

研究班番号【 53 】

## Japanese Convenience Store Growth Due to Product Distribution and Management

Ryota Hosoya, Rion Kouda, Soma Koyachi

### 1. Introduction

In Japan, there are a lot of convenience stores in the city. Sometimes, we can see several of the same convenience store in the same neighborhood. Our team made the hypothesis that the reason convenience stores have developed is related to the development of product distribution and management.

### 2. Research

We conducted a literature survey and fieldwork at Seven-Eleven Osaka District Secretariat.

(Survey 1) Investigate the product management performed by Seven & I Holdings.

(Survey 2) Investigate the distribution system of products.

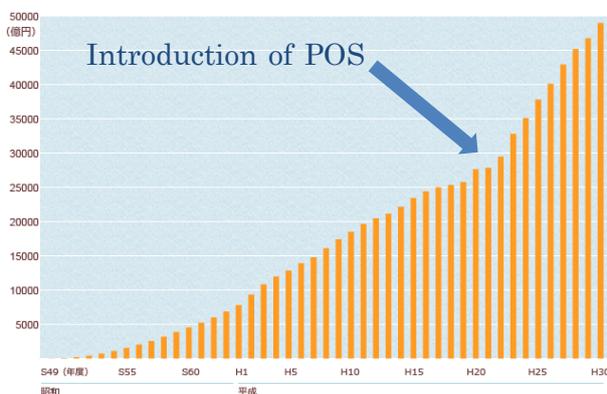
### 3. Results

(Survey 1)

Most of convenience stores use a point-of-sale (POS) system in order to manage products. POS systems keep track of when a product was sold, to whom it was sold, and how many units were sold.

The company manages individual items using a POS system to improve sales efficiency.

The figure below shows that a sharp rise of sales coincided with the introduction of POS systems.



<https://www.sej.co.jp/company/suii.html>

(Survey 2)

The company adopted the dominant strategy, which aimed at opening many stores in a

limited area in order to increase market share and achieve a monopoly. Many stores of the same type are opened in neighboring areas, which leads to improvement of delivery efficiency. For example, it takes long time to send products to the stores if they are located far away each other, but delivery trucks can deliver products to many stores more efficiently if they are located in a limited area.

In addition, this situation also had the advantage of supplying more goods when the big earthquake occurred in Tohoku. Convenience stores also provided home delivery services which are very useful for the parts of the country where depopulation is progressing.

#### 4. Discussion

Convenience stores sell fewer products than supermarkets and do not have big storehouses. However, convenience stores need to keep all their shelves filled with products. Supermarkets sell more products and have big storehouses, as such a POS system is more suitable for convenience stores than supermarkets.

Convenience stores use franchise management and the density of stores is large in one area. Compared to convenience stores, the size of a supermarket is large while the density of supermarkets in one area is low. Using a dominant strategy to have many stores in a small area is more useful and beneficial for convenience stores.

#### 5. Conclusion and outlook

Unique product management with the POS system, distribution system, and the dominant storefront strategy contributed to development of convenience stores. However, we think that there is room for the further improvement of these systems. For example, dominant strategies may reduce the sales of the stores which are close to each other. Further research to maximize profits and efficiency of product delivery service should be done in hopes of also increasing customer satisfaction.

#### 6. References

『コンビニエンスストアの知識』木下安司 2011/9/16 日経文庫

『トコトンやさしい流通』鈴木邦成 2006/9/1 日刊工業新聞社

『トコトンやさしい小売・流通』鈴木邦成 2017/10/27 日刊工業新聞社

『商品開発体制に与えたコンビニ台頭のインパクト』小川進 2003/12 神戸大学

<https://www.sej.co.jp/company/suii.html>

<https://www.sej.co.jp/company/enkaku.html>

小川進 (2003) 「商品開発体制に与えたコンビニ台頭のインパクト」, 『国民経済雑誌』 188 (6)