

SILVER



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Impact of the goods and services tax (GST) on business and brand building

The introduction of GST has dampened consumer spending in the market although we believe a gestation period of six to nine months will hopefully see consumers accept GST and return to normal spending levels.

We believe most retailers will have seen a slow-down in consumer spending levels in April, May and June but they will also see recovery gradually occurring.

This has in fact created a need to spend more on building our brand and reputation in the market as we need to stay "top of mind" with our customers.

We have done this in a number of ways, but primarily via offering exciting and unique promotions and delivering on increasing value for money to our customers.

Impact of lower crude price or weakening ringgit on marketing efforts

We are not significantly impacted by oil prices or the weakening ringgit as most of our purchases are from local manufacturers and suppliers.

Strategies put in place to boost brand image

Brand strategy cannot be separated from business strategy. We focus intensely on our customers and other elements of the business rather than solely on brand building. The ultimate point of a brand is not to create emotional appeal or generate buzz, it is to shift customer demand.

At the same time we have recently introduced a number of new products under the 7 Select brand and fresh food under our proprietary brand Fresh to Go. These products are only available in 7-Eleven stores and this helps build our brand image.

Challenges facing brands in your industry

Consumer confidence and sentiment are at very low levels at the moment and this in turn impacts consumer spending.

As mentioned earlier the speed of recovery in spending levels as a result of GST introduction is still an unknown.

