

Service is our second name — Taiwan's amazing convenience stores

Taiwan Panorama

Taiwan's convenience stores are all-encompassing, providing a wide variety of services, and they are continually offering new ones



Taiwan's convenience stores are all-encompassing, providing a wide variety of services, and they are continually offering new ones. (Lin Min-hsu)

Taiwan has more than 13,000 convenience stores, with one for every 1,582 people according to a 2021 survey by the Mirai Business Research Institute. This places Taiwan second only to world leader Korea, where the figure is 1,200.

Taiwan's convenience stores are all-encompassing, providing a wide variety of services, and they are continually offering new ones. In terms of food alone, they have everything from street dishes to delicacies from famous restaurants. In fact, people can satisfy their needs in every aspect of daily life in these stores, and foreigners love them too.

People are effusive in their descriptions of how indispensable convenience stores are to the Taiwanese: "They just drawn you in." "I have to go to one at least once a day." "They are tech companies, logistics firms, and ice-cream shops all rolled into one." "They are Taiwan's largest restaurant chains." In fact, when Google announced their list of Taiwan's most-browsed Street View locations in 2022, the top spot was held by a convenience store.

Unique services

In 1978, Uni-President Enterprises Corporation put up the capital to found Taiwan's first convenience store chain. Uni-President adopted the franchise system of the US chain 7-Eleven, sparking a retail revolution. As

of the end of December 2022, there were 6,631 7-Eleven locations in Taiwan, with consolidated revenues in 2022 of NT\$290 billion. In 1988, the first FamilyMart convenience store opened in the business area in front of Taipei Main Station, and today FamilyMart boasts more than 4,100 outlets across Taiwan, with total revenues in 2022 of NT\$90.74 billion. OK mart also was founded in 1988.

In 1989, the Kuang Chuan group set up Hi-Life International Company in Taipei's Dadaocheng area. As of January 2023 there were 1,542 Hi-Life locations across Taiwan, and in 2022 the chain generated record revenues of NT\$24.8 billion.

Differentiated services

Toshinori Honda, who was a board member at 7-Eleven Japan and chief operating officer at 7-Eleven Korea, has defined convenience stores as shops which sell products and offer services that meet customers' needs in daily life—they are solutions providers. Convenience stores in Taiwan fulfill this definition to the max.

To meet consumers' needs, Taiwan's big four convenience store chains—7-Eleven, FamilyMart, Hi-Life, and OK mart—offer the self-service kiosks and train their personnel to handle at least 2,000 types of payment acceptance and consignment services, covering everything imaginable from paying parking fees, utility bills, credit-card bills, and school tuition, to sending and picking up packages. And new services are always being added to keep in step with the times. These chains have also installed photocopier/printers and ATMs so that even consumers who don't need to buy anything still find it useful to go to a convenience store. These many services have given shape to a "Taiwan model" that is unique in the world.

Employees at convenience stores must handle a wide variety of tasks, from greeting customers with a smile and a verbal welcome as they enter to making personalized premium coffee, from storing and handing over online purchases to helping elderly people use smartphone apps, and even giving people directions and chatting with customers about whatever is on their minds. Their service is attentive and meticulous, and many employees don't need to wait for regular customers to open their mouths to know what kind of coffee to make them. Moli, author of the comic book *Hello! Welcome to Other Store*, describes convenience-store workers as "the most capable jacks-of-all-trades on the planet."

Many foreigners have made videos sharing their experiences of Taiwan's convenience stores: "Post office, restaurant, and attraction all in one. The service is congenial, they are open 24 hours, and you can even win money from the sales receipt lottery...." Simply put, convenience stores are all-inclusive.

Chain restaurant, department store



The self-service kiosks in convenience stores provide multiple services, including the purchase of bus, train and concert tickets, as well as payment of credit-card bills. (Lin Min-hsuan photo)

With such a high concentration of convenience stores, in order to compete for customer loyalty these chains have rushed to adopt collaborative and cobranding strategies so as to offer differentiated services and continually innovate new business models. Amidst this competition, they have continually broken the iron rule of market saturation, and even under the impact of the COVID-19 pandemic their revenues and number of locations have continued to expand, bucking the general trend.

7-Eleven works with other firms in the Uni-President stable, and based on the characteristics of each business district has set up collaborative “shop-in-shop” stores in diverse formats. It now has more than 1,000 collaborative stores, including convenience stores that have bookstores, barbecued food counters, confectionery counters, and cosmetics counters inside them. On average these have driven growth of more than 10% in customer footfall per store.

7-Eleven has also embraced the concept of “spokes-characters.” Since 2019 they have opened more than 90 cobranded locations themed around their own mascot “Open-chan” and well-known “intellectual property stars” like Demon Slayer, Detective Conan, and Pokémon. The “contextual economy” created by themed outlets can boost store footfalls by 20–30%.

Meanwhile, FamilyMart opened their 4,000th location in New Taipei City’s Banqiao District, which is one of Taiwan’s top ten administrative districts in terms of concentration of convenience stores, and adopted the

following key terms for their post-pandemic era goals: “fast action, the lazy economy, green lifestyles.” They have also introduced zero-contact services such as a novel app function for pre-ordering heated boxed meals and a smart-access cabinet for collecting them, as well as a coffee beaker rental and return station to promote environmental sustainability.

In a competitive space dominated by two chains with a combined presence of more than 10,000 outlets, “large players have the strengths of being large, but small players have the agility of being small,” says France Kuo, Hi-Life’s chief integration officer. “As a home-grown Taiwanese chain, we have adopted a strategy of ‘ingenuity and agility.’ For example, we devised innovations such as seating areas, the self-service kiosks, special-offer coffee that the customer can choose to pick up on a different day, and fresh foods kept at 4°C, which have since been adopted by all the major convenience store chains.”

In particular, given the pandemic over the past three years, small brands and e-commerce businesses have been severely tested. “Hi-Life offers online vendors a physical presence, thereby expanding their distribution channels and sales outlets.” Since the emergence of COVID-19 there has been an increase in the proportion of people cooking at home, so Hi-Life has moved into communities and set up “Mr. Hi” collaborative supermarkets to supply fresh produce, fish, and meat from supplier organizations such as the National Fishermen’s Association.

Convenience stores as tech companies

As digital platforms have carved out a space in the retail arena, more and more brick-and-mortar retail businesses have realized that they must take the initiative to transform themselves. Yeh Yu-chien, director of digital commerce at Hi-Life, has been in the business for over 25 years. He notes that digital technology has enabled convenience stores to come out with subscription services, thereby changing the consumer landscape.

In 2017 Hi-Life came out with an online app function for “buy-one-get-one-free” coffee that could be picked up on another day, which evolved into a “buy now, pick up later” function. Now consumers can pay upfront for all kinds of everyday products—not only coffee but also things like fresh milk, prepaid Burger King meal vouchers, and toilet paper, including special offers—and hold them in a cloud account, after which they can pick up their purchases within a specified time period, in separate batches or at different locations if they prefer, and can even transfer items to friends and family. The high concentration of convenience stores makes this business model very handy for consumers, and other convenience store chains have followed suit.

Hi-Life has placed point-of-sale systems in chain stores and group buying operations, such as an auto parts and accessories chain, the Houli Horse Ranch, and a household hardware chain, giving shape to a different

franchise model. When consumers get items for their cars or buy hardware, they can pay their parking fees and utility bills at the same time. “We may have fewer stores than the big chains, but we offer just as many services,” says France Kuo.

The membership economy

The “Open Point” membership system created by 7-Eleven currently has over 15.5 million members. Since 2014 the company has developed payment tools that enable users to make payments, accumulate points, and store sales receipts, and supports three major payment tools: icash Pay, icash 2.0, and Open Wallet. Simply put, whatever consumers may do—from buying coffee at a convenience store to filling up at a gas station to working out at a gym to shopping in a department store—they now have a more diverse range of payment options.

Building on the foundation of its membership cards and payment systems, 7-Eleven has created six “convenience stores of the future” where people can use self-checkout functions. Self-checkout utilizes six technologies: image recognition, facial recognition, RFID smart labels, mobile phone self-checkout, augmented reality, and virtual reality; it feels really high-tech.

FamilyMart has thus far enrolled 16 million members. In combination with their app, they have linked together all kinds of online and offline data, and have opened two “new tech concept stores.” Through the use of various technologies, these stores reduce the workload of employees and provide consumers with a fresh and novel experience.

The most welcoming scene

In response to consumer needs, 7-Eleven and FamilyMart have opened stores at Qingjing Farm and on Alishan (both at elevations over 2,000 meters), and even on Penghu’s Qimei Island and Matsu’s Dongyin Island. After Southern Taiwan was ravaged by Typhoon Morakot in August 2009, 7-Eleven dispatched a “mobile convenience store” truck to serve the residents of Kaohsiung’s mountainous Jiaxian District, which had no brick-and-mortar convenience stores. In 2021 they launched their “Open!” mobile shopping trucks, equipped with refrigerated and frozen storage sections, where people can get microwaved hot meals and coffee just like in a regular 7-Eleven store. In August of 2021 these were assigned to Hualien and Taitung in Eastern Taiwan, and to the Shezidao area of Taipei City’s Shilin District, to provide easily accessible shopping for local residents.

Whether at airports or train stations, in schools or hospitals, one can always find a convenience store to buy a cup of coffee or get one’s three daily meals. Whether in remote areas, along the coast or on dark country lanes, you can always see that most welcoming of scenes: a convenience store.



Hi-Life's mobile app enables consumers to purchase goods like coffee and milk and pick them up later, even at separate times or at different Hi-Life branches. (Lin Min-hsuan photo)