

Journal of Shopping Center Research

Volume 12, Number 1, Spring/Summer 2005

Consumer Preferences for Retail Formats: Implications for Tenant Mix Strategies

Jason M. Carpenter and Marguerite Moore

Teens and Shopping Mall Preferences: A Conjoint Analysis Approach to Understanding the Generational Shift Toward an Experience Economy

Wendy Bryce Wilhelm and Sandra Mottner

Mixed-Use Development: Creating a Model of Key Success Factors

Youn-Kyung Kim, Laura Jolly, Ann Fairhurst and Kelly Atkins

Disaggregating Neighborhood and Community Center Property Types

William G. Hardin III and Jon Carr

Investor Perception of Retail Property Risk: Evidence from REIT Portfolios

Randy I. Anderson and Thomas Springer

Consumer Preferences for Retail Formats: Implications for Tenant Mix Strategies

Jason M. Carpenter* and Marguerite Moore**

Population growth in the United States has slowed in recent years, creating a challenge for retailers seeking to attract new customers in the increasingly competitive domestic market. Further, major demographic and behavioral shifts in the population are occurring, with consumers exhibiting noticeable changes in shopping preferences for products and services. Given these and other environmental factors, retailers desiring high levels of performance and growth must be successful at intercepting sales directly from competitors (Dunne and Lusch, 2005). Therefore, understanding the shopping preferences of consumers is paramount to the success of shopping center developers and retailers. The current research utilizes generational cohort theory (Strauss and Howe, 1991) as a framework to examine patronage behavior among a random sample of U.S. consumers in the Senior, Baby Boomer, Generation X, and Generation Y cohort groups ($N=503$). Consumer preferences for retail formats are investigated. The results suggest strategic implications for retailers and shopping centers targeting these consumer segments.

Introduction

Major demographic shifts have been occurring in the United States over the past several decades, including a re-defining of the characteristics of a typical family. For example, growth in single-person households has been on the rise due to slow growth in the number of married households and an increase of 250% in the divorce rate since 1960. Many women are earning college degrees and entering the workforce. As of 2000, 52% of all households have no children. In addition, the boomerang effect, children returning to live with parents after previously leaving, is causing a marked shift in U.S. household composition (Dunne and Lusch, 2005). These demographic shifts are forcing domestic retailers to adopt a new, highly fragmented view of the market.

Retailers in the intensely competitive U.S. market are struggling to keep pace with these shifting demographics. Consumers' desire for convenience and one-stop shopping has led to the use of scrambled merchandising strategies and the evolution of new retailing formats that offer a wide variety of merchandise such as mass merchandisers and supercenters. In response to the large supercenter format, department store and specialty store retailers rely on differentiation strategies, such as exclusive products/brands and high levels of customer service, to remain competitive. Considering the shifts in the demographic makeup of the American household and in the competitive landscape of the U.S. retail industry, it is imperative that retailers begin to dissect and understand each segment of consumers in the market. In addition, knowledge of demographic profiles can lead to a better understanding of consumer preferences for various retail formats.

* University of South Carolina, Columbia, SC 29208 or jcarpent@gwm.sc.edu

**University of South Carolina, Columbia, SC 29208 or mmoore11@gwm.sc.edu

There is a considerable body of extant literature focused on consumers' choice of retail format. However, among this body of work, there are limited examples of research that incorporate the role of demographics with format choice. Instead, researchers have focused upon topics such as location modeling (Roy, 1994), product purchase patterns (Kim and Park, 1997), business potential at retail sites (Smith & Sanchez, 2003), and customer satisfaction and loyalty programs (Magi, 2003).

Using an exploratory approach, this study aims to characterize four major age cohort groups in the United States in terms of their preferences for individual retail formats and combinations of retail formats. The literature suggests that the four cohort groups including: Seniors, Baby Boomers, Generation X and Generation Y differ in their attitudes and behavior. However, there is limited evidence of empirical research into specific cohort differences among the general consumer behavior literature. To establish an understanding of retail format preferences among the cohorts, we pose two broad research questions:

- Q1: Do the cohort groups differ in terms of their preferences for various retail formats?
- Q2: Do the cohort groups differ in terms of their preferences for combinations of stores in a shopping center?

The overall aim of this research is to assist U.S. retailers in gaining a better understanding of consumers among each of the four cohort groups. Based upon a review of academic and trade literatures, the generational cohorts are profiled in terms of demographic, lifestyle, and behavioral characteristics. By examining each cohort, we hope to provide retailers and shopping center developers with timely knowledge to help them better align marketing strategy with the changing consumer environment.

Literature Review

Generational Cohort Theory

Strauss and Howe's Generational Cohort Theory (1991) asserts that the social cycle unfolds on a regular basis, repeating itself every four generations. The cohorts exhibit different attitudes and behaviors based on shared experiences and events during their lifetime. Therefore, generational type can provide insight into how members of a cohort will think, feel, and behave. From a marketing perspective, generational cohort analysis can provide direction on how to effectively understand and target specific market segments.

The Senior Cohort

As of 2002, the Senior cohort included 59.3 million people born between 1933 and 1945, or 21% of the U.S. population (Soriano and Nair, 2002; Norum, 2003). Although 70% are no longer employed, the median net worth for households headed by a person 55-64 is \$146,500. Likewise, the median net worth is \$127,000 for households headed by someone in the 65-74 age group (Soriano and Nair, 2002). This group enjoys movies, reading, music, and displays a need for intellectual stimulation (Moschis et al., 2000; Norum, 2003). They are constantly looking for ways to indulge themselves and are concerned with failing health and loss of financial independence. The Seniors endured the Great Depression and World War II, which contributes to their great respect for authority and realistic attitude. They are also noted as being fearful of technology and unwilling to explore advances in technology (Dunne and Lusch, 2005).

According to Mochis et al. (2000), seniors tend to have a positive attitude towards shopping and commonly describe the activity as being enjoyable. Seniors expect to pay reasonable prices for products and value quality highly (Norum, 2003). They spend between \$1,694 and \$925 on household furnishings, and make roughly 8.9 visits to the mall in a three month period. They frequent department stores more often than any other generation and spend an average of \$45.60 per visit compared to other shoppers who spend an average \$35.90 per visit (Soriano and Nair, 2002). Seniors report choosing specific stores based on sales promotions, ease of locating products, and availability of personnel for assistance (Moschis et al., 2000).

Consumers with the highest levels of income and education in this group tend to be the most fashion-oriented. Females within this cohort group enjoy buying apparel and footwear via direct mail. Reasons for shopping via direct mail include price, return policy, speed of delivery, and product assortment (Moschis et al., 2000).

The Baby Boomer Cohort

The Baby Boomer generation consists of 76 million Americans born between 1946 and 1964 (Dunne and Lusch, 2005). They presently account for 28.8% of the total U.S. population and represent the largest part of the current workforce in America (Norum, 2003). As this proportionately large segment of the population continues to age, they are expected to have an unprecedented impact on retirement, political, and healthcare systems in the U.S. (Baby Boomers, 2004).

The Baby Boomers are noted for their fear of technology, realistic attitude, and respect of authority (Dunne and Lusch, 2005). Although credited with realistic attitudes and respect for authority, the Baby Boomers exhibit individualistic attitudes and concern for personal fulfillment (Norum, 2003). They are commonly devoted to their personal priorities with a lack of concern for others. This has contributed to a high divorce rate among the Baby Boomer Generation. Baby Boomers are also known for being concerned with their appearance and having a desire to remain youthful.

The Baby Boomer cohort spends approximately \$900 billion annually, with 35% making at least four shopping trips per week (Age doesn't affect buying patterns, 2004; Dunne and Lusch, 2005). Popular shopping venues include warehouse clubs, super centers, and specialty stores for beauty and home merchandise. Other favorite shopping outlets include mass merchandisers, supermarket/combo stores, drug stores, and home improvement stores. The group tends to place importance on product assortment, convenient locations, and price competitiveness (Age doesn't affect buying patterns, 2004). In addition, Baby Boomers are very sensitive to sales promotions (Moschis et al., 2000; Consumer demographics, 2004).

The Generation X Cohort

Generation X encompasses all births from 1965-1977, totaling 46 million people, or 16.4% of the total U.S. population (Dunne and Lusch, 2005; Norum, 2003). This includes consumers between 27 and 39 years of age, which equates to 18% of the total U.S. GDP (Morrow, 2004). They are racially diverse and tend to work in white-collar professions. Normally, they are not loyal to employers, change jobs frequently, and earn high salaries (Codrington, 1998).

Generation X-ers tend to marry later in life compared to other cohorts, but value relationships due to the emotional fallout from the extremely high divorce rates among their parents (Codrington, 1998). The majority of this generation grew up as latchkey children with both parents working or in a single parent household and commonly had to take on part-time employment to help in household expenses (Codrington, 1998). Due to the lack of family closeness, Generation X-ers value relationships and find surrogate families in their peers and friends. They tend to be very individualistic, independent, and have a fear of commitment. They were forced to grow up quickly and view work as a necessary evil, placing family and friends as a higher priority. In addition, they are commonly skeptical of large organizations and pessimistic about the future (Codrington, 1998; Dunne and Lusch, 2005). They embrace change, are in general thrill seekers, are highly organized and ambitious, and more often than not they endure high stress levels on a regular basis (Dunne and Lusch, 2005). Although this generation lacks a common cause such as Vietnam, World War II, or the Great Depression, they have a great fear of national catastrophe (Codrington, 1998). They are wealthy, childless, prefer living in downtown areas, and can be described as affluent and alienated (Morrow, 2004).

Previous research indicates that town centers and central business districts appeal to this cohort, with clusters of specialty retailers, theaters and restaurants located in outdoor settings (Morrow, 2004). In response, many central business districts are adding residential and office space to accommodate this generation's preferences. Generation X consumers are also showing a preference for vintage and retro products with a focus on economical shopping objectives (Morrow, 2004). This generation spends approximately \$125 billion annually and responds to marketing campaigns entailing creativity (Dunne and Lusch, 2005).

They are generally technology proficient and tend to spend more on necessary items than luxury goods (Norum, 2003; Dunne and Lusch, 2005). This cohort is media savvy and prefers live broadcasting as opposed to prerecorded viewing (Codrington, 1998).

The Generation Y Cohort

Generation Y, also referred to as the Echo Boomers, consists of 26% of the total U.S. population, or approximately 79 million citizens. Encompassing all births between the years 1977 and 1997, this is the most racially diverse generation ever. Approximately one-third of the group is of minority descent (Bensley and Whitney, 2004).

The majority of Generation Y will be products of broken homes, with many coming from divorced parents and dual career families (Bensley and Whitney, 2004). According to Dunne and Lusch (2005), three out of four come from homes with working mothers and one out of four will experience single parent homes. As a result of the high number of dual income homes, this generation will grow up in the most prosperous U.S. economy in history. They have already demonstrated more liberal spending patterns than any previous generation, and are accustomed to their parents spending vast amounts of money on their well being (Bensley and Whitney, 2004).

Although they are products of broken homes, they are noted for prioritizing their family and home life over their professional career. This cohort exhibits traditional values and appears to be the most optimistic group in U.S. history. They are interested in good health, are more often than not independent, respond to learning, and place high value on education (Keating, 2000; Dunne and Lusch, 2005). Generation Y is very interested in the environment, is politically active, and values high educational attainment. They are effective at multi-tasking and find themselves under stress even during their leisure time with the multitude of different recreation activities available. They enjoy reading, thereby increasing annual book sales (Bensley and Whitney, 2004).

Although they have high political interest and greater levels of education achievement than past generations, they are on average naive about the workplace and expect instant gratification. As they begin to graduate college and enter the workforce, they are notably less prepared for society than earlier generations. This cohort's workplace expectations seem unrealistic, and they have a tendency to become complacent and bored easily (Hartman, 2004).

Generation Y is noted for possessing a high level technical knowledge, with 67% of this generation using computers on a regular basis (Bensley and Whitney, 2004). It is projected that the majority will be heavy e-commerce users, spending \$1.3 billion on e-commerce sales annually. They can be expected to exhibit sophisticated taste and above average consumption on televisions, radios, computers, alcohol, shelter, and gasoline.

Currently, Generation Y accounts for 4% of annual household spending and 10% of infant clothing expenses. This translates to approximately \$170 billion in spending per year. In addition, this cohort appears to be more brand conscious than any other generation in U.S. history (Bensley and Whitney, 2004; Keating, 2000).

Consumers in this cohort expect instant gratification in their shopping experiences (Keating, 2000). They frequent shopping malls with an average of 56 mall visits per year and spend an average of \$20 per mall excursion (Bensley and Whitney, 2004). They expect their shopping experience to be “wired,” which has led to the increase of Internet information kiosks in stores (Keating, 2000). Overall, Generation Y appears to have a positive attitude toward shopping as a fun experience (Zeithaml, 1985).

Consumer Preferences for Retail Formats and Store Types in Shopping Centers

Although a considerable stream of literature concerned with consumers' retail format preferences has developed (Bhatnagar and Ratchford, 2004; Gehrt and Yan, 2004; Hansen and Deutscher, 1977; Tang et al., 2001; Zeithaml, 1985), most of the work has focused on choices of retailers within a single format. Recently, a few studies which examine drivers of choice across various retail formats have emerged (Fox et al., 2004; Leszczyc et al., 2000; Hansen and Solgaard, 2004; Yavas, 2003). However, no previous work has focused on retail format preferences within the framework of generational cohort theory. In addition, studies focused on consumer preferences for combinations of retail formats within a shopping center have been limited (Fox et al., 2004; Leszczyc et al., 2000).

Previous research has demonstrated that various demographic characteristics can predict store format choice (Arnold, 1997; Fox et al., 2004; Ghert and Yan, 2004; Stone, 1995; Zeithaml, 1985). Research by Arnold (1997) and Stone (1998) provided empirical evidence that consumers who shop at large stores (e.g., warehouse clubs and supercenters) differed from non-shoppers in terms of age, education, household size, and income. In a study of consumer shopping and spending across retail formats, Fox et al. (2004) demonstrated that household size, income, and level of education influence consumers' store format choices. Similarly, Ghert and Yan (2004) found gender and education to be predictive of store format choice. However, age and income were found to be non-significant.

Methodology

Data for the study were collected using a telephone survey among a statistically representative sample of U.S. consumers aged 18 years and older ($N=503$). Sample characteristics were weighted to mirror the overall demographics of the population as reported in the 2000 U.S. Census (U.S. Census Bureau, 2000). Approximately 125 consumers in each of the four generational cohort groups were surveyed.

Therefore, the sampling method can be characterized as purposive and stratified. The telephone medium was used to administer the survey for its effectiveness and efficiency in reaching a range of consumer demographics in a short time period. The survey included questions designed to probe consumers' shopping behavior in four product categories: apparel, consumer electronics, CD's/DVD's/Books, and groceries. The measures for format preference were developed for the study using a five-point interval scale (i.e., always, often, occasionally, rarely, and never) that measured how often consumers prefer to shop for the four categories of products in a variety of retail formats (e.g., Brick & Mortar, Pure Play E-tailer, and Bricks & Clicks). In addition, consumers were asked to name, in rank order, the various types of stores (i.e., Discounters, Specialty stores, and Category Killers) they prefer to see in a shopping center. Demographic data including income, education, household size, age, race, marital status, and gender were also collected.

Descriptive and inferential statistical techniques were used to analyze each cohort group's preferences for retail formats and store types within shopping centers. Specifically, analysis of variance models (ANOVA) were used to examine the differences among the cohort groups' preferences for retail formats across the four product categories. Significant models were further investigated using multiple comparisons to identify specific differences between the groups. Because the likelihood of a Type I error increases with the number of statistical tests, the Tukey's Honestly Significant Differences (HSD) test was used to interpret multiple comparisons. To analyze each cohort's preferences for combinations of stores, a ranking procedure was used.

Results

Categorical data on gender, income, education, marital status, and race were gathered to evaluate the sample characteristics (Table 1). Examination of the sample respondents ($N=503$) indicated a majority of female respondents (70%) compared to male respondents (30%). Income levels were normally distributed across the sample, with 24% of respondents indicating annual household incomes less than \$25,000, 30% indicating incomes between \$25,000 and \$50,000, 26% indicating incomes between \$50,000 and \$100,000, and 10% indicating incomes greater than \$100,000. Thirty-three percent of respondents indicated that they had some high school, a high school degree or an equivalent degree. Twenty percent of the sample indicated having completed some college, a two year degree (12%) or a four year degree (22%). An additional 13 % reported graduate or professional degrees. A total of 41% of the sample responded that they represented single households: never married (26%), divorced, widowed or separated (15%), while 41% responded that they represented married households. Eighty-one percent of respondents were Caucasian, 9% were African American/Black, 3% were Hispanic, 3% were of mixed race, 2% were Asian/Pacific Islanders, and 2% were of Native American descent.

Table 1. Sample characteristics.

Variable	Level	Frequency	Percent
Cohort	Senior Cohort	127	25.2
	Baby Boomer Cohort	126	25
	Generation X Cohort	125	24.9
	Generation Y Cohort	125	24.9
	Total	503	100.0
Gender	Male	153	30.4
	Female	350	69.6
	Total	503	100.0
Income (annual)	Less than \$10,000	23	4.5
	\$10,000 - \$14,999	31	6
	\$15,000 - \$24,999	65	13
	\$25,000 - \$34,999	52	10.5
	\$35,000 - \$49,999	93	18.5
	\$50,000 - \$74,999	90	18
	\$75,000 - \$99,999	50	10
	\$100,000 and above	51	10
Total	455*	90.5*	
Education	No high school degree	19	4
	High school graduate	149	30
	Some college	101	20
	2 year degree	58	11.5
	4 year degree	112	22
	Graduate/Professional degree	61	12
	Total	500*	99.5*
Marital Status	Single, never married	129	26
	Married	292	58
	Separated	3	.005
	Divorced	36	7
	Widowed	38	7.5
	Total	498*	98.5*
Race	Caucasian	409	81
	African American/Black	43	8.5
	Hispanic	15	3
	Asian/Pacific Islander	8	1.5
	Native American	7	1
	Mixed	13	2.5
Total	495*	97.5*	

* Missing values resulted in less than 100% response for variable

Preferences for Retail Formats

ANOVA models were generated to evaluate differences in the cohorts across retail formats within the four product categories examined in the study. Prior to interpreting the results, Levene's homogeneity of variance tests were performed and produced non-significant results. In cases that the overall ANOVA model indicated significance, Tukey HSD tests were performed to examine specific effects between the cohorts.

In the apparel category, the ANOVA models (Table 2) indicated highly significant differences among the cohort groups' preferences for upscale department stores ($F = 3.666, p = .013$), specialty stores ($F = 22.69, p = .000$), off-price stores ($F = 4.459, p = .004$), and catalogs ($F = 5.722, p = .001$). Post hoc tests revealed that the Seniors had a significantly stronger preference for the upscale department store format ($p = .007$) as compared to the Baby Boomer group (Table 3). In addition, the Baby Boomer group's preference for the catalog format was significantly stronger than that of Generation X ($p = .024$) and Generation Y ($p = .000$). Respondents in the Generation Y group exhibited the strongest preference for specialty stores ($p = .000, p = .017$), although the Generation X cohort also preferred the format more strongly than did the Seniors and Baby Boomers ($p = .000, p = .024$). The Generation Y cohort also indicated a significantly stronger preference for off-price stores compared to the Senior and Generation X groups ($p = .004, p = .023$).

The ANOVA models performed for the consumer electronics category indicated significant differences between the cohort groups with regard to their preferences for the department store ($F = 3.163, p = .025$) and category killer ($F = 6.371, p = .000$) formats (Table 4). Post hoc multiple comparisons (Table 5) revealed that the Senior cohort's preference for the department store format differed significantly ($p = .027$) from that of Generation Y. In addition, the Baby Boomer, Generation X, and Generation Y cohorts more often preferred category killers compared to the Senior cohort ($p = .004, p = .015, p = .001$).

Table 2. ANOVA models for apparel format preferences.

		Sum of Squares	df	Mean Square	F	Sig.
Upscale Department Store (e.g., Macy's, Nordstrom)	Between Groups	15.801	3	5.267	3.666	.013
	Within Groups	518.665	361	1.437		
	Total	534.466	364			
Family Department Store (e.g., Sears, JC Penney)	Between Groups	4.137	3	1.379	.974	.405
	Within Groups	511.315	361	1.416		
	Total	515.452	364			
Value Department Store (e.g., Kohl's, Goody's)	Between Groups	10.608	3	3.536	2.066	.104
	Within Groups	617.984	361	1.712		
	Total	628.592	364			
Specialty Store (e.g., Gap, Limited)	Between Groups	86.672	3	28.891	2.696	.000
	Within Groups	459.531	361	1.273		
	Total	546.203	364			
Discounter (e.g., Wal-Mart, Target)	Between Groups	7.650	3	2.550	1.504	.213
	Within Groups	611.982	361	1.695		
	Total	619.633	364			
Off-price Store (e.g. TJ Maxx, Marshall's)	Between Groups	19.696	3	6.565	4.459	.004
	Within Groups	531.526	361	1.472		
	Total	551.222	364			
Locally Owned	Between Groups	3.913	3	1.304	1.159	.325
	Within Groups	406.235	361	1.125		
	Total	410.148	364			
Bricks & Clicks (Gap.com, Wal-Mart.com)	Between Groups	4.065	3	1.355	1.791	.149
	Within Groups	273.184	361	0.757		
	Total	277.249	364			
Pure Play E-tailer (e.g., Bluefly.com, Overstock.com)	Between Groups	1.391	3	0.464	1.730	.160
	Within Groups	96.746	361	0.268		
	Total	98.137	364			
Catalog (e.g., LL Bean, J. Crew)	Between Groups	16.439	3	5.480	5.722	.001
	Within Groups	345.687	361	0.958		
	Total	362.126	364			

Table 3. Multiple comparisons for apparel format preferences.

	(I) Cohort	(J) Cohort	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Upscale Department Store (e.g., Macy's, Nordstrom)	Seniors	Boomers	0.574*	0.177	.007	0.12	1.03
		Gen X	0.295	0.182	.370	-0.18	0.77
		Gen Y	0.214	0.183	.647	-0.26	0.69
	Boomers	Seniors	-0.574*	0.177	.007	-1.03	-0.12
		Gen X	-0.279	0.173	.372	-0.73	0.17
		Gen Y	-0.360	0.173	.163	-0.81	0.09
	Gen X	Seniors	-0.295	0.182	.370	-0.77	0.18
		Boomers	0.279	0.173	.372	-0.17	0.73
		Gen Y	-0.081	0.179	.969	-0.54	0.38
	Gen Y	Seniors	-0.214	0.183	.647	-0.69	0.26
		Boomers	0.360	0.173	.163	-0.09	0.81
		Gen X	0.081	0.179	.969	-0.38	0.54
Specialty Store (e.g., Gap, Limited)	Seniors	Boomers	-0.359	0.166	.137	-0.79	0.07
		Gen X	-0.823*	0.172	0	-1.27	-0.38
		Gen Y	-1.324*	0.172	0	-1.77	-0.88
	Boomers	Seniors	0.359	0.166	.137	-0.07	0.79
		Gen X	-0.464*	0.163	.024	-0.88	-0.04
		Gen Y	-0.964*	0.163	0	-1.39	-0.54
	Gen X	Seniors	0.823*	0.172	0	0.38	1.27
		Boomers	0.464*	0.163	.024	0.04	0.88
		Gen Y	-0.500*	0.169	.017	-0.94	-0.06
	Gen Y	Seniors	1.324*	0.172	0	0.88	1.77
		Boomers	0.964*	0.163	0	0.54	1.39
		Gen X	0.500*	0.169	.017	0.06	0.94
Off-price (e.g. TJ Maxx, Marshall's)	Seniors	Boomers	-0.260	0.179	.468	-0.72	0.2
		Gen X	-0.110	0.185	.933	-0.59	0.37
		Gen Y	-0.628*	0.185	.004	-1.11	-0.15
	Boomers	Seniors	0.260	0.179	.468	-0.20	0.72
		Gen X	0.150	0.175	.828	-0.30	0.6
		Gen Y	-0.369	0.176	.155	-0.82	0.08
	Gen X	Seniors	0.110	0.185	.933	-0.37	0.59
		Boomers	-0.150	0.175	.828	-0.60	0.30
		Gen Y	-0.518*	0.181	.023	-0.99	-0.05
	Gen Y	Seniors	0.628*	0.185	.004	0.15	1.11
		Boomers	0.369	0.176	.155	-0.08	0.82
		Gen X	0.518*	0.181	.023	0.05	0.99

Table 3. (continued)

	(I) Cohort	(J) Cohort	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Catalog (e.g., LL Bean, J. Crew)	Seniors	Boomers	-0.261	0.144	0.272	-0.63	0.11
		Gen X	0.141	0.149	0.781	-0.24	0.52
		Gen Y	0.302	0.149	0.183	-0.08	0.69
	Boomers	Seniors	0.261	0.144	0.272	-0.11	0.63
		Gen X	0.401*	0.141	0.024	0.04	0.77
		Gen Y	0.562*	0.142	0	0.20	0.93
	Gen X	Seniors	-0.141	0.149	0.781	-0.52	0.24
		Boomers	-0.401*	0.141	0.024	-0.77	-0.04
		Gen Y	0.161	0.146	0.689	-0.22	0.54
	Gen Y	Seniors	-0.302	0.149	0.183	-0.69	0.08
		Boomers	-0.562*	0.142	0	-0.93	-0.20
		Gen X	-0.161	0.146	0.689	-0.54	0.22

* The mean difference is significant at the .05 level.

Table 4. ANOVA models for consumer electronics format preferences

		Sum of Squares	df	Mean Square	F	Sig.
Department Store (e.g., Sears, JC Penney)	Between Groups	11.512	3	3.837	3.163	.025
	Within Groups	300.916	248	1.213		
	Total	312.429	251			
Specialty Store (e.g., Tweeter, Radio Shack)	Between Groups	4.393	3	1.464	1.42	.237
	Within Groups	255.687	248	1.031		
	Total	260.079	251			
Discounter (e.g., Wal-Mart, Target)	Between Groups	9.450	3	3.150	2.051	.107
	Within Groups	380.868	248	1.536		
	Total	390.317	251			
Category Killer (e.g., Best Buy, Circuit City)	Between Groups	27.018	3	9.006	6.371	.000
	Within Groups	350.585	248	1.414		
	Total	377.603	251			
Bricks & Clicks (e.g., Wal-Mart.com, Bestbuy.com)	Between Groups	1.869	3	0.623	0.771	.511
	Within Groups	200.353	248	0.808		
	Total	202.222	251			
Pure Play E-tailer (Dell.com, Amazon.com)	Between Groups	6.008	3	2.003	2.806	.060
	Within Groups	176.976	248	0.714		
	Total	182.984	251			
Catalog (e.g., Sharper Image, Crutchfield)	Between Groups	2.394	3	0.798	1.722	.163
	Within Groups	114.924	248	0.463		
	Total	117.317	251			

Table 5. Multiple comparisons for consumer electronics format preferences.

	(I) Cohort	(J) Cohort	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
Upscale Department Store (e.g., Macy's, Nordstrom)	Seniors	Boomers	0.462	0.190	.075	-0.03	0.95
		Gen X	0.371	0.192	.220	-0.13	0.87
		Gen Y	0.577*	0.205	.027	0.05	1.11
	Boomers	Seniors	-0.462	0.190	.075	-0.95	0.03
		Gen X	-0.091	0.190	.964	-0.58	0.40
		Gen Y	0.115	0.202	.941	-0.41	0.64
	Gen X	Seniors	-0.371	0.192	.220	-0.87	0.13
		Boomers	0.091	0.190	.964	-0.40	0.58
		Gen Y	0.206	0.204	.744	-0.32	0.73
	Gen Y	Seniors	-0.577*	0.205	.027	-1.11	-0.05
		Boomers	-0.115	0.202	.941	-0.64	0.41
		Gen X	-0.206	0.204	.744	-0.73	0.32
Specialty Store (e.g., Gap, Limited)	Seniors	Boomers	-0.702*	0.206	.004	-1.23	-0.17
		Gen X	-0.627*	0.208	.015	-1.16	-0.09
		Gen Y	-0.873*	0.221	.001	-1.45	-0.30
	Boomers	Seniors	0.702*	0.206	.004	0.17	1.23
		Gen X	0.075	0.205	.983	-0.45	0.60
		Gen Y	-0.171	0.218	.861	-0.74	0.39
	Gen X	Seniors	0.627*	0.208	.015	0.09	1.16
		Boomers	-0.075	0.205	.983	-0.60	0.45
		Gen Y	-0.247	0.220	.679	-0.82	0.32
	Gen Y	Seniors	0.873*	0.221	.001	0.30	1.45
		Boomers	0.171	0.218	.861	-0.39	0.74
		Gen X	0.247	0.220	.679	-0.32	0.82

* The mean difference is significant at the .05 level.

Table 6. ANOVA models for CD's/DVD's/Books format preferences.

		Sum of Squares	df	Mean Square	F	Sig.
Specialty Store (e.g., Sam Goody, FYE)	Between Groups	4.675	3	1.558	1.289	.278
	Within Groups	366.27	303	1.209		
	Total	370.945	306			
Discounter (e.g., Wal-Mart, Target)	Between Groups	2.169	3	0.723	0.452	.716
	Within Groups	484.938	303	1.600		
	Total	487.107	306			
Category Killer (e.g., Barnes & Noble, Best Buy)	Between Groups	5.098	3	1.699	1.148	.330
	Within Groups	448.348	303	1.48		
	Total	453.446	306			
Bricks & Clicks (e.g., Walmart.com, Barnes&Noble.com)	Between Groups	0.524	3	0.175	0.192	.902
	Within Groups	275.763	303	0.910		
	Total	276.287	306			
Pure Play E-tailer (e.g., Amazon.com, Buy.com)	Between Groups	3.714	3	1.238	1.071	.362
	Within Groups	350.267	303	1.156		
	Total	353.98	306			
Locally owned	Between Groups	8.312	3	2.771	2.376	.070
	Within Groups	353.362	303	1.166		
	Total	361.674	306			
Mail-order Clubs (e.g., Columbia House, Netflix)	Between Groups	3.715	3	1.238	1.316	.269
	Within Groups	285.028	303	0.941		
	Total	288.743	306			

ANOVA models for the retail formats in the CD/DVD/Book category generated no significant results. Therefore, there appear to be no significant differences in the cohorts' preferences for retail formats within this category (Table 6). Since only non-significant results were produced by the ANOVA models, no further investigation was made in this product category.

In the grocery category, the ANOVA models indicated significant differences among the cohorts' preferences for the supercenter ($F = 2.921$, $p = .034$) and the warehouse club ($F = 3.076$, $p = .027$) formats (Table 7). Tukey HSD tests revealed that the Generation Y cohort was the group that tended to differ the most in terms of format preferences in this product category (Table 8). Specifically, the cohort exhibited a stronger preference for supercenters as compared to the Seniors ($p = .050$) and Baby Boomers ($p = .047$). In addition, Generation Y expressed a weaker preference ($p = .025$) for warehouse clubs in comparison to the Baby Boomers.

Table 7. ANOVA models for grocery format preferences.

		Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	Sig.
Gourmet/Specialty Grocery Store	Between Groups	0.818	3	0.273	0.336	.799
	Within Groups	365.306	450	0.812		
	Total	366.123	453			
Supermarket (e.g., Kroger, Safeway)	Between Groups	13.556	3	4.519	2.120	.097
	Within Groups	959.149	450	2.131		
	Total	972.705	453			
Supercenter (e.g., Wal-Mart, Meijer)	Between Groups	18.754	3	6.251	2.921	.034
	Within Groups	963.072	450	2.140		
	Total	981.826	453			
Warehouse Club (e.g., Sam's Club, Costco)	Between Groups	14.504	3	4.835	3.076	.027
	Within Groups	707.155	450	1.571		
	Total	721.659	453			
Pure Play E-tailer (e.g., Peapod.com, Netgrocer.com)	Between Groups	0.096	3	0.032	0.507	.678
	Within Groups	28.408	450	0.063		
	Total	28.504	453			

Analysis of the cohorts' top five store types that they would prefer to have in an ideal shopping center indicates several differences among the groups (Table 9). The Senior cohort was the only group to rank upscale department stores among their top five choices. Generation Y differed from all of the other cohorts, not listing a restaurant or family department store among their top five choices. The Generation Y cohort was also the only group who ranked an electronics category killer and entertainment/hobby store in their top five.

In terms of specific retailers, Seniors most frequently mentioned Wal-Mart, Sears, Target, JC Penney, and Macy's (Table 10). For Baby Boomers, Wal-Mart, Target, JC Penney, Sears, and K-Mart were favorite stores mentioned. The Generation X cohort mentioned Target, Wal-Mart, Sears, Old Navy, and Kohl's as favorite stores. Members of the Generation Y cohort most frequently mentioned Wal-Mart, Target, Best Buy, Old Navy, and Gap.

Table 8. Multiple comparisons for grocery format preferences.

	(I) Cohort	(J) Cohort	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Supercenter (e.g., Wal-Mart, Meijer)	Seniors	Boomers	-0.001	0.190	1.000	-0.49	0.49
		Gen X	-0.187	0.193	.767	-0.68	0.31
		Gen Y	-0.511	0.199	.050	-1.02	0.00
	Boomers	Seniors	0.001	0.190	1.000	-0.49	0.49
		Gen X	-0.186	0.191	.762	-0.68	0.31
		Gen Y	-0.511*	0.196	.047	-1.02	0.00
	Gen X	Seniors	0.187	0.193	.767	-0.31	0.68
		Boomers	0.186	0.191	.762	-0.31	0.68
		Gen Y	-0.325	0.199	.364	-0.84	0.19
	Gen Y	Seniors	0.511	0.199	.050	0.00	1.02
		Boomers	0.511*	0.196	.047	0.00	1.02
		Gen X	0.325	0.199	.364	-0.19	0.84
Warehouse Club (e.g., Sam's Club, Costco)	Seniors	Boomers	-0.375	0.163	.097	-0.79	0.04
		Gen X	-0.100	0.165	.931	-0.53	0.33
		Gen Y	0.100	0.170	.935	-0.34	0.54
	Boomers	Seniors	0.375	0.163	.097	-0.04	0.79
		Gen X	0.276	0.163	.332	-0.15	0.70
		Gen Y	0.476*	0.168	.025	0.04	0.91
	Gen X	Seniors	0.100	0.165	.931	-0.33	0.53
		Boomers	-0.276	0.163	.332	-0.70	0.15
		Gen Y	0.200	0.171	.645	-0.24	0.64
	Gen Y	Seniors	-0.100	0.170	.935	-0.54	0.34
		Boomers	-0.476*	0.168	.025	-0.91	-0.04
		Gen X	-0.200	0.171	.645	-0.64	0.24

* The mean difference is significant at the .05 level.

Table 9. Combinations of stores by cohort (ranked).

Rank	Seniors	Baby Boomers	Generation X	Generation Y
1	Discounter	Discounter	Discounter	Discounter
2	Family Department Store	Family Department Store	Grocery Store	Apparel Specialty Store
3	Grocery Store	Grocery Store	Family Department Store	Grocery Store
4	Upscale Department Store	Apparel Specialty Store	Apparel Specialty Store	Electronics Category Killer
5	Restaurant	Restaurant	Restaurant	Entertainment/Hobby Store

Table 10. Preferences for specific retailers (ranked).

Rank	Seniors	Baby Boomers	Generation X	Generation Y
1	Wal-Mart	Wal-Mart	Target	Wal-Mart
2	Sears	Target	Wal-Mart	Target
3	Target	JC Penney	Sears	Best Buy
4	JC Penney	Sears	Old Navy	Old Navy
5	Macy's	K-Mart	Kohl's	Gap

Conclusions and Directions for Future Research

In terms of the differences in the cohorts' preferences for retail formats and combinations of stores, our findings agree with popular thought on U.S. demographic groups. Most of the findings are logical given the generalizations provided by the popular literature on demographics. In the apparel category, the Senior cohort expressed a strong preference for the upscale department store format as compared to the other cohorts. This finding agrees with the existing literature, which stated that Seniors are the most frequent patrons of department stores and like to indulge themselves. In addition, previous studies have indicated that Seniors value the availability of personal assistance. Since upscale department stores are known for providing high levels of customer service, it seems logical that Seniors would prefer this format.

Baby Boomers expressed a stronger preference for catalogs as compared to the other cohorts. Previous literature indicates that Baby Boomers value convenient locations and are sensitive to sales promotions. Since catalogs offer notably convenient locations and tend to use sales promotion tactics frequently, it seems plausible that the Baby Boomer segment would respond to the catalog format.

Generations X and Y respondents in our sample expressed a strong preference for specialty stores. The extant literature profiles these cohorts as responsive to creativity, excitement, and entertainment. Specialty stores tend to be, in general, more creative in their marketing campaigns and in-store environments than do family and value department stores. This may be the reason for the cohorts' strong preference for the specialty format. In addition, Generation Y may be responding to the specialty store format because of their high level of brand consciousness as identified in the literature. Specialty formats generally offer a limited number of brands, sometimes offering an exclusive brand under the same name as the store. The idea that Generation Y is very brand conscious also supports our finding regarding their strong preference for the off-price format. Since off-price stores specialize in offering popular brands at reduced prices, it makes sense that Generation Y consumers would be attracted to this format.

In the consumer electronics category, our findings further support the Senior cohort's strong preference for the department store format. Interestingly, the remaining three cohort groups exhibited a stronger preference for the category killer format. This agrees with the findings of previous studies, which describe the Senior group as being fearful of technological advances; therefore, it seems logical that shopping in a "big box" store full of technology and gadgets may be uncomfortable for them.

The ANOVA models for the CD/DVD/Book formats produced non-significant results. Perhaps this indicates that consumers do not have a strong preference for any particular format in this category. This could be plausible, given the lack of variation among the products in the category. For example, when a new CD/DVD/book is released, it is the same product regardless of where it is purchased. Therefore, the format may be less important to the consumer when shopping for standardized products such as CDs/DVDs/Books. This finding suggests that retailers operating in the category should pursue stronger company/store branding strategies in order to win consumer patronage.

In the grocery category, Generation Y exhibited the most significant differences in preferences for retail formats. For example, this group tended to favor supercenters more than other cohorts. This could be due to the fact that the members of this cohort have grown up with this format, whereas the other cohorts grew up with smaller formats and may be more comfortable in familiar territory. The extant literature indicated Generation Y's affection for the mall environment because of their need for product variety and entertainment, so perhaps the same reasoning holds in explaining their preference for supercenters. In addition, our findings indicate that the Baby Boomer cohort seems to have a stronger preference for the warehouse club format as opposed to Generation Y. This seems logical, since a key strategy for warehouse clubs involves selling in large quantities. Baby Boomers, generally, are married couples with children. In contrast, Generation Y consumers tend to be single households where low prices on large quantities aren't as attractive.

In terms of preferences for combinations of stores within shopping centers, several findings are notable. First, Seniors continued to express their interest in upscale department stores. This was the only cohort to rank the upscale format in their top five. Generation Y again demonstrated interesting differences from the other groups by listing the electronics category killer format and the entertainment/hobby store among their preferred combination. In addition, Generation Y was the only group that did not list a family department store in their ranking. This could be due to the cohort's desire for an exciting, stimulating environment, whereas the family department store environment is generally more subdued. The cohorts' preferences for specific retailers by name seemed to be in line with their profiles in the existing literature and with our current findings regarding store format and combination preferences.

From these results, we can recommend that retailers and shopping center managers should consider the generational profiles offered in the trade literature as truthful and reliable. The current study has successfully extended the findings to the retail format and store choice contexts using generational cohort theory as a framework. Future research should focus on developing deeper psychographic profiles to identify sub-segments within each cohort. In addition, it would be helpful to conduct longitudinal research in order to track changes in the cohorts' preferences as they continue to progress through the generational cycle. This seems particularly important for the Baby Boomer and Generation Y because of their considerable size and market value.

References

- _____ (2004), "Age Doesn't Affect Buying Patterns," *Chain Store Age*, (June), 33.
- Arnold, S. (1997), "Shopping Habits at Kingston Department Stores: Wave III: Three Years After Wal-Mart's Entry into Canada," Report No. 3, Kingston, Queen's University School of Business. (July).
- "Baby Boomers." essays.com. Retrieved September 7, 2004, from: http://www.essays.cc/free_essays/gl/lvw31.shtml.
- Bensley, J. and S. Whitney (2004). "Generation Shop." Retrieved September 7, 2004, from <http://www.jbresearchco.com/GenY.html>.
- Bhatnagar, A. and B. Ratchford (2004), "A Model of Retail Format Competition for Non-durable Goods," *International Journal of Research in Marketing*, 21(1), 39-59.
- Consumer Demographics (2004). *Convenience Store News*, 40(3), 50.
- Dunne, P. and R. Lusch (2005), *Retailing*, 5th Ed., Mason, OH: South-Western Publishing.
- Fox, E., A. Montgomery, and L. Lodish (2004), "Consumer Shopping and Spending Across Retail Formats," *Journal of Business*, 77(2), 25-60.
- Codrington, G. (1998), *Generational Theory – the History of our Future, Generation X: Who, what, why and where to?* 1-31.
- Gehrt, K. and R. Yan, (2004), "Situational, Consumer, and Retailer Factors Affecting Internet, Catalog, and Store Shopping," *International Journal of Retail & Distribution Management*, 32(1), 5-18.
- Hansen, R. and T. Deutscher (1977), "An Empirical Investigation of Attribute Importance in Retail Store Selection," *Journal of Retailing*, 53(4), 59-72.
- Hansen, T. and H. Solgaard, H (2004), *New Perspectives on Retailing and Store Patronage Behavior*, Boston: Kluwer Academic Publishers.
- Hartman, R. (Producer) (2004), "Marketing to the Echo Boomers" [Television Series Episode]. *60 Minutes*, (October 3).
- Keating, L. (2000), "The in Crowd: Retail Rushes to Keep Pace With Generation Y" [Electronic Version], *Retail Traffic*, (May 1)

Kim, B. and K. Park (1997), "Studying Patterns of Consumers' Grocery Shopping Trip," *Journal of Retailing*, 73(4), 501-17.

Leszczyc, P., A. Sinha, and H. Timmermans (2000), "Consumer Store Choice Dynamics: an Analysis of the Competitive Market Structure for Grocery Stores," *Journal of Retailing*, 73(3), 323-45.

Magi, A. (2003), "Share of Wallet in Retailing: the Effects of Customer Satisfaction, Loyalty Cards and Shopper Characteristics," *Journal of Retailing*, 79(1), 97-106.

Moschis, G., E. Lee, A. Mathur, and J. Strautman (2000), *The Maturing Marketplace: Buying Habits of Baby Boomers and Their Parents*, New York: Quorum Books.

Morrow, J (2004), "Remaking the Mall," *Promo Magazine*. KeepMedia database. Retrieved September 7, 2004.

Norum, P. (2003), "Examination of Generational Differences in Household Apparel Expenditures," *Family and Consumer Sciences Research Journal*, 32, 52-75.

Roy, A. (1994), "Correlates of Mall Visit Frequency," *Journal of Retailing*, 70(2), 139-61.

Smith, D. and S. Sanchez (2003), "Assessment of Business Potential at Retail Sites: Eempirical Findings from a US Supermarket Chain," *The International Review of Retail, Distribution, and Consumer Research* 13(1), 37-58.

Soriano, V. and B. Nair (2002), "So Many Seniors, so few Specialty Retailers," *ICSC Research Quarterly*, 9(2), 2-8.

Strauss, W. and N. Howe (1991), *Generations: The History of America's Future*, New York: William Morrow Publishers.

Stone, K. (1998), *Competing with the Retail Giants: How to Survive in the New Retail Landscape*, New York: John Wiley & Sons.

Tang, C., D. Bell, and T. Ho (2001), "Store Choice and Shopping Behavior: How Price Format Works," *California Management Review*, 43(2), 56-74.

_____ (2000) 2000 Census of the United States.

Yavas, U. (2003), "A Multi-attribute Approach to Understanding Shopper Segments," *International Journal of Retail & Distribution Management*, 31(11), 541-48.

Zeithaml, V. (1985), "The New Demographics and Market Fragmentation," *Journal of Marketing*, 49(Summer), 64-75.