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STRATEGIC ANALYSIS: SUCCESS OF CONVENIENCE STORES OF MEXICAN ECONOMIC AND TRADE PROMOTION

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ABSTRACT

The objective of this research is to identify the various strategies implemented by the convenience store chain that dominates the retail market in the country for which a review will be some of the different scientific approaches available to explain the performance competitive organization. The results allow to conclude that implementation of a strategic framework is what determines the success of modern format stores in the market for retail that were subject this case study.

KEYWORDS: Acquisition, Alliances, Diversification, Corporate Strategy, Vertical Integration

JEL: L21, L25, M51

Resumen

El objetivo de esta investigación es identificar las diferentes estrategias implementadas por la cadena de tiendas de conveniencia que domina el mercado de comercio al detalle en el país para el cual se realizará una revisión de algunos de los diferentes enfoques de carácter científico disponibles para explicar el desempeño competitivo de la organización. Los resultados permiten inferir que la implementación de un marco estratégico es lo que determina el éxito de las tiendas de formato moderno en el mercado de comercio al por menor que fueron sujeto de este estudio de caso.

Palabras clave: Adquisición, Alianzas, Diversificación, Estrategia Corporativa, Integración vertical.

INTRODUCTION

Businesses today are constantly faced with a globalized and competitive world that demands constant alertness to seize any market opportunity that guarantees their staying and would achieve the objective for which they were created. That is why no company can compete without the necessary strategies to achieve those objectives and it is the task of the owners or managers that such course of action is closely scrutinized. Thus, Leibenstein (1968) pointed entrepreneurship as a scarce resource in terms of being entrepreneurs who perform activities and actions associated with perception and pursuit of business opportunities.

The objective of this research is to identify the various strategies implemented by the convenience store chain that dominates the retail market in the country. Because this business format in the country is in direct competition with the so-called "corner shops" belonging to the group of MSMEs, they areconsidered the engine of the economy for their contribution in generating employment and wealth for the country. This is the main reason why there isa remarkable growth of convenience stores in this sector, which it has been identified as a major threat and they really are. Not because it is increasingly opening more outlets for its more than 12,800 relatively affordable units which are few when compared with 947,248 relating to miscellaneous and grocery stores within the sector (DENUE, 2015), but for the set of strategies to support their competitive behavior and constant expansion.

The approach so far made can highlight how the figure of the manager determines the success of the company, because although in structure and access to resources is not possible to establish points of comparison between a unit of traditional retail trade to a convenience store, both converge on the need to develop strategies being notorious the difference between a company that can reach individually to that supported by a corporate management despite presumably have the same business format. This being the starting point for determining the object of study of this research descriptive of the commercial chain OXXO-FEMSA.

Corporate strategies are formulated by the highest level of the organizational structure and the action plan of a diversified company with all its scope to multi model business (Luna, 2010). Companies engaged in various industries detect expansion opportunities as Peng (2012) points to increase a company's business with different operations to current, facing the decision of how to do it, either through vertical integration by joining with others, establishing strategic alliances or diversifying its products. This combination of strategies is being observed in the competitive behavior that has been detonated in the unquestionable success of the convenience store chain driven by FEMSA among its other business units.

Indicating the importance of the strategic approach for the competitive performance of companies arise the interest to identify which are those that have determined the success of convenience stores which has marked its difference from their direct competition and even traditional trade stores. This being a possible model to follow constrained by the availability of resources and structure that represents a major challenge for those seeking to venture into the retail market. So, the definition of competitive strategies is the key to survival in a globalized environment.

The present study was developed through a descriptive analysis of the strategies adopted by the chain's convenience stores in the country that have allowed them a competitive advantage constantly expanding. To this end, it was made a literature review in strategic management that allowed the theoretical basis of competitive behavior observed from the perspective of agency theory, theory of resources and capabilities and industry-based theory.

BACKGROUND OF THE PROBLEM

- **The Retail Industry in Mexico**

The retail trade is one of the main activities of the country as currently employs over other industrial and services sectors. Currently, the retail trade sector is involved in a fierce competition, because the supply has increased markedly and consumer needs are becoming more complex to meet each day. This has led to companies in this sector to establish various strategies to strengthen their competitive advantage. The convenience store format as derived from a combination of miscellaneous grocery stores format and convenience store originating in the United States, with particular characteristics that have grown and have great importance in the retail industry as what are location, size, service, speed and identification of needs.

Mexico andseveral Latin American countriesthere have been changes inretailer consumerpreferencesbecause after the conceptionrootedin cornerconvenience storethat represents 35% of household consumptionwhile consumptioninconvenience store obtains already 47% of theconsumer spendingaccording to the analysisWorlpanel(Monex, 2014). Thesubsectorofretaildepartment stores and supermarketsis the generatorof 733, 430directjobs with a contribution of2.1% to the national GDP(ANTAD, 2015) through 40,056storesonly.

Table 1: Retailtaxonomy

NAICS (SCIAN) Classification	Fórmate	Description
Retailin grocery stores, groceries andsundries	Traditional	It is characterizedby proximity to theconsumer.
Super markets and department stores.	Super markets	Integrates supermarkets, hypermarkets and warehouses.
	Conveniencesstores	Near consumer, extended hoursofserviceand assortment.
	Price clubs	Wholesales
	Pharmacies	Pharmacies

Source: Own Elaboration Based on Data in Egiandanta

The country has a total of 40,056 stores within the classification of supermarkets and department stores, equivalent to 24,864 square meters as a distribution channel. Of which 81% are convenience stores, being the commercial chain of FEMSA the one that represents 53% of the subsector.

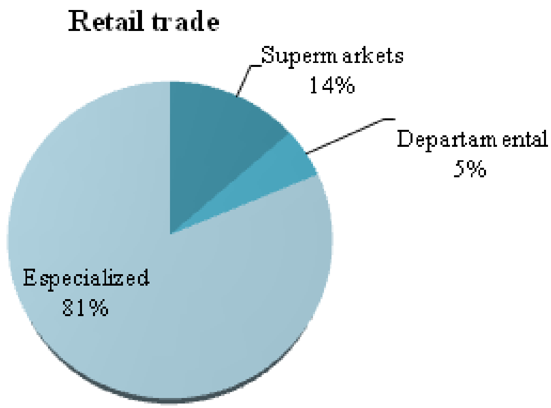

Figure 1: Integration of Retail Market

Source: Prepared with Data from ANTAD (2015)

- **Features of the Structure of Retail Trade**

The characteristics of firms in the retail trade may be defined in terms of structure, size and differentiation of services. This is segmented into traditional trade and modern trade. So that SMEs find their place within the traditional format stores, which in terms of structure are serving the defining characteristics identified by the Bolton Committee for SMEs as companies that have a relatively small market share, have among their managers the owner, with a customized structure and lack of a formal management structure (Curran and Blackburn, 2001). While for modern format stores with outstanding convenience stores, it is observed that these work under the concept of subsidiaries of large firms with different business models or under a franchise scheme.

So that it is possible to observe differences in the competitive performance between the two types of format to be implementing multiple strategies within the main convenience stores. Its structure serves as the logic of a business model perceived as a set of assets, activities and structure of government assets to create value (Osterwalder, Pigneur, 2010).

Have a strategic plan that defines the guidelines on how the business was managed, so that these strategic actions are appropriately selected to enable the use of all their resources in the best way and take advantage of opportunities created by the constant changes of the market that also it allows them to participate in various industries with the same technological base.

These strategic decisions regarding revenues and profits trying to get these companies are made at the corporate level, so a well-defined corporate strategy is the key to creating competitive advantage (McDowell, 1994). This strategy is crucial because it is the way the company creates value through the configuration and coordination of multi-market activities i.e. is formed by measures which allow the position of businesses within various industries (Vargas-Hernandez, Guerra-Garcia ,Bojorquez-Gutierrez, Bojorquez-Gutiérrez, 2014), which in turn has enabled them to have horizontal and vertical structures, geographic strategic deployments, diversification, among others that have enabled steady growth.

DEFINITION OF THE PROBLEM

Through this research, it aims to identify the various strategies implemented by the convenience store chain that dominates the retail market in the country. This from the question arising from the problem that traditional trading companies are facing at the apparent threat of this business format of modern consumer. Thus, this research is trying to answer the question: Is the implementation of multiple strategies together what supports their competitive behavior and constant expansion of the convenience stores in México?

ASSUMPTION OF RESEARCH

The implementation of a strategic framework determines the success and steady growth of convenience store modern format.

TARGET

The objective of this research with the support of theories of resources and capabilities, industry-based approach and agency theory is to identify the various strategies implemented by the convenience store chain to dominate the retail market in the country.

JUSTIFICATION

Perform strategic analysis of the business model followed by convenience stores, in specific at the Oxxo retail chain owned by FEMSA is to allow it to expand the vision of those competing in this sector. In effect, competition represents a powerful threat to those who continue to operate without have defined a business strategy that serves as a guide to direct actions towards a competitive behavior and not in relation to the number of units of this small business format that opens every day. This is a motive why it is highlighted how the figure of the manager determines the key factor to the success of the company, because it is independent of the size and resources available to both store formats thathave a point of convergence in need to establish strategies.

Thus, to identify the key factors that are associated with the implementation of various strategies by the chains of convenience. This allows SMEs involved in the market of retail trade deal, to adopt strategic plans to face the current problems of the growing trend towards consumers by consumption in the modern format.

CONTEXTUAL FRAMEWORK

- **History and Overview of the Company**

The objective of FEMSA's is to improve beer sales through outlets owned by the Company and to obtain information about consumer preferences. This was what incentive the entry to the retail industry, giving rise to FEMSA Trade in 1978, when the first two OXXO stores were opened. This strategy was successful in recent years, and since 2010 this chain acted as the main channel of the company, selling about 16% of all beer produced in 2010 and 40% of total sales in its convenience stores. It has also been an effective distribution channel for carbonated beverages fromother major business units of the company.

The main strategy of OXXO retail chain is constantly expanding as it has developed a complex system to evaluate potential new stores, the mixture of suitable products and the most convenient format. This system combines demographics, data from nearby shops and consumer profiles to improve performance of its store by store allowing it to open 1,040, 1,120 and 1,132 new units in the years 2012, 2013 and 2014 respectively. This strategy included opening conveniences stores in non-traditional places such as shopping malls and airports, where they now have high traffic. OXXO stores currently operates 12,853, out of which 12,812 are located throughout the country and 41 in Colombia, with a particularly strong presence in Northern Mexico offering about 2,744 products in 31 major categories.

- **Business Strategy**

FEMSA's business strategy is to use its trade position in the market for small format stores to grow profitably and efficiently. As the market leader, it has a deep knowledge of their markets and considerable experience in the operation of a chain of stores with a national presence allowing it to continue capitalizing on the market knowledge it has acquired through its existing stores. This has allowed it to develop its own business model with the advantage to identify optimal store locations.

Market segmentation is an important strategic tool allows the firm to improve the operating efficiency of each location and the overall profitability of the chain. In addition to making substantial investments in IT to improve its ability to capture customer information and improve its overall operating performance through the integration of such systems within a network that enables communication across the company. As a strategy for revenue management, product categorization was implemented so that information was more efficient.

The success of OXXO’s promotional strategies can be attributed to its ability to work together with its suppliers that has allowed it to developcapability to executing differentiated promotions, mixed and aimed at attracting new customer segments. Additionally, it has also developed the capability to offer more services to its consumers, such as payment services and other basic transactions. In addition to the strategy of strategic location of stores where from a thorough study of convenience turns to credit providers that enable it to fund its initial inventories to promoting rapid growth.

The scale of operationsofthe retail chainis a competitive advantagethat allowsrealizing strategic allianceswith suppliersasone of thegoals is thatconsumersfind what they want.This is toensurethatthe chainhas 16CEDISwhereprovidersarelimitedin resourcesto distribute itsproducts throughthis chain.Since the mainstrategyis theconstantexpansion,much of investmentof FEMSAon the chaingoes tothe construction and openingofnew stores.During2014, it opened 1,132new stores. The amount investedby the companyin 2014was5,191 millionmnx, which wentto the addition ofnew stores,warehouses and improvementsto leased properties.

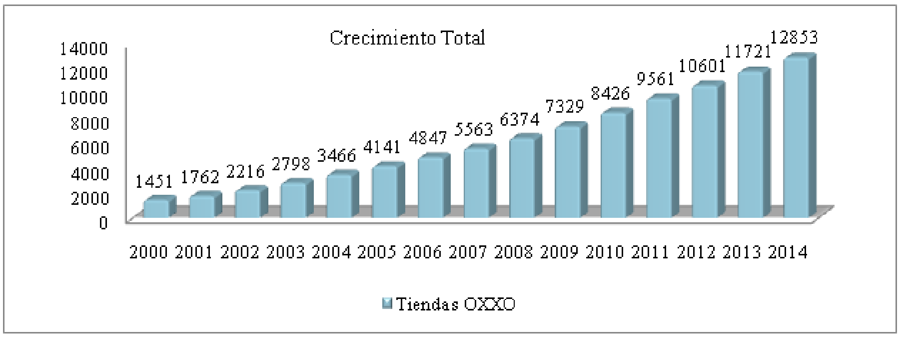

Figure 2: Total Growth by Opening Stores

Source: Compiled Fromdatafemsa2014annual Report

As part of OXXO's management strategies that contribute to its competitive advantage is investment in staff training in order to promote loyalty, customer service and maintain a low staff turnover. Thus,its operation strategy for approximately 59% of the stores is operated by independent managers responsible for all aspects of the operation of the stores. The managers are commission agents and are not employees of the company. Each store manager is the legal employer of staff thereof; which in turn enableshim to maintain full control of operations and maintain out of the franchise scheme. The great expansion of chain stores is also due to it being only 11.2% of owners of business premises. The strategy of establishing long term leases with third parties gives it the opportunity to create flows for the start of operations of each point.

- **Competition**

The retail market is highly competitive in the format of convenience stores. The OXXO´s chain faces competition from small format stores like 7-Eleven, Super Extra, Super City, Circle-K, as well as numerous other retail chains around Mexico, other regional stores as well as traditional format stores (Miscellaneous). This competition is therefore for consumers and new locations for stores as well as for the managers to operate them. The average store size is about 104 square meters, according to all accompanying structures and the number of units inside the market; they participate by 77% in the market share of the trade sector in retail convenience stores nationwide.

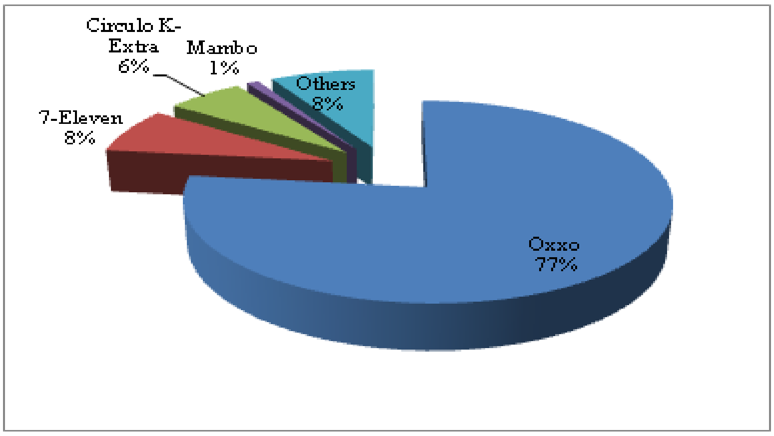

Figure 3: Market Share of the Convenience Store

Source: Prepared by Euromonitor International Data

- **Vertical Integration**

This retail chain also operates following vertical integration strategies because it has a wide range of private label products which is growing both in size and in sales. This in turn also has allowed it take convenience stores to displace and move to other brands available on shelf space and compete on price, giving them the opportunity to offer lower prices than the competition. They are Andatti, Bitz, Chevere, Del Marqués, Azalea, Nutradog, among others.

- **Diversification Strategies**
  - **Entry on Drug Market**

Following a growth strategy maximizing the opportunity, the company entered the market of pharmacies in Mexico since 2013. This was through acquisition of pharmacy YZA operating 330 stores at the date of acquisition. Later this transaction provided the opportunity to acquire Modern Pharmacy (FarmaciasModernas). In 2014 it agreed to acquire 100% Pharmacy pharmakon (FarmaciasFarmacon), which highlights the capacity and ability of these shops to venture into different markets.

- **Entry into the Sector Quick Service Restaurants of Fast Food**

Within the guidelines of its growth strategy opens a new route expansion within the quick service restaurant sector. Through the acquisition of 80% of Doña Totachain leader in the industry in the Northeast country.

- **Entry on Gas Sector**

OXXO enter this sector since 1995 working through agreements with third parties that have franchises of PEMEX created the brand OXXO Gas. Given the chance that changes in the Energy Reform in Mexico, it opens the way for free foray into the sector so within the next expansion plans include the acquisition of other stations.The content of this section has as a source of information the 2014 Annual Report available on its website FEMSA (2014).

THEORETICAL FRAMEWORK

- **Theory of Resources and Capabilities**

The company is a collection of productive resources physical, human and intangible, where the growth of the company is defined by how are managed the same (Penrose, 1959). The overall purpose of the company is to combine equity of own resources with other resources acquired abroad so that generate profits. However, under this approach, the company growth is limited by the capacity of management, market uncertainty and risk. A company is successful to the extent that its combined resources will allow it to generate income and be able to respond to market changes (Wernerfelt, 1984). An advantage of resource management is that the company has an infinite number of combinations that can be developed to specialize or diversify.

In the search for diversification coupled with the rivalry of the companies they pursue perfection of their organizational capacities generating continued growth of their companies. These capabilities include the skills of middle and upper management, the lower management and workforce (Chandler, 1990). A company with a competitive advantage that achieves superior results to that of their competitors' positions, it is credited with the protection of a number of scarce resources that makes it impossible for competitors to imitate or substitute, which expresses the opportunity cost of having them.

These necessary resources to implement a strategy can be purchased at the market factors (Barney, 1986). This market has an imperfect competition, since companies can only get a yield above normal only if it has superior information, luck or both. An acquisition strategy based on resources according to Salter and Weinhold (1980) can focus on getting more of these resources that already has and get those that combine effectively with it already.

This relationship product-resource opens the possibility of considering the different ways in which the company can develop a growth strategy. However, until now the theory considers only the resources that occur in conjunction with products and how to exploit this condition to generate a competitive advantage. More recent research has focused on developing a theory of resources and capabilities, which proposes that the success of the organization is based on the income generated by especially valuable resources where these capabilities result in the ability of the company to integrate and build new combinations of resources that result in innovative competitive advantages that enable the firm to adapt the changing environment.

- **Agency Theory**

This approach is part of noting that all individuals have definite preferences about risk, i.e.there are those who are lovers or adverse to situations with high uncertainty. Agency theory is a condition for cooperation between owner-agent to achieve a common purpose. The problem arises when owner-agent diverge in their interests and have different attitudes towards risk which hampers the condition thus raising agency costs. Therefore as this is the one in charge to solve the problems that may occur in the relationship between owner-agent attempts to describe this relationship use the contract as a means of solution and cost reduction (Jensen and Meckling, 1976) determining who is more efficient.

One of the tasks of the agency theory is to create a system of incentives to mitigate the opportunism of the agents so that personal interests are aligned with the interests of the principal and the conflict is minor so in turn agency costs are smaller too. Although the Director is of the kind that cares about being efficient and low opportunism resists certain conditions, it cannot expected to always he is acting in good faith. He somehow expects his reward either recognition or money.

Agency theory has been developed along two lines: positivist and principal-agent (Jensen, 1983). Both share as unit of analysis the contract between director and principal given certain assumptions about people, organizations and information. On this basis there are different situations to be assessed to determine what type of contract is the optimum between principal-agent according to the propositions of Eisenhardt (1989):The performance contract is optimal when there is a low risk aversion of the principal, and he does not be afraid to delegate risky tasks to the administrator and he is limited to get results, or when there is a conflict of interest as the two converge in oneself or when the expected results are easy to measure. In such cases for the owner is better to define what is the incentive on the results expected for the agent to align his behavior to achieve the results and therefore he can receive his benefits.

On the other hand, the contract behavior is most effective when the outcome depends on the development of certain behaviors for which the owner develops information systems directing to whatmust do exactly the agent and will ensure what he is waiting, or when he works in environment of high uncertainty where it is difficult for the owner to delegate situations of high risk. Therefore, the principal opts for monitoring the behavior of the agent to ensure that his goal is achieved.

Also the owner considers the fact that the administrator tasks are not something programmable which always will generate the same result by implying decisions that must be monitored to avoid opportunism. Therefore,it should be monitored his behavior. And finally, when the relationship is expected to be long term it is preferable to have such contracts because they allow the owner to learn from the agent and generate a view that allows more objectively evaluate his behavior.

An analyst should also take into account that, while the agency theory studies the relationship between owners and agents, this theory should not be seen as isolated issue that has similarities with other currents of organizational knowledge to help us understand human behavior and its impact on the business performance. Well aware that the incentives are the best way to achieve cooperative behavior and opportunism will always be present given the limited rationality of people. Moreover, it can be said that the contributions of agency theory are information processing, which has a cost, and can be purchased, and the implication that companies can invest in information systems with the end to control the agent opportunism.

Agency theory takes as its starting point the assertion of Peng (2010) on the firm requires governance which is possible through the corporate governance tripod, pointing to it as a possible tool of competitive advantage for the company. It is making it the agency theory in charge of studying the corporate governance in the management of the company, arising from the need from the owner to delegate on an agent power and management functions for strategic decision making. This it is not easy because as Berle and Means (1932) point to the separation of ownership and control creates a conflict of divergent interests between owners and managers.

- **Industry Based Approach**

The traditional paradigm of industrial organization is to provide a model for the formulation of strategy. And from this, it is defined the strategy by how a company tries to compete with its environment by choosing key goals (Andrews, 1971). A formulation of effective strategy according to the model involves the relationship of fourth key elements: company, industry, implementations of key value for the company and the expectations of society. That is, the success of the company depends on the right combination of internal skills and values of its external environment. Itself implies that the performance of the company's market depends mainly on the characteristics of the industry environment where competes withwthat determines the behavior of the company, whose behavior then determine the collective market performance (Bain, 1968: Mason, 1953).

The industrial organization model proposes that the performance of the company measured on profitability and cost minimization depends on the decision of the individual firm of where to orient objectives and these in turn are defined by the structure of the industry to which it belongs considering to the context in which competition is generated. So, this will allowpredicting performance under these circumstances that can be expected in the market.

This explains the importance indicated by Porter (1981) to generate a perspective of industrial organization that provides a methodology for formulating strategy focused on measuring the performance of the company in a competitive environment. The firm takes the necessary decisions for its behavior oriented to properly allocate its resources and develop a competitive advantage allowing facilitating its interaction in the market.

Corporate strategies are formulated by the highest level of the organizational structure and the action plan of a diversified firm reaches its full multi-business model (Luna, 2010). Companies engaged in various industries are created when a company in one country detects industry and expansion opportunities in other industries and countries. As Peng

(2012) points out,to increase a company's business operations with other different to the current ones, facing the decision of how to do it if through vertical integration by joining with other companies or diversifying their products.

To implement its strategies, a firm should adapt a multidivisional structure, design an effective control system in all industries and create corporate culture. This is important to ensure that the company make proper use of its resources and capabilities, control costs and achieve its growth target.

- **Strategic Alliances**

Strategic alliances are voluntary agreements to share, exchange and develop knowledge and information together so that businesses can obtain resources and capabilities that they are scarce and they cannot acquire on their own. This gives them the opportunity to gain mutual benefits that allow them to sustain their competitive advantage. Generally the strategic alliances generated between companies to compete together and reduce costs, risks and uncertainty. An important feature is that in the authentic alliance the companies involved in it keep its structure of independent government and autonomous capacity of government decisions but this autonomy is limited by its commitments to the alliance partners. Usually partnerships are possible through contracts and agreements where control and autonomy are limited only (Sainz, 2014).

An alliance within the considerations based on the industry approach through the five forces model of Porter (1981), which include among them as relevant to the partnership strategy or strategic alliance helps to mitigate the effects of the barriers to entry to new markets and possibility of vertical alliances bottom-up and top-down. For example, alliances with suppliers to ensure quality or other companies in the same market and compete with heterogeneous products together generating products through a combination of technologies.

The focus of resources and capabilities that indicates the formation of a partnership or alliance within the framework VRIO, because as mentioned before, one of the objectives of the companies is the complementarity of resources, so it should look for the creation of value allowing to be obtained at lower costs. Rarity is related to the characteristics of the partner with the attributes required to establish a transfer of information on those capabilities that can also be imitated by the partner company. Thus, it can establish a form of organization that the rest of the competition not may have, allowing partner companies to position with a competitive advantage (Peng, 2010).

As can be seen up to now, strategic alliances concentrate on teamwork so as the same with people, to select the partnerindicated requires some degree of affinity for a partnership to work; it also requires a certain degree of confidence. Finally, partnerships and alliances are efficient in the extent to which produce mutual benefits such as access to new markets, diversification of product lines that create value to the company and contribute to its competitive advantage through this as internal and external a processes (Navas, Guerras, 2002).

- **Acquisitions**

An acquisition is the transfer of control of the operations and management of a company to another so that the latter becomes part of the first. That is, the purchase is made by one company over another, without the latter losing its characteristics but in which their owners no longer have full control of it (Pérez, 2013). A common feature is that the bidding company is larger than the target company and even getting to pay a higher value than the market value of its shares.

The effect caused by the non-existence of profit by taking control of a company through corporate acquisitions, is explained by the hypothesis of arrogance that predicts an increase in the market value of the target firm which exceeds the average decline in the value of the bidding company (Roll, 1986).

Although the situation described in the preceding paragraph may occur, this is not exactly the way the acquisitions operates, which shows that the market is acting inefficiently occasionally because of the irrational actions of some economic agents. On the other hand, the actual motivation for the company to make an acquisition is more related to corporate control structure between the companies involved (Vasco, Cortés, Gaitán& Duran, 2014), as for a corporate is easier to integrate the company in structure to work on a scheme of merger or alliance that may involve a number of unnecessary transaction costs.

- **Vertical Integration**

Vertical integration strategies are those courses of action that allow the company to make decisions about their value chain, focusing especially on the importance that plays its suppliers in its ultimate purpose. So, the measures that can be considered by the company are focused on the possibility of acquiring suppliers or distributors, or improve buyer-supplier relationship to exert a degree of bargaining power.

Vertical integration is the acquisition by the company of suppliers or distributors. So the company can acquire a manufacturer supplying a wide range of products, or a key product allowing ot to develop its own brand products which in turn gives new options of products and cost savings (Susan, 1994). This is a very common practice in companies with a strategy of expansion and constant growth. Another way that can arise is through the centralized physical distribution centers serving largely to strengthen the negotiating position of the company with suppliers, improve operating efficiency and supply to the end of the chain that result in improvement customer service (Fernie, and McKinnon, 1991).

A change in buyer-supplier relationship is also a viable strategy of vertical integrationwhen the company in his role as purchaser has the capability to exercise power over the provider controlling prices, products and even about the innovations of products that his provides you. The bargaining power of the company is determined by its size, so if this is big enough and the supplier is vulnerable to the company, it is possible that this change of relationship can be generated (Grant, 1987).

METHODS

For the preparation of this research, it was applied an exploratory qualitative analysis approach. The research was turned to review literature sources, in addition to foundations and public information statistics from annual reports issued by the organization. This wascollected and only were considered those that will bring and allow to make inferences to answer research questions were considered. This through a descriptive study, that is, analyzing how it is and the phenomenon observed in the study (Hernandez-Sampieri, 1991) manifests. They are considered as dependent variable of convenience stores in the retail market and corporate strategies as independent variables (Vargas-Hernández, et. 2014).

CONCLUSIONS

Regarding the research assumption on the implementation of a strategic framework is what determines the success of modern format stores in the market for retail. It can be inferred that there is evidence of wellbeing because the achievementsof convenience stores after a review of the number of strategies that the company subject of the case study implemented.The OXXO-FEMSA finds its livelihood within the framework of some of the different scientific approaches available to explain its competitive performance of the organization and that is one of the purposes of the strategic managementtheories.

The focus of resources and capabilities can explain some of the behaviors of the conveniences stores are oriented toward a vision of alert to changes in the environment to adapt the internal processes and respond in the best way available. In addition to much of their competitive advantage that is determined by making optimal use of their resources and capabilities acquired throughout their history that allowstaking every opportunity to reach the market. On the other hand, the main strategy of OXXO-FEMSA has to be distinguished from the rest through the implementation of strategies that seek to optimize its most valuable resources being the reputation of its brands and the knowledge gained through experience. Within the framework of theories also they have shown how the convenience stores have always gone to the complementarity of resources.

Agency theory can explain how the company strategically manages this problem of asymmetric information between owner-agent through independent agents working on commission contract where disclaims without losing control over this responsibility. This reduces the chances of opportunism and ensures their commitment to obtaining the results expected by the company. This allows it to operate under a degree of certainty and better control over the operations, resulting in the possibility of opening its 1000 annual point sales that has been set as a goal.

Finally,industry-basedapproachexplains howin findingto maintainitscompetitive advantage andmarket positiontobe detected inthisnewopportunitythe companyfocuses itseffortstoseize, through variousstrategiessuch asvertical integration.Even,it was that gaverise to thischain of storeswhose initial objectivewas to providethe ownerof aneffectivedistributionchannel.Now, itmakespossible to haveits own brands, Strategic alliances largelyexpressedwith its supplierstobethisoneimportantstrategy toprovidefundingin itsinitial inventoriesper store. Also,to partakeof itskeypromotion strategiesandacquisitionsthroughnewbusiness formatshave allowedit to expandand compete inniche markets.

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