

# A study on the blooming of convenience store



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This research proposal studies on the factors which affect the blooming of convenience store in petrol kiosk. The components of blooming of convenience store are based on the economy of the country, the sales of petrol kiosk, and the spending potential of the customer.

#### Objectives:

To investigate how the economy of the country can affect the blooming of convenience store in petrol kiosk

To investigate how the sales of petrol kiosk affects the blooming of convenience store in petrol kiosk

To find out if the spending potential of the customer affects the blooming of convenience in petrol kiosk

#### Research Question:

How the economy of the country can affect the blooming of convenience store in petrol kiosk?

How the sales of petrol kiosk affect the blooming of convenience store in petrol kiosk?

How the spending potential of customer affect the blooming of convenience store in petrol kiosk?

#### Introduction:

A convenience store is a small store that sells items such as bakeries, beverage, biscuit, car care, confectionary, groceries or some selective

processed food, lubricants, personal care and household, salty snacks or local tidbits, tobacco, newspaper and magazine. Some part of petrol kiosk may also sell windshield washer fluid, radiator fluid and maps. A convenience store can be a reasonably profitable business because many people will pay extra to buy an item quickly and conveniently or sometimes to make up for the convenience they offer. The price in convenience store are often higher the supermarkets or hypermarkets. The key for a successful convenience store is the location. That's why stores are normally located along busy roads, high population neighbourhoods and petrol kiosk.

Travellers normally stopping by for petrol or toilet facilities are often appreciate the convenience of having foods, drinks, reading materials and maps available without having to go to a supermarket. Convenience stores are usually open even when supermarkets are closed and usually allow for quick shopping and service. For locals, they likely to go to convenience store when their regular supermarket is closed and they need the items such as milk, toilet paper or bread that they already running out at home. However, many locals go to convenience stores regularly to buy magazine and candy. Students often buy cold drinks and snack foods from convenience store.

Many convenience stores have microwaves for heating up the prepared sandwiches, soups and hot dogs they sell. Some stores also have coffee and breakfast sandwich special for those people who travel for work in the morning. Drinks and coffee machines and prepared foods are often together in another area and there may be a deli. Newspaper sometimes included in these offers and it may be available at the front counter and or at the

magazine rack in the store. Convenience stores often carry at least some ready-to-go items such as muffins and doughnuts.

Significant of Study:

This study aims at finding out the relationships between the large potential of customer, the economy, and sales of the petrol kiosk, spending potential of the customer and strategic location with the blooming of convenience stores in petrol kiosk.

The potential customer is someone who can become the buyer of a company's product. They are the one who can affect the blooming of convenience store in petrol kiosk. Without these potential customers, there will be no convenience store. Besides that, the sales of petrol kiosk also can affect the blooming of convenience store. It is because if the sales of the petrol kiosk are low or bad, there is not point the company invest a large sum of money to build up a convenience store because it is only waste of time and money.

To establish a convenience store, the company have to make sure that the community has a large amount of potential spending customer to support the store and ask for help from the wholesale food distributors to determine the possibility of success in that community. The economy of the place is part of the contribution of the convenience store in petrol kiosk. It is because if the area is a rural area, there is no point establishes a convenience store at there as the community does not have the purchasing power.

Parking situation, traffic flow and the distance to other businesses in the area are also an important consideration. It is because if the business location is based on just one large business in the area, the business could close down and negatively affect the customer traffic.

Literature Review:

Definition

The definition of convenience store is a retail store of 3, 500 square feet or less in gross floor area, which carries a range of merchandise oriented to daily convenience and travellers shopping needs (Anon., 2010).

According to P. Miller, F. Vandome and McBrewster (2009), a convenience store is a small store or shop that sells items such as candy, ice-cream, soft drinks, lottery tickets, newspapers and magazines, along with a selection of processed food and perhaps some groceries. Stores that are part of gas stations may also sell motor oil, windshield washer fluid, radiator fluid, and maps. Often toiletries and other hygiene products are stocked, and some of these stores also offer money orders and wire transfer services or liquor products. They are often located alongside busy roads, in densely-populated urban neighbourhoods, at gas/petrol stations or near railway stations or other transportation hubs. In some countries most convenience stores have longer shopping hours, some being open 24 hours.

Another definition by W. Lamb, F. Hair, McDaniel (2008) is that convenience store can be defined as miniature supermarket, carrying only a limited line of high-turnover convenience goods.

## The concept of Convenience Store

The concept of the convenience store in petrol kiosk in Malaysia is committing to keeping up with consumer lifestyles and their dynamic needs (Anon., 2010). There are few types of convenience store can be found in petrol kiosk. For example: Franchisee outlets, specialty stores and supermarkets. The company include Shell, Petronas, Caltex, Esso, and Mobil.

## Entrepreneurship Development through Convenience Store

In the view of important of convenience store business to the development and economy's growth, Malaysia had help to increase the number of entrepreneurs. There is a special unit in Malaysia is to stimulate convenience store business growth as well as increase the number of local convenience stores that can be imported into Malaysia. Besides than the entrepreneurship, the potential to earn and enhance lifestyle offered by the change of career path motivate people in to convenience store business.

## Problems in Convenience Store

According to Winston, Albright, Broadie, Lapin, Whisler (2008), there are some problem in this convenience stores business which is the queuing problem. According to this 4 author, convenience store normally has only 1 cash register. Besides that, according to Sherman (2003) there are few problem is the franchise business. Some of the main problems are the difficulty in getting a good leader and good management team, failure on the part of giving continuous assistance and support.

## Methodology:

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Customer Demands Theoretical Framework for this study is:

The Blooming of Convenience Store in Petrol Kiosk

Sales of petrol kiosk

Strategic location

Independent Variable Dependent Variable

Primary Data Collection:

Generally, primary data collection is going to be done to help achieve the objective of this study. This data collection can be done by pick and choose the customer and distribute questionnaires and help them to fill in or ask them some question. Normally those customers who enter convenience store are in hurry or because of convenience. The questionnaires will have ' what are the customer's perceptions towards the convenience stores?' The questionnaire should focus on the services and the existing of convenience store. The feedback is very important for the company as the company replies on the feedback to improve their service to fulfil the customer's needs and wants and also make better profits.