Factors of the Development and Decline in New Industrial Era: A Case Study of 7-Eleven

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ABSTRACT

The purpose of this study is to investigate factors of the development and decline of 7-Eleven in the new industrial era. This study examined the relations between marketing mix strategy (4Ps) and customer satisfaction significantly predicting the development and decline of 7-Eleven. A total of 108 respondents, 56 Malaysian and 52 Indonesian, were involved to collect the data by questionnaires. The regression results provided sufficient evidence that factors of 7-Eleven development are positively related to its marketing mix strategy and customer satisfaction or vice versa. This finding provides profound understanding about the relationship between the development and decline factors in new industrial era, its marketing mix strategy and customer satisfaction.

Keywords: Customer Satisfaction, Factors Advancement and Declining, Marketing Mix Strategy (4Ps)

INTRODUCTION

Through the 21st century, everything is changing rapidly and the whole globe has been experiencing a new era of technological advances. It brought new ways of connecting, communicating, consuming, and travelling, making our lives easier and more efficient (Cuthbertson, 2019). On the one hand, it brings a big challenge to 7-Eleven to adapt to the new industrial era. To survive in the competitive market, they need to establish a new business model that represents their unique image, such as concentrating on consumer needs, product creativity to increase or maintain target customers. Kaligis, (2020) suggested that technological advance would lead to the development of agriculture in which economic changes, cultural transformations, technology and information can change lifestyles, thereby changing expected decisions.

The 7-Eleven Inc (7-Eleven), Seven-Eleven Japan Co Ltd subsidiary, is an American-Japanese international chain of convenience stores. Currently, it operates 71,100 stores in 18 countries around the world. It operates 24 hours a day and sells many products, such as food and beverages, ready-to-eat hot food, and household products. It provides a more convenient lifestyle to customers by reducing the customers to take long distances to buy their basic needs (7-Eleven Malaysia Holdings Berhad, 2019).
The 7-Eleven Malaysia has potential growth in the retail market and expects to open 125 new stores per annum for 2020 and 2021. On the other hand, in Indonesia, the first 7-Eleven store has been popping up since 2009. It led to an increment of stores amount from 21 stores in 2010 to 190 stores in 2014, which recorded high sales revenue in Jakarta and surrounding cities. Unfortunately, 7-Eleven has fully exited Indonesia retail market on June 30, 2017 (Yuniar, 2017). Therefore, this study explores why 7-Eleven can maintain a stable level of development in Malaysia, while it shut down and entirely exited Indonesia market. This study aims to examine the relationship between factors of advancement and declining in 7-Eleven, its marketing mix strategy and customer satisfaction.

Marketing capabilities, operational capabilities, environmental management practices, and environmental investment have a significant impact on environmental performance, especially environmental investment with the greatest environmental impact (Awatara, Hamdani, Susila, & Sarya, 2020). Thus, 7-Eleven should make a marketing plan to adapt its business in the new industrial era by using a marketing mix strategy.

A marketing mix strategy is a set of effective marketing tools a business uses to sell and promote its products or services to the target customers (Lake, 2019). It is also the combination of variables that can be used by a business to influence the response of customers (Singh, 2012). It can help businesses to develop the strength and weaknesses, giving them directions to make any improvements. It consists of four unique interdependent variables (4Ps), including products, price, places, and promotions.

The first variable is products. Luenendonk (2020) defined products as either tangible goods or an intangible service to meet a specific customer need or demand. Companies must be able to influence consumers by creating products or services which win over customer heart (Setyoviyono & Liem, 2020). Since customers are the most important factor in achieving business success, 7-Eleven should focus on rapidly changing customer needs from time to time. This is to satisfy customer needs by continually innovating its product range and offering a wide range of high-quality products in the market, allowing customers to have more choices to purchase, increase their satisfaction, improve business performance and stay ahead of the competition (Huber, Diers, & Gulisano, 2013). This is significance to avoid 7-Eleven lose its customer, fall in revenue and be out of the high competition market. Malaysia’s 7-Eleven is a successful example, which satisfies local customer’ needs and makes sure all foods sold are high-quality and HALAL certified (7-Eleven Malaysia Holdings Berhad, 2019). It adapts its business model to 24-hours operations since 1984 as Malaysian have a late sleeping habit. In contrast, 7-Eleven in Indonesia was the unsuccessful example.

The main factors leading to the closure of all 7-Eleven stores in Jakarta is Indonesia’s rapid change in external business environment, such as shopping habits, new government policy, and high competition in the retail market (Yuniar, 2017). In this technology era, a growing trend of online shopping occurs globally, including Indonesia. Most of Indonesian prefer shopping online to purchasing in the shops or markets. As 7-Eleven did not make any adjustments, to adapt to those issues, it failed in business.

The government of Jakarta released a new policy banning alcohol sales in minimarkets and convenience stores in April 2015 (Wirdana, 2017). It led to a revenue fall and affected 7-Eleven business, for almost 15% of its revenues come from alcohol sales.
Furthermore, regulators did not recognize 7-Eleven's business model, which led to its closure. It indicates that 7-Eleven in Jakarta did not provide a wide range of products, in addition to several competitors, especially Indomaret and Alfamart, entering in the retail market (Danubrata & Silviana, 2017). Both are the biggest retail operators with a long history in Indonesia. Based on the research of Euromonitor International in 2016, they both represented 51.2% and 38.5% respectively for the retail value in the Indonesian convenience stores market. However, 7-Eleven had merely 0.7 market share. It shows that 7-Eleven is unable to compete with other competitors making 7-Eleven cannot cover its operational costs and lead to the closure.

Another unique variable is price. As an indicator of product quality, it raises product's expectations and determines higher satisfaction (Dapkevičius & Melnikas, 2009). Price is a significant element in a business and highly associated with business's sales or profit. Hence, 7-Eleven should set a standard and reasonable price for different products in different countries, considering the economic environment for each country. If 7-Eleven sets a relatively high price in the retail market, local customers might not afford its products and switch to other competitors. On the contrary, if 7-Eleven sets a relatively low price, local customers are willing to spend their money purchasing its products, though the profits 7-Eleven gains will not be high. This can be a good marketing strategy in a short-run business. However, for the long-run business, such as 7-Eleven, it is not a suitable and stable marketing strategy. A company's pricing strategy's effectiveness also increasingly depends on its skills in utilizing customers' information and enabling them to grasp their decision-making promptly (Kalaignana & Varadarajan, 2006).

In addition, place is another determinant factor to consider. An effective place strategy will help business to get closer to customers and recognize competitors to which a business faces. There is a significant effect between store atmosphere on customer satisfaction (Anderson & Liem, 2020). In response to the business decline in Indonesia, 7-Eleven should adopt a more effective place strategy to re-enter the fierce market, by opening widely the outlets across the suburban areas without any restriction to ensure customers could easily access the stores and to serve their needs anytime and anywhere.

Indonesia's 7-Eleven stores were in the office and commercial areas. This prompted 7-Eleven to expand its business in Jakarta and surrounding cities rapidly. In 2014, a total of 190 stores operated in Indonesia. However, after two years, the stores decreased to 166, and even the remaining stores were terminated on June 30, 2017. The place strategy implemented 7-Eleven Indonesia was not comprehensive enough to against other competitors and to survive.

According to Kaushik (2019), in 2019 Indomaret had 15,000 stores (47% of total market shares), Alfamart had 10,000 stores (38% of market shares), and only 190 stores of 7-Eleven (0.7% of market shares). Furthermore, the street food stalls sold their products at lower prices and were located adjacent to the residential areas. However, 7-Eleven were not considering residential areas and public transport stations because these places were not seen as the ideal and premium locations. These factors led to the difficulties of 7-Eleven to survive in Indonesia.

The core technology of chain operation is the basis for chain operation success (Huang & Liu, 2017). Due to its technology of chain operation, 7-Eleven can easily be found everywhere in Malaysia. This makes customers easily access 7-Eleven all the time. Malaysia's 7-Eleven always struggles to compete with many rivals such as 99 Speedmart,
and Family Mart. The expanding market share, creating and innovating its dominant position among competitors make 7-Eleven as a largest convenience store and has successfully overcome the competition among these retailers over the years.

The last variable is promotion. Customer expectations are dynamic and shaped by many factors, including previous shopping experiences, friend and relative opinions, as well as information and promotion of certain companies and their competitors (Machmud & Wolok, 2020). Malaysia’s 7-Eleven has a strong customer base and business partners such as the telecommunications company and PLUS (recharge services). It provides customers with a smart and convenient way to purchase. It is recommended that customers use Touch-N-Go e-wallet to pay for discounts or get cash back coupons (7-Eleven Malaysia Holdings Berhad, 2019). Installing the system did not consume a huge capital outlay to lead technology for in-store payment services (Brown, 2017). Therefore, new technologies should be operationalized when 7-Eleven returns to Indonesian market to promote its convenient service upgrade, brand development, innovation, and smart operations, and to attract new target customers.

Malaysia’s 7-Eleven collaborated with Food Panda (the food and groceries delivery services apps) to enhance the profit. Thus, 7-Eleven should start a partnership with GoFood in Indonesia and provide free shipping or delivery services to simultaneously expand its business model. The Rakuten Insight data showed 78% of Indonesian respondents stated that GoFood was the most used food delivery app in Indonesia. Moreover, the supermarkets in Indonesia have begun to provide customers with convenient online access through mobile or website platforms collaboratively or independently (Handayani, Nurahmawati, Pinem, & Azzahro, 2020). Hence, GoFood may be the ideal promotional tools to enhance 7-Eleven’s promotional strategies.

Social media advertising is a promotional strategy to achieve a social environment and to attract target markets. The idea of hiring celebrities with high social value (in the consumer market) or well-known opinion leaders (in the commercial market) to influence others is a well-known marketing strategy (Knoll & Matthes, 2017). In addition to advertising on TV, it is recommended to use creative advertising in mobile applications such as TikTok, a platform mainly used for content creators besides Youtube. It has 3.5 million monthly active users in Indonesia, Malaysia and other Southeast Asian countries (Devanesan, 2020). Official statistics show that there are 500 million TikTok users (monthly active users) worldwide (Iqbal, 2020).

The objective in this research aims to investigate factors of the development and decline of 7-Eleven. In this research, we expect the development factors of advancement in 7-Eleven Malaysia will be positively related to its marketing mix strategy and customer satisfaction. In contrast, factors of the decline of 7-Eleven Indonesia will be negatively related to its marketing mix strategy and customer satisfaction, since customer expectations and perceptions are unstable and subjective (Harton, 2019). Thus, the hypotheses show that will be tested are:

H1: Factors of advancement in 7-Eleven Malaysia are positively correlated with its marketing mix strategy and customer satisfaction;
H2: Factors of declining in 7-Eleven Indonesia are negatively correlated with its marketing mix strategy and customer satisfaction;
H3: Marketing mix strategy and customer satisfaction significantly interact in predicting factors of advancement and declining in new era of industrial.
RESEARCH METHOD

This paper analyzed the determinant factors of development and decline in the modern industrial era by using 7-Eleven in Malaysia and Indonesia as our case study. This study used a mixed of qualitative and quantitative methodology collecting both primary and secondary data. The primary data were obtained by questionnaires distributed online by Google forms generating respondent’s demography, opinions about the effectiveness of 4Ps 7-Eleven and suggestion for 7-Eleven improvement. The hyperlink of the forms was distributed through Gmail and mobile applications such as WhatsApp and Facebook. A 5-point Likert scale was used in which the answers of our 108 respondents (56 Malaysian and 52 Indonesian) are rated 1 (strongly disagree or highly dissatisfied) to 5 (strongly agreed or highly satisfied). For secondary data, online materials, published articles, journals and textbooks were collected for the research purposes. These resources could improve the main data we collect, provide additional information, and enrich our analysis in this research.

RESULTS AND DISCUSSION

A set of questionnaires were designed to investigate the effectiveness of marketing mix strategies (4Ps) suggesting improvement and customer satisfaction of 7-Eleven. This research could contribute to understand customer needs and improve the efficiency of 7-Eleven business operations. This research is more comprehensive than previous studies as it includes marketing strategies for 4Ps.

Table 1. Summary of Respondents’ Demography (N = 108)

| Responses                                | Frequency | Percentage (%) |
|------------------------------------------|-----------|----------------|
| Gender                                   |           |                |
| Male                                     | 42        | 38.9           |
| Female                                   | 66        | 61.1           |
| Age Group                                |           |                |
| Below 20                                 | 25        | 23.1           |
| 21-30                                    | 45        | 41.7           |
| 31-40                                    | 22        | 20.4           |
| 41-50                                    | 8         | 7.4            |
| 51 and above                             | 8         | 7.4            |
| Nationality                              |           |                |
| Malaysian                                | 56        | 51.9           |
| Indonesian                               | 52        | 48.1           |
| Employment Status                        |           |                |
| Student                                  | 55        | 50.9           |
| Employed                                 | 33        | 30.6           |
| Unemployed                               | 3         | 2.8            |
| Retired                                  | 5         | 4.6            |
| Self-employed                            | 12        | 11.1           |
| Most Visited Convenience Store           |           |                |
| 7-Eleven                                 | 29        | 26.9           |
| Family Mart                              | 8         | 7.4            |
| Alfa Mart                                | 23        | 21.3           |
Table 1 indicates the demographic profiles of the respondents collected via Google forms. Based on Table 1, most of the respondents are female (66%) with their most group age is between 21-30 years old (41.7%). Besides, Malaysian stand the major respondents (51.9%) and their major status is students (50.9%). The convenience stores they most visited is 7-Eleven (26.9%) and their most visit frequency is once a week (37.0%). Addedly, the main reason they visit to 7-Eleven is the affordable price (34.3%).

Table 2. Survey on Marketing Mix Strategies used in 7-Eleven Malaysia and Indonesia

| Responses                                                                 | Malaysia |          | Indonesia |          |
|--------------------------------------------------------------------------|----------|----------|-----------|----------|
| 1. Product                                                               |          |          |           |          |
| 7-Eleven offers a wide range of products in the retail market.           |          |          |           |          |
| 1 - Strongly Disagree                                                    | 1        | 1.8%     | 1         | 1.9%     |
| 2 - Disagree                                                             | 7        | 12.5%    | 6         | 11.5%    |
| 3 - Neutral                                                              | 23       | 41.1%    | 23        | 44.2%    |
| 4 - Agree                                                                | 13       | 23.2%    | 19        | 36.5%    |
| 5 - Strongly Agree                                                       | 12       | 21.4%    | 3         | 5.8%     |
| Products of 7-Eleven have good qualities.                               |          |          |           |          |
| 1 - Strongly Disagree                                                    | 1        | 1.8%     | 1         | 1.9%     |
| 2 - Disagree                                                             | 3        | 5.4%     | 3         | 5.8%     |
| 3 - Neutral                                                              | 19       | 33.9%    | 24        | 46.2%    |
| 4 - Agree                                                                | 24       | 42.9%    | 20        | 38.5%    |
| 5 - Strongly Agree                                                       | 9        | 16.1%    | 4         | 7.7%     |
| Innovation products of 7-Eleven can reach my expectation.               |          |          |           |          |
| 1 - Strongly Disagree                                                    | 3        | 5.4%     | 2         | 3.8%     |
| 2 - Disagree                                                             | 6        | 10.7%    | 10        | 19.2%    |
| 3 - Neutral                                                              | 22       | 39.3%    | 23        | 44.2%    |
| 4 - Agree                                                                | 15       | 26.8%    | 15        | 28.8%    |
| 5 - Strongly Agree                                                       | 10       | 17.9%    | 2         | 3.8%     |
| Products and services of 7-Eleven can meet my needs.                    |          |          |           |          |
| 1 - Strongly Disagree                                                    | 1        | 1.7%     | 5         | 9.6%     |
| 2 - Disagree                                                             | 4        | 7.1%     | 6         | 11.5%    |
|   | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-------------|-----------|-------------------|
| F | 21          | 20        | 10                |
| P(%) | 37.5 | 35.7 | 17.9 |
| F | 25 | 12 | 4 |
| P(%) | 48.1 | 23.1 | 7.7 |

7-Eleven product’s price is appropriate and reasonable.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 5                     | 15           | 13          | 13       | 10                |
| P(%) | 8.9 | 26.8 | 32.2 | 23.2 | 17.9 |
| F | 1 | 16 | 21 | 11 | 3 |
| P(%) | 1.9 | 30.8 | 40.4 | 21.2 | 5.8 |

The price of 7-Eleven products is consistent with its quality.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 1                     | 9            | 17          | 21       | 8                 |
| P(%) | 1.8 | 16.1 | 30.4 | 37.5 | 14.3 |
| F | 1 | 9 | 13 | 9 | 3 |
| P(%) | 1.9 | 15.4 | 51.9 | 25 | 5.8 |

I am willing to pay for 7-Eleven products.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 5                     | 6            | 18          | 14       | 13                |
| P(%) | 8.9 | 10.7 | 32.1 | 25 | 23.2 |
| F | 3 | 9 | 28 | 9 | 3 |
| P(%) | 5.8 | 17.3 | 53.8 | 17.3 | 5.8 |

7-Eleven offers lower price compare to other retail convenience stores.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 9                     | 12           | 19          | 10       | 6                 |
| P(%) | 16.1 | 21.4 | 33.9 | 17.9 | 10.7 |
| F | 3 | 18 | 20 | 9 | 2 |
| P(%) | 5.8 | 34.6 | 38.5 | 17.3 | 3.8 |

3. Place

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 1                     | 2            | 10          | 21       | 22                |
| P(%) | 1.8 | 3.6 | 17.9 | 37.5 | 39.3 |
| F | 1 | 10 | 27 | 12 | 2 |
| P(%) | 1.9 | 19.2 | 51.9 | 23.1 | 3.8 |

7-Eleven has a strategic location.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 1                     | 2            | 10          | 14       | 16                |
| P(%) | 1.8 | 3.6 | 17.9 | 25 | 28.6 |
| F | 2 | 19 | 27 | 11 | 4 |
| P(%) | 3.8 | 36.5 | 38.5 | 21.2 | 7.7 |

It is easy to find parking lot nearby 7-Eleven.

|   | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|---|-----------------------|--------------|-------------|----------|-------------------|
| F | 1                     | 9            | 16          | 14       | 16                |
| P(%) | 1.8 | 16.1 | 28.6 | 25 | 28.6 |
| F | 2 | 19 | 19 | 11 | 4 |
| P(%) | 3.8 | 36.5 | 30.8 | 21.2 | 7.7 |

Environment of 7-Eleven is clean and comfortable.

|   | 1 - Strongly Disagree | 2 - Disagree |
|---|-----------------------|--------------|
| F | 0                     | 7            |
| P(%) | 0 | 12.5 |
| F | 0 | 2 |
| P(%) | 0 | 3.8 |
|    | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|----|----------------------|--------------|-------------|----------|-------------------|
| 3 - Neutral | 8 | 14.3 | | 19 | 36.5 |
| 4 - Agree | 16 | 28.6 | | 25 | 48.1 |
| 5 - Strongly Agree | 25 | 44.6 | | 6 | 11.5 |

Many branches of 7-Eleven are available within my residence area.

|    | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|----|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 0 | 0 | | 9 | 17.3 |
| 2 - Disagree | 5 | 8.9 | | 9 | 17.3 |
| 3 - Neutral | 10 | 17.9 | | 19 | 36.5 |
| 4 - Agree | 21 | 37.5 | | 13 | 25 |
| 5 - Strongly Agree | 20 | 35.7 | | 2 | 3.8 |

### 4. Promotion

| Promotion Type | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|----------------|----------------------|--------------|-------------|----------|-------------------|
| Coupons        |                      |              |             |          |                   |
| 1 - Strongly Disagree | 2 | 3.6 | | 6 | 11.54 |
| 2 - Disagree | 7 | 12.5 | | 5 | 9.62 |
| 3 - Neutral | 22 | 39.3 | | 20 | 38.46 |
| 4 - Agree | 16 | 28.6 | | 16 | 30.77 |
| 5 - Strongly Agree | 9 | 16.1 | | 5 | 9.62 |

| Sticker Exchange Reward | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|-------------------------|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 3 | 5.4 | | 2 | 3.85 |
| 2 - Disagree | 4 | 7.1 | | 16 | 30.77 |
| 3 - Neutral | 17 | 30.4 | | 19 | 36.54 |
| 4 - Agree | 16 | 28.6 | | 8 | 15.38 |
| 5 - Strongly Agree | 16 | 28.6 | | 7 | 13.46 |

| Discounts (e.g., half price) | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|-----------------------------|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 2 | 3.6 | | 2 | 3.85 |
| 2 - Disagree | 4 | 7.1 | | 5 | 9.62 |
| 3 - Neutral | 10 | 17.9 | | 22 | 42.31 |
| 4 - Agree | 18 | 32.1 | | 23 | 44.23 |
| 5 - Strongly Agree | 22 | 39.3 | | 10 | 19.23 |

| Bonus Pack | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|------------|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 2 | 3.6 | | 1 | 1.9 |
| 2 - Disagree | 4 | 7.1 | | 4 | 7.69 |
| 3 - Neutral | 10 | 17.9 | | 20 | 38.46 |
| 4 - Agree | 14 | 25 | | 23 | 44.23 |
| 5 - Strongly Agree | 26 | 46.4 | | 4 | 7.69 |

| TV Advertising | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|----------------|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 3 | 5.4 | | 1 | 1.9 |
| 2 - Disagree | 6 | 10.7 | | 4 | 7.69 |
| 3 - Neutral | 23 | 41.1 | | 21 | 40.38 |
| 4 - Agree | 15 | 26.8 | | 16 | 30.77 |
| 5 - Strongly Agree | 9 | 16.1 | | 10 | 19.23 |

| Social Media Advertising | 1 - Strongly Disagree | 2 - Disagree | 3 - Neutral | 4 - Agree | 5 - Strongly Agree |
|--------------------------|----------------------|--------------|-------------|----------|-------------------|
| 1 - Strongly Disagree | 2 | 3.6 | | 1 | 1.9 |
| 2 - Disagree | 3 | 5.4 | | 7 | 13.46 |
| 3 - Neutral | 16 | 28.6 | | 19 | 36.54 |
| 4 - Agree | 23 | 41.1 | | 13 | 25 |
| 5 - Strongly Agree | 12 | 21.4 | | 12 | 23.08 |
Product
Table 2 indicates the effectiveness of product strategy implemented by 7-Eleven in Malaysia and Indonesia. A total of 25 Malaysian respondents (44.6%) agreed that 7-Eleven offers a wide range of products and 22 Indonesian respondents (42.3%) stated that 7-Eleven provides a variety of products in the retail market. The 7-Eleven's beverages line, such as Slurpee and coffee, was very popular among Indonesian. It always retails various types of products and services for its consumers.

Additionally, most Malaysian respondents (59%), and Indonesian respondents (46.2%) stated that the products sold in 7-Eleven have good qualities. It always maintains the best quality of the products to ensure that the product value is worth its price. Apart from that, 25 Malaysian respondents (44.7%) agreed that the innovation products of 7-Eleven can reach their expectations. This implies that 7-Eleven always innovates the products, such as RM2 Fresh to Go hot beverages, to better serve customers' rapid changing needs in Malaysia. Besides, 17 Indonesian respondents (32.6%) thought that the innovation products of 7-Eleven could reach their expectations. Thereby, 7-Eleven Indonesia needs to keeps on innovating and bring more differentiated products and services for its consumers.

A total of 30 Malaysian respondents (53.6%) agreed that the products and services meet their needs since 7-Eleven Malaysia always provides the best products and services, such as Touch-N-Go eWallet to make payment easier. However, only 16 Indonesian respondents (30.8%) agreed with this.

Price
Table 2 shows that 41.1% of Malaysian respondents agreed that 7-Eleven product's price is appropriate and reasonable. It always organizes special monthly promotion activities, such as Jom Borong and Jom Makan & Minum, allowing customers to save more money. However, 32.7% of Indonesian respondents disagreed for 7-Eleven Indonesia provided higher prices compared to other stores. In addition, 51.8% of Malaysian respondents and 30.8% of Indonesian respondents agreed that the price of the products is consistent with its quality. It is obvious that 7-Eleven Malaysia carries out strict product quality control to ensure the tastefulness and freshness. Further, 48.2% of Malaysian respondents agreed to pay for the 7-Eleven products due to the quality and freshness at a reasonable price range. In contrast, 23.1% of Indonesian respondents disagreed as their purchasing power has decreased in recent years due to low growth of economic development. In Malaysia, 28.56% of respondents agreed that 7-Eleven offers lower prices than other convenience stores, yet 40.4% of respondents in Indonesia disagreed. It implies that 7-Eleven Malaysia keeps on organizing promotions, discount, and rewards to their customers. Lastly, although 7-Eleven products in both countries are relatively expensive,
local customers are still willing to spend their money on purchasing its products due to their quality.

Place
Table 2 illustrates the effectiveness of the place strategy used by 7-Eleven in Malaysia and Indonesia. The highest percentage of 76.8% Malaysian respondents agreed that 7-Eleven has a strategic location. They stated that they easily access their stores as they are located everywhere, such as in shopping malls, petrol stations, and shop lots (Krishnan, Ismail, & Kanesan, 2018). On the other hand, 26.9% of Indonesian respondents agreed with its strategic location for the stores were mainly opened around the city areas, rather in the suburban areas. Besides, 30 Malaysian respondents (53.6%) stated that the parking lots were easy to find. This allows consumers conveniently shop without worrying about finding parking spaces. Besides, 21 Indonesian respondents (40.3%) disagreed with it, since Jakarta is too busy and frequently faces traffic jams.

In addition, most of Malaysian respondents (73.2%) and Indonesian respondents (56.9%) agreed that the store's environment is clean and comfortable. The cleanliness, playing music, and free Wi-Fi created good customer's experience. A number of 41 Malaysian respondents (73.2%) agreed that 7-Eleven branch stores are easy to find within their residential areas, but it is the contrary in Indonesia. It is highly convenient for Malaysians to walk or drive for a few minutes to reach the nearest 7-Eleven. However, 18 Indonesian respondents (34.6%) stated that it was hard to find the nearest 7-Eleven around their residential areas, and most of them chose to go to other nearby convenience stores, such as Indomaret and Alfamart. These differences invite comparison as 7-Eleven Malaysia has better overall performance in the effectiveness of place strategy than 7-Eleven Indonesia. This reveals several aspects 7-Eleven Indonesia need to consider for its strategic location selection and feasibility.

Promotion
Advertising refers to any source of knowledge which promotes a set of ideas to ease customer in remembering new goods and eliminate barriers between customers and companies (Rahnama, & Beiki, 2013). For coupon promotion tools, 21 Indonesian respondents (40.39%) and 25 Malaysian respondents (44.7%) agreed with its effectiveness as it encourages customers to return. Furthermore, in Indonesia, the sticker exchange rewards were not effective since only 15 respondents (28.84%) agreed with it. However, more than half of Malaysian respondents (57.2%) agreed that this reward could increase customers’ satisfaction as they believe that the stickers exchange rewards are prominent among all Malaysian.

Addedly, the price reduction (discounts) is the most desirable promotion technique, as respondents in Indonesian respondents (44.23%) and Malaysian respondents (71.4%) strongly supported the promotion method. For bonus package promotion, 27 Indonesian respondents (51.92%) and 40 Malaysia respondents (71.4%) believed that this promotion approach were successful, as customers are more likely to use ‘buy 1 get 1 free’ promotion.

TV advertisement is an effective promotional tool to maximize the brand exposure, such as holiday promotions featuring latest trend items. In Indonesia, 26 respondents (50%) agreed that this TV advertising would affect 7-Eleven's sales, but less than half of the respondents in Malaysia (42.9 %) agreed with this promotion method. The social media advertising (Facebook, TikTok or Youtube) was supported by Indonesian and Malaysian
respondents, with 25 (48.08%) and 35 (62.5%) respondents respectively. Moreover, the delivery service applications are a new trend, in which the combination of grocery and applications will surely boost sales. A total of 30 Malaysian respondents (53.5%) agreed that the delivery applications are effective to boost customers' satisfaction, but only 19 (36.53%) Indonesian respondents agreed. The sales promotion, advertising, and collaboration with huge companies could be the major consideration when 7-Eleven re-enters the Indonesian market.

Table 3. Customers’ Satisfaction of 7-Eleven in Malaysia and Indonesia

| Customers' Satisfaction | Malaysia | Indonesia |
|-------------------------|----------|-----------|
| 1 - Very Dissatisfied   | F 2 P(6) | 3 5.8 |
| 2 – Dissatisfied        | 6 10.7  | 18 34.6 |
| 3 – Neutral             | 21 37.5 | 19 36.5 |
| 4 – Satisfied           | 18 32.1 | 10 19.2 |
| 5 - Very Satisfied      | 9 16.1  | 2 3.8 |

Customers’ Satisfaction Scale

56 51.9 52 48.1 |

Notes: F = Frequency and P = Percentage (%)

Table 3 illustrates the satisfaction of 7-Eleven customers in Malaysia and Indonesia. A total of 48% of Malaysian respondents were satisfied with 7-Eleven 4Ps strategy. Malaysian respondents were more satisfied with the location as they were highly impressed by the convenient location and parking lots. In addition, 40.4% of Indonesian respondents were dissatisfied and 36.5% were neutral. Since there are no 7-Eleven stores currently opening in Indonesia, they refused to respond to the satisfaction rate. Hence, the customer satisfaction of 7-Eleven in Malaysia was higher than that in Indonesia.

Table 4. Regression Results of Customer Satisfaction and Marketing Mix Strategy

| Responses                | Unstandardized Coefficients | Standardized Coefficients |
|--------------------------|-----------------------------|---------------------------|
|                          | B   | Std. Error | Beta | t   | Sig.  |
| a. Dependent Variable: Customer Satisfaction Malaysia |
| Product Scale            | .082 | .038  | .281 | 2.161 | .035 |
| Price Scale              | .062 | .029  | .253 | 2.158 | .036 |
| Place Scale              | .071 | .025  | .247 | 2.806 | .007 |
| Promotion Scale          | .037 | .018  | .227 | 2.019 | .049 |
| Marketing Mix Strategy   | .058 | .004  | .873 | 13.130 | .000 |
| b. Dependent Variable: Customer Satisfaction Indonesia |
| Product Scale            | .019 | .053  | .057 | .350  | .728 |
| Price Scale              | .043 | .071  | .134 | .609  | .545 |
| Place Scale              | .046 | .059  | .140 | .780  | .439 |
| Promotion Scale          | .078 | .023  | .460 | 3.433 | .001 |
| Marketing Mix Strategy   | .053 | .008  | .671 | 6.395 | .000 |
| c. Dependent Variable: Total Customer Satisfaction |
| Product Scale            | .048 | .032  | .150 | 1.495 | .138 |
| Price Scale              | .043 | .029  | .150 | 1.496 | .138 |
Table 4 shows p-value of each marketing mix strategy in Malaysia are lower than significance level (0.05), p < 0.05, so it is significant. Based on model summary table in SPSS, the value of R2 is 0.769, which explains 76.9% of marketing mix strategy (4Ps) is related to its customer satisfaction. It proves that 4Ps used in 7-Eleven Malaysia is effective, successfully achieve high customer satisfaction and become one determinant factor of its development. Thus, H1 are accepted.

In Indonesia, the p-value of product, price and place scale are higher than significance level (0.05), p > 0.05, so it is not significant. However, since the p-value of promotion scale is lower than significance level (0.05), the promotion scale is significant to customer satisfaction. Based on model summary table in SPSS, the value of R2 is 0.467, which explains only 46.7% of marketing mix strategy (4Ps) is related to customer satisfaction. It is relatively weak because it is less than half of total percentage (50.0%). It is evident that 4Ps used in 7-Eleven Indonesia is not effective, for it creates low customer satisfaction and becomes one factor of 7-Eleven decline. Due to lack of sufficient evidence to prove that Indonesia's decline is simply a marketing mix strategy issue, H2 is rejected.

Furthermore, the p-value of product and price scale in both countries is less than significant level (0.05). It concludes that the product and price scale are not significant to both countries’ customer satisfaction. Nonetheless, both of place and promotion scale have zero p-value, which means it is not proper to conclude that the impact of the respective variable is absolutely significant. Overall, based on model summary table in SPSS, 65.1% of marketing mix strategy is related to customer satisfaction in both countries. Thus, it shows a high rate and H3 is accepted.

**CONCLUSIONS**

Table 5 shows the summary of the hypotheses above. It illustrates that marketing mix strategy used in 7-Eleven Malaysia is significant to its customer satisfaction, and that used in 7-Eleven Indonesia is slightly related to customer satisfaction. Several external factors, such as changes in shopping habits, new government policy, high competition in the retail market and the customer services, are believed to be the sources of the 7-Eleven decline in Indonesia. Zhu, Lin, Tsai, & Wu (2010) argued that customer satisfaction could be greatly improved with only a small improvement in service performance. In addition, good customer service is extremely important as customer service represents most of the growth in service work (Colquitt, Lepine, & Welson, 2021). Therefore, 7-Eleven should implement a better training field to its sales clerks or cashiers since marketing dimension (ability, communication, and conflict handling) is the service department's priority (Ndubisi, Maholtra, & Wah, 2008).

**Table 5. Hypothesis Summary**

| Hypotheses                                                                 | Result   |
|---------------------------------------------------------------------------|----------|
| H1: Factors of the development of 7-Eleven Malaysia are positively correlated with its marketing mix strategy and customer satisfaction. | Accepted |
**H2:** Factors of the decline of 7-Eleven Indonesia are negatively correlated with its marketing mix strategy and customer satisfaction.  
Rejected

**H3:** Marketing mix strategy and customer satisfaction are significantly related in predicting factors of development and decline in new industrial era.  
Accepted

Generally, 7-Eleven should conquer the strategic 4Ps for its development plans either in Indonesia or Malaysia. The marketing mix strategy commonly used by a particular company may vary in the results as they significantly have different resources, market conditions, and the changing needs of its customers (Goi, 2009). Compared to ten years ago, today's consumers demand clean and comfortable stores and become more mature, rational, and more personalized. As they need to keep pace with the times, 7-Eleven must continue to adapt to the new needs, and rely on technology by upgrading software and hardware to keep up with growing consumption trend and tap the market potential.

Finally, a number of important limitations need to be considered. Since our team has no direct face-to-face interaction with the interviewees and the party members, this could raise third parties' misunderstanding. Moreover, cultural diversity has always been the most difficult aspect of the study since we have only one Indonesian member, meanwhile the Indonesian market is the focus of our study and most of our Malaysia team members did not make conversant with Indonesian industry and its current market conditions. Hence, it is suggested that future research shall give greater attention to the society and cultural diversity to ensure the design market standards are in line with the needs of various countries and customers.

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