Eleven, inc. case

Major Differences There are many differences between the situations In Japan and the U. S. That made the Japanese 7-Eleven experience with prepared foods significantly different than that of the U. S. Stores. First, " convenience stores In Japan faced little competition from gas station mini-markets, and until the early sass they benefited from government regulation that limited the size and operating hours of large- and medium-size stores" (Bell & Hogan, 2004, p. 4). Contrary to Japan, 7-Eleven stores In the u. s. Were faced with fierce competition from a variety of convenience stores with ere similar business models.

Convenience stores in Japan made a commitment to provide expediency in all aspects of daily life. Such stores sold takeaway lunch boxes, rice balls, ready-to-serve dishes, bread and various drinks (Bell & Hogan, 2004). Japanese stores based their business model on customer needs and convenience. " To ensure that customers received fresh quality products, fooditems were prepared continuously and delivered to the stores three times daily. The strategic locations of preparation plants combined with the high store density, required minimal travel stance and therefore facilitated the speed and ease of deliveries (Bell & Hogan, 2004, p. 7). U.

S. Stores, however, failed to focus on convenience needs as they changed. According to Bell & Hogan (2004) people wanted new products and services and the company did not keep pace; instead, the company fell into the trap of defining market share in terms of number of stores, and they stopped creating value in each new store. Additionally, U. S. Stores " never paid much attention to its Japanese licensee, and therefore never realized that" 7-Eleven had reinvented the store with the fresh food concept (Bell & Hogan, 2004, p. 2). Strengths & Weaknesses Keyes shared the vision implemented in Japanese stores, concentrating on fresh food sales.

He did this by adopting the fresh food concept to offer total convenience to consumers. In order to get all franchisees on board, Keyes required stoneware to buy a significant portion of their merchandise from approved vendors, and in turn allowed for more leverage of the system (Bell & Hogan, 2004). Keyes also utilized Austin, Texas as a test market (Bell & Hogan, 2004). This allowed the company to test various lines of food and pricing options. Perhaps the most Important element of the 7-Eleven overhauls In the United States was the Implementation off chain wide proprietary retail Information system.

Mulching this from 7-Eleven Japan, the system was designed to enable each store to Improve Inventory management efforts (Bell & Hogan, 2004). Keyes missed the boat by not being more in touch with the customer. According to Bell & Hogan (2004) 7-Eleven's Temperamental weaknesses were Invisible Decease ten company was using ten wrong measures. The company failed to create value in each store and pay close attention to changing trends and customers' needs. Additionally, 7-Eleven'sfailureto constantly innovate and change, as convenience needs changed affected the company's the success (Bell & Hogan, 2004).

Marketing Efforts In order to make the most of its new capabilities and vision, 7-Eleven U. S. Should undertake various marketing efforts. First, the company should monitor customer- buying patterns to maximize sales by staying stocked on popular items, managing product assortment and merchandising effectively. Understanding that this industry is highly competitive, 7-Eleven must create a marketing strategy that is refined by tidying consumer trends and in-store traffic. This would allow the company to affectively track buying trends.

Ultimately, this would keep the organization up to date on convenience needs as they change, allowing marketing efforts to be focused in both areas of strength and weakness. Furthermore, since gasoline sales contribute to increased traffic, it is imperative that 7-Eleven stores sell gasoline at as many locations as possible. Implications Should 7-Eleven's prepared food initiative prove successful, there will be a significant increase in measurable competition in the industry. Being that this sector s already highly competitive, convenience stores need to find ways to differentiate themselves from the competition.

Introducing fresh foods will be one way to do so. The success fresh foods would bring to the industry would be game changing. Typically the general image of a U. S. Convenience store encompasses " cigarettes behind the counter, nonfood items displayed on the counter, magazines in front" (Bell & Hogan, 2004, p. 17). However changing the perception of convenience would not only attract new markets but also penetrate current markets. Ultimately, competitors in this industry would need to rethink both merchandising and arresting strategies to ensure they were aligned with the likes of 7-Eleven.

As society places a larger emphasis on convenience and freshly prepared food, the outlook for 7-Eleven's freshly prepared food offerings is promising. Specifically, recent trends indicate that while there is a push towardshealthconscious, yet convenient selections, consumers are favoring this option. Furthermore, the key innovation opportunity is to keep innovating with food and taste trends surrounding convenience and health (Carroll, 2011). Since convenience stores aren't typically noted for having such eating options, management must work to ensure they successfully rebind their image.