. Furthermore, because of foreign investment, marketers of domestic traditional convenience store have been facing with difficulties. That's why this report will be useful to rebuild as a new conventional convenience store.

Being documentary research, almost studying data analyzes are from documentaries, books, and websites and it is based on data analyzed. This research is focused on these characteristics: facilities, technology, electronic, customer relationship and behavior, services in traditional convenience stores in Yangon. In Yangon, there is seventeen convenience store investing by foreign convenience store market excepting traditional convenience stores according to Myanmar Retailers Association. But some markets are from the domestic convenience store or market like city mart. There are 28 branches of City Mart, 45 branches of city express convenience stores, 38 branches of G&G convenience stores, and 50 branches of ABC convenience stores in Yangon according to Myanmar Times-News (Mullins & Win, 2014). But now some convenience stores have been opened over 100 branches around the

country like ABC stores. Almost convenience stores are still in Yangon. Most of the people living in Yangon are using wet markets and street markets that are 99%. But, the satisfaction of young people is rising at modern convenience stores. That's why the information of this report will be useful for entrepreneurs or owners to traditional conveniences stores.

5.2. Recommendations

Myanmar is just a developing country in South Asia and using the opened system in the economy after celebrating democratic election in 2015. Furthermore, Myanmar's education level is just declining if comparing with other countries and also is information, technology. If we want to write some things about Myanmar, searching for information, books, and the same data is complicated because most students have not written in English languages. And then, the training of record analyze very few. Therefore many reports, books, data analyzing, and surveys are needed in the traditional business market. As a result, the researches can be done by many topics about traditional convenience stores.

On the other words, in ASIAN countries, according to table one of finding section, the traditional trade was good in 2012, but in 2014, that corporation was down. Actually, it was showing that the traditional business or trade was not developed. Furthermore, although most people in Myanmar have been using the traditional convenience stores, because the foreign investors are eager to come into Myanmar's convenience markets. And some economist said that the Yangon would be a global city in 2040. And then, Myanmar has a lot of natural resources.

However, the Yangon city is very interesting in economy, heritages, and historical building like Shwe Dagon pagoda and old parliament buildings. Now Myanmar are trying to be a democratic country. That is why the government of Myanmar is doing on everything carefully. I can say that Myanmar could be a strongest economic country in South East Asia more than other ASIAN countries in 2040. Therefore, Myanmar is the best time to be investment in convenience stores and other economical business. While having governed by military government, the traditional business is very strong. But, after practicing the open system of politic, most the traditional business including traditional convenience stores markets is less because the foreign investors are investing in every level in business of Myanmar. That's why the owners of traditional convenience store of Myanmar must be

careful to be competition with foreign investors as showing in finding section. And then, we have to think that is as following.

Recommendations for executive level

Create an Organization culture: organization culture is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organization (Gotham culture, 2019). If a company or an association is going to be built, this organizational culture is essential for it because organizational culture is like the logo of a company or disciplines of it. Without having disciplines, it will not be successful. At the most visible level, the culture of an organization consists of artifacts which are the physical manifestations of organizational culture (Amir, 2018).

- **Road map for the future:** it means the structures of organization or features that will practice in the future. Exactly, it is the most important for all organization. Even though the organization has a lot of sources like human resources, cash power, and assets, if it has not structures (roadmap) for the future, it will not be successful. That's why roadmap is needed in every organization. The executive-level must be implemented to be achieved.

Recommendations for managerial level

- **Introduce the plan or structures:** after designating the structures of organization, the manager has to explain the employees can save them and be an achievement in the work. The manager must work more to implement that plan and to be friendly with his employees.

Recommendation for operational level

- **Budgeting:** to be a good traditional convenience store, the budgeting creation or managing is very important because today is technology and heavy competition. If not having management about cash or budget, there will not be successful. So, this is one of the important things.

- **The requirement of the environment:** in the 21st century, young people are leading as customers. They want an advance place with low cost and clean environment. Over 90% of young people have smartphones. When they go to the restaurant, supermarket, Public Park, and somewhere, they think the first to upload pictures with their actions on the internet like Facebook, Instagram, and any social line. Therefore, the environment has to be clear and good looking. It is a place interesting in by people after looking at pictures.



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