

A Study on The Service Design of Convenience Store “FamilyMart” in Taiwan: From a Viewpoint of New Retail

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Abstract

In self-determination theory, there are six stages in the process from no motivation to intrinsic motivation, so that the service designer can cut through the concept of motive to add value to the existing service. From the manufacturing Society to the information society in modern Taiwan, the industrial nature came to the innovation economy from the production economy, so far the user's concern is not only the "product" itself, but more importantly the value that the product can bring to the user. Therefore, to explore how to create a combination of service and product value network, the enterprise has a substantial strategic significance, become the key to success. Ma Yun proposed "New Retail" at The Computing Conference 2016. Is it a new concept for convenience store "Family Mart" in Taiwan? How does the service design work and operate? What is the nature difference between Taiwan and China's convenience stores?

Key words: Consumer Experience, Consumer Society, Service Design, New Retail. Marketing

Introduction

The important statistical data handbook issued by the National Development Committee of the Republic of China in 2018 shows that in 2017, the service industry accounted for 63% of Taiwan's GDP and 63% of the employed population were engaged in the service industry. Moreover, if the manufacturing industry, which accounted for 30% of GDP, is taken into the account of soft power—servitization of manufacturing, more than 90% of Taiwan's industries rely heavily on the capacity brought about by the service economy.

In the process of industrial transformation from the early manufacturing society to today's information society, "manufacturing expertise" has already become the basic requirement of daily life. New consumers focus more on consumption experience. As Nietzsche once said, "experiencing a wonderful thing means that it is necessary to experience it wrongly". As Susan Sontag said in her book *Sur la photographie*, the power of photography has actually "platonized" our understanding of reality, making it increasingly unlikely that our experience will be reflected in terms of the differences between images and things, between copies and original works, and that images are realer than anyone else can imagine [1]. As the audience—consumers, the

reality of expectation is reflected in the eyes through the image, and consumption itself is constructed by imagination (fantasy) - consumption - reality (disillusionment). For new consumers, because of the gap between "purchasing desire object" and "imagining desire object", the pursuit is always "imagining" consumption experience.

In the contemporary era, the essence of consumption is replaced as the basic element to achieve the cultural value legally. All groups tend to provide themselves with the means to be perpetual beyond the limitation of individual actors, and each group is reflected in individual actors. As a result, this group has established a set of mechanisms, such as providing universal and permanent delegation, representation and symbolization [2]. The existence of a commodity itself has been transformed into a symbolic system.

1.1 Research background and motivation

1.1.1 What is service design ?

Marketing is just like the golden key, which opens the door of service design and establishes a bridge between aspiration and value. In terms of service design, marketing and design are hard to distinguish clearly at present. Marketing attaches importance to establishing systems and establishing relationships with consumers, so as to create value together. Design emphasizes that all participants are the core of design service, and design with others together. The marketing community has set up blueprints, service trajectories and other tools and concepts, focusing on the service occurs currently. Designers focus on the experience of individual users, use these existing tools and develop other tools for service design; marketers try to find out who consumers and potential consumer groups are, and define the possible relationship between these consumers and the system, while designers use consumer insight as the starting point of design, and emphasize that aesthetic concepts should be added to service experience. The marketing viewpoint believes that new services should be established to solve problems. The design experts are exploring new possibilities in the repeated design process, and do not reject all possible surprises [3].

Whether service design is part of marketing, or marketing is part of service design, it is certain that both are service for "understanding the value and nature of the interaction between people, between people and things, between people and

systems, and between different systems [4].

1.1.2 What is retail ?

Whether traditional retailing or new retailing, the essence of "retailing" is constantly changing and unchanged. The essence of retail has always been to sell goods or services in exchange for remuneration. The "change" of the retail industry lies in the fact that in every evolution process of retail industry, due to the progress of science and technology, producers incubate new forms and contents of transactions. The "invariability" of the retail industry lies in that although the transaction modes have changed, it can not completely replace the original forms and connotations. For example: modern department stores or facilitate super business, can not completely replace the existence of the market and stores. On the one hand, it embodies the irreplaceable humanistic value of local emotions in memory; on the other hand, it contains the connotation of providing goods or services for consumers in exchange for the ultimate realization of commerce.

1.1.3 What is new retail ?

Since Ma Yun's streamlined speech in just 20 minutes in 2016, the academic and business circles have put forward many views on new retailing. In March 2017, Ali Research Institute put forward a definition of new retail: " a wide data-driven retail pattern centered on consumer experience", through the deep combination of data and business logic, to truly achieve reverse traction of consumption patterns to produce changes. In other words, the implication of new retail is that it will take consumers as data by combining technology application with use experience, and provide intellectualized full-channel services by reverse traction from consumers to producers.

1.2 Research goal and background

1.2.1 Match point of service design and new retail

Alibaba, the e-commerce leader like Amazon's Chinese version, has liberated the ceiling that was originally confined to the value of the e-commerce industry since the Ma Yunqi Conference where Ma Yun put forward "New Retail" in 2016. The word "new retail" is a catalytic symbol, which excavates more possibilities for the existing situation and tells investors new dreams, blueprints and momentum in words. Providing consumers, customers, partners and the whole society with an activity, a series of structures and processes to create, communicate, deliver and exchange valuable supplies, it is a form of marketing [5].

In 2016, the volume of e-commerce transactions in China was 26 trillion yuan, with an increase of 24.9%, but the growth rate decreased by [6]. This shows that the penetration of Internet users in China is becoming increasingly saturated, and the growth restriction has been imposed on the advantage of traffic dividend based on the number of users. E-commerce market has been transformed into stock by increment, and the way of stimulating growth by increasing the size of users has become a thing of the past. In this case, digging deep into the value of individual users and improving the frequency of

customers' consumption will become a new growth point, and its power source is service upgrading [7]. This link corresponds to the core value of service design - to a large extent, it no longer depends on the product itself, but more depends on the impact of the product on the daily life of consumers, that is, service experience. The resulting process-oriented rather than physical-oriented, user-driven rather than designer-oriented, consumption-oriented rather than production-oriented, full participation rather than ex post feedback, open solutions rather than one-off results and so on, all conform to the behavioral characteristics and basic features of service design [8].

After understanding the past and present situation of the new retail industry, this paper focuses on the topic of convenience supermarkets in Taiwan's retail services. The topics are summarized as follows:

Firstly, what is the service design operation form of Taiwan's convenience store— Family Mart?

Secondly, 「New retail」 has become a hot topic since the mention of Ma Yun, Alibaba. Has Taiwan's convenience store – Family Mart actually been launched in its form?

Thirdly, what are the essential differences between convenience stores in Taiwan and those in China?

Essay analysis

It is not enough to win and maintain respect with just wealth and power. Evidence of wealth or power must be put forward, as only with evidence can glory be gained. Evidence of wealth is not only to impress others deeply on their own power, and to keep their awareness of power alive and alert, but also to create and maintain their own self-satisfaction [9]. And the display of leisure life is a deductive way of gaining respect. From the time of ancient Greek philosophers up to now, leisure life has been regarded as the development of enjoying a valuable, or beautiful, or even perfect life. Above, through the purchase of goods, with "taste" for accurate identification, distinguish between noble and vulgar [10]. Therefore, consumer behavior can be an expression of the taste of the actors, while maintaining a sense of honor by reflecting leisure life. Therefore, consuming behavior can be a reflection of actors' savor.

In the consumer-oriented post-modern era, the rapid change of consumer goods is regarded as the multiple characteristics of self-identity. And the corresponding consumption market keeps changing and innovating. By means of default task differentiation, cooperation of actors and coordination of activities, producers merge and converge to present the final pattern of their goods. Consumers at the other end rely on sensory induction, self-restraint and alleviation of stimulating desires, and interact to shape consumer games to achieve new and unprecedented excitement. Life is full of carefully portrayed temptations, followed by lures and baits, and the product of stimulation is desire. What is pursued is desire itself [11]. And consumers personally engrave on the structure of their expectations of life, the hope for a better life. Based on the above analysis, we can see that the consumption process is a series of delicate design, which implies and reflects the process of service design.

In 2017, Taiwan's convenience stores averaged 1 chain convenience stores per 2,211 people, ranking the second

largest in the world, drinks, tobacco and alcohol being the main selling commodities. "Every day, start with a nice cup of coffee. Feel the good old days and have a good drink. – Let's Café." This is one of the consumer images that the whole convenience store conveys to the audience. Coffee has become a choice of modern people's life style. However, a cup of coffee is not only savory and mellow taste or bitter and acid taste - besides using consumption as a means to establish self-existence value through the external environment, it hides the idea that the convenience store—Family Mart uses advertising to advocate a powerful brand to do business under the empire of more money, affecting the consumers' preference for brands and their choice in many choices [12].

In the process from the time when the consumer decides to go to the convenience store to that when he/she finishes the shopping experience, the clerk is busy putting the goods on the shelves and cleaning them. Once they see the customer get up and goes to the cashier, the clerk brushes the bar code into the POS machine, ask the customer if they are members and points will be directly deposited in the account, explain the total amount of the purchase, trade and invoice, and speak politely "Thank you, welcome to visit again". In a very short intersection point, it manages to leave such a comfortable impression that customers perceive that their needs are met, and becomes the essence of service design - when two businesses of the same nature and similar location are available for selection, it becomes the object of choice. Therefore, people, assets and processes in service design are very important.

[New retail] For the Taiwan's convenience store— Family Mart, it is not a completely new concept. In terms of time points, before the Yunqi Conference was proposed in October 2016, narrow land and dense people had become the cornerstone of Taiwan's development of convenience stores. The short distance between points constructed a dense and complete logistics system. The integrity of the logistics system is crucial for the operation of supermarkets whether in the convenience or the adhesion degree of the formation of consumer's habits. In 2008, the promoted "picking up goods in stores", further deepened the dependence on convenience supermarkets. The appropriate configuration and grasp of goods with data through collecting cash, flexible and diverse services such as fresh food, bread, tickets, withdrawals, and even the purchase of Bitcoins, all contribute to attracting consumers.

The fundamental difference in the development of convenience stores between Taiwan and China lies in the difference in the development process of middle-level infrastructure. For example, the density of cash machines, the convenience of bank withdrawals, the difference of handling fees and so on, directly affect their consumption patterns. Consumption patterns and differences in the concentration of hyper-merchants caused by regional differences in size have different degrees of dependence and substitution schemes on the patterns displayed by the two places.

According to the statistics of the Executive Yuan of the Republic of China in 2018, the service industry has accounted for more than 60% of GDP since 2007, and the service industry has brought the highest output value to the society. In a customer journey map, which place can best impress customers to produce emotional links? Service experience is not just an

art, but also a science [13].

A good service experience needs to be revised strictly and repeatedly. In a service design, it is not only for the benefit of users, but also for the benefit and value of producers. Based on this consensus, all stakeholders in the service value chain will have a symbiotic relationship. Therefore, how to make good use of data for analysis and prediction has become the key to enterprises' success today.

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