

**The Impact of The Cultural Environment on Consumption Patterns**

**-Taking the Convenience Store as An Example**

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# **The Impact of The Cultural Environment on Consumption Patterns**

## **-Taking the Convenience Store as An Example**

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Wenzao Ursuline University of Languages, 2019

### **Abstract**

People with different cultural backgrounds have different behavior patterns. When enterprises are internationalizing, they are bound to face the differences of local people's consumption patterns and values. Therefore, cultural risk refers to the deviation between the actual income and expected income target caused by cultural differences and various uncertain factors in transnational operation.

Cultural risk is come from cultural differences between different countries and regions. Although cultural risk has many factors, but it can be identified and controlled by understand the culture and maintain objectivity.

The influence of cultural risk on the internationalization of enterprises is diverse. If we ignored the influence of cultural environment on the enterprise's internationalization, the goal of enterprise internationalization will be difficult to achieve.

Tom Engibous, the president of Texas instruments, was interviewed by Tianxia magazine. He mentioned the importance of cultural differences in the process of globalization.

Tom Engibous notes, "If you only consider the U.S. and ignore the rest of the regions, that decision represents only 30% of the global market, and 70% of the other markets will be missed. It is not easy for different cultures to interact smoothly. But before you make a decision, make sure that 100 percent of the opinions are taken into account, not just 30 percent of the market."<sup>1</sup>

Therefore, we can know the importance of cultural environment to enterprise internationalization. Therefore, I want to understand how cultural differences affect marketing strategies through the research.

The main findings of this paper are that when enterprises internationalization, they should adjust their marketing strategies appropriately to deal with the local

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<sup>1</sup> Zhi-ren Wang, "With Cultural Differences and International Advantage," 2012.

responsiveness pressure. In this study, 37 interviewees from 10 different countries were interviewed through the case studies. Based on relevant literature and interviews, we can learn that convenience stores will adjust their marketing strategies due to many cultural factors in different cultural environments. For example, ethnic diversity can affect decisions about product coverage. Religious diversity, convenience store needs to be aware of product taboos. Consumption patterns can lead to changes in the variety of products in the store. In addition, salary also affects the amount of packaging. This study specifically lists the marketing strategies that convenience stores have adjusted due to cultural factors. That providing a reference direction for international enterprises.

**Key words: Internationalization, Marketing Strategy (4P), Local Responsiveness, Convenience Store**

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# INTRODUCTION

## Background

In this borderless era, if enterprises want to expand their development, they must enter the international market. In different countries, there are have various cultures. If the enterprise internationalization is bound to be affected by the cultural environment, it needs to adjust some marketing strategies to solve the pressures in the market and let consumers in different countries have the willingness to purchase the enterprise's products.

There has been a lot of research on culture and marketing. Previous research has tended to cultural factors that affect economic market, such as marketing strategy 4P (Product, Place, Price, and Promotion). This shows the impact of culture on consumption patterns, but little previous research has focused on what parts of the marketing strategies need to be adjusted when the enterprises are internationalized.<sup>2</sup>

There are many industries in the economic market, but not every industry needs to adapt to local conditions when it faces internationalization. From the article “Managerial Finance”, it can be seen that multinational enterprises are mainly faced with two major pressures of “global integration” and “local responsiveness”. Therefore, this study will focus on the convenience stores that have high local responsiveness pressure. Observe how the convenience stores adjust to adapt the local responsiveness.<sup>3</sup>

The purpose of this study is to explore the marketing strategies of convenience stores in different cultural environments.

## Motivation

The motivation for this study comes from nowadays borderless cultural and

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<sup>2</sup> Lin jian huang, *International Marketing Management (Version 5)* (huatai culture2017).

<sup>3</sup> J.C. SpenderW. Grevesen, "Managerial Finance," (1999).

economic exchanges. The world around us is always full of goods from different countries. In this case, if the enterprises want to expand, they must enter the international market, and these economic exchanges must take cultural factors into consideration.

In Taiwan, convenience stores are everywhere. Even when you are abroad, you also can find convenience stores. Although there are still many multinational products sold in convenience stores, but it is obvious that the main items sold in convenience stores in different countries are different.

Therefore, this study observes the marketing strategies that convenience stores have made in different cultural environments, and to what extent the depth of multinational products needs to be adjusted. In this way, we can figure out how to face the pressure of local responsiveness when enterprises internationalize.

### **Research Purpose**

Due to cultural differences and various uncertain factors, it is difficult for enterprises to achieve the goal of internationalization. Therefore, when enterprises internationalized, they should adjust their marketing strategies appropriately to face the pressure of local responsiveness which caused by cultural differences.

This paper takes the marketing methods of convenience stores in different countries as the research object. The research purpose is to list the marketing strategies of convenience stores that have been adjusted due to cultural factors. To provide a reference direction for international enterprises.

### **Research Questions**

1. How do cultural differences affect marketing strategies?
2. When the enterprise internationalization, in the marketing strategy (4P), which parts need to make the adjustment according to the local conditions?

## **Contribution**

My research questions are “How do cultural differences affect marketing strategies?” and “When the enterprise internationalization, in the marketing strategy (4P), which parts need to make the adjustment according to the local conditions?”. Therefore, my research finding is: First, ethnic diversity affects the decision of product coverage. Second, religious diversity can let convenience store to attention to the product taboos. Third, consumption patterns can lead to changes in the variety of products in the store. Fourth, the special demand caused by the natural environment will increase the uniqueness of products. Fifth, the lack of natural resources will affect the pricing of products. Sixth, the national territory will affect the distance and the density of convenience stores, which will affect the product packaging. In addition, salary also affects the amount of packaging. On the basis of my relevant literature and interviews, it provides some references for marketing strategies of multinational enterprises.<sup>4</sup>

## **Limits**

It is very difficult to study the international marketing of the whole world in a limited time. It would be better if the interview sample could be expanded to more countries and people. Due to the limitation of the samples and time, I chose the marketing strategies that applied by different cultures in different countries as the research topic, and selected interviews and content analysis as the tools to help me complete the research.

## **Delimits**

To make this study more complete, the author interviewed 37 interviewees from 10 countries. This study mainly analyzes the interviews of thirty-seven interviewees

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<sup>4</sup> huang, *International Marketing Management (Version 5)*.

to explore which marketing strategies should be adjusted by multinational enterprises in different cultural environments.

## LITERATURE REVIEW

### **Two Major Pressures Facing the Internationalization of Enterprises - “Global Integration” and “Local Responsiveness”**

When an enterprise formulates its international competition strategy, the primary consideration is the “industry type” in which it is located. Bartlett and Ghoshal proposed two perspectives of “global integration” and “local responsiveness” to analyze the structure of global integration and local responsiveness framework (IR framework).

In the article “Managerial Finance”, it mentioned “A major challenge for international business (IB) theorists is to understand how multinational enterprises resolve the tension between their need to integrate globally - in the pursuit of economies of scale - with their equal need to respond to the local conditions of each market.”<sup>5</sup> It can be seen that when facing internationalization, enterprises will mainly face the two pressures of “global integration” and “local responsiveness”.

The concept of localization has gradually come to be valued, mainly because globalization, in the pursuit of maximum efficiency, has found it difficult to adopt a consistent approach due to different environmental conditions in different countries when conducting global integration. The result of insisting on a consistent approach is that companies lose their local competitiveness. Due to the local responsiveness pressure brought by regional differences, enterprises begin to pay attention to balance the global integration and local responsiveness.<sup>6</sup>

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<sup>5</sup> Grevesen, "Managerial Finance."

<sup>6</sup> Zheng Huifang, "A Study on the Factors Influencing the Localization of Subsidiary Companies in Mainland China," (93).

## **Global Integration**

The pressure of global integration can be interpreted as the pressure of consistency or standardization. For enterprises, the pressure of global integration mainly comes from the need to unify its resources and make the best allocation of global resources.

However, if an enterprise cannot have a deep understanding of the global environment and make correct decisions, it will be difficult for the highly integrated global operation to satisfy the specific environmental demands, and the damage will often be higher than the benefits. As a result, the most globally integrated companies are already highly international and experienced.

## **Local Responsiveness**

Local responsiveness can also be interpreted as customization or adaptation to local pressures. For enterprises, the pressure of local responsiveness comes from the trend of local environmental factors, which makes them adopt the management method suitable for local environment and to respond the pressure of local environment. That is to say, in order to develop abroad, such as overseas investment or setting up branches, enterprises must analyze the local operating environment, no matter it is the local industrial competition, economic market or cultural environment, they should have a deep understanding and make appropriate responses.<sup>7</sup>

The host country government agencies and other interested people hope that enterprises can be more localized localization. Sourcing raw materials locally,

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<sup>7</sup> Niraj Dawar, "Why Localizing Marketing Doesn't Always Work," 2017.

manufacturing and hiring local staff all lead to branch offices developing products and services that are more locally appropriate.

However, it takes a long time for enterprises without sufficient local information sources or lacking sensitivity to local social culture, political and economic environment to establish links with the local community, and their business performance is not easy to show.<sup>8</sup>

### **Marketing Strategy (4P)**

Marketing Model refers to various models that can represent the relationship among products, customers, profits and markets. These models enable companies to understand their market positioning, how to manage customer relations, and contact with potential customers. One of the most classic marketing strategies is 4P.<sup>9</sup>

Many scholars have different definitions of marketing, such as:

Peter Drucker once said, “The purpose of marketing is to make sales redundant; marketing is to make customers ready to buy.”

Marketing master, Philip Kotler once said: “Marketing activities are mainly to identify and meet the needs of human beings and society and can meet the needs in a profitable way.”

The American marketing association defines marketing as: “Marketing is the planning and execution of a series of activities, such as ideas, goods, services,

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<sup>8</sup> Fur-Hsing Wen Ming-Chang Huang, Hung-Ju Chen, Wei-Ping Pu, "Why Mncs' International Marketing Mix Adaptation," (94).

<sup>9</sup> Janet Chen Doris Lin, "What Is the Marketing Strategy? How to Do Brand Marketing Strategy Planning? Step 6 Get Started with Your Value Proposition!," 2018.



distribution, pricing, and promotions, through which exchanges can be created to meet individual and organizational goals.”

Therefore, we can know that the marketing strategy (4P), which including “Product, Place, Price and Promotion” are very important.<sup>10</sup>

### **Product**

Product refers to the product or service that the enterprise brings to the target market, such as the quality, characteristics and use time of the product.

### **Place**

A point is concerned with the delivery of goods or services to a place of sale, for example. Place should be located in a place with high purchase rate, so as to have the possibility of continuous purchase. The right location can turn potential consumers into real consumers.

### **Price**

Price will determine the profit, supply, demand and market positioning of the enterprise. For example, discounts, payment methods, and giveaways. The price should be based on the value and characteristics of the product. If you set the price too high or too low, you may lose some potential customers.

### **Promotion**

There are many promotional strategies in the market, such as marketing methods, brand building and public relations. In order to let consumers, understand the goods

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<sup>10</sup> huang, *International Marketing Management (Version 5)*.

and then love and buy, will affect the brand awareness, reputation, sales, and so on in the future.<sup>11</sup>

## **Product Assortment of Product Depth and Product Breadth**

### **Product Assortment**

Product assortment refers to an enterprise production or sales of all product lines or product collection of projects. Due to the fierce market competition and the huge investment in production and marketing expenses, enterprises tend to produce or sell multiple product lines or multiple product items in order to effectively share expenses. Product assortment can be divided into width, depth, length and consistency.

Product line is a group of closely related products in a product portfolio. These products may have similar functions, consumer groups, distribution channels, or product prices.

Product item is a specific product in a product line. The product's size, price, appearance, or other features differentiate it from the rest of the product line.

### **Product Width**

Product width is the product lines which an enterprise has. The more product lines an enterprise has, the wider its product width.

Product width is wider, can bring management advantage, also have different effect to the market. The wider the product breadth, the greater the enterprise's control power over dealers and the stronger its bargaining power. In addition, the development and operation of new types of products with great market potential can

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<sup>11</sup> Belinda Wang, "Marketing Model Definition? ! What Marketing Strategies Can I Apply?," <https://inboundmarketing.com.tw/marketing-tactics/行銷模式.html>.

expand the scope of production and operation to achieve diversified operation. In this way, the resources of the enterprise can be brought into full play and new markets can be explored to reduce the risks of operation and enhance the competitiveness.

### **Product Depth**

Product depth refers to the different styles for each product item in the product line.

Increase product depth, can better adapt to and meet the needs of the market, and can improve the market competitiveness of enterprises. However, it is important to consider these new product projects when adding depth to the product. Shape specific market image avoid forming the market image of low-end products. In this way, the psychological pressure of customers when buying can be reduced, and the negative impact on the company's product image can be avoided.

On the contrary, when the market prospect of certain product projects is dim, or the business performance is not good and difficult to change, the product depth will be reduced. According to the situation to reduce the existing product project, has eliminated the bad sales of the product.

Four ways to increase the product depth:

1. Downward extension - the enterprise will be positioned in the high-end market product category downward extension, increase the low-end product items.
2. Upward extension - the enterprise will be positioned in the lower market of the product category upward extension, increase high-grade products.

3. Bidirectional extension - the product category originally targeted at the middle market is extended up and down at the same time, that is, the product items of both high and low grades are added.
4. Develop the new product projects - develop new product projects that are different from existing product types.<sup>12</sup>

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<sup>12</sup> "Product Portfolio Strategy," <https://wiki.mbalib.com/zh-tw/产品组合策略>.

# **METHODOLOGY**

## **Research Methods**

Qualitative research method was adopted in this study, including interview and secondary data collection. I not only collected primary data from interview, but also collected secondary data to make my research more comprehensive.

### **Data Collection**

#### **Interview**

##### **Interview Survey**

Interview Survey refers to an analysis method in which analysts deepen their understanding of interviewees to obtain information through face-to-face communication with them.

Semi-structured interviews, individual interviews, and face-to-face interviews, online interviews and longitudinal interview were used in this research.<sup>13</sup>

##### **Semi-Structured Interview**

Semi-structured interview is a type of interview between structured interview and non-structured interview. In semi-structured interviews, there are rigorous and standardized topics, just as structured interviews have questionnaires or interview questionnaires. Although interviewers have some control over the interview structure, they give interviewees a large space to express their own views and opinions, which is like an unstructured interview. That is to say, the interviewer will prepare questions for the interview in advance but adjust them according to the content of the interview.

The reason for choosing semi-structured interview is that it has the advantages of both structured and non-structured interview. It eliminates the flexibility that

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<sup>13</sup> Wan Wenlong, "Note the Application of Depth Interview in Qualitative Research," (2004).

structured interviews lack, as well as the limitations that make it difficult to delve into the problem. It can also avoid the time-consuming and laborious defects of unstructured interview.

### **Individual Interview, Face-to-Face Interview, and Online Interview**

Individual interview means that the interviewer conducts individual interviews with each interviewee one by one. This kind of interview is helpful for interviewees to express their opinions in detail and truthfully, and interviewers and interviewees also have more communication opportunities. The interviewees have a strong sense of security and the interview content is easy to be in-depth.

Face-to-face interview, also known as direct interview, refers to the interview method in which the two sides of the interview conduct face-to-face and direct communication to obtain information and materials. In this kind of interview, interviewers can see the expressions, expressions and actions of the interviewees, which is helpful to understand the deeper problems.

Online interviews are surveys in which the interviewer communicates with the interviewee in words rather than words. Online interview belongs to indirect interview, which has the advantage of saving manpower and time. However, online interviews also have limitations, such as the inability to control the interview environment and observe the non-verbal behaviors of the interviewees. In addition, whether the interviewees are familiar with computer operation and whether they are equipped with computers and other material conditions also restrict the interviewees to some extent.

A total of 37 respondents were interviewed from 10 different countries, each of whom conducted semi-structured individual interviews. However, due to the personal

schedule of the interviewees, some of them interviewed face-to-face, while others interviewed online.

### The charts that related the information of interviewees

Chart 1: The gender of the foreigners in Taiwan

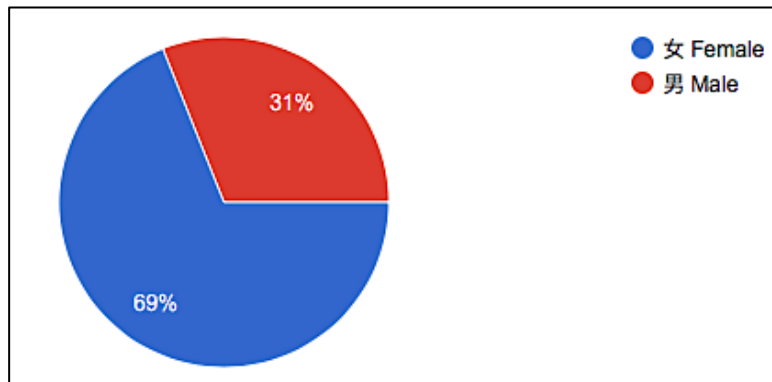


Chart 2: The nationality of the foreigners in Taiwan

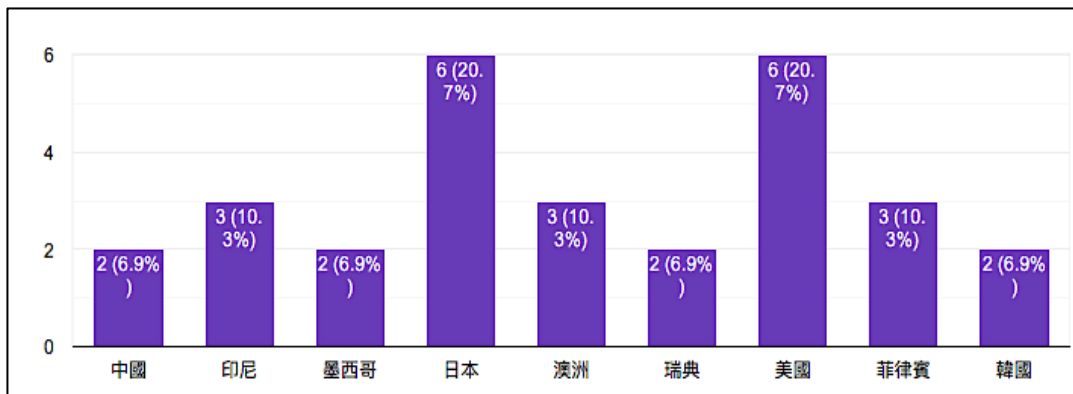


Chart 3: The foreign consumer's usual consumption orientation in Taiwan

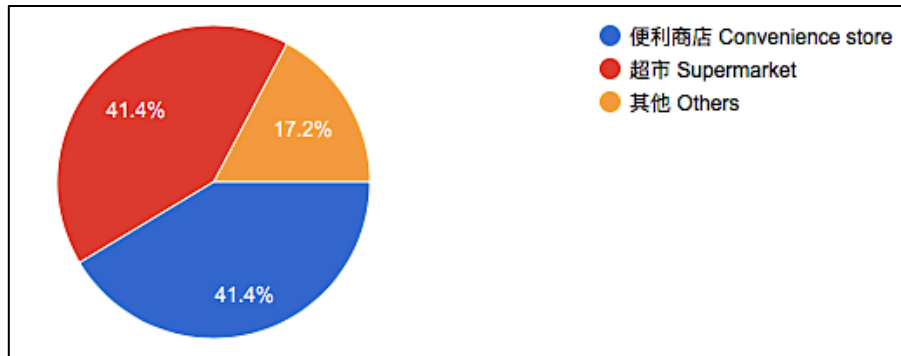


Chart 4: The gender of the foreigners in Taiwan and Taiwanese in foreign countries

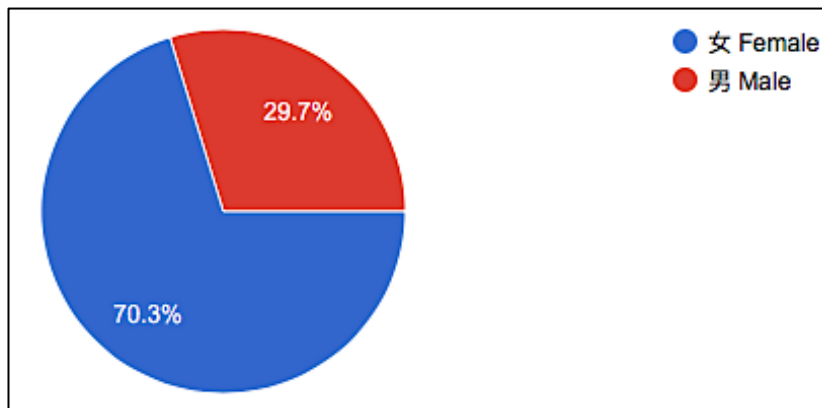




Chart 5: The nationality of the foreign interviewee in Taiwan,  
and which foreign country is the Taiwanese interviewee live in

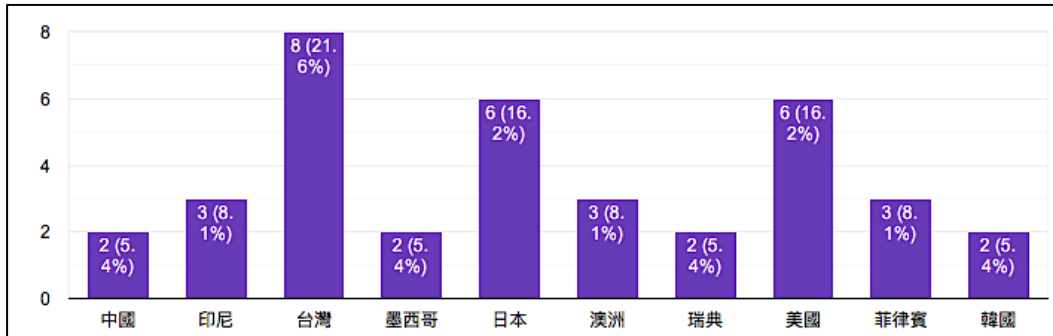
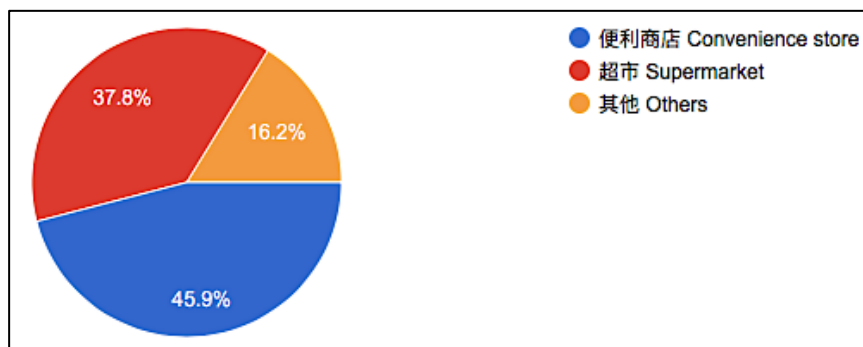


Chart 6: The foreign consumer's usual consumption orientation in Taiwan,  
and Taiwanese consumer's usual consumption orientation in foreign countries



Because globally integrated standardization can reduce costs and have a competitive advantage in price, it is applicable to manufacturing and generation industries. The pressure of local responsiveness comes from cultural difference Firm's strategies needs to be tailored to local conditions.<sup>14</sup>

As 7-11 is the market leader of convenience stores, there are more stores in different countries than other convenience stores. In order to understand the consumption patterns of different countries, the sample selection is mainly 7-11.

7-11 now covers 17 countries, including Canada, the United States, Hawaii, Mexico, Norway, Sweden, Denmark, China, Thailand, Malaysia, Singapore, Indonesia, South Korea, Japan, Taiwan, Philippines and Australia.<sup>15</sup>

In order to understand the consumption patterns of different countries, the sample selection is mainly 7-11.

### **Secondary data**

I collected secondary data mainly from the databases of Business Weekly, Tianxia Magazine, Zhongsheng Management Review, MBA Tank, Customer Gathering Data and TransBiz. After collecting the data with keywords, the data are screened and defined, and the data are analyzed.<sup>16</sup>

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<sup>14</sup> Cathy Parker J. Andres Coca-Stefaniak, Patricia Rees, "Localisation as a Marketing Strategy for Small Retailers," (2010).

<sup>15</sup> "7-11 Official Website," <https://www.7-11.com.tw/company/index.asp>.

<sup>16</sup> Zhang Tao, "Qualitative Research Method + Interview Outline: 12 Examples (Literature Analysis, Experimental Observation)," <https://daotw.com/研究方法/>.

# INTERVIEW AND DATA ANALYSIS

## Product

### Ethnic Diversity

Ethnic diversity is related to product diversity. Ethnic diversity is proportional to product diversity and product breadth, and inversely proportional to product depth.

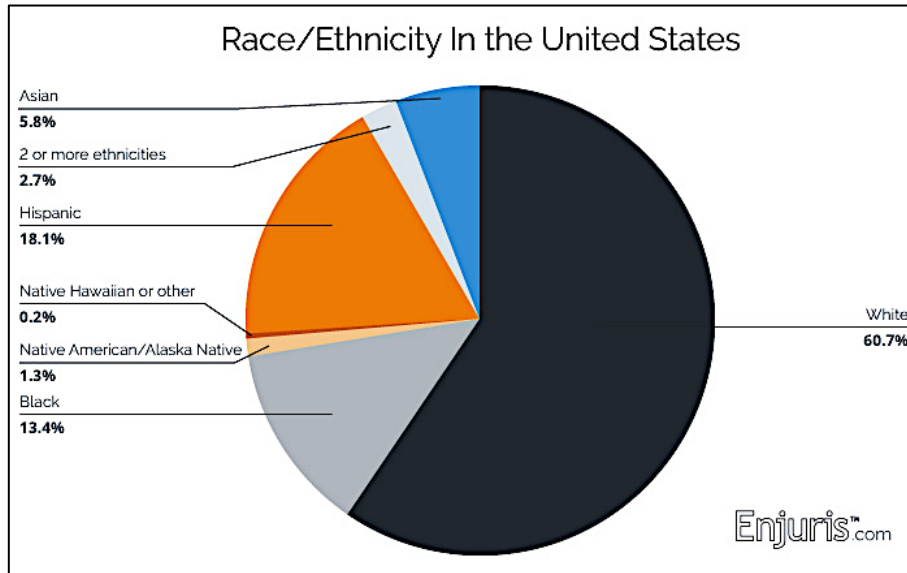
Some countries have people who come from different countries and are ethnically diverse. Convenience stores therefore sell a wide variety of products, but not a wide variety of products, in order to cover a wide range of ethnic preferences. In the case of snacks, convenience stores sell Japanese snacks, Korean snacks, American snacks, and so on. But the taste choice of national snacks is not much, will only sell national best-selling flavor.

Take the United States as an example. Americans are ethnically diverse and have many foreign residents. This is shown below.<sup>17</sup> Therefore, the food is more diversified, and the convenience store will set up the snack area of foreign countries, so that people of different nationalities can choose from.

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<sup>17</sup> "Law School Enrollment by Race & Ethnicity," <https://www.enjuris.com/students/law-school-race-2018.html>.

Chart 7: The population of the U.S.



In contrary, low ethnic diversity, product diversity and product breadth are inversely proportional, product depth is proportional.

Because of the lack of ethnic diversity, convenience stores only have to cater to local preferences. Therefore, the product style is not much, but the variety is many yuan. Taking drinks as an example, convenience stores may only sell milk, but there are many flavors of milk, such as chocolate milk, coffee milk and so on.

Mexico, for example, was ruled by Spain and influenced by the ancient Indian culture, and its dishes are mainly sour and spicy. Chili, in particular, has become an indispensable food for Mexicans. There are estimated to be hundreds of varieties of chilies native to Mexico, ranging in color from fiery red to dark brown. In terms of spiciness, the thinner the body, the higher the spiciness. Thus, all kinds of food are spicy, even muffins are made with chili. Even fruit is served with chili sauce. Eat authentic Mexican food, the ingredients are mostly chili and tomato, and the sauce is more than 90% is made of chili, tomato and lemon. Therefore, in convenience stores,

you can find all kinds of chili sauces.

Beans are also an important ingredient in the Mexican diet. Mexicans are very fond of beans and have invented many ways to make beans. Therefore, in convenience stores, you can find spicy beans with beef, cold with green beans and so on.

In addition, the interviewee (Mexico) mentioned: “our corn products are also a lot of money. Such as corn chips, corn cocoa and so on. By the way, what's special is the corn cocoa, which is not yet available in other countries.”

### **Religious Diversity and Product Taboos**

High religious diversity, product taboos. In other words, religious diversity is in direct proportion to product taboos.

When a country has a high degree of religious diversity, there are many norms in life because of beliefs. As a result, there are many taboos to be observed about the products to be sold in convenience stores.

Take Indonesia for example. In Indonesia, most Indians believe in Hinduism. The cow is sacred to Indians. If you want beef, you can only buy it from specialized shops in Muslim communities.

Muslims can eat beef, but not pork. Different from kosher food. Interviewee (Indonesian, Muslim) mentioned: “Not only pork, but all meat must be slaughtered by Muslims, Jews and Christians in the name of Allah. Fish parts may not be struck or transected; otherwise they are unclean. The rest of the blood, animals not legally slaughtered, decaying corpses, birds and animals that eat meat, alcohol and all drugs are prohibited.”

For religious reasons, vegetarians are the majority in India, so there are fewer meat products in Indonesian convenience stores. In addition, the Indonesian government's ban on alcohol has also made it impossible for supermarkets to sell

alcoholic beverages, which can only be purchased in qualified places.

### **Consumption Pattern**

Consumption patterns affect product categories. The average cost and price of an item in a country affects the products sold in convenience stores.

Take health care as an example. In Taiwan, where health care resources are abundant, the cost of seeing a doctor when you are sick is not as high as in other countries. Therefore, in Taiwan's convenience stores, few drugs are sold, and most of them sell health food and maintenance products.

In contrast, in the United States and Australia, doctor visits are expensive, so convenience stores sell everyday medicines. Because in life, unless they have a very serious illness, if they don't feel well, they will buy medicine first, and they won't go to the doctor directly.

### **The Difference Between Urban and Rural Areas**

The difference between urban and rural areas and regions will affect the variety of products. Due to the different living patterns in urban and rural areas, the types of consumer products will be different. In cities, convenience stores sell a wide variety of drinks and cooked food for the convenience of commuting to work. In rural areas, convenience stores sell products that focus on everyday life.

Take Japan for example, Japanese people often go to convenience stores, especially Japanese office workers, because they think convenience stores are very convenient and time-saving. As a result, in Japan's metropolises, such as convenience stores in Tokyo, the choice of cooked food is more varied than that of other stores.

The convenience stores in the suburbs are larger and have more unprocessed products, such as fresh vegetables and so on. The products sold will be based on daily life, so it is more like a supermarket.

In addition, the interviewee (Japan) also mentioned: "in Japanese convenience

stores, there are many kinds of nutritious drinks. Because working in Japan, most of the people who eat out go to convenience stores every day. Because this nutrition beverage becomes at any time supplement physical strength maintains one of article. Nutritional drinks such as "fatigue recovery", "multivitamins", "muscle soreness" and "liver and stomach" are available in a wide variety to supplement your daily needs.

### **Natural Environment**

The higher the climate particularity, the higher the product uniqueness. That is, climate specificity is proportional to product uniqueness. Every country has a different natural environment. In order to adapt to different climates, different products will be introduced to customers. The more specific the climate, the more unique the product.

Take the United States as an example. There are convenience stores in the United States that sell firewood. Because in the United States in winter, the weather can be very cold, homes have fireplaces. So, convenience stores sell firewood for customers to add to their homes.

### **Product Packaging**

#### **National Territory**

It has a large territory, low density of convenience stores and large packaging. In other words, location is directly proportional to the amount of packaging, but inversely proportional to the density of convenience stores. The land area is large, the traffic distance is relatively long, the shop is not everywhere. Therefore, in life, in order to be convenient, store sales of the product package will be relatively large.

Take the United States as an example. Because of its large territory, the transportation distance is longer than that of other countries. Therefore, consumers are used to buying large quantities of products, and stores also sell large quantities of products, which is about 1 to 2 times of that in Taiwan. Convenience stores in the

United States are not as dense as they are in Taiwan.

### **Density of Convenience Stores**

Convenience stores are dense and pack small. In other words, the density of convenience stores is inversely proportional to the size of the package. Due to the small land area, shops can be seen everywhere. Therefore, the packaging of the products sold by the store is mainly small. To provide customers with a greater variety of choices.

Taiwan, for example, has one of the highest densities of convenience stores in the world. The more common 7-11, the whole family, OK and Laerfu alone add up to tens of thousands of stores. Due to the high convenience of Taiwan supermarket, 90% of Taiwanese will go to convenience stores for consumption. Due to the small size of the store, the number of items sold in the convenience store is streamlined to meet the needs of consumers in the smallest amount so as not to be too cluttered. Customers can also choose different kinds of products.

### **Income Level**

Low salary level, small package. That is, the salary level is proportional to the amount of package. If you have a lower salary, you can't buy big packages all at once. Because the product of large portion, capacity is much, the price also is higher.

In the Philippines, for example, the goods in convenience stores are mainly packaged in small packages with simple packaging design. In Taiwan, for example, shampoo is in bottles. But it's all about the size of a ketchup packet. Shampoo, bath lotion, facial cleanser, toothpaste, products and even hair wax are all like trial packages in the Taiwan store.<sup>18</sup>

Interviewee (Philippines) mentioned: "The small-package culture is due to the

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<sup>18</sup> Xue-Li Li, "Unified Supermarket in the Philippines, When the Taiwanese Businessmen Meet Romantic Catholic," 2007.



fact that Filipino workers are generally underpaid. Most are paid weekly or bi-weekly, and there is no way to buy products in bulk. In addition, salaries are recorded every week, so Philippines are used to spending as much as they earn. This small package culture is due to local savings habits and the national character of the Philippines.”

## **Place**

### **National Territory**

The location of the location will be affected by the large geographical area and the low density of convenience stores. Because land area is big, traffic distance is longer. As a result, most convenience stores are located on the side of the highway or near the interchange. Provide customers with supplies. That's why convenience stores have gas stations so drivers can fill up.

In the United States, for example, Americans buy at convenience stores, most of which require gas or snacks on the way. So, convenience stores sell lots of snacks and have gas stations.

Take Australia as an example, there are not many convenience stores in Australia, most of which are equipped with gas stations on the highway. Interviewee (Australia) mentioned: “In addition, convenience stores in Australia also have an APP that displays oil prices and convenience store gas stations adjacent to individual addresses.”

## **Pricing**

### **Income Level**

High level of income, high single price of products. That is, the level of income is proportional to the single price of the product. There will be a balance between income and expenditure to make ends meet.

In Sweden, for example, the hourly wage of a clerk in a convenience store is about 400 NT dollars per hour, and the monthly salary is about NT \$60,000.

Convenience stores in Sweden also charge more, about twice as much as in Taiwan.

This is shown below.<sup>19</sup>

Table 1: The brief economic situation of Sweden (GDP)

經濟概況	
幣制	瑞典克朗 (Swedish Kronor)
國內生產毛額	US\$ 5,045億8,947萬 (2017)
經濟成長率	2.4% (2017)
平均國民所得	US\$5萬90元 (2017)

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<sup>19</sup> "Investment Environment of Sweden,"  
<https://twbusiness.nat.gov.tw/countryPage.do?id=1&country=SE>.

## **Lack of Natural Resources**

Natural resources are scarce, and scarce resources are priced high.

Take Australia as an example. Australia has been short of water for a long time. They have been taught since childhood that water is precious. Therefore, the price of water-related products will be higher. A can of mineral water, for example, sells for \$3.2AUD, the equivalent of NT \$90. It is even more obvious when comparing prices with Taiwanese drinks. It's like a bottle of "Pocari Sweat" for \$3.3AUD, which is about NT \$92.

Sweden, for example, has little crop production because of its high latitude. So, food in Europe is expensive. Taiwan, by contrast, has a low latitude and produces a lot of crops. Convenience stores in Sweden sell more fruits and vegetables than in Taiwan, about twice as much.

## **Promote**

### **Promote by Organizing an Event**

After the visit, I found that most of the sales promotion in foreign countries is in the form of activities.

Foreign party culture is mostly developed to celebrate religions or festivals together. Therefore, it is very common to do activities to promote sales in foreign countries.

Take Australia for example, convenience stores in Australia often hold activities to attract consumers. For example, the Slurpee promotion will hold creative Slurpee activities to attract consumers. Let customers stack different flavors of slurries. The more flavors you stack, the more discounts you get.

## **Business Model**

### **Emphasis on Standard Specification**

Focusing on standard specifications can affect services and products.

In Geert Hofstede's cultural analysis, Individualism and Collectivist are mentioned. It is one of the cultural dimensions analyzed by Geert Hofstede from the perspective of social value. It refers to how a person balances the achievements and benefits of an individual against those of his or her group or organization. Individualism values individual achievements and interests. Individuals enjoy high freedom and advocate survival of the fittest. However, most Asian countries prefer Collectivist and value the cooperation and benefits of group members.<sup>20</sup>

Take Sweden, for example, where individual rights are valued. Interviewees (Sweden) also mentioned that "for swedes, the" personal life "of each worker is more important than" convenience ". They believe that everyone should go home after work, have a good rest, get together with family and friends, and have their own time." That is to say, swedes do not care about convenience, but in the "no harm to others personal life" under the premise of the pursuit of convenience.

Taking Japan as an example, it attaches great importance to interpersonal interaction and therefore attaches great importance to etiquette, belonging to Collectivist. Japanese etiquette is evident in convenience stores. Cosmetics are sure to be sold in convenience stores in Japan. Because it is polite for Japanese to wear makeup. Therefore, there are many kinds of cosmetics and maintenance in convenience stores.

In addition, the interviewee (Japan) mentioned, "when settling accounts in Japan, there will be clear moving line signs and you need to line up in the specified line or footprint moving line. Then, wait for instructions from the clerk before you go to the counter. In addition to increasing the smoothness of the checkout, this also prevents queue-jumping. In Japan, cash is still the main payment. Japanese people put cash on little plates at the counter. It comes from the Japanese "money dish culture". The

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<sup>20</sup> huang, *International Marketing Management (Version 5)*.

origin of Japan's "money dish culture" is unknown. Since the Edo period there has been the habit of using money tray. In addition to keeping a proper distance from customers, it is also convenient for the clerk to see when receiving and changing change. Such a checkout has become one of the symbols of Japanese service. Therefore, it is politer for Japanese to pay the bill with a special money tray.

### **Location Advantage**

Convenient store density is high, have location advantage.

Locational advantage refers to the selection advantage that multinational enterprises have in investment location. That is to say, whether the regions available for investment have advantages in some aspect. The choice of investment location is influenced by factors such as production factors, transportation cost, investment environment and geographical distribution of market. If it has the location advantage, it is easy to attract partners.<sup>2122</sup>

In Taiwan, for example, convenience stores are famous overseas. It's not just selling food and groceries, it's offering a variety of services. Such as printing, payment, freight, etc. In addition, the service attitude is good, there are convenience stores everywhere, 24 hours and the sale of a variety of content, so many foreign customers are surprised.

The density of convenience stores in Taiwan is among the highest in the world. The more common 7-11, the whole family, OK and Laerfu alone add up to tens of thousands of stores. In Taiwan, convenience stores are everywhere. Therefore, many manufacturers are willing to cooperate with convenience stores to attract more customers. This will benefit both parties. That's why convenience stores in Taiwan

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<sup>21</sup> Ting-Lin Lee Yuan-Chieh Chang, Wen-Chiang Chieng, and Tzu-Min Chin, "Locational Advantages, Absorptive Capacity and Innovation Performance: E R&D Subsidiary View," (2013).

<sup>22</sup> Meng-chun liu, "R & D Internationalization Versus Host Country Location Advantage: A Comparison of R & D Centers of Flagship Multinationals on Both Sides of the Taiwan Strait," (2004).

offer so many different services.

Convenience stores in Taiwan continue to evolve, to achieve the location advantage, continuous efforts to cooperate with manufacturers. In addition to paying fees, storing value and sending and receiving documents, we also cooperate with libraries to launch book return services. Convenience stores have also started offering money-changing services because of the increase in foreign visitors. Around the island in China, the mood is thriving, convenience stores have become a rest station for cyclists. Many of the only way around the island, have been considerate for cyclists set up a "bike zone." In addition, convenience stores are now working with Uber Eats (family) to attack the delivery market and order delivery in the middle of the night.

## CONCLUSION

In this borderless era, if enterprises want to expand and develop, it must have to internationalize and adjust their marketing strategies. That it can deal with the market pressures that exist in different cultural environments. If the influence of cultural environment on the internationalization of enterprises is ignored, the goal of enterprise internationalization will be difficult to achieve.

Culture has a profound influence on the consumption pattern, and the cultural factors affecting the consumption pattern are numerous and complex. Therefore, in this study, the marketing methods used by convenience stores in different cultural environments are used to explore how international enterprises' marketing strategies are affected when they face cultural differences and what cultural factors can enterprises do marketing strategy adjustments.

According to relevant literatures and interview, this study finds that convenience stores will adjust their marketing strategies due to many cultural factors in different cultural environments.

First, ethnic diversity affects the decision of product coverage. Second, religious diversity can let convenience store to attention to the product taboos. Third, consumption patterns can lead to changes in the variety of products in the store. Fourth, the special demand caused by the natural environment will increase the uniqueness of products. Fifth, the lack of natural resources will affect the pricing of products. Sixth, the national territory will affect the distance and the density of convenience stores, which will affect the product packaging. In addition, salary also affects the amount of packaging.

My managerial Suggestions is: “While there are many cultural factors contributing to local responsiveness pressure, international enterprises will be able to make appropriate marketing strategies as long as they have an understanding and objectivity of the local culture.”



## **APPENDIX**

### **Interview Questions**

#### **Cultural Questions**

1. What do you think are the differences between convenience stores in your home country and convenience stores in Taiwan?
2. Do you feel more comfortable in a convenience store in your home country or a convenience store in Taiwan? Why?
3. What is your usual consumption orientation? What are the reasons (e.g., cultural differences, price orientation, commodity differences, etc.)?
4. What are the special customs in your country?
5. What kind of food do you usually eat for dinner in your home country? Japanese cold food more, like sushi?
6. Are there any major religions in your country? What religion is that?
7. What do you think about convenience stores in your home country and convenience stores in Taiwan?
8. Have you noticed any cultural differences (lifestyle, preferences, diet, religion) since you came to Taiwan?

#### **Branded Questions**

1. What are the brands of convenience stores in your home country?
2. If you have 7-11 or family convenience store brands in your home country, do you think they have the same popularity and acceptance as in Taiwan?
3. What was the competition among convenience store brands in your home country? What is your (consumer's) response to this? How do you (the consumer) make the trade-off?

#### **Product Questions**

1. Do you buy regular items at convenience stores? Is it in your home country or

Taiwan?

2. When will you be spending money at the convenience store? What will most people buy?
3. What kind of goods will be sold in the convenience store in your home country? What commodities will it focus on?
4. May I ask what special items are available at the convenience store in your home country?
5. Do the convenience stores in your home country have seasonal products?
6. What is the difference between the brand or taste of the goods sold in convenience stores in your home country and that in Taiwan? Why the difference?

#### **Packaging Questions**

1. Some convenience store goods are sold in your home country and Taiwan. What is the difference between your packaging?
2. Does the packaging of your home country convenience store have a large portion or a small portion?
3. Is the packaging design of your home country convenience store more complicated or simple?

#### **Place Questions**

1. What is the difference between your home country's convenience stores in various regions (urban, rural, residential, hospital, school, office, interchange rest)?
2. Where is the number of convenience store stores in your home country?

#### **Price Questions**

1. Does the economic gap between your home and country will be large?
2. Do you think that the price of the convenience store in your home country is

higher or lower?

3. What products in your home country's convenience store will be promoted?
4. What is the difference between the payment tools in your home country convenience store and the payment tools in Taiwan?

### **Advertising Questions**

1. What kind of advertising marketing does your home country's convenience store have (for example, Taiwan's 7-11 have "always open, seven eleven" advertising slogans)?
2. Will the advertising marketing of your home country convenience store appear on the social network?

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