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DEMYSTIFYING THE MILLENNIALS' PERCEPTION OF RETAIL STORE ATTRIBUTES

Dr. Smita Singh*

ABSTRACT

The Indian economy with its liberalisation in 1991, introduced the domestic customers to new ways of shopping and raised expectations by pampering the hitherto cloistered Indian. The generation which grew up in this customer-centric atmosphere were the Millennial (currently 13 to 30 year olds) who not only savoured the attention lavished on them, but became more demanding and discerning than the earlier generations. Identified as self-reliant with a strong sense of independence and autonomy, Millennial enjoy the experience of shopping. However, all Millennial are not the same. Studies have revealed finer lifestyle differences within the generational cohort of Millennial. These specific lifestyle preferences are bound to influence his store perception. Thus, the intention was to identify the lifestyle groups within the larger generational cohort of the Millennial and to understand the millennial consumers with respect to the retail store attributes and their shopping pattern. Also to explore whether the lifestyle of the Millennial affects their perceptions of the attributes of the retail outlets they visit and to suggest strategies to the retailers in light of the findings. Five distinct Millennial lifestyle groups were identified as were five store attribute perceptions. Each lifestyle correlated with a certain store attribute perception. Based on this strategies are forwarded for retailers.

Keywords: Millennials, retail store attributes, lifestyle, generational cohort

INTRODUCTION

The opening up of the Indian economy in 1991 has brought about paradigm shifts in the way subsequent generations regard spending and consumption patterns. Millennials i.e. those belonging to the age group of 13-30 years have drastically different values, belief structure, and the lifestyle ... or so it seems! The foremost question that arises is whether this change is real or more a figment of the collective imagination? More important is the need to explore whether this perceived change in the lifestyle reflects in their perception of the retail store outlets. Does a different lifestyle value lead to the preference or non-preference of a retail store? This paper is an attempt to understand the answers to these questions with respect to the lifestyle factors and the preferred retail store attributes by the Millennials.

The Millennials (the Generation Y), the children of the Baby Boomers, rival the Boomers in sheer numbers. They are a generation that grew up in times of fast-paced changes, where boundaries were melting and technology was taking the centre stage. Millennials are accustomed to diversity, seeking variety and are easily bored; they expect novelty in their products and customisation in the

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sales pitch targeting them (Cohen, 2009; Rosenburg, 2008). Being self-reliant with a strong sense of independence and autonomy, they enjoy the experience of shopping (Williams and Page, 2010). However, Millennials have made a shift from the materialism of the Baby Boomers to seek a deeper meaning from life, a more tranquil inner self (Read, 2007; Furlow & Knott, 2009). A generation is defined as a cohort of individuals who were born within a certain period of time. Generally a generational interval is taken as being twenty years in length as this represents the average number of years between the birth and childbearing of an individual, meaning to say the start of the next generation. Further, this span of twenty years also represents the division of an average human being's life, assumed to be approximately 80 years during which his life can be divided into the four distinct phases of youth, rising adulthood, mid-life and elderhood (Strauss & Howe, 1991). Previous researchers have recognised that there are distinct differences among current living generations (Silvanto, 2012). This phenomenon has been termed as 'peer personality' by Strauss & Howe (1991, pg 63) wherein they have talked about a set of collective attitudes, attributes, values and orientations specific to the majority of individuals belonging to the same generation. While generations have a peer personality, it would not be fair to assume that 'age alone dictates singular buying pattern and purchasing motives' (Greco, pg 72, 1986). The sub-segments existing within each cohort needs to be identified and will help in designing more effective marketing strategies for approaching the members within the segments in each generational cohort (French & Fox, 1985).

Retailers can understand their consumers better by understanding their lifestyle as "lifestyle is basically how a person lives" (Hawkins, et al., 2010, p.434) and is the actual behaviour of the individual which is seen in his activities, interests and the opinions he holds (Hoyer & Macinnis, 2009). It is these different activities, interests and opinions that influence the shopping behaviour (Samani et al., 2011) alongside the influence exerted by family, friends and society (Preez et al., 2007). It is proposed that the lifestyle of a person would have a marked influence on his perception of the store attributes.

The next question that arises is that, what are these store attributes which need to be taken into account. Lindquist (1974) has classified the store attributes into nine parts which are physical facilities, products, services, consumers, convenience, store atmosphere, promotion, institutional factors and past transactions. Thus, it may be said that store attributes are in a way responsible and have an impact on the store selection process as these make the overall image of the store (Ghosh et al., 2010). The relationship between retail store attributes and lifestyle has been brought out by quite a few researchers in the past. Huddleston et al., (1990) in their study of adult female customers found that certain retail attributes viz., home delivery of purchase, quality of the products and credit availability were linked with the customers lifestyle. Therefore, it is imperative for the retail managers to understand the role of consumer lifestyle in their business' success. Their efforts in creating and projecting a store image keeping in mind the lifestyle of customers they wish to attract to their store are likely to result in rewards in terms of better conversions and better word-of-mouth publicity.

RESEARCH OBJECTIVES

The research was undertaken to understand the lifestyle pattern of the Millennial consumer and further to explore the impact these lifestyle patterns have on the store attributes favoured by them. Thus, the objectives for the paper may be stated as:

1. To identify the lifestyle groups within the larger generational cohort of the Millennials
2. Attempt to understand the underlying mindset of the millennial consumers with respect to the retail store attributes and their shopping pattern.
3. Explore whether the lifestyle of the millennial affects their perceptions of the attributes of the retail outlets they visit.
4. Suggest strategies to the retailers keeping in mind the lifestyle group and its preferred retail store attribute.

METHODOLOGY

A convenience sample of 300 respondents, 55% females and 45% males, (table 1) was administered a structured questionnaire with statements on activities, interests and opinions as well as the store attributes that attract them to a particular retail outlet. The questionnaire was divided into three parts. The first part recorded the demographic details of the respondents, the second part had 50 items related to lifestyle and the third part had 35 items related to store attributes. The second and third part recorded the responses on a five point Likert scale, with 1 = not-at-all like me to 5 = really me and 1 = never to 5 = always, respectively. The data was analysed for the underlying factor structure for the lifestyle of the millennials as well as to identify the factor structure for the store attribute perception. This was subjected to analysis of variance (ANOVA) to understand whether there were significant differences among the lifestyle groups.

RESULTS AND ANALYSIS

The factor structure of the lifestyle of the Millennials reveals that there are five distinct sub-groups namely, **Self-reliant Millennial** (Cope well with everyday life; Avid book reader; Have friends/neighbours who help me; Work on self-improvement; Enjoy shopping at shopping center; Try new places to shop), **Young and Secure Millennial** (Think of self as younger than most; Enjoy eating at new restaurant; Combine shopping with lunch/dinner; Walk/exercise daily; Enjoy watching soap operas), **Family Oriented Millennial** (Shopping is a chance to do something; Enjoy being with people; Enjoy spending time with family), **Active Planner Millennial** (Visit resorts/vacation on regular basis; Spend time planning retirement; Attend cultural/art events), and **Socially Active Millennial** (Work on community projects; Lead a simple life; Enjoy doing volunteer work; Make plans months ahead). Since, the appropriateness of data for factor analysis needs to be established, the sampling adequacy test was performed through Kaiser-Meyer-Olkin (KMO) statistic. Table 2 provides the SPSS output for the factor analysis performed to identify the lifestyle patterns within the Millennial generation. Since, KMO values greater than 0.6 is considered as adequate (Kaiser & Rice, 1974), hence, the Kaiser-Meyer-Olkin measure of sampling adequacy with value of 0.721 was acceptable. Barlett's Test of Sphericity (2859.690, df. 190, Sig.0.00) show that the values are significant and hence, acceptable implying that non-zero correlations existed at the significance level of 0.000, it provided an adequate basis for proceeding with the factor analysis (table 4).

Further, the factor analysis results reveal a factor structure highlighting **store ambience** (Ambiance; Convenient entry/exit; Variety of choice; Clean and organised; Fast and convenient checkout; Availability of washrooms; Transportation), **services offered** (Wide

aisles; Accepts cheques; Easy return policy), **customer facilitation** (Accepts coupons; Clerks do not pester; Sales; Home delivery), **personnel attitude** (Help in reaching items; Help in finding items; Knowledgeable salespersons; Friendly cashiers; Readable tags) **and convenience** (Place to sit; Lounge in store; Ease of finding items). Table 3 provides the SPSS output of data for factor analysis of data on store attributes perception. The KMO value for the same was 0.781 with the Barlett's Test of Sphericity (2073.704, df. 171, Sig.0.00) suggesting adequate basis for proceeding with the factor analysis (table 5).

FINDINGS AND DISCUSSIONS

The results for the ANOVA test indicate that there was a significant difference among the lifestyle groups for certain store attributes like services offered, personnel attitude and convenience in case of the Millennial generation. Further, a correlation analysis revealed that while there was a positive and significant correlation between most of the lifestyle groups and the retail attributes, there were certain sets of correlations that were much higher than the others in the same group.

Lifestyle groups within Millennial generational cohort

The factor analysis results revealed five distinct millennial lifestyles viz., Self-reliant, Young and Secure, Family Oriented, Socially Active Person and Active Planner groupings. The Self-reliant millennial is focused on self improvement and prefers doing things himself. He is also more into gathering information, reading, searching for what he wants. He copes well with everyday schedules and experiments with new things. The Young and Secure millennial considers himself to be mentally, behaviourally and choice-wise younger than his contemporaries. He seeks activities which reinforce this image for him. At the same time he is also keen on adopting regimes of exercising and activities which would help him maintain his youth longer. The Family Oriented millennial enjoys spending time with family and in most of his activities, family requirements form the core. The Active Planner is highly involved in planning and executing events, as well as attending them. For him planning visits and vacations come naturally and is a source of enjoyment. The last group is the Socially Active millennial, who is involved with community work and works voluntarily for social causes.

Retail Store attributes sought by Millennials

Exploring for the store related variables preferred by Millennials it was seen that these grouped into five distinct heads viz., Store Ambiance Attributes, Personnel Attributes, Convenience Attributes, Customer Facilitation Attributes and Service Attributes. Store attributes emphasised ambiance, cleanliness, convenient entry and exit as well as the choice of goods available in the store. The second variable was Personnel attributes, which dealt with knowledge of salespersons, friendly cashiers, help extended in finding and reaching items. Then, there was the Convenience Attribute, which focused on presence of lounge in store, ease of finding items, etc. Next was the Customer Facilitation Attribute dealing with home delivery option, acceptance of coupons and sale organised by store. Finally the Service Attributes which highlighted options like presence of wide aisles, policy of accepting cheques for payment and easy return policy of the store.

Linkages between Lifestyle groups and Store attributes

It can be seen that Self Reliant Millennials have the strongest correlation (0.488) with service attribute; Young and secure Millennial with Sales person attributes (0.729); Family Oriented Millennials with Store attributes (0.653); Active Planner Millennial group with convenience attribute (0.577) and the Socially Active group with customer facilitation (0.429). Thus, it could be said that the Self-reliant were looking at those options in a store that made their shopping experience easier by facilitating it. The Young and Secure millennial on the other hand appreciates the readable tags, friendly cashiers and knowledgeable sales person the most. For the Family Oriented millennial, the Store Attributes have highest priority, since he quite often looks at the outlet from the point of view of the entire family coming out to shop. The Active Planner gives a greater weightage to Convenience, closely followed by Service Attributes of the store. The Socially Active group prefers Customer Facilitation as sale and coupons which can be redeemed help this millennial shopper in planning for better bargains and deals, which go with their mindset of giving back to the society.

Strategies for Retailers

It can be seen that within the larger cohort of Millennial, there are sub-groups with significant differences in their store attribute's perception and needs. The companies targeting the Millennial can start off with identifying which sub-group frequents their store. Armed with this information, they can emphasise the store variables especially favoured by this band of Millennial. For instance, the retailer having a higher footfall of the Self-reliant millennial can offer him the information he seeks by way of infomercials. Further, they can devise do-it-yourself kits which are pretty popular in Western countries. The concept of do-it-yourself still has to catch up in India but it could be a good option for those who are interested in making things themselves but fail to get the required support.

MANAGERIAL IMPLICATIONS

While each sub-group has shown a clear inclination towards one or the other set of store attributes, they have at the same time, not negated the need for other store variables, especially that of sales Personnel Attributes. The main implications for managers of retail stores may be spelled out in terms of:

- Training and knowledge enhancement of customer care personnel – The better trained the store personnel are the better they can facilitate customers in their selection of products. However, what the Millennial seeks is very different from that sought by the previous generations. Millennial was born in the digital age and is more likely to use his Smartphone as the first resort for information rather than any in-store customer care person. What the personnel has to ensure is the 'experiential' shopping that the Millennial craves and for that the training of the personnel has to be continuous and updated in accordance with the trends.
- Friendly layout and posting of signage in retail store – The Millennial puts a premium on speed, efficiency and convenience in his business interactions as well as while shopping. The managerial implication of this is providing the Millennial with this speed, efficiency and convenience. One way of ensuring this is to make the layout of the store customer friendly – stocking products in such a way that they are easy to locate. This can be facilitated through posting of signage at strategic points with pointers and directions. These steps can help not

just the Millennial but also the non-millennial customers in saving precious time.

- Speak the language of the Millennial – Millennials are informal communicators as compared to the other generations and have their own words, language and ways of communicating. They have enough information and information sources at their disposal to make out fake and dubious information. Managers should keep this in mind while designing the promotion material for the stores. The best way of dealing with the Millennial is to make the communication customised, caring and authentic rather than giving out scripted answers.
- Appropriately planned and communicated store promotions, sale, discounts, etc. – Millennials are highly responsive to promotions, sales and discounts. The Millennial may not always visit the store but this technology savvy generation is quick to check things out online. The manager of any retail store would do good to not just plan the store promotions to coincide with activities in vogue with Millennials but also to spread word about them through website and especially through social media presence on Facebook, Twitter, Orkut, etc. Further, mere presence on social media would not suffice. To capture the attention of the Millennial, the retailer needs to create a positive buzz around the promotion, to make the Millennial customer take notice and talk about it.

Thus, the study stresses the importance of training and knowledge of the store staff as well as ensuring customer friendly layout and posting of signage in the retail store. The store promotions, sale, discounts, coupons, etc. can also be planned keeping in mind the requirements of the group being catered to. The shopping trends of Millennials need to be closely monitored so as to anticipate and address the needs and requirements proactively.

CONCLUSION

Based on the above findings, it can be concluded that millennials take into consideration a number of factors while assessing a retail outlet. Hence, it would be a wise attempt on the part of the retailer to invest in understanding the millennial shopper and establishing an emotional connect with him. This connect has to be based on traditional marketing initiatives complemented with digital technology as this is what the millennial shopper understands best!

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ANNEXURE

Table 1: Respondent demographic details

| Respondent characteristic | N | Percentage |
|----------------------------------|----------|-------------------|
| Gender | | |
| Male | 136 | 45.33 |
| Female | 164 | 54.67 |

Table 2: KMO and Bartlett's Test results for Millennial Lifestyl

| | | |
|---|--------------------|-------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .721 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 2859.690 |
| | df | 190 |
| | Sig. | .000 |

Table 3: Factor structure for Lifestyle clusters of Millennials

| | Component | | | | | Cronbach alpha Scale Reliability = 0.839 |
|--|---------------|--------|--------|--------|--------|--|
| | 1 | 2 | 3 | 4 | 5 | |
| Self-reliant | | | | | | 0.906 |
| Cope well with everyday life | .910 | | | | | |
| Avid book reader | .900 | | | | | |
| Have friends/neighbours who help me | .783 | | | | | |
| Work on self-improvement | .741 | | | | | |
| Enjoy shopping at shopping center | .711 | | .578 | | | |
| Try new places to shop | .543 | | | | | |
| Young and secure | | | | | | 0.813 |
| Think of self as younger than most | | .832 | | | | |
| Enjoy eating at new restaurant | | .821 | | | | |
| Combine shopping with lunch/dinner | | .738 | | | | |
| Walk/exercise daily | | .560 | | | | |
| Enjoy watching soap operas | | .556 | | | | |
| Family Person | | | | | | 0.774 |
| Shopping is a chance to do something | | | .794 | | | |
| Enjoy being with people | | | .773 | | | |
| Enjoy spending time with family | | | .745 | | | |
| Active Planner | | | | | | 0.765 |
| Visit resorts/vacation on regular basis | | | | .800 | | |
| Spend time planning retirement | | | | .715 | | |
| Attend cultural/art events | | | | .676 | | |
| Socially Active Person | | | | | | 0.718 |
| Work on community projects | | | | | .823 | |
| Lead a simple life | | | | | .692 | |
| Enjoy doing volunteer work | | | | | .631 | |
| Make plans months ahead | | | | | .602 | |
| Eigen value of the factor | 5.815 | 4.216 | 2.059 | 1.405 | 1.097 | |
| Percent of variance explained by the factor before rotation | 29.075 | 21.078 | 10.297 | 7.025 | 5.483 | |
| Percent of variance explained by the factor after rotation | 20.303 | 16.140 | 14.904 | 11.229 | 10.383 | |

Table 4: KMO and Bartlett's Test results for Millennial store attribute preference

| | | |
|---|--------------------|-------------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .781 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 2073.704 |
| | df | 171 |
| | Sig. | .000 |

Table 5: Factor structure for store attributes preferred by Millennials

| | Component | | | | | Cronbach alpha Scale Reliability = 0.796 |
|--|-----------|--------|--------|--------|--------|---|
| | 1 | 2 | 3 | 4 | 5 | |
| Store Ambiance Attributes | | | | | | 0.825 |
| Ambiance | .780 | | | | | |
| Convenient entry/exit | .744 | | | | | |
| Variety of choice | .686 | | | | | |
| Clean and organised | .645 | | | | | |
| Fast and convenient checkout | .601 | | | | | |
| Availability of washrooms | .597 | | | | | |
| Transportation | .581 | | | | | |
| Personnel Attributes | | | | | | 0.851 |
| Help in reaching items | | .861 | | | | |
| Help in finding items | | .812 | | | | |
| Knowledgeable salespersons | | .705 | | | | |
| Friendly cashiers | | .684 | | | | |
| Readable tags | | .659 | | | | |
| Convenience Attributes | | | | | | 0.871 |
| Place to sit | | | .849 | | | |
| Lounge in store | | | .833 | | | |
| Ease of finding items | | | .824 | | | |
| Customer Facilitation Attributes | | | | | | 0.708 |
| Accepts coupons | | | | .785 | | |
| Clerks do not pester | | | | .784 | | |
| Sales | | | | .774 | | |
| Home delivery | | | | .667 | | |
| Service Attributes | | | | | | 0.788 |
| Wide aisles | | | | | .831 | |
| Accepts cheques | | | | | .790 | |
| Easy return policy | | | | | .754 | |
| Eigen value of the factor | 5.991 | 2.829 | 1.918 | 1.813 | 1.180 | |
| Percent of variance explained by the factor before rotation | 31.532 | 14.891 | 10.096 | 9.540 | 6.211 | |
| Percent of variance explained by the factor after rotation | 16.77 | 15.135 | 14.956 | 14.169 | 11.240 | |

Table 6: ANOVA for Millennials

| | | Sum of Squares | df | Mean Square | F | Sig. |
|----------------------------------|----------------|----------------|-----|-------------|--------|------|
| Store Ambiance Attributes | Between Groups | 20.829 | 4 | 5.207 | 15.498 | .000 |
| | Within Groups | 63.168 | 188 | .336 | | |
| | Total | 83.997 | 192 | | | |
| Personnel Attributes | Between Groups | 17.447 | 4 | 4.362 | 8.235 | .000 |
| | Within Groups | 99.575 | 188 | .530 | | |
| | Total | 117.022 | 192 | | | |
| Convenience Attributes | Between Groups | 41.654 | 4 | 10.414 | 17.966 | .000 |
| | Within Groups | 108.971 | 188 | .580 | | |
| | Total | 150.625 | 192 | | | |
| Customer Facilitation Attributes | Between Groups | 10.695 | 4 | 2.674 | 7.351 | .000 |
| | Within Groups | 68.376 | 188 | .364 | | |
| | Total | 79.071 | 192 | | | |
| Service Attributes | Between Groups | 31.556 | 4 | 7.889 | 11.422 | .000 |
| | Within Groups | 129.854 | 188 | .691 | | |
| | Total | 161.410 | 192 | | | |

Table 7: Correlations between Millennial Lifestyle groups and Retail store attributes

| | | Store Ambiance Attributes | Personnel Attributes | Convenience Attributes | Customer Facilitation Attributes | Service Attributes |
|------------------|---------------------|---------------------------|----------------------|------------------------|----------------------------------|--------------------|
| Self Reliant | Pearson Correlation | .055** | .204** | -.569** | .152** | .488** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 |
| Young and Secure | Pearson Correlation | .313** | .729** | -.080 | .128 | .344** |
| | Sig. (2-tailed) | .000 | .000 | .267 | .076 | .000 |
| Family Oriented | Pearson Correlation | .653** | .256** | -.256** | .279** | .268** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 |
| Active Planner | Pearson Correlation | -.267** | .227** | .577* | -.160* | .304** |
| | Sig. (2-tailed) | .000 | .001 | .014 | .026 | .000 |
| Social Planner | Pearson Correlation | .129 | .149** | -.043 | .492** | .281** |
| | Sig. (2-tailed) | .073 | .000 | .550 | .000 | .000 |