"It’s the middle of the night and I’m starving." “Oh, no, there’s a run in my pantyhose!” “I’m sleeping over at a friend’s house today, but forgot my toothbrush.” “I’m dying for something sweet.” “I’m bored!” Convenience stores, called konbini for short, answer all these needs.

Thirty years have passed since konbini first appeared in Japan as shops providing food and daily sundries at any time, anywhere. Today, they have become an established part of people’s lives.

Currently, there are approximately 40,000 konbini in Japan. Total konbini sales amount to 7 trillion yen. 7-Eleven, which boasts the highest sales in the industry, has 10,000 stores all over Japan, each store serving an average of 1,000 customers per day. This means that one in every ten Japanese citizens shops at a 7-Eleven every day.

Konbini continue to evolve, developing and offering more and more new services.

The Three Conveniences of Konbini

<table>
<thead>
<tr>
<th>Time!</th>
<th>Product Selection and Various Services!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open 24 hours a day, 365 days a year. Open even on New Year’s Day, through Golden Week, and Obon.</td>
<td>Necessities of everyday life are all available, not limited to food and daily sundries, but also cosmetics, underwear, packing rope, and black ties for funerals. Konbini offer a variety of services as well. Parcel delivery service; film processing; air ticket reservations; photocopying; fax service; video game software downloads; and ATM service. Payment of electricity, gas, and water utility, and telephone bills, as well as insurance premiums can all be made at konbini. It is becoming increasingly common to use konbini for payment and pick-up of tickets and goods reserved or purchased online via computer or cell phone.</td>
</tr>
<tr>
<td>Location!</td>
<td></td>
</tr>
<tr>
<td>Located close to residential areas, work and school commutes, and in business districts.</td>
<td></td>
</tr>
</tbody>
</table>
### The History of Konbini

The history of convenience stores began in 1927 in Texas, U.S.A. when an Oak Cliff ice seller began selling bread and milk in response to customers’ requests. This later developed into Southland, the operator of the 7-Eleven chain. In Japan, Ito Yokado signed a licensing contract with Southland and acquired their expertise while developing product selection and store layout that fit the needs of Japanese customers. In 1974, Japan’s first 7-Eleven opened in Toyosu (Koto Ward, Tokyo).

There were 10,554 7-Eleven’s in Japan as of September 2004, the largest number in the world. The United States came in second at 5,781 stores, while Taiwan had 3,550 stores, Thailand 2,525, and Korea 1,272 as of April 2004.

### The POS System Supporting Konbini

The average konbini covers an area of about 100 square meters. The key lies in how effectively sought-after daily sundries can be displayed in limited space. Konbini have adopted the POS (Point-of-Sale) system to manage individual stores and entire chains, and they use it to plan marketing campaigns and develop product selections that fit their customers’ preferences.

Whenever a barcode is scanned at the cash register, the POS system records the details of the sales’ “when, what, and how many.” The konbini’s overwhelming sales strength originates in the data collected from this system. Konbini do not merely sell products, but serve as nodes in a network, collaborating with manufacturers on product development and creating new distribution systems that take even things like storage temperature and delivery frequency into account.

How is the data actually collected? When a customer goes to the checkout counter, the clerk guesses the customer’s age from his or her appearance. After the product price has been fed into the cash register, the clerk presses the “customer base” key. At one chain store, a light blue button stands for “male,” a pink button “female,” and five buttons—“12” for under 12, “19” for 13-19, “29” for 20-29, “49” for 30-49, and “50” for 50 and over—each stand for age groups. Since a massive amount of data is collected at chain headquarters, it is possible to get a general sense of product trends even though the data is based on the estimated ages of konbini customers.

### Konbini ATMs a Hit

There has been a sharp increase in the number of ATM users at konbini. Three major companies (including IY Bank), which operate and manage konbini ATMs, counted a total of 280 million transactions in the 2003 fiscal year, five times that for the 2001 fiscal year. By the end of FY 2003, the number of ATMs in konbini was 15,987, twice the number in FY 2001. Konbini have come to assert their usefulness not only as places to shop, but also as places to withdraw money and settle accounts.

### Development of Products

By collecting and analyzing sales data, konbini work with top manufacturers to develop products that reflect customers’ views on quality and food preferences. Konbini take into account health and safety concerns, avoiding the use of preservatives and synthetic food dyes, and there are a wide variety of products, starting with onigiri and sandwiches. Over half the sales at 7-Eleven are of original 7-Eleven products.
The Appeal of the Onigiri

7-Eleven sales for the 2003 fiscal year was 2.343 trillion yen, accounting for approximately 30 percent of the 7 trillion yen total in sales of the entire konbini industry. About 30 percent of these sales are comprised of fast food such as bento, onigiri, and bread/pastries. 7-Eleven’s total sales of fast food is 670 billion yen, twice that of food-service industry giant McDonald’s, which makes approximately 300 billion yen.

In the 2003 fiscal year, 7-Eleven sold 1.039 billion onigiri, which comes out to approximately 2.84 million onigiri per day. This is equivalent to 8.2 onigiri per year for every Japanese citizen (127 million people). Recently, gourmet onigiri such as those made with ikura (salmon roe) filling or wrapped in washi (Japanese paper) packaging have become a big hit, accounting for nearly 20 percent of onigiri sales despite their higher price, at around 180 yen.

Savoring the Seasons at Konbini

Especially in urban areas, we can get a sense of the seasons through the selection of products offered at konbini and their advertisements. For New Year’s, you can get New Year’s cards and osechi traditional-style foods and in March, hina arare sweets. In May, koinobori carp streamers festoon the shop. As summer nears, they offer ochugen seasonal gifts, cool-weather fare like hiyashi chuka (chilled ramen), and refreshments like kakigori shaved ice. In the fall there is matsutake gohan (rice steamed with matsutake mushrooms) and tsukimi dango (“moon-viewing” dango), and in the winter there is odon (hot odon ingredients), nikuman (Chinese-style meat pies), Christmas cake, and toshikoshi soba (New Year’s Eve soba).

Quiz 1

A  い
The most popular konbini products are A (obento, onigiri, sandwiches). It is effective to display them facing the entrance where customers can easily spot them.

B  え
When you buy a bento, you’re certainly going to want to buy a drink. If B (soft drinks) are displayed next to bento, you’ll naturally be inclined to buy a drink as well.

C  お
The store looks very lively if C (magazines) are displayed so that their covers can be seen from outside the store. Furthermore, the sight of people browsing through magazines gives the appearance of a busy store, pulling more people in. A well-patronized store is less vulnerable to crime in the late-night hours.

D  う
D (gum, candy) is located by the check-out counter. The checkout counter is an area everyone passes. It’s a prime location for goods that customers buy on impulse as they wait their turn at the cash register.

Quiz 2

According to one survey,* the top ten onigiri ranking is as follows.

1. tuna-mayonnaise (41.2%)  6. torigomoku (18.2%)
2. salmon (40.4%)     7. tarako (17.1%)
3. mentaiko (36.4%)    8. takana (15.9%)
4. ume (25.2%)         9. ikura (15.9%)
5. konbu (22.4%)        10. okaka (11.8%)

The top three onigiri collected about the same number of votes, but tuna-mayonnaise is particularly popular among young people. Among people in their forties, it accounted for 27.9 percent of the vote, while over half of the people in their twenties said it was their favorite. On the other hand, mentaiko is popular among middle-aged people and seniors; while it gathered only 19 percent of the teenage vote, 44.2 percent of those in their forties declared it the best. Salmon are widely popular among all ages.

* “Survey on Konbini Onigiri”
A survey conducted on the Internet with 488 subjects in their teens to their sixties.
Survey Period: April 28 to May 6, 2004
Source: “Wish Open Report” by Index Digital Co., Ltd.
There are approximately 2,500 types of products sold at konbini in a space smaller than 100 square meters. That’s a lot of goods, and they aren’t just displayed in a random manner.

Popular products are carefully and exclusively selected on the basis of data collected from the POS system. Unpopular products are relentlessly removed, and in one year, about 70 percent of the products are said to be replaced. The shelf height and product displays are based on human engineering rules, and advanced research on customer behavior patterns is used to develop new marketing strategies.

Take a look at the map below. Which products A-E are sold in sections ă-ă? Think about the reasons why they are displayed where they are.

A obento, onigiri, sandwiches
B soft drinks
C magazines
D gum, candy
E croquettes, frankfurters

Quiz 2) What’s the Most Popular Onigiri?

Below are the ten most popular konbini onigiri. Try putting them in order from one to ten, one being the most popular.

- ika (salmon roe)
- ume (sour pickled plum)
- konbu (kelp)
- tori gomoku (chicken pilaf)
- takana (leaf mustard)
- okaka (shaved bonito)
- tuna-mayonnaise
- mentaiko (spicy cod roe)
- tamako (cod roe)
- shake (salmon)