

Strategy development for improving competitiveness of a Chinese
local convenience store
Case of Suguo Co., Ltd

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ABSTRACT

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<p>The topic of the thesis is improving the competitiveness of the case company. We will regard Suguo as the case company. We focused on a Chinese local convenience store, and compared it in four perspectives with an international convenience store which has already entered the Chinese market successfully. The four perspectives are market perspective, customer perspective, management perspective, and decorative style perspective. In addition, we created a strategic map on the basis of the consumer perspective, internal perspective, and learning and growth perspective for the case company with reliance on the analyses of the data collected for this research.</p> <p>We studied previous research into and literature on the definition of convenience store, market and marketing, strategic management, human resource management, corporate reputation and brand building, and a strategic map. The primary objective of the thesis research is to analyze the situation of the case company and its market, in order to create a strategic map. The second objective of the thesis research is to find out how to improve the Chinese local convenience store's competitive ability in the domestic market.</p> <p>Both qualitative and quantitative methods are applied into this single case study for the case company. Three interviews were conducted with the manager, one of the employees, and one of customers for acquiring the information of the current situation of the case company. Furthermore, 150 questionnaires were sent to prospective respondents for devising the strategic map for the case company.</p> <p>Through discussing theoretical materials, doing in-depth interviews, and collecting data from questionnaires, this research illustrates the importance of market and strategic management analysis for the case study. The outcomes of the thesis research is a strategic marketing plan, the SWOT analysis, and a strategic map developed for the case company.</p>	
Keywords: convenience store, market and marketing, strategic management, SWOT analysis, strategic map	

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1 INTRODUCTION

In this thesis, we chose the topic of the Chinese local convenience store. In other words, this research work focuses on the case company, i.e. a Chinese convenience store. The current situation of Chinese market encouraged us to analyze the case company's strategic management, to help the case company improve its competitiveness. In this section, the background, motivation, research objectives and aims, case description, research questions and methodology are presented.

1.1 Background and motivation

In recent years, there are a range of different brands convenience stores entering the Chinese market, a part of these convenience stores are from foreign countries, e.g. Japan. The large population is a favorable factor for people doing business in China, and entrepreneurs finding opportunities to make profit or expand businesses in the Chinese market. The foreign investments are beneficial for the development of Chinese social environment, economic environment, people's living standard and job opportunities. However, because foreign industries and businesses are creating challenges and crises for local Chinese companies, especially for the businesses operating convenience stores. Therefore, Chinese local companies want and need to improve their competitiveness in the domestic market.

The thesis is a case study of Suguo Co., Ltd, the focus of this research is on strategy development for improving competitiveness of the Chinese local convenience store. We chose the topic because China has a close relationship with both authors. It is easy to understand the case company's market situation and collect data due to the contacts in China. In addition, we are interested in the topic through our personal experience. At the same time, we have studied and lived in Finland for more than three years; we know the differences between China and foreign countries.

The starting point of the thesis is based on analyzing and comparing the case company with an international convenience store, named Family Mart. We analyze the differences between Suguo and Family Mart from two main aspects, i.e. management

system and customer orientation. In the comparing process, we use professional knowledge that learned from literature, and focus on four perspectives, i.e. the market perspective, customer perspective, management perspective, and decorative style perspective.

From the aspect of the Chinese market's situation, the fact is that convenience stores have become one of the most essential places for the customers' daily lives. This research has a close relationship with the lives of the general audience, and therefore we could get useful and reliable answers from the interviews and questionnaires conducted in this research. There is a wide range of consumer demands for the convenience stores in both Chinese and global market, and thereby, Chinese local convenience stores still have some problems, and potential perspectives need to be improved.

There are several foreign convenience stores entering Chinese market, and that is why the case company wants to develop and improve its competitiveness in the domestic market, in addition to improving its service system, to attract more customers. In addition, from the aspect of the case company, the research work is beneficial for them since this research gives them information to know how to develop and achieve high quality service.

1.2 Research objective and aim

Today, due to the globalization of markets, competitiveness is increasing, businessmen are finding new ways to develop their businesses and improve their competitiveness. In this thesis, the objective is to analyze the situation of the case company and its market, in order to create a strategic map. We design the strategic map from the customer perspective, internal perspective, and learning and growth perspective, and make it possible for the case company to develop its business in the field of convenience stores. The second objective is to find out how to improve the case company's competitive ability in the domestic market. We take into consideration the competitive ability from the aspects of strategic management, customer service, and the situation of marketing.

The overall aim of this research is to design a plan for improving the Chinese local convenience store's competitiveness by benchmarking with an international

convenience store. We compare the two convenience stores from the marketing perspective, customer perspective, management perspective, and decorative style perspective. At the same time, we analyze and compare the situations of market, customers, management, and decorative style between the case company and the international convenience store. In addition, we create a suitable strategic map to improve competitiveness of the case company.

1.3 Case description

In the thesis, we chose the company named Suguo Co., Ltd; it belongs to China Resources (Holdings) Co., Ltd. China Resources (Holdings) Co., Ltd acquired Suguo Co., Ltd in the year 2004. The case company was founded in July, 1996, and located in Nanjing City, China.

The case company has 17 years business histories. It sells products that people use in the daily lives, and the manager runs his business well in Nanjing city. In addition, Suguo produces products under its own brand. However, in recent years there are more international convenience stores entering the Chinese market. Because the decrease of profit, Suguo faces the issue how to develop its service, and how to compete it with international convenience stores.

In the research work, we chose international convenience store named Family Mart which is a Japanese chain convenience store, in order to compare it with the case company. This Family Mart is located in Shanghai and it can be regarded as a typical example which has already entered the Chinese market successfully. Through comparing and analyzing the international convenience store with the case company, we create a suitable strategic map to improve competitiveness for the case company.

1.4 Research questions

In this study we address the following research questions:

1. How does the actual business model of the Chinese local convenience store compare with the international convenience store?

This research question includes aspects such as goods, employees and the location of the convenience store. We compile a SWOT analysis of the Chinese local convenience store for the research, and when analyzing it we emphasize the importance of strategic management for the case company.

2. How can strategic thinking and management be developed for Suguo?

This research question focuses on two perspectives, i.e. strategic thinking and strategic management. For detailed information for answering this question, human resource management, corporate reputation and brand, and marketing strategy are described in the research work.

3. How can the Chinese local convenience store's competitive ability be improved in the domestic market?

This research question focuses on analyzing competitive ability of the case company through analyzing the domestic market in the broad field of both Chinese and international convenience stores. On the basis of the answers to this research question, suggestions to the management of the case company can be given on how to improve their competitive ability in the domestic market.

1.5 Structure of thesis

This thesis is divided into six chapters. In Chapter 1, the introduction of this thesis research was given by background and motivation, research objective and aim, case description, and structure of the thesis. In Chapter 2, research methodology with the research process, research methods and techniques, case study method, and limitations of the research are presented. In Chapter 3, we analyze strategic management of the case company from literature reviews, corporate reputation and branding, human resource management, customer service, and strategic map. In Chapter 4, situation of market and marketing of the case company, and marketing strategy are discussed. In Chapter 5, we explain empirical findings by analyzing the interviews and questionnaires, and therefore give out the SWOT analysis of the case company. Finally, in Chapter 6, the three main research questions are discussed, and recommendations for the further research are given.

2 RESEARCH METHODOLOGY

The research design of the thesis is discussed first. The sections to follow illustrate the research process, research methods and techniques, case study method, and limitations of the research.

2.1 Research process

The topic of the thesis research is improving the competitiveness of the case company named Suguo. The thesis research focuses on a Chinese local convenience store, and comparing it in four perspectives with Family Mart which has already entered the Chinese market successfully. The four perspectives are market perspective, customer perspective, management perspective, and decorative style perspective. In addition, we create a strategic map on basis of the customer perspective, internal perspective, and learning and growth perspective for Suguo.

The research process began at finding out the suitable research findings in order to better understanding and explain the topic of the thesis research. Therefore, the theoretical framework of the thesis research was gathered from previous literature and secondary data. In addition, three interviews and 150 questionnaires were designed to collect data relying on the objectives of the thesis research.

2.2 Research methods and techniques

This thesis research is a case study and the research work is based on both qualitative and quantitative research methods. We use literature and three interviews to collect qualitative data. Quantitative data are collected with 150 questionnaires.

We compiled questions for a questionnaire and three interviews to find out relevant information for this research. We did three interviews, i.e. one with a customer, one with an employee of the case company, and one with the owner of the case company. We sent 150 questionnaires to prospective respondents via e-mail and the Chinese chat softwares called QQ and Weibo which are as similar as MSN or Facebook. The

questionnaire questions were written to facilitate the achievement of the objectives, and the form of the questionnaire questions were closed-response question and open-ended questions. Blaikie (2010, 207) through using semi-structured interviews and in-depth interviews to acquire qualitative data usually are conducted in the thesis research methods. Especially, in-depth interviews can get close to the supports and explosions of the research.

2.3 Case study

The case study is used as the main research method to illustrate objectives and aims of the research work and give out the relevant suggestions for the case company. The single case study helped people to make understanding of the strategic management of a convenience store. Meanwhile, it helped us to give out a strategic map for improving competitiveness of the case company.

During this thesis, the case study was used because it could be a real practical way which supports the results of the analysis of the research (Aaker & McLoughlin 2007, 130.)

2.4 Limitations of the research

Since the case company Suguo is a Chinese local convenience store, we decided to collect data through interviews and questionnaires and chose interviewees and respondents who had basic knowledge of Suguo. At the same time, as the case company does not have English websites, during the analysis of the data we needrd to translate some main contents of relevant Chinese websites into English to make sure that the readers understand the language.

Furthermore, the scarce literature on research conducted into convenience stores and their competitiveness in the Chinese context was another limitation of this thesis from the point of view of finding relevant theoretical information. However, literature reviews and analyses of relevant literature support the discussions of the topics in this thesis.

3 ANALYSIS OF STRATEGIC MANAGEMENT OF SUGUO

The theoretical framework of this thesis research focuses on strategic development of convenience stores. In this chapter, an analysis of strategic management for Suguo is provided. The concepts of 'business strategy' and 'strategic marketing' are discussed, followed by the analysis of the current strategic marketing of both Suguo and Family Mart. Corporate reputation and branding are also dealt with, in addition to human resource management from the point of view of strategy development. Customer service is also touched upon. The discussion is completed by defining 'a strategic map' for developing one for Suguo.

3.1 Literature review

The cited literature is for better explaining the concepts of 'business strategy' and 'strategic management', which support the objectives of this thesis research. Furthermore, we analyze the current strategic management in Suguo, to compare it with Family Mart.

3.1.1 Definitions of business strategy and strategic management

Business strategy could be defined in four dimensions with the product-market investment strategy, the customer value proposition, assets and competencies, and functional strategies and programs (Aaker & McLoughlin 2007, 5). Aaker and McLoughlin (2007, 6) fingered out the relationship between the four dimensions through the following Figure.

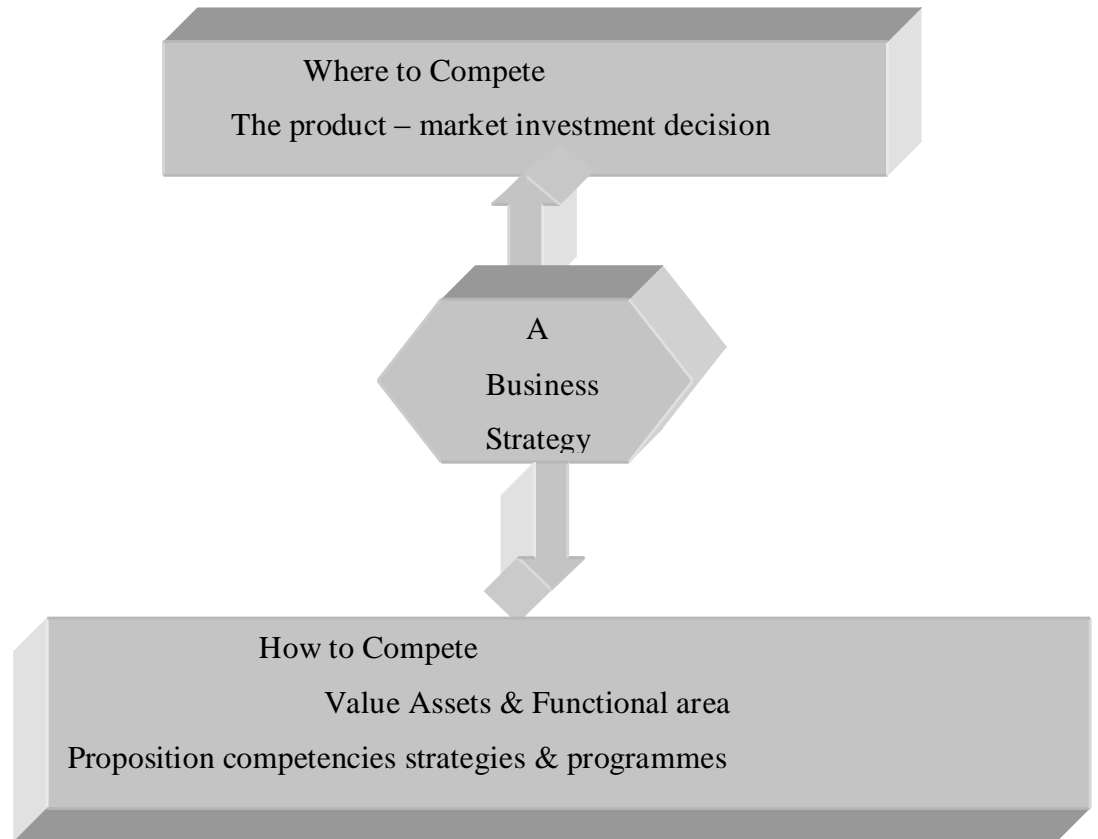


Figure 1. The relationship between four dimensions (Aaker & McLoughlin 2007, 5)

Strategic management could be regarded as the kind of management is relative to the long term for the whole organization. It was always considered in the future, so that uses its abilities and resources to achieve successful performance. Furthermore, strategic management is a set of techniques which would be used for the organization to achieve strategic success. (D. Stacey 2011, 3) Also, the single case study used as the technique for illustrating strategic management in this thesis research.

3.1.2 Current situation of Suguo in view of strategic management

In general, according to Suguo's Chinese website, today Suguo is insisting on three main strategies, including regional development strategy, the multiple formats strategy, and develop remote market strategy. Firstly, regional development strategy has been an important strategy taking consideration the Chinese situation. In China, the real situation is that regional development is not synchronized, and therefore Suguo chooses some areas with the better economic development to expand its market scale.

Secondly, Suguo makes use of the multiple formats strategy to break through the traditional type of business models. Suguo is not only selling products but also produces products under its own brand. In other words, Suguo is a convenience store providing goods for sales. Meanwhile, it produces products under its own brand which role can be regarded as the role of a supplier, and therefore Suguo is a seller and supplier.

Thirdly, improving the existing remote market strategy in the case study of Suguo, it refers to Suguo as a developer of its business in remote areas to expand its market share. Since in remote areas convenience stores are not quite common, the competitiveness in remote areas is less than in the centre of the city. For increasing demand for convenience stores and the development of remote areas, Suguo pays attention to remote areas is its long term strategic planning.

3.1.3 Current situation of Family Mart in view of strategic management

On the basis of the English website of Family Mart, it shows that Family Mart's medium-term management plan sets targets of 25,000 stores worldwide. It aims to become the NO.1 convenience store chain in Asia, in terms of quality and by extending that quality throughout its operations overseas.

The following Figure presents that during the period of medium-term growth, consolidated ordinary income of Family Mart increased by the increasing numbers of stores. In summary, Family Mart expands its overseas market share could be taken consideration as a successful long term strategic management.

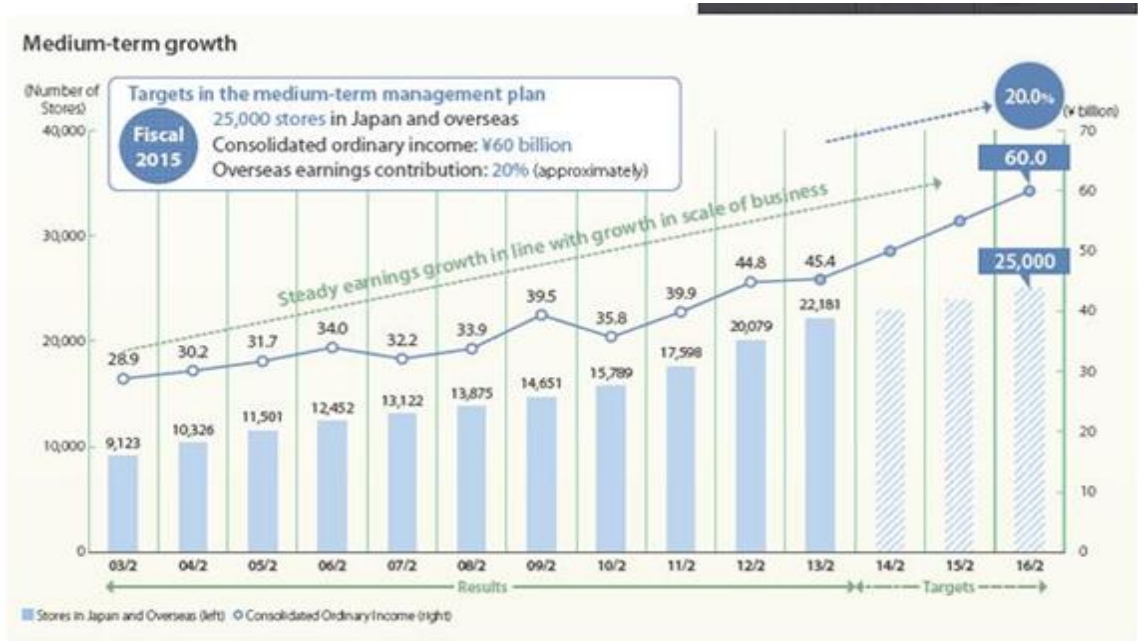


Figure 2. The consolidated ordinary income of Family Mart (Family Mart 2013a)

Furthermore, Family Mart is working on product development and its products range from the three perspectives of generation, price and region. The following Figure clarifies in detailed.



Figure 3. Identifying new customer needs through generation-based marketing (Family Mart 2013a)

Moreover, for expanding the range of customers, Family Mart engages in providing high-quality products at lower than expected price. Aiming for a clear lead, Family Mart develops counter strategies by selling its own brand products, i.e. In October 2012, it started selling “FAMIMA PREMIUN CHICKEN”.

3.2 Corporate reputations and branding

In this sub-chapter, corporate reputation and branding are discussed to emphasize the importance of corporate image in strategic management. The analysis in this sub-chapter is conducted from two different aspects. One is the definition of reputation capital and branding. Another aspect is the importance of corporate reputation and corporate branding.

3.2.1 Definitions of reputation capital and branding

Reputation capital is built upon the trust and confidence of stakeholders in an organization, and it is often defined difference between the organizational market valuations (Martin & Hetrick 2006, 12). Roberts (2004 cited in Martin & Hetrick, 2006, 161) has figured out that the returns from maintaining an unsullied reputation must exceed the gains from violating trust and reneging on promises'. Today, reputation capital plays an essential role in business success since its invisible market value.

The following Figure shows corporate reputation could be considered in six different perspectives with social responsibility, workplace environment, emotional appeal, vision and leadership, products and service, and financial performance.



Figure 4. Six different perspectives of corporate reputation

Corporate branding is a significant aspect which needs to be considered when designing the marketing strategy, a good example could better present it is Coca-Cola. Coca-Cola is own branding already has its marketing value as the branding.

“A brand is a promise made and kept in every strategic, marketing and human resource activity, every action, every corporate decision and every customer and employee interaction intended to deliver strategic value to an organization” (Martin & Hetrick 2006, 47).

As the case study of Suguo, it also has its branding value. After this, it produces products under its own brand and sells it through its branding value. In a word, it is because Suguo is not only a corporate branding, but also the branding has its own market value, and therefore Suguo can produce products under its own brand and sell them successfully. Thus, it could be seen corporate branding is important in the strategy development.

To some extent, corporate branding depends on the hearts and minds of employees, since some famous branding such as MBA is influenced by its employees, having

employees identify with the brand and align their efforts behind the brand (Martin & Hetrick 2006, 20).

3.2.2 Importance of corporate reputation and corporate branding

As was discussed in the previous sub-chapter, both corporate reputation and corporate branding play significant roles in business success. After that, we continue to discuss why corporate reputation and corporate branding are important.

Corporate reputation and corporate branding provide crucial information to customers and even other stakeholders in an imperfect world. The quality of products could be seen as the inside sector for getting the information of goods. However, the reputation and branding should be seen as the outside sector for achieving the relevant information of goods. (Martin & Hetrick 2006, 39.)

Through the survey was done by Reputation Institute UK, from the aspect of corporates, they need the stakeholders' supports to succeed. And 69 % respondents suggested regarding the corporate brand and reputation as a key strategic asset (Reputation Institute UK, May 2012).

Branding sets up a corporate image; it could be one of the core issues for the corporate improves its competitiveness. Because, branding distinguishes the corporation with other corporations with its logo, it not only represents the image recognition of the corporate, essentially represents the consistent commitment of the product characteristics, interests, and service. In addition, branding also represents the pursuit of corporate culture. (Martin & Hetrick 2006.)

Suguo has already realized the importance of corporate reputation and branding. In eastern China, Suguo plays a leading role in the convenience store branch, its products concentrate on the high quality. Consumers prefer to choose the famous brand products, when the price is similar to the products without a famous brand. That is also why corporation needs to do promotion by advertisements and newspaper. In other words, branding promotion makes consumers have knowledge of the brand and consume the products.

Shaping the good corporate reputation and brand is helpful for brand loyalty from customers, as well as the natural social psychological appeal for the products. Since China joined the world trade organization(W T O), and the awareness of the concept of intellectual property rights, brand culture has been given more attention in China. First of all, brand building on the basis of the product's quality. Therefore, quality is the guarantee of getting reputation and trust of the corporation.

In recent year, Suguo has paid more attention to build up its corporate reputation and branding in the strategic management design, in order to improve its competitiveness. Corporate cost control is not only reflected in the price control. At the same time corporate cost control is also influenced by corporate reputation and branding, because products' sale channels are controlled by corporate reputation and branding. For instance, in China, Suguo reduces its channel cost through its own strong brand, it can produce and sell both by itself and give more benefits to its consumers, and thereby achieve win-win strategic management.

3.3 Human resource management

Based upon the previous theoretical discussions in relation to build up a good reputation and brand are both important for the corporation. Moreover, employees have close connection with setting up a good reputation and brand. Therefore, human resource management is discussed here for developing a strategic map for Suguo.

In this research, human resource management is discussed with analyzing the current situation of Suguo. In addition, the question of how to manage people is illustrated with literature reviews.

3.3.1 Definition of human resource management

Human resource management is the process of developing employees' value for creating profit for the organization. In general, human resource management has close connection with employees, it includes conducting job analyses, planning personnel needs, recruiting the right people for the job, training, employees' salaries and welfares,

evaluating performance, resolving problems of people management (Business dictionary. com).

Four main perspectives on human resource strategy are reminded in the literature. The design perspective is basic and the most important one. The processes and change perspective makes human resource as professional agents. The increasing important view of a market and evolution let human resource strategy play a role in cost reduction. The embedded system perspective pays attention to how human resource strategy is applied in business systems. (Martin & Hetrick 2006, 170.)

As far as we concerned, human resource management is the sector of an organization. Human resource management concentrates on recruitment, and points out the direction for the employees.

3.3.2 How to manage people

In an organization, leadership is quite an important factor for the decision making of strategic management. For a manager, on the one hand, knowing how to manage people is important. On the other hand, learning how to manage people is an efficient way to reduce costs of human resource management. In this sub-chapter, we discuss people management from the managerial perspective. The following Figure is about John Adair's three-circle model, which illustrates the relationship of three different needs. The three different areas of needs in which are as follows: task needs, i.e. to finish the job, individual needs, i.e. to confirm the needs of individuals to the needs of task and group, and group maintenance needs, i.e. to present the role of teamwork (Adair 2007, 20).

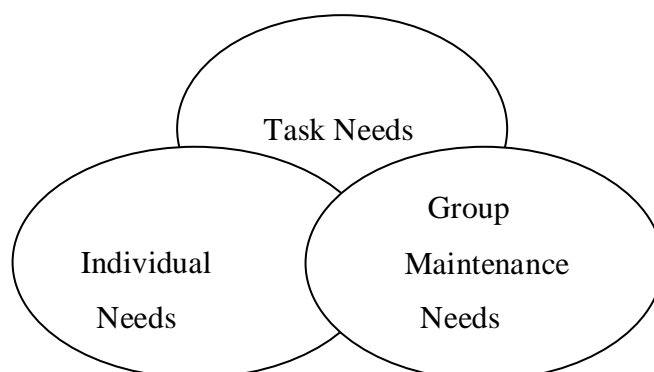


Figure 5. Three-circle model (Adair 2007, 20)

This model indicates that the task, individual and group needs are interdependent. On one hand, the leader satisfies the task needs should also meets individual and group maintenance needs. On the other hand, once the leader pays too much attention to the task needs, which cannot satisfy individual and group maintenance needs. Therefore, in the team work of the organization, task orientated always ignore individual and group needs. The best way for a good leader is to balance task, individual, and group needs, in order to achieve maximal profits for the organization (Armstrong 2008, 20–21).

In the case of Suguo, as the owner Mr Lu does well to meet task needs, individual and group needs. For instance, the manager motivates employees by giving incentives for the best sales employee. Furthermore, in the traditional festivals, employees can get subsidies, and Suguo even offers three chances for travelling every year as the rewards. In Suguo, the employees are always in charge of different parts such as fanatical sector, sale service sector, the after sales service sector, and product display sector. However, they also work as a team because each sector has close connections with individual and group needs, and thereby, individual and group needs can be satisfied at the same time.

3.3.3 Analysis of current situation of Suguo in human resources

In the aspect of human resource management, the case convenience store has one manager who is also the owner of this convenience store. The convenience store has four employees.

Human resource management in Suguo is discussed from eight aspects. Figure 6 illustrates as follows:



Figure 6. Eight aspects of human resource management in Suguo

The first aspect is talent management. This aspect means that the manager has distributed different tasks for his employees through their talent, i.e. one of the employees is good at selling products, who is in charge of sales. The second aspect is succession and career planning. From this point of view, Suguo helps its employees build up their career planning, which is beneficial for their career development. The third aspect is labor relations, for improving employee relations. Suguo creates good communication of each other such as holding meetings every week, and organizing travelling every year. The fourth aspect is human resource planning. This aspect includes that the manager gives out the plan on the basis of human resources required in order to satisfy the demands of their human resources activities. Human resource planning always combines macro organizational strategy and human resource management to achieve final goals. The fifth aspect is performance and reward management. In view of this aspect, Suguo gives rewards to the advanced employees according to the results of their work. The sixth aspect is training and development. Regarding this aspect, the employees take part in working training before they start working. This training makes them know their working process and their working conditions. The seventh aspect is personnel administration, i.e. the manager in charge of this aspect and he formulates the organizational rules and gives chance for the employees to show and develop their personal ability. The eighth aspect is recruitment

selection and introduction. Every year Suguo needs to organize recruitment selection to attract talented persons in order to increase profits for the organization and improve their competitiveness.

3.4 Customer service

The definition of customer service is discussed first. Furthermore, customer services of both Suguo and Family Mart are discussed. The purpose of the analysis of customer service of Family Mart is to develop a strategic map for the case company.

Customer service is a kind of service oriented with customers. Customer service focuses on customer satisfaction. In the business point of view, customer service is an organization's ability to meet their customers' needs and wants. Barb Lyon (2013) explained top five customer service metrics with a case study in the article of "How to Ensure Strong Customer Service and Customer Satisfaction" as follows:

- 1) Service level, i.e. for service department, the service from employees directly influences the business success. Since the first interaction with customers always plays an important role in business activities, and therefore on-time performance and to be active is the measuring standards for service. Especially, in the service department, when a customer asks for help, good services of employees should be active and on time service to keep the customer.
- 2) Customer retention, i.e. to analyze the needs and wants of customers from different levels, in order to find out the main customer group of the organization.
- 3) Response time, i.e. we get the service response as soon as possible, with the development of electronic information. For instance, we do service surveys by softwares, and therefore, we get responds timely. On basis of the results of surveys, making planning for improving your customer service.

- 4) Time with the customer, i.e. having a good communication with the customers. E.g. offering the comfortable communication environment is a quick way to meet customer satisfactions.
- 5) Churn, i.e. finding out the reasons why you lost the customers, and creating new potential customers. Regularly communicate with employees is a basic way to let your employees have a good communication with customers.

The current customer service of Suguo is not as good as the current customer service of Family Mart. Through the response of the questionnaires, the customer satisfaction of Family Mart is higher than Suguo. The following aspects need to be improved by Suguo in the customer service. The first aspect is the employees' attitude to the customers, they need to show friendly to customers by smiling. If customers ask for help, the employees should be patient. The second aspect is the employees need to improve their working enthusiasm, i.e. the employees need to be active to help customers solve problems. The third aspect is Suguo needs to offer more customer service such as providing heating food with microwave ovens.

3.5 A strategic map

The definition of a strategic map is discussed first. In addition, a strategic map is developed for the case company on basis of previous analysis of strategic management of the case company.

3.5.1 Definition of strategic map

"A strategic map is an element of the documentation associated with the Balanced Scorecard". A strategic map is also crucial for making the final decision of the case company. It refers to the strategic guidance of the case company. We take four different aspects into consideration, when developing the strategic map for the case company. The four aspects are financial perspective, customer perspective, internal process perspective, and learning and growth perspective. (Wilsey 2011.)

This case study, the case company has already provided us with enough information for the analysis of the strategy map. By using that information, we are to distinguish which kind of information is useful for developing the final strategy map, and implementing it. In addition, the strategic map of Suguo shows people the form of a diagram which can be directly show you the relationship between each other.

3.5.2 Developing a strategic map for Suguo

The final strategic map for Suguo is developed on the basis of the four basic perspectives discussed previously in this text.

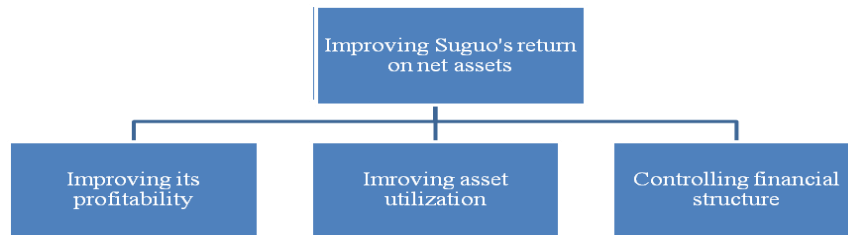
Firstly, in the view of financial perspective, Suguo needs to improve its returns on net assets by improving the profitability and asset utilization. Furthermore, Suguo controls reasonable financial structure to get more profits.

Secondly, in the view of customer perspective, Suguo needs to make full use of building up its good corporate reputation and brand. Suguo expands its market share and customer profits through improving its customer satisfaction. As was discussed in sub-chapter 3.2, today corporate reputation and brand play an important role in customer satisfaction.

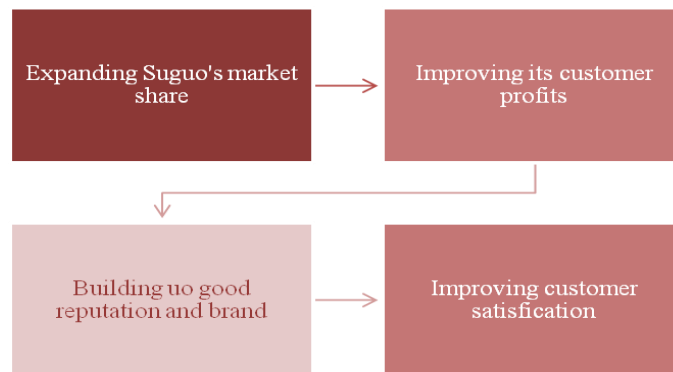
Thirdly, in the view of internal process perspective, Suguo needs to improve its market insight upon marketing surveys and build up good relationship with customers by feedbacks from the 124 questionnaires. In addition, Suguo should improve supply chain management, and people management, as was discussed in sub-chapter 3.3.

Lastly, in the view of learning and growth perspective, Suguo needs to create its corporate culture and improve employees' satisfaction, i.e. providing a comfortable working environment, in order to motivate employees to work efficiently. Combining with these four analyses, Figure7 below displays the four perspectives through the diagrams.

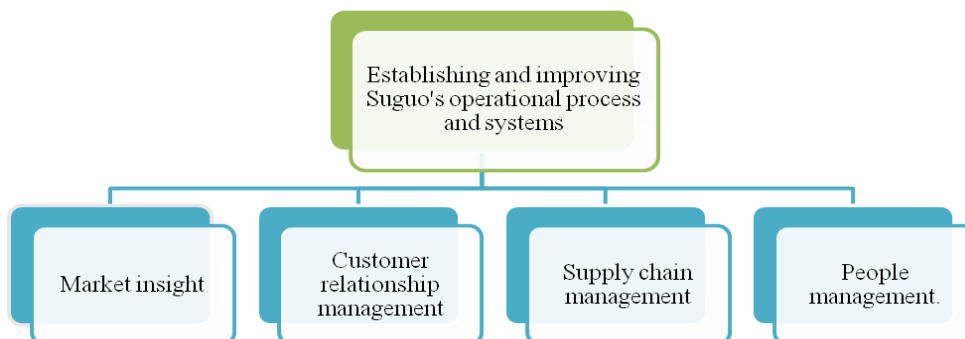
Financial perspective:



Customer perspective:



Internal process perspective:



Learning and growth perspective:

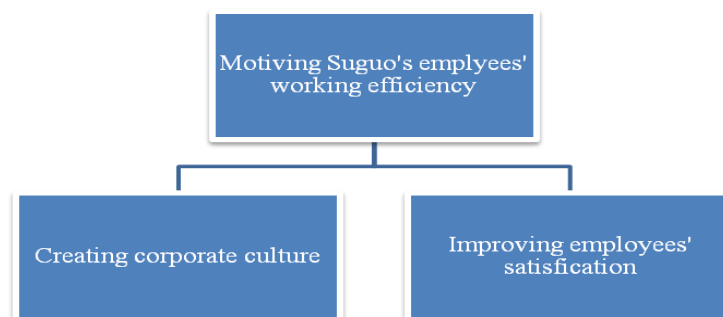


Figure 7. Four perspectives of the strategic map

4 ANALYSIS OF MARKET AND MARKETING STRATEGY OF SUGUO

The theoretical framework for this thesis research depends on the convenience store business analysis. In this chapter, we focus on the market and strategic marketing plan. Chapter 4 is divided into four sub-chapters. Sub-chapter 4.1 discusses the literature review, e.g. what convenience store means as a concept, and what the current situations of convenience store both in China and foreign countries are. Sub-chapter 4.2 focuses on market and marketing from the point of view of the case company Suguo specifically. Sub-chapter 4.3 focuses on the marketing strategy of Suguo. The last sub-chapter 4.4 presents the summary of the researches and discussions for this chapter.

4.1 Literature review

According to the aim of the theoretical framework of this thesis research, to analyze the convenience store on different aspects clearly for readers, we reference relevant literature to support and enrich the contents of the research work.

4.1.1 Definition and description of convenience store

”A convenience store refers to a small-sized retail store which provides limited number of grocery products as well as other consumable products which most people are likely to want.” (Slide Share Inc 2013.) ”In the past, small family-owned grocery stores formed the basis of the supermarket industry. One family member minded the cash register, while another stocked the shelves, and another unloaded the delivery truck.” (Henning 1998, 1.)

”In the not too distant past, every convenience store looked at the same-2,400 square feet of packaged consumer items. Today, companies in the industry are approaching markets with different types of stores and different product offerings. There are mini-convenience stores under canopies, conventional size stores with expanded food service, and even hyper-convenience stores with the extensive variety of product offerings and in-store seating for food service. The fastest growing segments of the convenience

store market are considered by many to be “nontraditional” stores. That is, store formats other than 2,400 square feet, either larger or smaller.” (NACS 2013)

According to these concepts of convenience store, the case company is a small-sized retail store. There is one manager who also is the owner, and four employees working in the convenience store.

The type of Suguo is mostly as a Chinese traditional convenience store. Benchmarking with the case company, Family Mart is a conventional store with an expanded food service, e.g. It sells bentos and boxed meals, at the same time it provides microwave heating services for consumers.

4.1.2 Current situation of convenience store business in China

According to Want China Times (2012), the situation of convenience store in Chinese market is not good compared with the previous, and there are several factors affecting the business trend of convenience stores in China. For example, there are increasing many convenience stores and the demand at the market is saturated, products are similar, and the rents of facilities are doubled. These adverse factors led to the closure of many convenience stores in China.

”The results of a survey and interviews with store operators indicate that regional store saturation and mounting costs have made it difficult for convenience stores to make profit, forcing some operators to transform their operations. The Japanese chain Family Mart denied rumors that it would shut down some 200 stores, adding that it had already closed several this years. The company currently has about 1.000 stores and plans to open up 200 to 300 new outlets each year.” (Want China Times 2012)

”The development of convenience stores in China typically begins when local per capita GDP reaches US\$3,000 and then moves into a high growth period when per capita GDP reached US\$5,000 and a competitive period when per capita GDP touches US\$10,000. Based on these standards, many second and third-tier cities in China do not have the right conditions to support a large number of convenience stores, which have led to a concentration of these stores in first- and some second-tier cities, an industry expert

said. Oversaturation in the market has hurt earnings at stores located in these areas. Turnover at some stores has slipped from a previous 5,000 Yuan (US\$800) per day to 3,000 Yuan (US\$480) per day.” (Want China Times 2012)

4.1.3 Situation of foreign convenience store in both global market and Chinese market

”Convenience stores (c- stores) constitute a successful format in developed markets such as the U.S., Canada, Europe, and Japan.” (Bianchi 2009.) ”7- Eleven became the largest worldwide convenience store chain in March 2007, operating 34000 stores in 17 countries, even larger than the worldwide number of McDonald’s stores Planet Retail.” (2007 cited in Bianchi, 2009.) ”Large multinational retailers are also opening convenience store formats in different markets.” (Bianchi 2009.) ”For instance Tesco, the UK’s biggest retailer, is planning to open its first Express convenience store this year in Shanghai Rigby.”(2008 cited in Bianchi, 2009.)

There are many foreign convenience stores entering Chinese market these years, such as 7-Eleven, Family Mart. They are becoming competitors of Chinese local convenience stores. The Xinhua, English, News (2012) reported that the aim of leading Japanese convenience store chain Lawson Inc is to expand more convenience stores in China.

”Takeshi Niinami, president and chief executive officer of the chain store giant, told a press conference in Tokyo that the company planned to open 10,000 convenience stores in China by 2020. The company has more than 360 stores in Shanghai, Chongqing and Dalian, three major cities in China as of April. Niinami said at the Foreign Correspondents Club of Japan that Lawson is arranging to open stores in Beijing within the current fiscal year ending next March.” (Xinhua, English, News 2012)

According to the current situation of convenience stores, the competitiveness is fierce of convenience stores in the Chinese market. Foreign convenience stores continue to entre Chinese market, especially Japanese convenience stores, and therefore entrepreneurs of the local convenience stores need to design a good marketing strategy to help manage their businesses well.

4.2 Marketing and Market

The following sections illustrate the definitions of marketing and market first. In addition, the situation of Suguo and Family Mart in accordance with marketing and market is discussed.

4.2.1 Definitions of marketing and market

”We can distinguish between a social and a managerial definition of marketing. A social definition shows the role marketing plays in society. Managers sometimes think of marketing as “the art of selling products”.” (Kotler & Keller 2011, 5)

”Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is “meeting needs profitably”. When eBay recognized that people were unable to locate some of the items they desired most, it created an online auction clearinghouse. When IKEA noticed that people wanted good furnishings at substantially lower prices, it created knockdown furniture. These two firms demonstrated marketing savvy and turned a private or social need into a profitable business opportunity.” (Kotler & Keller 2011, 5)

The marketing strategy as an important perspective in strategy management, it helps people succeed in their businesses. According to relevant knowledge, marketing mix(4Ps) which includes product, price, place and promotion are required for the analysis of marketing’s activities.

”The market concept is hardly analyzed in depth.” (Rosenbaum 2000.) There are many different definitions of market, on basis of the research work and literature, the concept of market could be define from several accepts. E.g. for consumers, market is a place to buy products, for entrepreneurs, market is a place to achieve profits.

”Traditionally, a “market” was a physical place where buyers and sellers gathered to buy and sell goods. Economists describe a market as a collection of buyers and sellers who transact over a particular product or product class.” (Kotler & Keller 2011, 8)

”Figure 8 shows the relationship between the industry and the market. Sellers and buyers are connected by four flows. Sellers send goods and services and communications such as ads and direct mail to the market; in return they receive money and information such as customer attitudes and sales data. The inner loop shows an exchange of money for goods and services; the outer loop shows an exchange of information.” (Kotler & Keller 2011, 8)

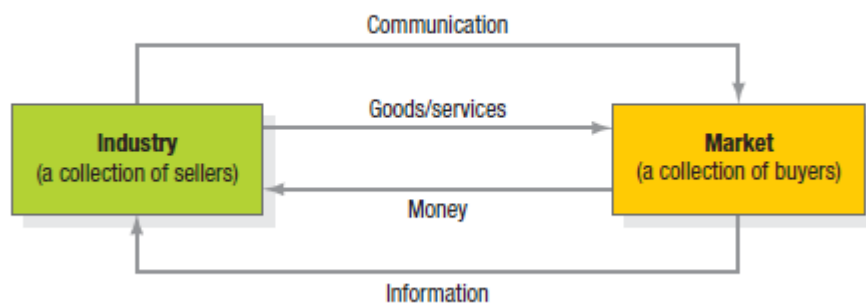


Figure 8. Structure of Flows in a Modern Exchange Economic (Kotler & Keller 2011, 9)

4.2.2 Situation of marketing and market of Suguo

Marketing is a process. Businessmen could get profits through this process, and therefore it is an important part of running business, and marketing could be the heart in the business activities. In this research, we analyze the situation of marketing of Suguo following the four aspects of customer, product, price, brand and advertising. Depending on the answer of the interview from Suguo’s manager Mr. Lu, mostly consumers of the case company are females and students. The location of Suguo is nearby residential areas and schools, because of this advantage, its customer orientations are women, especially mothers, old people and students. Lu (2013) pointed out women play the roles in taking care of family, they need to buy goods, and students would like to buy snacks in the convenience store.

Sometimes people need to buy something suddenly, e.g. when watching TV the remote control does not work, a new battery is needed, at this moment; the convenience store is the best choice. Supermarkets are always located in the city centre, they are very

inconvenience for old people. Mostly old people have no driving license in China, and therefore they will spend more time and money to take bus or taxi to go to supermarkets. Depending on this reality situation, old people become one of the main customer groups of Suguo.

The products are limited in Suguo, which is the same situation as mostly convenience store with a small size, and therefore its products are not complete compared with the products sold at supermarkets. People can find the products that they are using in their daily lives, such as cigarettes, yogurt, and toilet paper in Suguo. In agreement with the customer orientation policy and main customer groups' needs, Suguo prefers to purchase the products which are selling well and meeting customers' demands from their suppliers.

The price positions are reasonable at Suguo, accepted by consumers, and mostly they are same with other stores and supermarkets. There is one difference compared with supermarkets, i.e. the products have no discount. There are some products sold at reduced prices or discounts are offered in supermarkets every day, because these kinds of marketing activities are attracting customers to go shopping. This is a big problem for Suguo, because it is a small business, and they need to pay the rent, tax, and wages of the employees. These are among the reasons why it is impossible for Suguo to reduce prices, organize activities to attract customers, or offer a discount for customers on festivals.

”Brands identify the source or marker of a product and allow consumers either individuals or organizations to assign responsibility for its performance to a particular manufacturer to distributor. Consumers may evaluate the identical product differently depending on how it is branded. They learn about brands through past experiences with the product and its marketing program, finding out which brands satisfy their needs and which do not.”(Kotler & Keller 2011, 242)

Brand image is a decisive factor that customers will trust your products or not, having a good brand image is necessary for the business success. Emterpneuers should focus on this responsibility, use a good brand image to attract customers and run a long-term business. Suguo already has 17 years histories, people who are living and studying

around all know it, because its good brand image, customers trust the quality of its products. According to the research data, mostly customers have good shopping experiences in Sugu, and the results of research data are presented in the following chapter.

For companies, advertising is a good way to attract more customers, customers get the information about companies from advertising, such as where they are, what kind of products companies have, and what kind of services companies offers to consumers. The suggestion of doing advertisement are given out in the following strategic marketing plan.

”In marketing, the term market refers to the group of consumers or organizations that is interested in the product, has the resources to purchase the product, and is permitted by law and other regulations to acquire the product. The market definition begins with the total population and progressively narrows as showed in the following diagram.”
(NetMBA.com.2013)

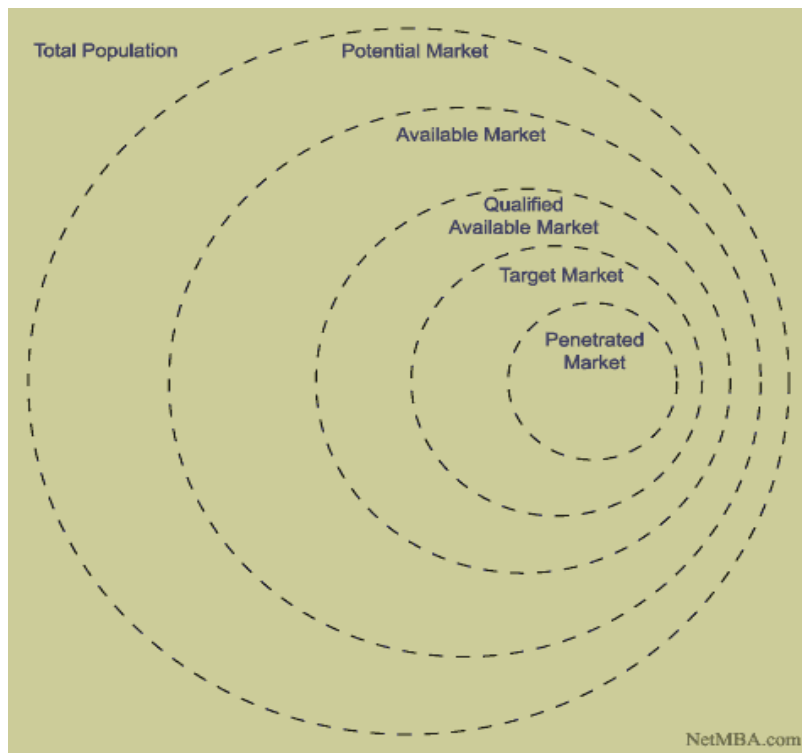


Figure 9. Market Definition Conceptual Diagram ((NetMBA.com.2013)

According to Figure 9 from NetMBA.com (2013), it defines market as six levels, the first is the total population, everyone as customer and including in this level. The second is potential market, these people would like to buy products. The third is available market, these people have enough money to buy products. The fourth is qualified available market, these people are legally in the available, and they could buy the products which they like. The fifth is the target market, these people are target customer groups. The last aspect is penetrated market, which refers to these people already bought products.

According to Figure 9, we analyse Suguo's market from five aspects. Since this convenience store of Suguo is located in Nanjing city, on basis of the location, its potential market is Nanjing city. People in available market are from age 18, the reason is mostly children who are under 18 years old would not have enough money to buy products whatever they want in China without parents' agrees. In qualified available market, except few criminals, people are all legally to buy products in Suguo. People in the target market of Suguo are students, women and old people. The last about people of penetrated market are those customers who already shopping in Suguo, mostly of them are living and studying nearby Suguo.

"Market research is about getting information about customers and competitors, for a start-up any information is probably of value, but the key question that needs to be answered is- why should anyone buy from you rather than from competitors? To answer this question breaks it down into four elements: Who will buy? What are they buying?. Who are your competitors? Why do people buy from them?" (Burns 2001, 118)

Suguo' market is distributed into two main aspects, i.e. the consumer market and the business market. According to customer orientation in Suguo's marketing, there are three target consumer groups, and some other customers who are not usually shopping in Suguo, such as travelers. Suguo's business market includes competitors and suppliers. We use the diagram to show as follows:

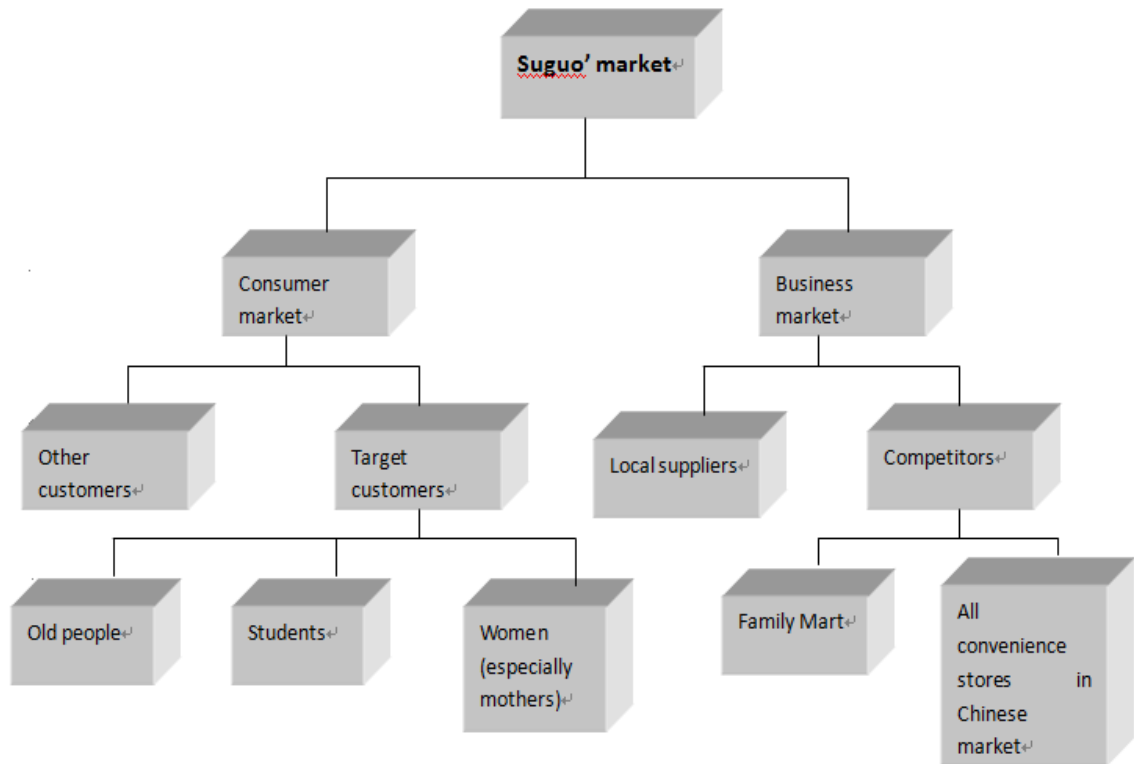


Figure 10. Suguo' market

4.2.3 Situation of marketing and market of Family Mart

Family Mart brand was founded in 1972 in Japan; it is a long history brand convenience store chain. Family Mart runs a successful business in China as an foreign convenience store. There are many differences compared with Suguo, Suoguo is a Chinese traditional convenience store. It is located in Shanghai, with our own shopping experiences and research work, we analyzed the situation of Family Mart's marketing and market, in order to find out its advantages and use them to help the case company improve its competitiveness.

”In the interview with the head of China Operations, Masaaki Kosaka pointed out the growth of the Shanghai market has been particularly arresting. We opened our first Family Mart store in Shanghai in 2004. In Chinese business circles it is said that what works in Shanghai will work in all of China. Family Mart likewise has a policy of succeeding first in Shanghai, by accelerating the pace of store openings and

strengthening profitability, so as to consolidate our business footing for opening new stores across the whole of the country.” (Family Mart Annual Report 2011)

”With the population of 1.3 billion, China is expected to grow into an extremely large conveniences store market. Through the development of bento, bakery, and other products to match consumer tastes, we intend to make ready-to-eat meals more acceptable to Chinese customers. We are also working to heighten the convenience-store presence through such measures as providing eat-in- areas in stores where customers can immediately eat products after purchase.” (Family Mart 2013b)

Depending on the analysis of the situation of marketing about Suguo, there are four aspects, i.e. customer, product, price, brand and advertising. On basis of these four aspects, the research work is to analyze marketing of Family Mart in the following text, and to find out how Family Mart manages its business, and what are the differences between the traditional Chinese local convenience store and the modern Japanese convenience store.

Family Mart is located in the city centre of Shanghai, because of its location, there are many shopping centers and different kinds of stores around it, such as clothing stores, coffee stores, and shops which sell electronic products. And therefore lots of youths especially university students, and adults that ages between 25–36 to go to there shopping every day.

Except a variety of shopping centers and stores, many companies and office buildings are located in this area, Family Mart is near a CBD-central business district of Shanghai. Depending on the location advantage, these people who like shopping or working in this area are become its potential customers. Family Mart’s target customer groups are youths especially university students, adults from 25 years old to 36 years old, and salary men.

”In fiscal 2013, we aim to attract more customers through the catchphrase “Discover Exciting New Products and Services at Family Mart.” We will also target differentiation through original and high-value-added products, introducing private brands and coffee machines into stores, and continue off orts to develop ready-to-eat products that match

local eating habits. We intend to seek out further opportunities for expansion while monitoring the economic situation and aim to be China's No.1 convenience store chain in terms of both quality and quantity.” (Family Mart 2013b)

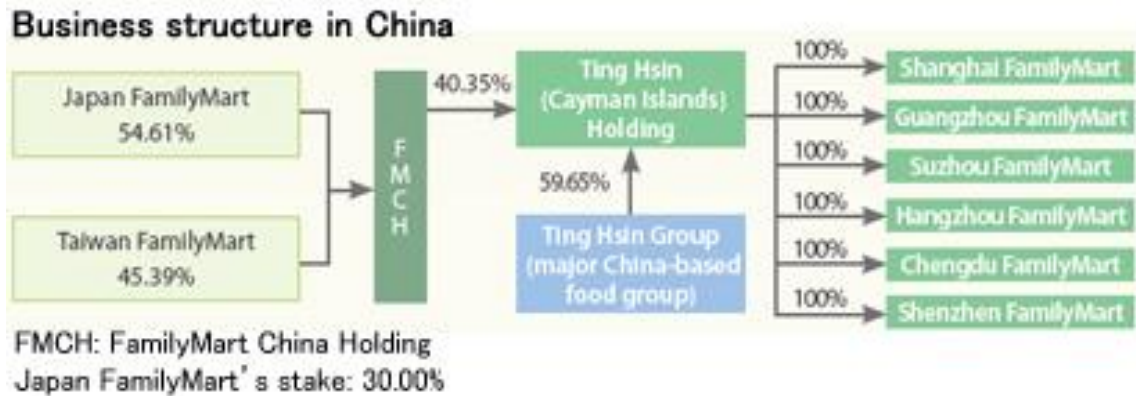


Figure 11. Business structure in China of Family Mart (Family Mart 2013b)

As the same situation of Suguo, the products of Family Mart are also limited. Family Mart is a small size store and its products are not complete by benchmarking with supermarkets, Family Mart just sells a few products of people's daily life, such as toothbrush, and cigarette lighter. The main products of Family Mart are foods, there are a variety of snacks and drinks, a part of these products import from other countries, e.g. importing TOBLENORE chocolate from Switzerland.

The most obvious difference compared with Suguo is that Family Mart offers ready-to-eat products, usually customers bought boxed meal, milk, and bread, and however these foods usually are cold that sold in other convenience stores. Since Family Mart offers microwave heating service that customers could to heat foods by themselves or ask a store employee to do. In accordance with the demands of customers, Family Mart continues to improve and update different kinds of foods to match local customers' eating habits, e.g. today, there are increasing people like drinking hot coffee in China, and therefore Family Mart adds coffee machine. The product category of Family Mart is shown as follows:

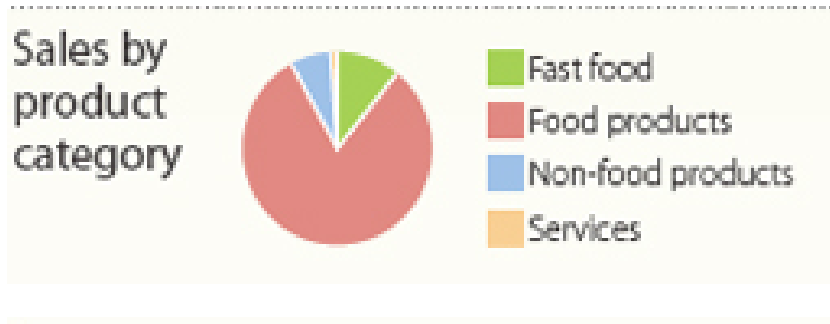


Figure 12. Sales by product category of Family Mart, Shanghai (Family Mart 2013b)

”Many start-ups are uncertain about how to set prices. They often feel that they must be cheap to attract customers and feel insecure about charging a premium price compared to the competitiveness. To sustain a low- price strategy you must be a low- cost provider and do whatever is needed to drive costs down. However, there are other approaches to pricing. The price charged for a product or service ought to reflect the values of the package of benefits to the customer. The value can be different to different customers and in different circumstances.” (Burns 2001, 103)

The price position of Family Mart is higher than Suguo, because it is located in the city center of Shanghai, one disadvantage is the rent is quite expensive. In addition, there are a variety of products imported from foreign countries, because of the tax and transportation fee, the prices of these products would be more expensive. And therefore, the average price of Family Mart is higher benchmarking with the case company.

Even though the price position of Family Mart is higher, on basis of Figure 9, its target customer groups are university students and salary men. Its target customer groups are in available market, they have enough money to purchase in Family Mart, and therefore the price could be the second consideration for them. For example, a person who is in hurry to work, at the same time he needs to buy a couple of coffee and hot ready-to- eat food as his breakfast, his first consideration choice must be the nearest convenience store such as Family Mart. At this situation, the little higher price would not be the influenced factor for people who in hurry to buy the products. According to shopping experiences and research work, the target customer groups of Family Mart focus on convenience and products rather than prices when they choose convenience stores.

Family Mart runs a long term business in Shanghai. Its brand image is good and customers trust the quality of its products. The store is very clean and employees are wearing the same working clothings, they always keep smile to make customers feel comfortable. Furthermore, they always say “Welcome” to customers when customers entering the convenience store, and say “Thank you, goodbye” when customers pay and exit the convenience store. Family Mart does advertisement through different ways, customers can see its advertisements on leaflets, TV programs, and subway stations. Advertising is a good way to promote the convenience store for Family Mart, it let the customers know where it is, and what kind of products it has. Family Mart’s market is distributed into the customer market and the business market. Detailed infromation is shown as follows:

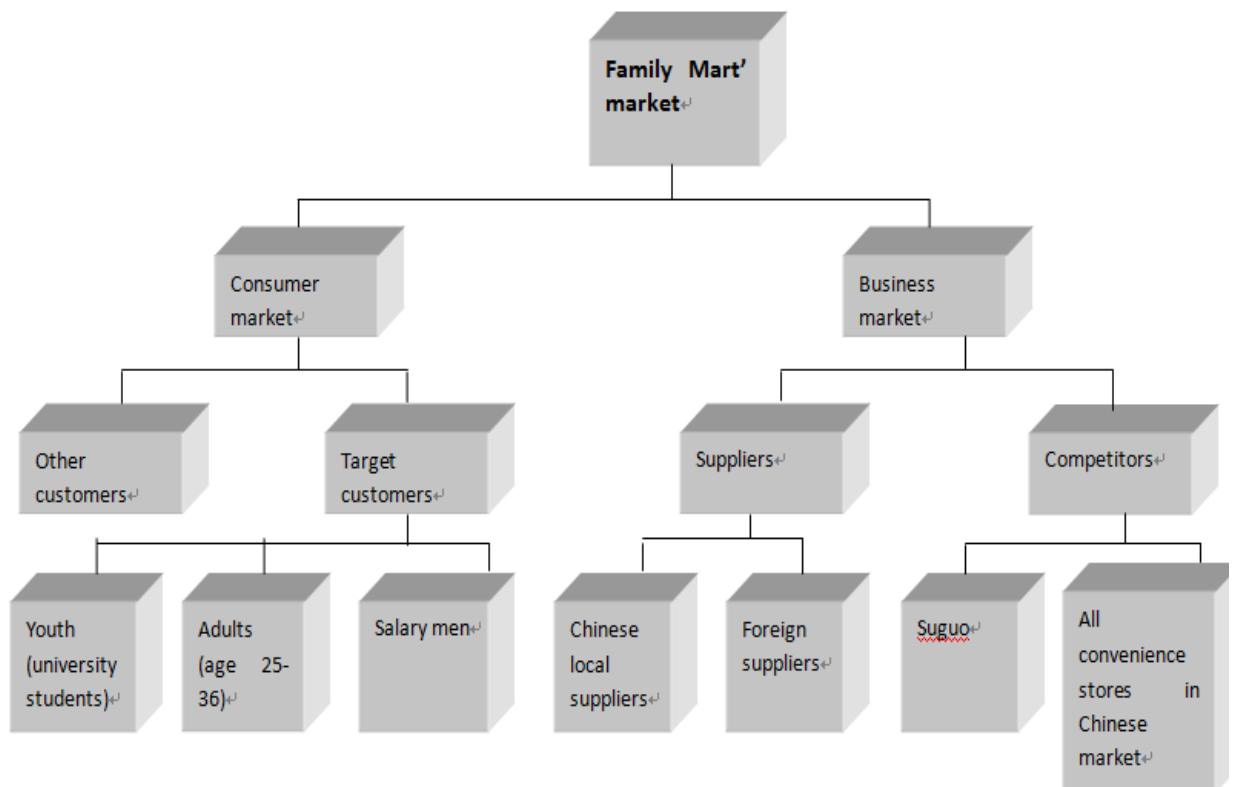


Figure 13. Family Mart’s Market

4.3 Marketing strategy

The analysis of marketing strategy and marketing mix are discussed first, with reliance on advantages and disadvantages of Suguo, in order to design a strategic marketing plan for Suguo to improve its competitiveness, and acquire maximal profits.

4.3.1 Concepts of marketing strategy

”A marketing strategy is the result of decisions being made about how a particular product or service will be promoted to its target customers. Marketing strategies are used to increase sales, launch new products and generally provide profit for a company. Strategies involve the construction and implementation of the marketing mix.” (Wise GEEK 2013)

”Marketing strategy is the process by which the organization aligns itself with the market it has to decide to serve.” (Fifield 2008.) ”How do you decide which of the generic marketing strategies to adopt? This depends upon a thorough understanding of customers (what they want), competitors (how their product or service compares) and the degree of competitiveness in the market (Porter’s Five Forces). The fiercer the competitiveness in the industry, the better the product or service competitors has to offer, then the more a start-up will have to compete on price.” (Burns 2001, 98.)

There are several important elements in marketing strategy, i.e. customer, competitor, market, and product. When to design strategies? who are customers? what are their demands? who are competitors? what kind of advantages they have? where is the target market? To understand these questions could help entrepreneurs improve their competitiveness in market.

4.3.2 Marketing mix

There are two kinds of marketing mixes that are widely to analyze business and strategy, i.e. the traditional one is the four P’s and the other one is the five P’s marketing mix. About the four P’s of marketing, they show marketing decisions generally fall into product, price, place and promotion. Each of these four elements

refers to many detailed aspect, e.g. product refers to brand name, quality, packaging; price refers to discount, pricing strategy; place refers to location, transportation; and promotion refers to advertising, relationships.

”One technique that is widely used to describe the features of a product or service is called the marketing mix or the Five Ps, a convenient short-hand for a range of sub-elements consisting of product (or service), price, promotion, place and people.” (Burns 2001, 100)

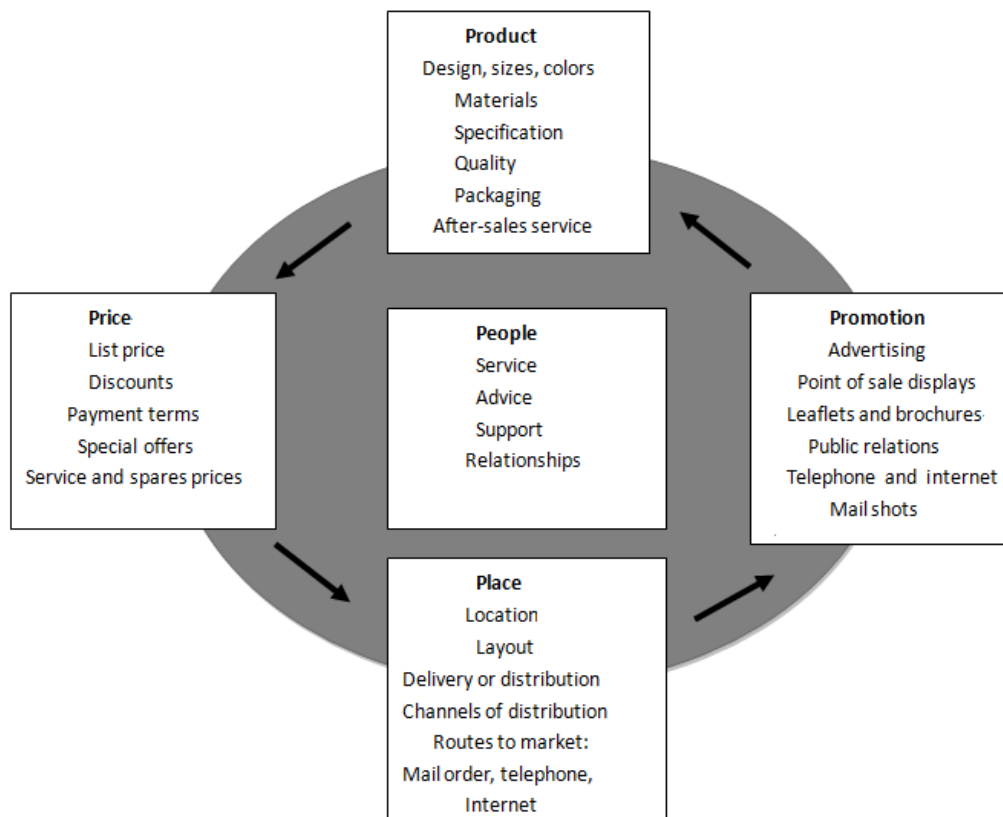


Figure 14. Marketing mix: The five Ps (Burns 2001, 98)

Marketing mix is always used to analyze companies and organizations, the four key elements are product, price, place and promotion. These four elements are core concepts of marketing, and the core element of people, i.e. customers, employees and managers. The traditional marketing mix is four Ps, there is no the element of people, just product, price, place and promotion. In accordance with practical business experience and economic development, people is the core of marketing. E.g. people as the role of customers, companies get profits from them. People as the role of employees, customers receive services from them. People as the role of managers, employees get business

decisions and salaries from them. Therefore people is an indispensable element in the marketing processes.

4.3.3 Designing plan of marketing strategy for Suguo

According to the current situation of marketing of Suguo that we pointed out in sub-chapter 4.2.2, we analyzed the situation from four perspectives, i.e. customer, product, price, brand and advertising. The case company has its own advantages, such as the location is nearby people's living area, and a good brand image. However, comparing with its competitors Family Mart, the case company wants to improve its competitiveness in the convenience stores' market in China, there are several aspects it still needs to develop. When we did the interview with the manager Mr. Lu (2013), he also said he wants to make new strategies to attract more new customers.

Depending on the knowledge of marketing mix, and combining it with the marketing situation of Suguo, we designed a plan of marketing strategy for the case company. We chose Five Ps as the theoretical basis, i.e. people, price, place, promotion and product. We use tables to show the analysis of each element, and give the explanations about these strategies under each table, this way could be more intuitive and clear for understanding,

Table 1. People—Marketing Mix (Suguo)

Current marketing strategies	New marketing strategies(suggestions)
<ul style="list-style-type: none"> –Manager (owner): making decisions. –Employees: introducing product and answering questions for customers. –Services: no special service. –Suppliers: general relationship with suppliers, not good or bad. –Customers: students, women, old people. 	<ul style="list-style-type: none"> –Manager (owner): discussing with employees when making business decisions, sometimes going to the store and asking advices from customers. –Employees: smiling when talking with customers, initiative to ask whether customers need helps (especially for old people). –Service: providing home delivery service in nearby area. –Suppliers: making a good relationship with suppliers. –Customers: extending opening hours to attract customers who are working, studying or going to club in the night.

Manager is the core person for a company, their decisions are important determinants relate to whether business success. According to Suguo, the manager could not just stay in the office; he could go to the store and to understand what are customers' demands, which aspects they should improve, because the practical experiences are more useful than know from employees. To discuss with employees and ask advices from employees when the manager makes decisions, employees are the people who are communicating with customers directly every day, they have a better understanding of customers.

Employees' images are very important for the store, they need always smile when talk with customers, as we pointed out in the contents about marketing situation of Family Mart, employees of Family Mart are saying "welcome" when people enter the store, and "Thank you, goodbye" when they exit the store. Smile service will lets customers fell comfortable. In the other hand, we advised employees initiative to ask customers whether they need help, to introduce product from them, especially for old people, because some of them with poor eyesight, they always need to spend more time on looking for products.

The other suggestion is Suguo could provide home delivery service for the customers who live or study around, however, this service depends on how much money customers would like to pay. The case company could design a price list of the home delivery service, that customers could understand service fee clearly.

To make a good relationship with suppliers is an necessary and useful strategy for Suguo, it purchases products from suppliers, sometimes the case company could get lower prices when they are in good relationships. In the same way, Suguo could cooperate with suppliers to gives discounts for customers on festivals. Supermarkets always offer discounts to customers, but in accordance with many external and internal factors, Suguo is impossible offers discounts to customer by itself, otherwise the case company could not get profits, therefore, to cooperate with suppliers is a feasible way.

The main customer groups of Suguo are students, women and old people, the case company wants to find a way to attract more new customers. According to the current social situation, there are many people who are working in factories and finishing works in the evening, high school students need to go to school in the evening and back to home at about half past nine pm, and there are many youths and adults like to go to night club. And therefore, the store could make a strategy which focuses on “night” people, and extend opening hours to attract these people as customers.

Table 2. Price—Marketing Mix (Suguo)

Current marketing strategies	New marketing strategies(suggestions)
<p>–Price: reasonable price, same with other convenience stores, prices are showing on the products’ packages.</p> <p>–Discount and special offer: no discount and specially offer.</p>	<p>–Price:</p> <ul style="list-style-type: none"> –Designing a price list, because sometimes prices on the products’ packages are not clear. –Designing a price list for home delivery service. <p>–Discount and special offer:</p> <ul style="list-style-type: none"> –Cooperating with suppliers to give discounts or special offers for customers on festivals. –Giving special offers for the products which are about to expire.

In Suguo, prices are using small white tag papers paste on the products’ packages, because of some external reasons, such as people’s touch, or accidentally wet by water, the prices’ tag papers are not clearly. We suggest the case company makes a price list, customers could check the price when the price tag paper is not clear on the package. In the Table 1, we suggested the company offers home delivery service, in the same way the company could make a price list of the home delivery service, therefore customers could know detail information about the price of this service.

Suguo is a small size convenience store, the company could not use the same marketing strategy with supermarkets, e.g. offering discounts to attract customers. However, if the case company cooperates with suppliers, it is possible to get discounts from the

suppliers. The case company can purchase products with lower prices under the large quantity of the demands from suppliers. In addition, the case company does not need to offer discounts every day, but on festivals, because people always go shopping on festivals. Furthermore, the case company can give some special offers for the quick expired products.

Table 3. Product—Marketing Mix (Suguo)

Current marketing strategies	New marketing strategies(suggestions)
<ul style="list-style-type: none"> –Products: products for daily use, food, and drinks. –Suppliers: local suppliers. –Quality: high quality. 	<ul style="list-style-type: none"> –Products: providing ready- to –eat products, coffee machine, and foreign products. –Suppliers: purchasing products from foreign suppliers.

Suguo sells the products that people used in daily lives, such as comb, nail clipper, battery, a variety of snacks and drinks. According to the situation of up- tempo living, mostly working people always have no time to cook meal for themselves or family members, especially breakfast and lunch. Because they need to work in the morning, and the lunch time is not enough for cooking, therefore they always choose to buy fast foods as their breakfasts or lunches. Ready- to – eat products are suitable for this social situation in China. According to our own experiences, students also prefer to buy ready-to-eat products, because mostly students do not like school restaurant’s foods, and if parents have no time cooking, children will choose to buy ready-to-eat foods. In addition, Suguo could provide ready-to – eat food and coffee, because today drinking hot coffee has become to be students and young people’s habits in China.

Since global economic integration, there are many foreign products entered Chinese market, and young people prefer to buy foreign products, especially snacks which the taste are different with local products, e.g. Swiss chocolates. Suguo needs to follow this business trend by introducing foreign products and selling them to attract potential consumers and make profits.

Table 4. Place—Marketing Mix (Suguo)

Current marketing strategies	New marketing strategies(suggestions)
<ul style="list-style-type: none"> –Location: nearby people’s living area and school. –Transportation: convenient, nearby bus station. –Layout: exhibition stand of product is neat and clean –Decoration: traditional style-white, common with other convenience stores. 	<ul style="list-style-type: none"> –Layout: <ul style="list-style-type: none"> –Distributing the store to products area and eating area, adding a small area for customer to sit and eat food. –Providing a microwave at eating area. –Decoration: changing the traditional white style to a colored decoration.

The location of Suguo is an advantage factor, because it is nearby bus station, and transportation. Depending on the previous suggestions, Suguo needs to sell ready-to-eat products which attracting “night” people. The other suggestion for the company is to distribute a small area for customers to sit and eat food, at the same time provides a microwave to heat foods. This service provides convenience for consumers who work till night. On basis of shopping experiences and research, the decorations of mostly convenience stores are same, everywhere is white in the whole store. Since people like special and distinctive decoration, especially young people, a research of Psychologist shows color could let people feel happy and warm. If Suguo changes white decoration to colored, customers will feel comfortable and be interested, they will enjoy shopping time in the convenience store.

Table 5. Promotion—Marketing Mix (Suguo)

Current marketing strategies	New marketing strategies(suggestions)
<ul style="list-style-type: none"> –Advertising: no advertising. –Contacting tools: Telephone, e-mail. 	<ul style="list-style-type: none"> –Advertising: <ul style="list-style-type: none"> – Doing advertising in newspapers. – Doing advertising at bus stations. – Doing advertising in leaflets.

The brand image of Suguo is very good, and it runs about 17 years business in Nanjing City, but this not means every customer knows it. There are too many convenience

stores in the market, if the company wants to attract more customers, the first step is let people know its presence, the best and fastest way is to do advertising. However, doing advertisements in TV programs are too expensive, therefore the case company could do advertisements in newspapers. At the same time, since it is nearby bus station, so it could make billboard at bus station, and the company could prepare leaflets to people. Through advertising, people could know where Suguo is, what kind of products it sells, to do advertising a very useful way to attract customers for all kinds of businesses.

4.4 Summary

The research work focuses on marketing strategy. The research work includes the analysis of definitions of convenience store, current situation of the local convenience store, and foreign convenience store in both Chinese market and foreign market. There are more convenience stores entering the Chinese market, and the market will be saturation a few years later, therefore if the convenience store wants to get profits and runs a successful business, it must to improve its competitiveness.

We analyzed the definitions of marketing and market, specifically analyzed the case company Suguo and its competitor Family Mart from customer perspective, product perspective, price perspective, brand and advertising perspective. According to the analysis marketing and market, the research work discussed the differences between these two convenience stores, and their advantages and disadvantages. We continue to discuss the knowledge about marketing strategy and marketing mix. In addition, a strategic marketing plan for the case company is made from the five elements, i.e. people, price, product, place and promotion. The suggestions are given out to help the case company improve its marketing strategy and competitiveness.

5 EMPIRICAL FINDINGS AND DISCUSSIONS OF SUGUO

This thesis research depends on the case study of the case company Suguo, and the research process is based on both qualitative and quantitative research methods. Theoretical literature and materials on marketing, strategies, and marketing mix are used. In addition, we analyzed the current marketing situation of Suguo and give suggestions to improve its strategies and competitiveness.

5.1 Analysis of questionnaires

Relying on quantitative research of Suguo, based on understanding the perspectives and the expectations from the manager who concerns to improve competitiveness in the convenience stores' market. The next step is from customers' point of view, to find out what aspects of products and services need to improve of the case company.

The questionnaire designed with the manager of Suguo according to the needs of improving the company's services and competitiveness. We sent 150 questionnaires through e-mail, and received 124 respondents. The questionnaire can be found in the Appendices 1.

There are 124 respondents given the feedbacks of questionnaires, 50 respondents are males and 74 respondents are females. We divided these respondents into four ages: 15–23 years old, 24–35 years old, 35–50 years old, 50 and above years old. In accordance with the feedbacks from age 15 to above 50, we received opinions from these customers.

Depending on the data analysis, there are 69 respondents between 15–23 years old, 20 respondents between 24–35 years old, 24 respondents between 35–50 years old, and 11 respondents are age 50 and above 50 years old. Respondents from age 15–23 years old are high school students and university students, from age 24–35 years old, most of them are salary men and some of them are university students, respondents from age 35–50 and above 50 years old are parents or old people. We used Microsoft Office Excel to calculate the percentages, and made the pie charts of gender and age as Figure 15 presents below.

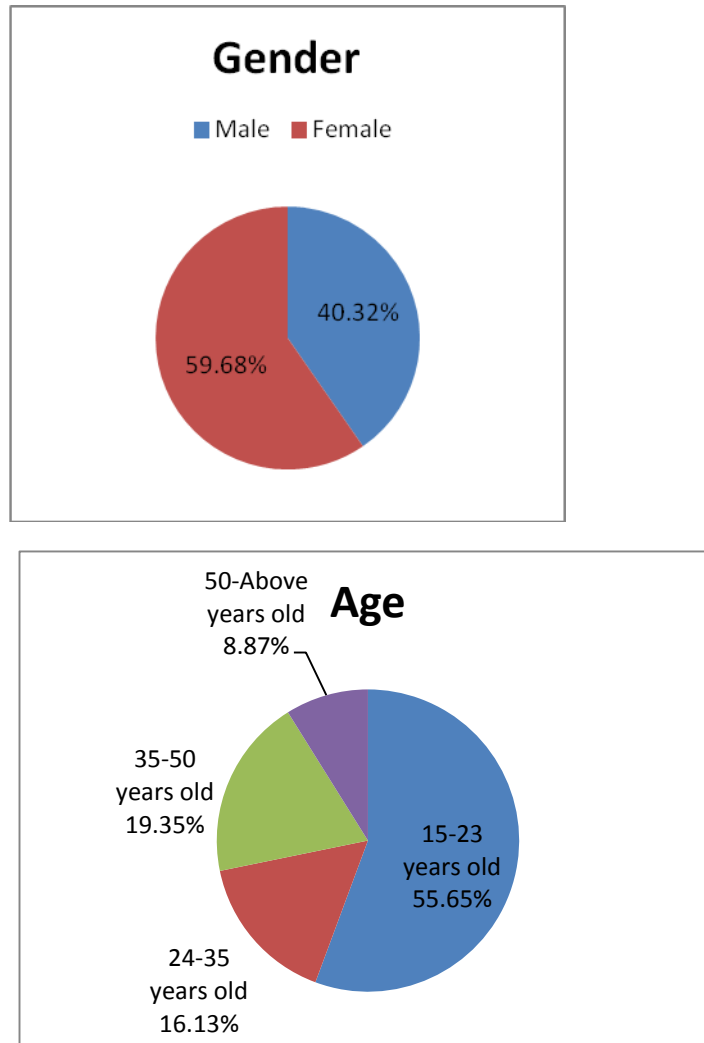


Figure 15. Percentages of gender and age--- Repondents of questionnaires

The questionnaire has seven questions which includes multiple-choice questions, closed-ended questions and open-ended questions, respondents answered these questions due to their shopping experiences in Sugu. We analyzed the data of each question in the following contents. The first question is how often do you go shopping in Sugu Convenience Store? We calculated the data and presents in Figure 16 below. This is a multiple-choice question, we offered three choices: A: Almost every day, B: Every week, and C: Every month. There are 23 people chose shopping in Sugu almost every day, 62 people chose every week and 39 people were shopping in Sugu every month. According to the data, only have 18.55 % people selected shopping in Sugu every day, it means mostly people may shopping in other stores or supermarkets, and the situation of average daily sales is not good.

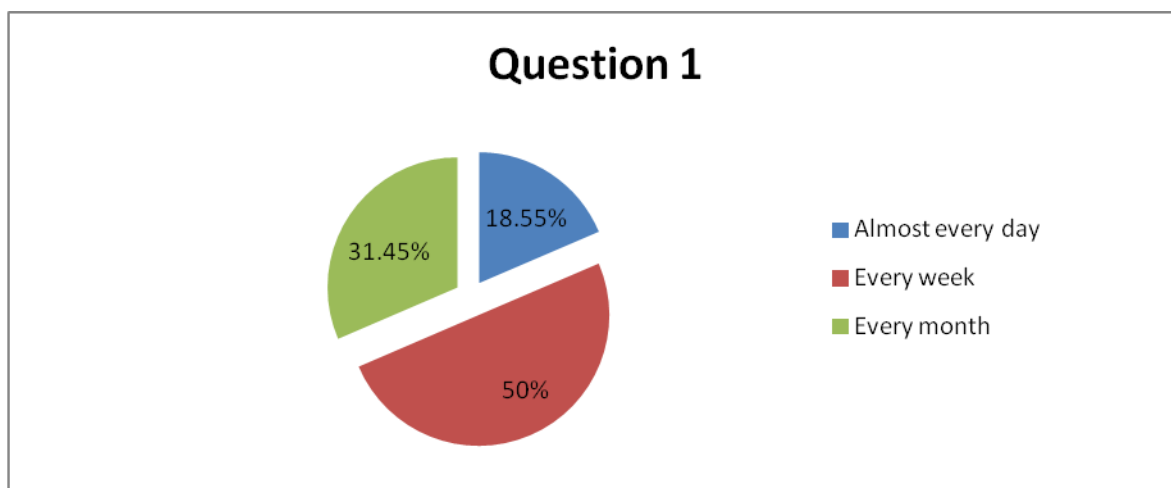


Figure 16. How often do you go shopping in Suguo Convenience Store?

The second question of the questionnaire is what kind of factors do you think can be the most attractive for your shopping in Suguo Convenience Store? We pointed out that this question could choose more than one answer from the list, so most respondents gave several choices. We used the bar chart presents the data analysis and is shown in Figure 17. There are five answer choices, i.e. comfortable shopping environment, large scale of product promotion, popular brand of the store, good quality of products, favorable location and convenient transportations. According to the results, the favorable location and convenience transportations are the most attractive factor in customers' point of view. There are 88 respondents chose this factor, as we mentioned in chapter 4, the company located nearby people living area, school and bus station, customers could find it very easy, and therefore it is the biggest advantage of Suguo.

The factor about large scale of product promotion is the second popular answer, 64 respondents chose it. Product promotion is the basis of shopping, and 51.61 % customers could find the goods which they want in Suguo. The third attractive factor is Suguo has a comfortable shopping environment, 47 respondents chose this. They think the store is clean. There are 36 respondents chose the factor of popular brand of Suguo, and 35 respondents chose the good quality of products. The brand image is good of the company, but they did not do any advertising, therefore some customers just know this store and do not remember its name. Because most convenience stores' products are same qualities, and some of them purchase products from same suppliers, therefore good qualities of products could not be the most attractive factor for customers.

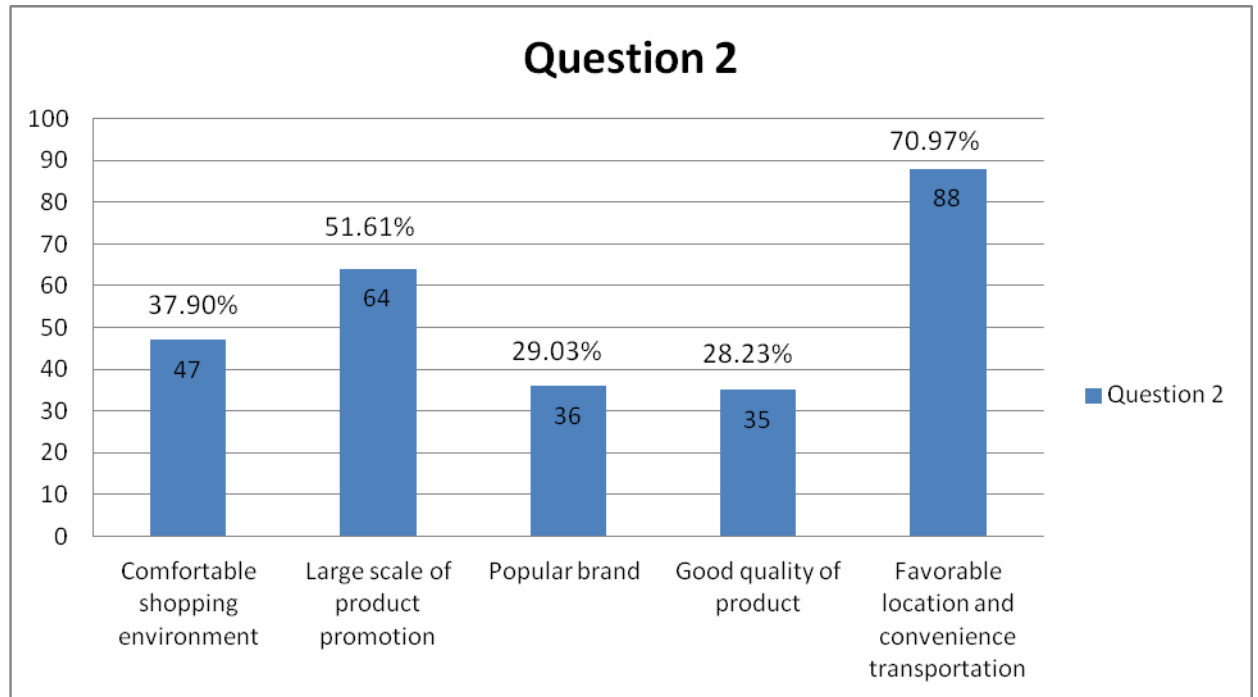


Figure 17. What kind of factors do you think can be the most attractive for your shopping in Suguo Convenience Store?

The third question asks whether the supply of products meet customers' demands in Suguo convenience store, and please specify the products if its do not meet your demands. There are 101 respondents thought the products of the store are comprehensive, and 23 respondents pointed out the products are not comprehensive. The data on this question was analyzed by a pie chart and is shown in Figure 18 below.

Those people who thought products are not comprehensive also gave out their suggestions. Eleven people thought there are no foreign brands' products, especially snacks, and they could find foreign products from supermarkets and other convenience stores, such as Family Mart, Seven-Eleven. Nine people thought the categories of snacks are not comprehensive, the store just could meet their basic requirements. And three people pointed out the brands of products are not comprehensive, e.g. customers want to buy the snack jelly of Xi Zhi Lang (a Chinese local brand), but the store just sells the jelly of other brands.

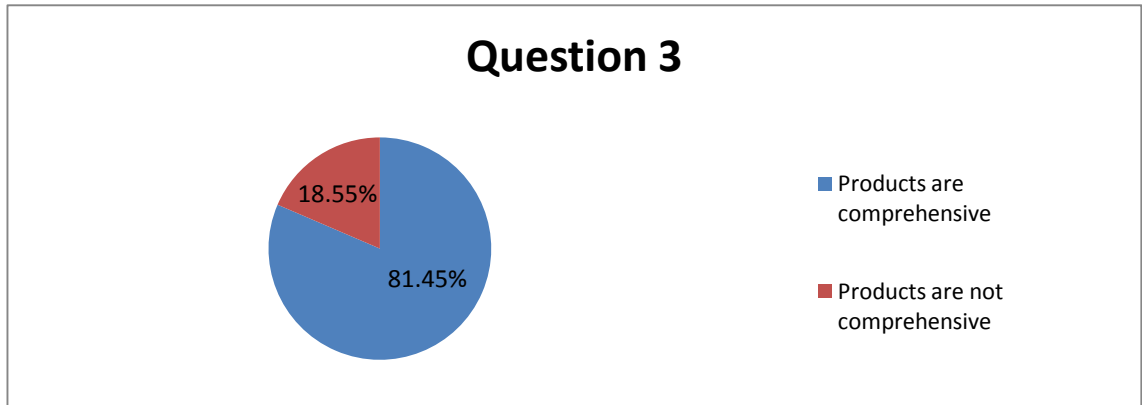


Figure 18. Does the supply of products meet your demand in Suguo Convenience Store?

The fourth question in the questionnaire is what do you think of the price position of products in Suguo Convenience Store? This question asked how customers thought the price position of Suguo, benchmarking with the other convenience stores and supermarkets, if the prices of products are cheap, reasonable or expensive. The research results showed 74 respondents thought the prices are reasonable, 30 respondents thought the prices are cheap, because they are living nearby the store, so they do not need to drive or take the bus, and save the money of transportation.

There are 20 respondents thought the prices are expensive. We found these respondents are all in age 15–23 years old, it means they are students, according to research results, students especially the high school students do not have enough money to buy whatever they want, so some of them thought the products of Suguo are expensive. Based on this situation, the suggestion to case company is to offer student discount to attract student customers.

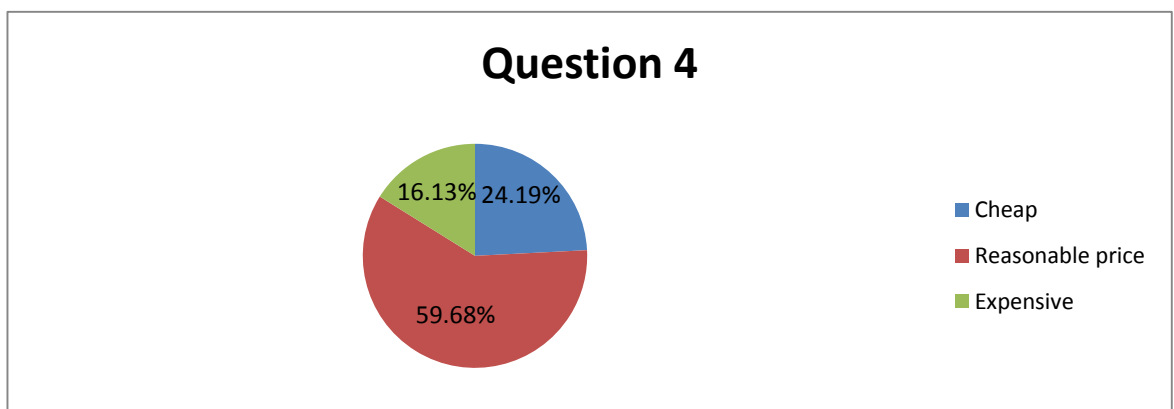


Figure 19. What do you think of the price position of products in Suguo Convenience Store?

The fifth question asked customers if they feel satisfied with the service of Suguo, the question has four choices, i.e. very satisfied, satisfied, not quite satisfied, and very dissatisfied. Due to the shopping experiences in Suguo, ten respondents thought its service is very satisfied, 88 respondents thought its service is satisfied, 25 respondents thought it is not quite satisfied and only one respondent thought the service of Suguo is very dissatisfied. Based on the research data, the service of the case company is satisfied, but they still need to improve its service, and to meet customers' demands. The percentages are shown in Figure 20 as follows:

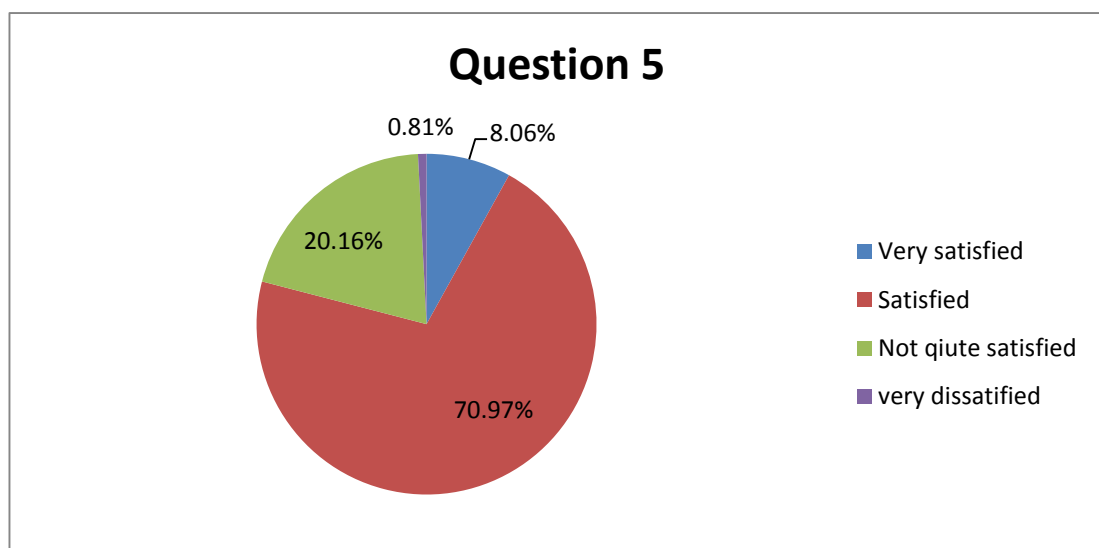


Figure 20. Do you feel satisfied with the service of Suguo Convenience Store?

The sixth question is asked respondents to give one suggestion about the improvement of Suguo Convenience store. It is an open-ended question, more than a half of the respondents answered this question, some suggestions are similar, we analyzed their answers and listed out the useful suggestions as follows:

1. Offering discounts to customers.
2. Increasing the product promotion, especially the products that import from foreign countries.
3. Doing market research every season by questionnaire, the store could know customers' demands clearly through the research, because of the development of social and living situation, there are more new products entering market, the demands of customers are always changing with time.
4. Smiling service whether customers buy goods or not.
5. Organizing activities to attract customers, such as specially offers on festivals, some products with lower prices.

6. Providing more special services, e.g. borrowing an umbrella to customers who forget to bring it in a raining day. 7. Offering discounts to students. 8. Offering home delivery service with reasonable prices. 9. Doing advertising on newspapers, leaflets and bus stations to attract customers. 10. Providing more kinds of fresh fruits and vegetables. 11. Changing the style of decoration. 12. Focusing on “fast” service, because customers always need to wait in a queue when they pay, but sometimes they have no time to wait. 13. Providing service for take care of customers’ pets or offer an area that pets could stay, because pets could not enter into the store, the service could be a good way to attract customers. 14. Providing ready-to-eat products, and an eating area that customers could sit and eat. 15. Offering free newspapers and magazines that customers could read in the store. 16. Cooperating with other convenience stores to learn their advantages, and organizing training for employees, they should answer customers’ questions and know where are the products clearly. 17. Playing comfortable musics, to improve the shopping environment therefore that customers could enjoy their shopping time. 18. Extending opening hours. There are many people who finish work in the night and club men would like to buy foods.

The last question is ask if repondents know Family Mart, and in their opinion what are the difference between Suguo and Family Mart. Most respondents know Family Mart, but not all of them gave out their answers. We analyzed these answers and listed out the different aspects that Suguo needs to improve in the future business.

1. Comparing with Suguo, the prices of products are more expensive in Family Mart. 2. The products are different. Some products are imported from foreign countries in Family Mart. 3. The promotion of food products in Family Mart is more comprehensive than Suguo. 4. Family Mart offers discounts to customers. 5. There are eating areas in Family Mart, and customers could sit and eat food at there. At the same time, customers could use the microwave to heat foods by themselves in Family Mart. 6. Because of its location, there are more young customers shopping in Family Mart than Suguo.

5.2 Analysis of interviews

The questions of interviews are designed according to how to improve the competitiveness of Suguo, to find out disadvantages and advantages of the company through interviewees' shopping and working experiences. We did three interviews by face to face, including the manager Mr. Lu, the employee of the company Ms. Xu and the customer Ms. Liu. There are nine questions of the interviews, and these questions can be found in Appendices 2.

The analysis of interviews based on the answers of each interviewee. According to the answers of the manager Mr. Lu (2013), relying on the current situation of Suguo, he thought the three factors on regional penetration strategy, enhance staff quality and reasonable price are most important for the competitiveness. The company needs to use the advantage of good location to attract customers, and to expand their business step by step. He pointed out employees are important roles in the store, they communicate with customers directly, they affect customers' choices, and therefore, the company will focus on the training for employees, to improve their service quality. He said to compare with some foreign convenience stores, such as Family Mart, the prices of their products are cheaper, this is an important fact to attract customers, with two same quality products, customers must be would like to buy the cheaper one.

Mr. Lu thought the exhibition stand of goods in their store is good, customers could clear see where the products are. Because the store already has seventeen years business histories, customers trust their products and services, so he thought the corporate image of the company is good. He said the company will focus on promotion strategy, to attract more new customers. Foreign convenience stores are their main competitors, comparing with Family Mart, he said their locations are different, Suguo is nearby people's living area and school, Family Mart is located in the city centre. Therefore their customer groups are also different, there are more young people shopping in Family Mart, and it sells some foreign brand products. At last, he said the company will improve their service, to organize training for employees and focus on promotion strategy in order to attract more new customers.

The second interviewee is Ms. Xu (2013), she is the employee of the company, and has about seven years working experiences in the company. Ms. Xu chose reduce the cost, enhance staff quality and reasonable price as the most important factors for the competitive strategy. Based on her choices, she said the company could do not purchase and sell those products customers do not always to buy, in this way the company could reduce the unnecessary cost. There are some employees do not smile when talking with customers, and do not know how to sell and introduce products to customers, so she suggests that company could organize training for employees.

She thought the exhibition stand of goods in Suguo is satisfied and corporate image is very good, customers trust the qualities of their products. In her opinion, the promotion strategy is an important fact for improving competitiveness, before customers go shopping in Suguo, they must be needed to know where is it, what kind of products it sells, and how about the prices and qualities of the products, so she thought the company could do adverting. She said she knows some foreign convenience stores and those foreign convenience stores are all the company's competitors. She pointed out the products are different between Suguo and Family Mart, e.g. there is no ready-to-eat food in Suguo, customers could get discounts in Family Mart. In addition, she suggested doing advertising to attract more customers and learn advantages from competitors.

Ms. Liu (2013) is the third interviewee, she is a university student. Ms. Liu thought to expand the scale of business and a reasonable price is the most important factors in competitive strategy. The exhibition stand of products of the company is satisfied, customers could find products in a short time, and the company's corporate image is good. In her opinion, promotion strategy is an important factor for the company to improve its competitiveness, especially brand image. Customers always attracted by good branding, and they trust the qualities of products that have famous brands and good brand images. If the prices of products are similar between famous brand and a brand nobody knows, customers must choose the famous one, same with the situation of the company, to promote its brand will attracting more customers.

The question about Suguo' competitors, Ms. Liu said there are more local brands and foreign brands' convenience stores are opening in recent years, such as Hao De, Seven-Eleven and Family Mart, these convenience stores are all the company's competitors.

She thinks the products which Family Mart sells are different with Suguo, it sells more products of people daily use than Family Mart, and the prices are cheaper, but there are many foreign brand food products in Family Mart. At last she pointed out Suguo could reduce cost, do not sell products that just have few customers would buy, and improve their services, e.g. organizing training for employees.

Based on the answers of interviews, due to the working experiences of the manager and the employees, the shopping experiences of the customer, Suguo has its own advantages. These advantages are the good corporate image, customers trust the qualities of its products. The reasonable and cheaper prices, and the location is nearby people's living areas and bus station, the transportations are convenient. However, the company still has some disadvantages, the products are not comprehensive, e.g. Family Mart sells foreign brand products and ready-to-eat food. The services of employees need to improve, and there is no advertising. According to these research results, the SWOT analysis is given in the following sub- chapter.

5.3 SWOT analysis of Suguo

"The overall evaluation of a company's strengths, weakness, opportunities, and threats is called SWOT analysis. It is a way of monitoring the external and internal marketing environment." (Kotler & Keller 2011, 48.) On the basis of the analysis of the current market situation of the case company, and the analysis of the questionnaires and the interviews, this sub-chapter focuses on the SWTO analysis of the case company through analyzing their internal and external marketing environment.

"A business unit must monitor key macro environmental forces and significant microenvironment factors that affect its ability to earn profits. It should set up a marketing intelligence system to track trends and important developments and any related opportunities and threats." (Kotler & Keller 2011, 48.) "It's one thing to find attractive opportunities, and another to be able to take advantage of them. Each business needs to evaluate its internal strengths and weaknesses." (Kotler & Keller 2011, 49.)

”The SWOT analysis is just a shorthand way of looking at you and the business- strengths and weakness and the market environment in which it operates- opportunities and threats. As already stated, this is part to with your personal strengths and weaknesses, in relation to the business idea, but it is also to do with the business idea and it’s fit with the market place. What the SWOT process is seeking to achieve an overlap between the business environment and the firm’s resources. In other words, a match between the firms’s strategic or core competencies and a market opportunity.” (Burns 2001, 205)

Relying on the analysis of market, current situation, questionnaire and interviews, the SOWT analysis of Suguo is shown in Table 6.

Table 6. SWOT analysis of Suguo

Internal Environment	Strengths	Weakness
	<ol style="list-style-type: none"> Seventeen years business, have regular customers. Good location and convenient transportations. Good quality of products. Good corporate image. Reasonable prices of products. 	<ol style="list-style-type: none"> Products are not comprehensive, lack of foreign products. Store premises are small-sized. Customer service is not high quality enough. Advertising is not done.
External Environment		
Opportunities	SO	WO
<ol style="list-style-type: none"> The trend of global market is that every firm could import products from foreign countries. The policies of Chinese government support the development of small enterprises. Good media technology is available. Developed Internet technology is available. The development of logistics is possible. There are many suppliers of a product. 	<ol style="list-style-type: none"> Advertising through media technology to attract new customers and promote corporate image. Choosing suppliers who provide good quality products, with a focus on high quality products. Cooperating with suppliers, organizing activities of discounts or special offers to attract customers. 	<ol style="list-style-type: none"> Expanding business. Importing foreign products through the Internet, or purchasing foreign products from suppliers. Advertising through media technology for attracting new customers and promoting corporate image. Providing home delivery service.
Threats	ST	WT
<ol style="list-style-type: none"> The number of convenience store opening in China is increasing. The number of foreign convenience store opening in China is increasing. There are more competitors. The demands of customers are always changeable. 	<ol style="list-style-type: none"> Using a feasible price strategy, because products in foreign convenience stores are expensive, and having reasonable prices to attract customers. Using good corporate image to attract customers. Providing high quality. Doing market research to understand customers' demands, improving service continuously. 	<ol style="list-style-type: none"> Cooperating with other convenience stores to learn from their advantages. Improving and developing services for customers. Organizing training for employees, improving the quality of services.

5.4 Summary and suggestions

Based on benchmarking, the interviews, questionnaires and SWOT analysis, the summary of key findings, suggestions on how to develop strategic thinking, strategic management and competitive ability are in this research work. According to the answers of respondents and interviewees, the location and transportation of Suguo are convenient for customers, the company has a good brand image, and customers trust the quality of its products, the products' prices are reasonable and cheaper than its competitor Family Mart. However, the case company does not have foreign products, lacks of organizing activities to attract customers, e.g. discounts and special offers on festivals.

In addition, based on these insufficient aspects, the suggestions are given out for the case company. For expanding business, the company needs to do more advertisement through media technology to attract potential customers, and promote its corporate image. Choosing suppliers who provide good quality products with the discounts. And organizing activities or special offers to attract customers. The case company could offer some extra services for customers, e.g. relying on the development of logistics and its convenience location, to provide home delivery service with reasonable price is a good way to attract customers. Otherwise, the case company needs to focus on price strategy. Organizing training to employees in order to improve the quality of service for customers.

Furthermore, from the source of Wikipedia, "strategic thinking is a key thought process of strategic management framework. It can be defined as the generation and application of unique businesses insights and opportunities, to create competitive advantage for a firm or organization". In addition, Wootton and Horne (2010) strategic thinking developing a strategic foresight capacity for an organization, by exploring all possible organizational futures, and challenging conventional thinking to foster decision making today. According to the definition of strategic thinking, the strategic map for Suguo was discussed and developed.

6 DISCUSSIONS AND CONCLUSIONS

This chapter includes two parts, one is the conclusions drawn during the research process based on analyzing the three main research questions. The other sub-chapter provides suggestions according to the final conclusions and overall findings of the research.

6.1 Conclusions

The research analyzed both strategic management and market and marketing strategy of Suguo. The outcomes of the thesis research are a strategic marketing plan and SWOT analysis from the point of view of market and marketing strategy, and a strategic map in the aspect of the case company. The thesis research analyzed three interviews, and 124 questionnaires. The three interviews were conducted with the manager, one of the employees, and one of the customers of the case company, in order to find out disadvantages and advantages of the case company concerning strategy management. The questionnaires concentrated on comparing the case company with Family Mart, in order to make suggestions for improving Suguo's competitiveness.

Furthermore, as was discussed in sub-chapter 3.5, a strategic map was developed taking into consideration the financial, customer, internal process, and learning and growth perspectives. The case company takes into consideration the different aspects in order to make internal and external development possible for achieving maximal benefits. Suguo realized the importance of corporate reputation and branding, e.g. Suguo produces products under its own brand for enlarging popularity. Suguo paid attention to human resource management by improving employees' welfare to encourage them to work efficiently. In addition, we designed a strategic marketing plan for the case company relying on analyzing marketing mix, combining with the marketing current situation of Suguo. Finally, we made a SWOT analysis of Suguo, using the results of the interviews and questionnaires, in order to find out the competitiveness for Suguo. Three main research questions were formulated to accomplish this research as follows:

1. How does the actual business model of the Chinese local convenience store compare with the international convenience store?

According to the answers of the interviewees and respondents, Suguo has built up a good corporate reputation and brand to keep customers loyal, and provides good quality products at reasonable prices to attract an increasing number of consumers. In addition, the good location such as nearby a school and residential areas positively influence their competitiveness. However, the products of Suguo are not comprehensive and the size of the premises of the convenience store is small, in addition to which the customer service is not as good as its competitors. For improving Suguo's competitiveness, this research needed to be conducted to develop the strategy management for the case company.

2. How can strategic thinking and management be developed for Suguo?

The current situation of this Chinese local convenience store was presented. At the same time, the situation of a foreign convenience store in both the global market and the Chinese Market was analyzed. Today, with the development of economic globalization, increasing many foreign convenience stores have entered into the Chinese Market. Therefore, for improving its customer service, the case company has taken into consideration of building up corporate reputation and a good brand. Finally, for achieving maximal profits, the case company needs to make a suitable strategic marketing plan. This research developed a strategic map from four different perspectives and strategic thinking.

3. How can the Chinese local convenience store's competitive ability be improved in the domestic market?

We acquired knowledge of the current situation of Suguo both in the aspects of internal strategic management and market and marketing strategy when answering this question. Since the case company still has drawbacks in the development strategy management, we designed a marketing strategy, developed a strategic map, and provided the SWOT analysis. Therefore, there is the possibility that the case company improves its competitiveness in the domestic market on the basis of analyzing its market and strategic management.

6.2 Recommendations for future research

Further research will take into consideration the strategic marketing plan and the strategic map both are implemented in the case company. Combining with the SWOT analysis of the case company, we suggest making further research in building up a good corporate reputation and brand, i.e. doing advertisement for promotion its brand. Moreover, customer orientation with improving its customer service learning from its competitors. At the same time the manager should have a good communication with employees and suppliers, for instance, we advise to have meetings every week and give rewards to employees in order to improve their working enthusiasm.

Furthermore, there is a challenge for us to make it possible for the manager to make use of the development strategy, so that we need to explain the research in details according to respondents of the three interviews and 124 questionnaires. Hence, the manager of the case company needs to adjust previous strategic management on the basis of marketing surveys and inner human resource management. The case company needs to create an English website for its foreign consumers, which is better for expanding its international market.

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APPENDIX 1

Questionnaire for Evaluating the Service of Suguo Convenience Store

Dear participant, the objective of this survey is to identify and evaluate the service of Suguo Convenience Store. Due to your shopping experience, please help us to improve the service of Suguo Convenience Store by following questionnaire below.

Gender: Male Female

Age: 15-23 years old 24-35 years old 35-50 years old 50 years old and above

1. How often do you go shopping in Suguo Convenience Store?
 - A. Almost everyday
 - B. Every week
 - C. Every month

2. What kind of factors do you think can be the most attractive for you shopping in Suguo Convenience Store? (Multiple choices, you can choose more than one.)
 - A. The comfortable shopping environment
 - B. The large scale of product promotion
 - C. The popular brand of Suguo Convenience Store
 - D. The good quality of products
 - E. The location is a favorable factor and convenience transportation

3. Does the supply of products meet your demand in Suguo Convenience Store?
 - A. Yes, products are comprehensive
 - B. No, products are not comprehensive. Please specify: _____

4. What do you think of the price position of products in Suguo Convenience Store?
 - A. Cheap
 - B. Reasonable price
 - C. Expensive

5. Do you feel satisfied with the service of Suguo Convenience Store?
 - A. Very satisfied
 - B. Satisfied
 - C. Not quite satisfied
 - D. Very dissatisfied

6. Could you please give one suggestion about the improvement of Suguo Convenience Store?

7. Do you know Family Mart? If yes, what are the differences between Sugo and Family Mart?

Your cooperation is important for us, thank you!

APPENDIX 2

Questions for Evaluating the Service of Suguo Convenience Store

Dear participant, the objective of this survey is to identify and evaluate the service of Suguo Convenience Store. Due to your shopping or working experience, please help us to improve the service of Suguo Convenience Store by following questions below.

Name: _____ Age: _____ Gender: Male Female

1. What kind of role do you devote yourself to in Suguo Convenience Store?
 - A. Manager
 - B. Employee
 - C. Customer

2. Which factors do you think are the most important for the competitive strategy of Suguo Convenience Store? (multiple choices, you can choose more than one)
 - A. Expand the scale of business, e.g. increase the sideline of business
 - B. Reduce the cost
 - C. Regional penetration strategy
 - D. Establish own brand products for Suguo
 - E. Enhance staff quality
 - F. Reasonable price, price strategy

3. How do you think of the exhibition stand of goods in Suguo Convenience Store?
 - A. Very satisfied
 - B. Satisfied
 - C. Not quite satisfied
 - D. Very dissatisfied

4. How is the corporate image of Suguo Convenience Store compared with its competitors?
 - A. Very good
 - B. Good
 - C. Not quite good
 - D. Bad image

5. Do you think the promotion strategy is an important factor for Suguo to improve its competitiveness? Why?

6. Which foreign convenience stores do you think are Suguo's competitors?

7. Do you think Family Mart is a competitor of Suguo? Why?
8. What are the differences between Suguo and Family Mart?
9. Could you please suggest some advices for Suguo Convenience Store to improve its competitiveness?

Your cooperation is important for us, thank you!