

Research on the 7-Eleven Convenience Store

Ye Zheng^{1,a,*}

¹University of Sheffield, Management School, Conduit Road, Sheffield, S10 1FL, UK

a. yzheng100@sheffield.ac.uk

*corresponding author

Abstract: 7-Eleven, a global convenience store chain, has established itself as a leader in the retail industry through its extensive network of stores and emphasis on convenience. Founded in 1927, 7-Eleven has grown to operate over 70,000 locations worldwide, offering a wide range of products from snacks and beverages to essential household items. Its business model focuses on providing quick and easy access to everyday needs, often targeting busy urban and suburban populations. As consumer preferences evolve and competition intensifies, 7-Eleven faces increasing challenges. Consumers are becoming more health-conscious, demanding higher-quality products, healthier options, and improved shopping experiences. Additionally, environmental sustainability is now a critical consideration for modern retailers. In response, 7-Eleven must adapt its strategies to address these shifting demands while maintaining its core value of convenience. This report investigates the effectiveness of 7-Eleven's current market strategies, identifying factors that influence consumer behavior and proposing key areas for improvement to ensure the brand remains competitive in the ever-changing retail landscape. This report examines its current market strategies, focusing on factors that influence consumer purchasing behavior through "Go" and "Stop" signals. "Go" signals include the store's convenience, promotional strategies, and strong brand recognition, which motivate consumers to shop. Conversely, "Stop" signals, such as small store size, poor shopping experiences, and health concerns regarding food quality, act as deterrents. The analysis suggests that it can improve by optimizing space utilization, offering healthier products, enhancing food safety measures, and adopting sustainability practices. These interventions aim to strengthen customer loyalty and enhance overall brand perception.

Keywords: Convenience retailing, Consumer behavior, Shopping experience, Healthy food.

1. Introduction

7-Eleven, a dominant player in the global convenience store industry, has built its success on the promise of convenience and accessibility. Since its founding in 1927, the company has expanded to over 70,000 stores worldwide, catering to urban and suburban consumers seeking quick, easy access to everyday products. The brand's wide-ranging product selection, from snacks and beverages to essential household items, combined with its strategic locations, has made it a go-to choice for on-the-go shoppers.

However, as consumer preferences evolve, it faces new challenges. Customers are increasingly health-conscious, seeking higher-quality, nutritious options, and expect better overall shopping experiences. Additionally, sustainability has become a key concern in the retail industry, with

consumers prioritizing environmentally responsible brands. In light of these trends, it must adjust its market strategies to health, sustainability and improving customer experience while maintaining its core identity.

This report analyzes its current strategies by examining the "Go" and "Stop" signals that influence consumer purchasing behavior. It also explores potential areas for improvement, such as optimizing store layout, enhancing product offerings, and integrating sustainability practices. Reassessing the flow of the store is crucial for creating a more intuitive shopping experience. Regularly updating and diversifying the product range is essential to meet changing consumer preferences. Implementing eco-friendly practices and offering sustainable products can significantly enhance brand differentiation. By focusing on these key areas, businesses can create a more compelling shopping experience that aligns with consumer values and preferences, ensuring long-term success in a competitive retail landscape.

2. Target Market

Target market of Seven-eleven is a diverse and broad group, and the brand seeks the convenience that its target customers need. It caters to young adults (18-34 years old) and middle-aged consumers (35-54 years old) with busy lifestyles, who are often looking for a quick and convenient shopping solution. This includes students, young professionals, and parents who value the convenience of buying essentials and snacks on the go, or a quick meal after work. It also includes seniors over the age of 55, who may be residents from nearby neighborhoods who can't easily go to further supermarkets for necessities. The targeted customer is young single working people, usually un-married, as a result, the location of 7-Eleven always near office buildings, shopping malls, parking lots, subway station, et al. Besides the traveler is also its main customer. In Australia, "stores in suburban areas often operate as petrol stations"[1].

From fast food and snacks to fresh food and beverages, it has a wide range of products that perfectly match the needs of these consumers. Behavioral patterns suggest that the shop attracts impulse shoppers through promotions and other means, as well as regular shoppers who visit regularly for daily or weekly essentials.

Geographically, 7-Eleven primarily serves people living in urban and suburban areas, and convenience stores are an integral part of the shopping habits of these communities. Tourists and travelers are also an important group who rely on Seven-Eleven for quick and convenient shopping on the go.

3. Go signals

Seven-Eleven's GO signals are both conscious and unconscious signals that influence customers' purchasing behaviour and interaction with the brand. Go signals are often used as a way of analyzing consumers' willingness to buy, therefore Go signals are a standard of reference for both the customer and the retailer.

3.1. Provide Convenience

Most customers who come to 7-Eleven are looking for convenience, either because the convenience store is in a convenient location or because of the short and quick shopping time. Convenience could be the key with 83% of consumers saying that convenience when shopping is more important now than it was five years ago. Although consumers said that price and quality were the most important factors when making a purchase, 52% said that half or more of their purchase are influenced by convenience. Shoppers can no longer afford to spend hours picking up their groceries or a day looking for an outfit. Being time-poor means that convenience is now king[2].

Firstly, 7-eleven convenience stores are usually located on streets with high population mobility throughout the city, such as downtown, shopping streets, office buildings, and other neighborhoods where 7-Eleven convenience stores can be found. Consumers in the neighbourhood are usually residents, professionals, tourists, and so on. These consumers are mainly impulsive consumers, looking for convenience and speed. 7-Eleven is typically characterized by high visibility and ease of access, clear signage and well-maintained entrances. Convenience is a powerful incentive, and ensuring that shops are easy to find and access will strengthen the GO signal for mobile customers. 7-Eleven's presence in a convenient location especially in cities with high population mobility while catering to the needs of these groups is naturally a clear GO signal. 7-Eleven is open 24 hours a day, 7 days a week, which is a round-the-clock operation that can cater to the needs of consumers who are in demand at every point of time.

3.2. Sales Promotional signs and Products display

In addition, 7-Eleven shops usually have clear promotional signs and free buy one get one free offers to encourage customers to buy some of the products they need. According to the promotional pricing definition, the reduction of prices to attract customers seems like a reasonable method. This increase should, in theory, make up for the decreased revenue, and more customers will be attracted to the promotional price in fear of missing out on a good deal[3]. Promotions also largely encourage impulse spending by customers.

7-Eleven will design special promotion areas for specific products to facilitate consumers' purchases. Providing consumers with higher quality household goods and some dietary items through better prices is what gives 7-Eleven a competitive advantage over regular shops. This is not only a sales tactic but also a strong GO signal. The layout and furnishings of the shops will influence consumers' willingness to buy. The CEO of the company said that stores of 7-Eleven are designed in order to meet objectives such as influencing the behaviors of consumers and establishing a good brand image. The layout of the stores contains a wide range of merchandise with various representative patterns[4].

7-Eleven shops strategically place frequently used household items or small, convenient snacks where they are easily visible to customers. For example, chewing gum and tissues are often placed near the checkout counter, and this prominent placement encourages impulse buying behaviour. 7-Eleven usually uses eye-catching colors and unique logo designs in the layout and design of its shops, which are usually recognized by consumers. Also, the lighting, colour tones inside the shop give a warm and tidy shopping atmosphere.

3.3. Brand Trust and Social Recognition

7-Eleven is a globally recognized fast food retail brand that unconsciously creates a sense of brand trust that serves as a motivating signal for consumers to make a purchase. Trust is paramount, so focus on developing a brand identity that assures clients of your commitment to their property transactions[5]. As a large global chain brand, consumers naturally have a subconscious belief in the quality of goods sold from this brand. At the same time, there are a number of knock-on effects whenever a customer completes an excellent shopping experience with them. For example, customers are able to quickly purchase a hot meal and drink from a 7-Eleven convenience store, and other consumers receive information from 7-Eleven about products that symbolize unique offerings and fast self-payment modes. They will identify with some of the advantages of 7-Eleven such as fast, convenient self-checkout service and unique supply of goods.

4. Stop Signals

On the other hand, the stop signals associated with 7-11 convenience stores should not be ignored. By analyzing Stop signals, 7-Eleven's drawbacks can be identified and inform the subsequent interventions and recommendations made. This section is analyzed through internal and external factors.

4.1. Small Store Size and Bad Shopping Experience

Designed for convenience, the shop is smaller than a supermarket to facilitate a quick shopping process and offer convenient features. Firstly, in terms of shop size, most consumers assume that a small convenience store will not be able to deliver the shopping experience they expect. It may be a matter of scarcity, or it may be a matter of quality of goods. 7-Eleven often appears to consumers as a small-sized shop with a layout that tends to be crowded. Within a limited space, 7-Eleven convenience needs to cover items such as toiletries, daily consumables, food, beverages, desserts, etc., as well as basic in-store amenities such as cash register freezers. Smaller 7-Eleven shops are unable to accommodate too many consumers at once and become very crowded when the population exceeds a certain base. The small space may lead to overcrowding especially during peak hours. Customers may find it difficult to cross the aisles, leading to frustration and a poor shopping experience. Limited space near the checkout area may create bottlenecks, increasing wait times and causing potential customers to leave without making a purchase. The key challenge 7-Eleven faced was the need to become more efficient and effective managing their offers in the incredibly busy world of mobile marketing, and one thing we know for sure about this award-winning convenience retailer, is that they love to take on a challenge and show the world what's possible[6]. Although 7-Eleven offers food and beverage items, most shops hardly offer tables for customers to eat. Because 7-11 focuses on high customer turnover, the goal is to serve many customers quickly. Seating areas may encourage customers to stay longer, resulting in a decrease in the number of customers served per hour. Inconvenient services can affect the growth of the target population.

4.2. Healthy Concern

The 7-Eleven shops primarily sell food, which includes the types of snacks typically found in supermarkets, as well as drinks and prepared foods exclusively available at 7-11. However, customers' health concerns can serve as a significant deterrent. Food purchasing behaviors of health-oriented consumers include opting for low fat foods, or foods with added vitamins or minerals. Interestingly, health-oriented consumers, such as those who exercise regularly, tend to be much more willing to purchase healthy beverage options, even at the expense of taste [7]. However, many of the snacks, prepared foods and beverages sold at 7-Eleven are highly processed and contain high levels of sugar, salt and unhealthy fats. Large sugary drinks like Slurpees and sodas, sold by 7-Eleven, have been associated with obesity, diabetes, and tooth decay. Therefore customer concerns about the health of the food can be a major STOP sign. Currently 7-Eleven shops have not very widely begun to offer healthier options such as fresh fruit, salads, and yogurt, and they are not attracting the attention of a wide range of customers. For food safety concerns about prepared foods, customers may not be able to obtain nutritional information about cooked foods sold at 7-Eleven or know if prepared foods are prepared with proper handling, cooking and storage practices. Since 7-Eleven began selling prepared foods, customers may unconsciously associate poor sanitation or cross-contamination during food preparation with the potential for foodborne illness. Consumers also need to be concerned that shops may reuse or reheat prepared foods that have been sitting out for a long period of time, which could increase the risk of bacterial growth. These foods containing unhealthy nutritional information and

consumer associations with inappropriate cooking and storage practices can further discourage consumers from continuing to visit 7-Eleven.

5. Intervention

5.1. Optimize Space Utilization to enhance the shopping experience

7-Eleven could consider redesigning the shop layout to maximise space utilisation and ensure aisles are clear, products are easy to find. Adapting shelves to product demand can enhance the efficiency of customers in finding what they need. Regularly assess which products are selling well and adjust stock to meet customer demand. Focus on high-demand essentials to reduce clutter and ensure efficient use of space. Use clear, visually appealing signage and product displays to guide customers efficiently through the shop. At the same time, avoid overstocking shelves with too many products, which can make a small space seem even more crowded.

Besides through the layout of the shop, digital kiosks and self-checkout can be utilised to optimize the in-store shopping experience. Install digital self-service terminals for self-checkout and ordering out-of-stock shop items. This can help reduce congestion and improve the overall shopping experience by speeding up transactions. 7-Eleven has experimented with promoting the use of mobile apps that allow customers to reserve items for pickup, reducing in-store congestion and making the shopping experience more convenient.

5.2. Improved Product Availability and Increased Regulation of Food Safety Issues

The first thing 7-Eleven can do is to make more healthy choices in terms of the range of products available, for example by adding healthier items such as salads, fruits, yogurts and wholemeal snacks, and making sure that these products are prominently displayed and easy to reach. Secondly, provide detailed nutritional information for all food products (especially cooked food) to help customers make informed choices. This can be done through in-store signage, package labelling or even digital displays. At the same time, convenience stores can run campaigns to emphasize that 7-Eleven offers healthier eating options. Use posters, social media and loyalty programs to promote these choices and inform customers that the convenience store is launching products for healthy eating. Entice customers to purchase healthy items through regular discounts and buy-one-get-one-free campaigns. 7-Eleven should also make efforts at ensuring food safety. Enforce compliant food safety processes by implementing a strict food regulatory system to ensure that all prepared and perishable food items are properly stored, handled and displayed. Regular inspections and staff food safety training are also necessary. A high standard of cleanliness should be maintained in all shops, particularly in food preparation and high-touch areas. Achieving a visible high level of cleanliness in food contact areas can significantly influence customers' perceptions of health and safety.

5.3. Sustainability

Seven-Eleven implements the concept of sustainability and introduces healthier and greener product offerings and reduces plastic use to achieve low carbon emissions. Changing the packaging of products such as sandwiches, salads and drinks to biodegradable or compostable packaging. This reduces environmental pollution from plastic waste and meets growing consumer demand for eco-friendly packaging. Convenience stores can promote the use of reusable shopping bags and containers and offer discounts or loyalty points to customers who bring their own. This kind of convenience store promotion can cultivate customers' environmental protection concept. It can also attract repeat visits through discount offers, retaining the shop's customer repurchase rate. By integrating these sustainability initiatives, 7-Eleven can mitigate the 'stop' signals that may be discouraging to

customers. As a result, there should be a more positive perception of the brand, increasing consumer awareness of environmental issues while also increasing customer loyalty.

6. Conclusion

7-11 is a globally recognized chain of convenience stores for people of all ages and exists in different areas of cities in different countries. The Go signals for 7-11 are mainly the convenient location, in-store promotions and layout, and people's recognition of the brand.

However, despite its strong market presence, 7-Eleven faces challenges that act as "Stop" signals for consumers. These challenges come from people's concerns about food safety and the limited size of the shop which leads to a poor shopping experience. As consumer expectations continue to evolve, particularly regarding health-consciousness and sustainability, 7-Eleven must adapt its strategies to stay competitive in a dynamic market.

To address these issues, several key improvements are recommended. First, optimizing in-store space utilization can enhance the customer experience by creating a more comfortable and efficient shopping environment. Second, increasing the promotion and availability of healthier product options can cater to the growing segment of health-conscious consumers. Finally, adopting a comprehensive sustainability strategy will not only appeal to environmentally aware customers but also position 7-Eleven as a forward-thinking brand that aligns with modern values.

By implementing these recommendations, 7-Eleven can overcome its current limitations and continue to strengthen customer loyalty. Enhancing space efficiency, promoting healthy products, and adopting sustainability practices will not only improve the brand's perception but also ensure its relevance in an increasingly competitive and health-conscious market. These steps are crucial for 7-Eleven's long-term growth and its ability to meet the demands of future consumers while maintaining its convenience-driven identity.

This essay focuses on the main features of the common 7-Eleven convenience stores in the market, where most of the convenience store features are taken from the common types in the Chinese market. In the future, the research will focus on the international market and make a more comprehensive study on the market environment of different countries.

References

- [1] UKEssays. November 2018. 7 Eleven Target Market. [online]. Available from: <https://www.ukessays.com/essays/marketing/the-main-distribution-of-7-eleven-marketing-essay.php?vref=1> [Accessed 22 October 2024].
- [2] Smart Insights (2020). Convenience Is Driving e-commerce Growth and Influencing Consumer Decisions. [online] Smart Insights. Available at: <https://www.smartinsights.com/ecommerce/customer-experience-examples/convenience-is-driving-e-commerce-growth-and-influencing-consumer-decisions/>.
- [3] Kuchkanov, V. (2023). Promotional Pricing Strategy is't Your Key to Success. [online] competera.ai. Available at: <https://competera.ai/resources/articles/problems-of-promotional-pricing>
- [4] Kerr, A. and May, D. (2011). An exploratory study looking at the relationship marketing techniques used in the music festival industry. *Journal of Retail & Leisure Property*, 9(5), pp.451-464.
- [5] McAlpine, J. (2023) 7-Eleven's trailblazing marketing strategies: Thinking outside the box for spectacular growth, My Title Nerds. Available at: <https://mytitleners.com/marketing/7-Elevens-trailblazing-marketing-strategies-thinking-outside-the-box-for-spectacular-growth/> (Accessed: 07 August 2024).
- [6] Barcodes, L. (2024) 7-eleven insights – the future of loyalty is intelligent and automated.: Global C Store Focus, Global Convenience Store Focus. Available at: <https://www.globalconveniencestorefocus.co.uk/features/7-eleven-insights-the-future-of-loyalty-is-intelligent-and-automated/> (Accessed: 23 October 2024).
- [7] Hallak, R., Onur, I. and Lee, C. (2022). Consumer demand for healthy beverages in the hospitality industry: Examining willingness to pay a premium, and barriers to purchase. *PLOS ONE*, [online] 17(5). doi:<https://doi.org/10.1371/journal.pone.0267726>.