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FAMILYMART IN CHINA: The DIVORCE OF A 20-YEAR INTERNATIONAL PARTNERSHIP?[[1]](#endnote-1)

Dr. Lucas Liang Wang and Dr. (Shiny) Xuan Feng wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On May 14, 2019, breaking news appeared in the headlines of numerous business media outlets revealing an ongoing lawsuit between FamilyMart Co. Ltd. (FamilyMart) Japan, a world-leading convenience store chain, and Ting Hsin International Group (Ting Hsin), a Taipei-based food and beverage conglomerate.[[2]](#endnote-2) Over nearly 20 years the two firms had collaborated to develop FamilyMart convenience stores in mainland China through a joint venture (JV).[[3]](#endnote-3) Judging from the swift expansion of FamilyMart stores and the chain’s top ranking among all foreign convenience stores in terms of market share, the collaboration had been quite successful. The market for convenience stores in China was also promising. Against this bright picture, the claim that FamilyMart Japan would terminate its partnership with Ting Hsin was shocking. Regardless of the lawsuit, both sides would soon have to come to the negotiation table again, as their 20-year brand licensing arrangement would expire in a few months. It was thus urgent for both parties to sort out their stands on such critical decisions as whether to continue with the collaboration and, if so, how to renegotiate the new deal.

CONVENIENCE STORE INDUSTRY

Convenience stores (also known as C-stores) originated in Texas, United States, in 1927, when John Green, an employee of Southland Ice Company, started to sell daily necessities such as bread, milk, and eggs through his retail ice dock. Together with one of the founding directors of the Southland Ice Company, Green thus established the first known convenience store. In 1946, the stores were rebranded as 7-Eleven.[[4]](#endnote-4)

In 1957, the United States had only 500 convenience stores. This new retailing format, however, swiftly spread across the country after 7-Eleven began to franchise in 1964. By 1990, the number of convenience stores soared to 84,500, with a density of 2,940 people per store and annual sales of nearly US$100 billion.[[5]](#endnote-5)

Spearheaded by 7-Eleven, convenience stores soon spread beyond North America. In 1973, the first 7-Eleven franchised store opened in Toyosu, Tokyo. In 1991, 7-Eleven became the top convenience store in the retail industry in Japan⎯a leading status it maintained to date.[[6]](#endnote-6) Uni-President Enterprises Corp. brought 7-Eleven to Taiwan under a franchising deal in 1979. By 2019, Taiwan had about 2,700 stores, accounting for 13 per cent of the total number of 7-Eleven stores worldwide, ranking third after Japan and the United States.[[7]](#endnote-7)

Convenience stores gathered strong momentum across the world in providing a new, convenient retailing option relative to then-popular supermarkets. These convenience stores were located close to housing or business estates, allowing residents nearby to reach them within 5−10 minutes on foot.[[8]](#endnote-8) The shopping area was typically small, ranging from 50 to 200 square metres. The goods (e.g., snacks, instant food items, and beverages) were characterized by limited variety, instant consumption, small volume, and emergence, and displayed in a straightforward manner on relatively lower shelves. Consumers could therefore find what they needed quickly, cutting short the shopping time and avoiding a long queue at the checkout. The business hours of convenience stores were typically 16−24 hours per day year-round, so that consumers could visit them at nearly any desirable time.[[9]](#endnote-9) For these unique features, convenience stores were popular in countries with a large and dense population and with time-starved residents who shopped mostly on foot (as opposed to driving long distances).[[10]](#endnote-10)

While only selling daily necessities at the beginning, convenience stores later added services including courier, photocopying, ticketing, banking kiosk, and film development services, among others.[[11]](#endnote-11) Recent major additions to the product portfolio were fresh and grab-and-go food items. For example, the top convenience retailers in the United States—QuikTrip, Wawa, Sheetz, and Kwik Trip—had made food service a strategic priority.[[12]](#endnote-12)

In 2019, the three largest convenience store brands in the world were 7-Eleven, FamilyMart, and Lawson Inc. (Lawson). Among them, 7-Eleven was the top brand, operating more than 20,000 stores in over 20 countries.[[13]](#endnote-13)

CONVENIENCE STORES IN CHINA

Convenience stores entered mainland China in 1992 through the opening of a 7-Eleven in Shenzhen and quickly expanded to other large coastal cities. Boosting this rapid expansion were the dense population and rapid urbanization in mainland China.[[14]](#endnote-14) In 2018, the top 100 convenience store brands witnessed a 21.1 per cent increase in annual sales and an 18 per cent increase in store numbers.[[15]](#endnote-15) The average compound annual growth rate was greater than 10 per cent from 2016 to 2019, with the total number of convenience stores jumping from 90,000 to 132,000 (see Exhibit 1).[[16]](#endnote-16)

The surge of the convenience store industry was likely to continue into the near future. China had 1.36 billion people but only 132,000 convenience stores, leaving a huge market gap for future development.[[17]](#endnote-17) Comparatively, Japan had about 50,000 convenience stores and a population of 120 million, and the United States had 150,000 convenience stores and a population of 320 million. While sales by convenience stores were about 5−6 per cent of total retailing in developed economies, that percentage was only 1−2 per cent in China. In 2019, Euromonitor International predicted greater than 60 per cent growth in China’s convenience store market in the next five years, to $27 billion.[[18]](#endnote-18) To seize the rising opportunities, numerous institutional investors poured extensive capital into this industry in 2019.[[19]](#endnote-19)

The boom of the convenience store market in China not only attracted foreign brands like 7-Eleven but also gave rise to many local brands, the major ones including Meiyijia, Hongqi, Haode, and Tangjiu. As of 2018, China’s convenience store industry had more than 260 brands in total, most of which were regional. The industry was highly fragmented. The concentration ratios of the top third and fifth stores were 26.4 per cent and 37.5 per cent, respectively, much lower than the 90 per cent and 97 per cent of the same in Japan.[[20]](#endnote-20) In terms of annual sales in 2019, the top four stores in China were Meiyijia, with 12 per cent market share; FamilyMart, with 8 per cent; Hongqi, with 8 per cent; and Lawson, with 6 per cent. 7-Eleven was ranked number 9, with about 2 per cent market share.[[21]](#endnote-21)

FAMILYMART JAPAN

In the global convenience store industry, FamilyMart was the second-largest chain based on number of stores or sales volume in 2019. Its first store was opened in Saitama Prefecture in Japan in 1973 as an experiment by Seiyu Stores Ltd. (which later changed toSeiyu Group), one of Japan’s largest retailers, operating supermarkets, shopping centres, and department stores. In 1981, Seiyu Stores Ltd. established FamilyMart as its convenience store business.[[22]](#endnote-22)

Adopting a franchising system, FamilyMart expanded quickly after its founding, opening 1,000 convenience stores in Japan over the following five years. In 1987, it went public on the Tokyo Stock Exchange. In 2019, FamilyMart occupied a 26 per cent market share and was among the top three oligopolistic store brands in Japan (see Exhibit 2).[[23]](#endnote-23)

FamilyMart was one of the earliest Japanese convenience store brands to go international. In 1988, it first entered Taiwan, which was geographically and culturally proximate, and witnessing swift economic growth.[[24]](#endnote-24) This entry was through a JV, FamilyMart Taiwan, and the other partner was Taiwan’s He Feng Enterprise Co. Ltd.. After Taiwan, FamilyMart started Bokwang FamilyMart Co. Ltd. in South Korea in 1990 through a franchise licensing agreement with Bokwang Group (now BGF Retail),[[25]](#endnote-25) and Siam FamilyMart Co. Ltd. in Thailand in 1992.[[26]](#endnote-26)

As the name suggested, FamilyMart saw its convenience stores not only as a place for convenience shopping but also as a family that connected neighbourhood customers (i.e., family members) through high-quality products, “home-like” services, and innovation toward a comfortable lifestyle.[[27]](#endnote-27) FamilyMart stores strove to coexist with and evolve as an integral part of their local communities. This family vision ran through the design and operation of all its domestic and overseas stores. To maintain a consistent brand globally, FamilyMart was especially prudent in selecting its business partners. It only worked with partners with an understanding of FamilyMart’s business model, philosophy, and industry concept. Meanwhile, FamilyMart also granted certain autonomy to local partners to undertake necessary adaptations that accommodated the unique differences in customer demands and government policies.[[28]](#endnote-28)

Starting from the turn of the twenty-first century, FamilyMart had accelerated its global expansion by foraying into the United States, mainland China, Malaysia, the Philippines, Vietnam, and Indonesia. The overseas FamilyMart stores outnumbered those in Japan in 2009, marking a significant milestone.[[29]](#endnote-29) By the end of 2013, FamilyMart had opened 13,017 overseas stores, about 1.3 times the number of domestic stores.[[30]](#endnote-30) However, its international growth took a downturn when FamilyMart withdrew from South Korea in 2014 and the United States in 2015, largely because of the fierce competition in those markets and breakups with partners. As of 2019, FamilyMart had entered seven other countries, with overseas stores making up about one-third of all stores.[[31]](#endnote-31)

TING HSIN international GROUP

Ting Hsin was a Taiwan-based company that mainly manufactured and distributed food and beverage products.[[32]](#endnote-32) Its predecessor was Ting Hsin Grease Co. Ltd., a small castor oil company founded in 1958 by Dehe Wei.[[33]](#endnote-33) Facing difficulties in scaling up the family business in Taiwan, Yingxing Wei, one of the four sons of Dehe Wei, came to mainland China in 1988 searching for new growth opportunities.[[34]](#endnote-34)

The initial investment projects, however, were not successful. In 1989, Ting Hsin established its first JV, Beijing Ting Hao Oil Making Co. Ltd., to process and produce refined sesame oil and later established a second JV in Jinan, Shandong, that manufactured egg rolls. Between 1989 and 1991, Ting Hsin invested in another four JVs in multiple locations in China, but none of these projects generated profits. Despite a great deal of publicity through extensive marketing campaigns and its superior product quality, Ting Hsin struggled to sell its “high-quality, high-price” products to Chinese consumers.[[35]](#endnote-35)

In 1991, Ting Hsin spotted a vast but untapped market⎯instant noodles. In the early 1990s, domestic instant noodles were cheap but poor in quality, whereas imported brands were too expensive for Chinese consumers. Ting Hsin founded Tingyi (Tianjin) Holding Corporation and released the “Master Kong” brand of instant noodles in August 1992. Master Kong instant noodles were tasty and much cheaper than most of the imported brands (¥1.98[[36]](#endnote-36) for one pack of Master Kong noodles compared with ¥5−¥10 for imported instant noodles). Master Kong noodles quickly dominated the market and brought Ting Hsin huge profits along with multiple national awards in the areas of food and food packaging.[[37]](#endnote-37) In 1996, Tingyi Holding Corporation completed an initial public offering in Hong Kong, and Master Kong became a household name across mainland China.[[38]](#endnote-38)

The unprecedented success of Master Kong inspired Ting Hsin to undertake a series of aggressive extensions into other food and beverage businesses. In 1995, Ting Hsin founded Ding Yuan Food Co. Ltd. to get a foot in the pastry business. In 1996, it fully acquired Dicos, a fried chicken restaurant brand in Texas, and brought it to China.[[39]](#endnote-39) In the same year, Ting Hsin launched Master Kong tea drinks and established Hangzhou Ting Jin Food Co. Ltd., which specialized in beverage production. Through overtaking the food and refrigeration business line of Taiwan Weichuan Group in mainland China, Ting Hsin added dairy products and fresh juice to its beverage portfolio in 1998.[[40]](#endnote-40)

Apart from its core food and beverage business, Ting Hsin gained experience in retailing and distribution by partnering with UK supermarket giant Tesco PLC to open and manage supermarkets in mainland China between 1997 and 2006.[[41]](#endnote-41) In 1998, Ting Tong Logistics Co. Ltd. was founded to support product distribution, transportation, and storage for various Ting Hsin businesses. In March 2012, by forming a strategic alliance with PepsiCo Inc. (PepsiCo), Ting Hsin gained the exclusive authority to manufacture, bottle, package, distribute, and sell PepsiCo non-alcoholic drinks in mainland China.[[42]](#endnote-42)

During its 30 years of operation in China, Ting Hsin had gained solid knowledge of the local Chinese customers as well as extensive local management experience. Moreover, Ting Hsin had also developed a large business network consisting of production plants, sales offices, retail outlets, and warehouses across mainland China and Taiwan. This network was a significant contributor to Ting Hsin’s leading market position, enabling it to introduce new products rapidly and effectively.[[43]](#endnote-43)

The FAMILYMART AND TING HSIN alliance

In early 2000, FamilyMart Japan and Ting Hsin signed a 20-year brand licensing agreement, which kicked off the preparation for entry into mainland China. As a consequence of this agreement, the JV China CVS Holding Corporation (CCH) was soon created. Ting Hsin controlled 59.65 per cent equity shares, and FamilyMart Taiwan controlled 18.3 per cent; the remaining equity went to another JV between FamilyMart Japan, Itochu Corporation, and FamilyMart Taiwan (see Exhibit 3). In May 2004, CCH established a wholly owned subsidiary, Shanghai Fumanjia Convenience Co. Ltd., and three months later opened the first FamilyMart store in Shanghai.[[44]](#endnote-44)

Per the agreement, Ting Hsin was in charge of the operation of FamilyMart stores, including building new stores, establishing logistic infrastructure, and marketing and promotion. Ting Hsin was the exclusive collaborator with FamilyMart; 7-Eleven, in contrast, employed a regional franchising mode and worked with multiple partners. Besides licensing its brand, FamilyMart Japan also contributed the fine management capabilities of chain stores. Itochu Corporation specialized in supporting fresh food production, and FamilyMart Taiwan transferred its operation experience from Taiwan to mainland stores.[[45]](#endnote-45)

After the initial entry, FamilyMart was among the fastest-expanding convenience stores in the mainland. In 2005, the number of stores in Shanghai alone reached 100. In 2006, FamilyMart established an exclusive logistics company to replace third-party logistics, thus ensuring on-time delivery with lower costs. In 2007, it extended the business scope to other far-flung cities including Guangzhou and Suzhou. In 2010, FamilyMart opened its 500th store and built the first exclusive fresh food factory in Shanghai to produce its proprietary food items. The FamilyMart membership system was launched in 2015 to acquire and retain customers. The expansion of FamilyMart was so quick and pervasive that people used the saying “a new FamilyMart store every 18 hours” to describe it.[[46]](#endnote-46)

Behind this fast-paced expansion was an effective franchising model. FamilyMart not only endeavoured to attract external franchisees but also groomed its employees. A senior manager at FamilyMart explained, “We offer employees interest-free loans to open franchising stores. And the payback period of a single FamilyMart store was shorter than [that of] our rivals.”[[47]](#endnote-47)

FamilyMart’s product and service offerings in China were greatly localized and thus distinct from those in Japan. Ting Hsin developed many privately branded products that were manufactured largely by proprietary factories. Owning factories that produced bread, packaged food, and even sauces afforded powerful control to Ting Hsin over the whole supply chain as well as exceptional responsiveness to customer demands. The percentage of private brands in FamilyMart stores was about 40 per cent, whereas this was normally no more than 10 per cent in other stores.[[48]](#endnote-48)

Starting from 2018, FamilyMart in China initiated an upgrade to its brand, mostly through improvements in food service. Besides plain, grab-and-go foods such as steamed buns and boiled eggs, Ting Hsin added other high-value foods and beverages. For instance, its coffees were pitched against Starbucks coffee. In fact, FamilyMart was the largest coffee chain in Shanghai for a long period. Other food items such as bread and desserts were designed to match those from premium bakeries. The norm was that Ting Hsin put forth innovative products every two weeks and replaced nearly 70 per cent of items on shelves.[[49]](#endnote-49)

To catch the rapid rise of online ordering and takeout trends, FamilyMart invested significantly in the takeout business in 2018 and co-operated with all major takeout ordering platforms, such as Meituan and Eleme. It also began to deploy intelligent vending machines as a new retailing format.[[50]](#endnote-50)

In 2019, FamilyMart had about 2,500 stores in the mainland, 75–80 per cent of which were franchised.[[51]](#endnote-51) Although 7-Eleven had more stores in China due to its earlier entry, FamilyMart was the top in terms of market share (8.4 per cent), with $17 billion in annual sales, and hence was the most successful foreign convenience store brand in China (see Exhibit 4).[[52]](#endnote-52) More impressive than this was that FamilyMart in China saw profits in its stores as early as 2008, and the group as a whole reached the break-even point in 2012. In contrast, the Lawson convenience store chain only started to make profits in 2019, and 7-Eleven continued to struggle to stop its losses.[[53]](#endnote-53)

THE LAWSUIT

While FamilyMart stores were popping up across China, a lawsuit between the two partners emerged in the middle of 2019, which was followed by a fierce feud. On May 15, 2019, many media outlets reported that FamilyMart Japan had sued Ting Hsin in the court of the Cayman Islands, where their JV CCH was registered, and requested a compulsory dissolution of their partnership.[[54]](#endnote-54)

Ting Hsin was quick to respond by posting an official statement on the same day of the news release. Ting Hsin expressed that the disclosure of the lawsuit should comply with facts and contractual clauses and that, due to confidentiality, it would provide no further comments or clarification.[[55]](#endnote-55)

The news of the lawsuit, nonetheless, upset all stakeholders of FamilyMart China, including employees, franchisees, and other business partners. To reassure these stakeholders, Lin Jianhong, chief executive officer (CEO) of FamilyMart China, issued an open letter on May 16:

Convenience store and retail business are the core business of our group and we hold strong confidence in FamilyMart’s future business operations in China. It is thanks to the continuous support of the local government, the convenience store industry, and our customers as well as our hard-working employees that FamilyMart China achieves continuous success.[[56]](#endnote-56)

Shortly after, rumours started to emerge in the media indicating that FamilyMart had lost the legal case mentioned in previous news reports. The Japanese party had been sentenced to cover all the litigation expenses, and FamilyMart China would continue as usual.[[57]](#endnote-57)

The rumours agitated FamilyMart Japan, and so, on May 17, it immediately released a formal statement that denied all erroneous reports of the lawsuit, especially those pointing to its loss, and disclosed many details of the lawsuit. According to the statement, FamilyMart Japan filed the lawsuit in October 2018, accusing Ting Hsin of not equitably sharing the incomes from the swift expansion of FamilyMart stores in China.[[58]](#endnote-58) Not only had Ting Hsin tried to unilaterally cutting down the royalty for the FamilyMart brand from 1 per cent of revenues to 0.3 per cent or even lower, it also had refused to pay the royalty for seven months already.[[59]](#endnote-59) Furthermore, Ting Hsin had ceased disclosing information on its affiliated dealings with the JV since 2012, “which potentially conferred significant financial benefits on the majority directors (nominated by Ting Hsin).”[[60]](#endnote-60) These misdeeds of Ting Hsin had harmed the companies’ co-operative relationship beyond repair, and FamilyMart Japan therefore requested the court to order Ting Hsin to sell all of its equity shares.

Also per the statement, in November 2018, Ting Hsin requested the court to dismiss the case or overrule the claims made by FamilyMart. In February 2019, the court rejected that request, but suspended the hearing of the case on the grounds that FamilyMart should press charges only after its claims had been arbitrated per the co-operation agreement.[[61]](#endnote-61) At the end of the statement, FamilyMart Japan stressed that it did not accept the rule and appealed it in March 2019.[[62]](#endnote-62)

To counter the allegations made by its Japanese partner, Ting Hsin, which had so far been quite restrained, issued an emergent and provocative statement at 11:00 p.m. on May 18. Ting Hsin criticized FamilyMart Japan for making accusations that were completely inconsistent with the facts:

The accusation from FamilyMart Japan was an undisguised slander that not only harmed the reputation of Ting Hsin but also generated very negative impacts on FamilyMart China, especially on the 20,000 employees, other alliance partners and over 2 million of loyal customers. Ting Hsin urges FamilyMart Japan to correct its mistakes immediately and avoid making them in the future.[[63]](#endnote-63)

It further emphasized, “If FamilyMart Japan deems legal means are necessary to resolve any dispute, it should resort to the arbitration process originally agreed by both parties. The court of the Cayman Islands had supported this position and ordered FamilyMart to bear all the litigation costs.”[[64]](#endnote-64)

FamilyMart Japan had no intention of backing down. On May 20, it put forth another statement⎯in Chinese, Japanese, and English⎯to reiterate its previous statement and deny the ordered obligation of covering litigation costs: “The costs would only be determined in the future as the case is still ongoing.”[[65]](#endnote-65) Moreover, FamilyMart Japan again asserted its determination to keep pushing the legal procedures until winning the order of compulsory dissolution.[[66]](#endnote-66)

On May 23, Ting Hsin made another statement saying that “the statement by FamilyMart on the 20th [of May] was untruthful and misleading. We felt deeply sorry about it.” Ting Hsin said that the dispute with its Japanese partner should properly be settled against the benchmarks of international conventions. “Even if FamilyMart Japan had to resort to legal means, it should have done so according to the agreement.”[[67]](#endnote-67)

The disagreement over the royalty was another central issue in the lawsuit. In the original petition, Ting Hsin had accused FamilyMart Japan of charging a royalty that was too high, almost three times that of other rivals such as 7-Eleven, and of constraining the chain’s geographic expansion with the considerable city-opening fees.

The conflict between the two parties, however, went deeper than just the fee. The former general manager of FamilyMart China reportedly told his counterpart at Lawson China that he envied Lawson China’s right to secondary franchising—a right that had enabled Lawson to expand quickly. It was his dream to have that autonomy.[[68]](#endnote-68) Moreover, FamilyMart Japan did not see eye to eye with Ting Hsin on some of its localization strategies. Notably, FamilyMart Japan disliked the expansion into Tier 2 and 3 cities, even though Ting Hsin had deemed the move imperative.[[69]](#endnote-69)

GOING FORWARD

In the midst of the escalating feud between FamilyMart Japan and Ting Hsin, their 20-year brand licensing agreement was approaching its expiry. Renegotiation was in order, and both partners needed to carefully consider their options and bargaining power position. Whether to extend the partnership and under what new terms were among the most critical issues on the agenda.

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EXHIBIT 1: CONVENIENCE STORE GROWTH IN CHINA, 2016−2019

| **Year** | **Number of Stores** | **Growth Rate (%)** |
| --- | --- | --- |
| 2016 | 94,000 | 3 |
| 2017 | 106,000 | 13 |
| 2018 | 122,000 | 15 |
| 2019 | 132,000 | 9 |

Source: Ran An, “Report on the Prosperity Index of Chinese Convenience Stores in 2020” [in Chinese], *China’s Food*, 15 (2020): 158−159.

EXHIBIT 2: LEADING BRANDS IN the JAPANESE CONVENIENCE STORE MARKET, 2019

| **Company Name** | **Market Share (%)** |
| --- | --- |
| 7-Eleven | 44 |
| FamilyMart | 26 |
| Lawson | 20 |
| Other | 4 |
| Ministop | 3 |
| Secoma | 2 |
| New Days | 1 |

Source: Mengfei Ping, “FamilyMart-Owned Convenience Store Nation is Teetering on the Edge of Takeover” [in Chinese], Ebrun, July 15, 2020, accessed November 15, 2020, www.ebrun.com/20200715/392966.shtml.

EXHIBIT 3: STRUCTURE OF CO-OPERATION BETWEEN TING HSIN AND FAMILYMART

Shanghai Fumanjia Convenience Co. Ltd.

China CVS Holding Corporation

FamilyMart China Holding

Ting Hsin International Group

FamilyMart Japan

Itochu Corporation

FamilyMart Taiwan

18.30%

59.65%

22.05%

100%

Source: Global Finance Newspaper, “What Will Happen to the 2,500 Chinese Convenience Stores if FamilyMart Japan Breaks the Partnership with Ting Hsin?” [in Chinese], Sina Finance, May 15, 2019, accessed September 4, 2020, http://finance.sina.com.cn/roll/2019-05-15/doc-ihvhiqax8984267.shtml.

**EXHIBIT 4: OPERATIONAL DATA FOR FAMILYMART, 7-ELEVEN, AND LAWSON, 2017−2019**

| **Year** | **Stores** | **Sales**  **(**¥ **millions)** | **Annual Growth Rate in Sales (%)** | **Number of Stores** | **Annual Growth Rate in the Number of Stores (%)** |
| --- | --- | --- | --- | --- | --- |
| 2019 | FamilyMart | 1,003.00 | 5.7 | 2,801 | 8.9 |
| 7-Eleven | 738.82 | 26.4 | 2,147 | 18.9 |
| Lawson | 596.45 | 39 | 2,629 | 33.2 |
| 2018 | FamilyMart | 949.08 | 18.3 | 2,571 | 17.9 |
| 7-Eleven | 584.73 | 25.3 | 1,802 | 12 |
| Lawson | 429.1 | 38 | 1,973 | 41 |
| 2017 | FamilyMart | 802.58 | 24.1 | 2,181 | 20.5 |
| 7-Eleven | 466.66 | 26.7 | 1,699 | 23.5 |
| Lawson | 310.96 | 49.8 | 1,399 | 45.9 |

Note: ¥ = CNY = Chinese yuan renminbi; US$1 = ¥6.9041 on May 31, 2019.

Source: China Chain Store & Franchise Association, *Top 100 Franchise Chains in China 2017, 2018, 2019* [in Chinese],accessed November 2, 2020, www.ccfa.org.cn/portal/cn/index.jsp.

Endnotes

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of FamilyMart Co. Ltd., Ting Hsin International Group, or any of their employees. [↑](#endnote-ref-1)
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6. Jeffrey R. Bernstein, “7-Eleven in America and Japan,” in Thomas K. McCraw, ed., *Creating Modern Capitalism: How Entrepreneurs, Companies, and Countries Triumphed in Three Industrial Revolutions* (Cambridge, MA: Harvard University Press, 1997), 490−529. [↑](#endnote-ref-6)
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8. NACS, “Fact Sheets,” Convenience.org, accessed September 23, 2020, https://www.convenience.org/Research/FactSheets/ScopeofIndustry. [↑](#endnote-ref-8)
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11. Ibid. [↑](#endnote-ref-11)
12. Pablo Plaza, “QuikTrip, Wawa and Sheetz Top US C-stores,” Petrol Plaza, October 14, 2019, accessed October 10, 2020, https://www.petrolplaza.com/news/23225#:~:text=A%20focus%20on%20Fresh%20and,Eat%20is%20the%20biggest%20differentiator.&text=QuikTrip%2C%20Wawa%20and%20Sheetz%20are,the%20Convenience%20Channel%20(RPI). [↑](#endnote-ref-12)
13. Yuxuan Yang, “Strategic Development Analysis of 7-Eleven, the World’s Largest Convenience Store Chain” [in Chinese], *Modern Business* 34 (2018): 18−19. [↑](#endnote-ref-13)
14. Baidu Wenku, op. cit. [↑](#endnote-ref-14)
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