

# CONSUMER PERCEPTION OF SHOPPING COSTS AND ITS RELATIONSHIP WITH RETAIL TRENDS

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## **Overview**

In recent years, the retail industry has been undergoing major shifts. The successful emergence of new retail formats, such as category killers or big-box retailers (e.g., Home Depot, Compu-USA, and Circuit City) and factory outlets, has significantly altered the market share of existing retail formats and intensified the competition in the retail environment. These changes in retail trend have been prompted by shifts in current consumers' socio-economic conditions and shopping patterns. The aging of the consumer population, notably the Baby Boomers, and a higher proportion of dual-income families are causing a rise in the diversity of purchase priorities in retail and services.

With multitudes of shopping options emerging in the retail environment along with consumers' changing expectations in shopping, today's consumers apply varying criteria in selecting retail outlets. There is strong evidence suggesting that consumers are selecting those retail centers in which they perceive merchandise will be found most efficiently and satisfactorily. Thus, each retail center must find new ways to differentiate itself clearly from other types of retail formats by understanding how consumers are defining shopping efficiency in terms of money, time, and energy. This will help retailers learn not only what their customers perceive as important in relation to shopping

but also the processes which retailers can utilize in re-evaluating and, as necessary, in modifying their current marketing strategies to be consistent with their customers' specific shopping needs and expectations.

## ■ Retail Trends: Past, Present, and Future

The changing retail environment has been especially obvious for the shopping center industry, which has gone through several stages in its life cycle (Table 1). The development of an interstate highway system and suburbanization after World War II propelled the growth of the shopping center industry. Following the innovations of the 1950s, the 1960s and early 1970s saw solid growth and consolidation; the industry clearly maintained distinct shopping center categories (neighborhood, community, and regional), each with discrete functions, trade areas, and tenant mixes. Diversification—the evolution of new types of shopping centers, including the fashion center and specialty centers (e.g., factory outlet malls or warehouse clubs)—came in the late 1970s and the 1980s, in response to new market environments resulting from changing social conditions; for example, increase in dual-income families and diversified consumer demands (Ghosh and McLafferty, 1991).

Starting with the late 1980s, the shopping center industry entered the maturity stage in its lifecycle, experiencing a decrease in growth rate. The changes in this phase can be attributed to the continuously weakening economy owing to inflation and recession, the slowdown of population and income growth, and the over-expansion of the industry—from 4,500 shopping centers in 1960 to almost 36,650 (Ghosh and McLafferty, 1991) in 1992. In particular, department stores, which generally have functioned as anchor stores for shopping centers, have experienced a 14% decline in shopping frequency since 1974 (Green, 1994). This naturally has led to the decline in shopping frequency and higher average transaction size at the store(s) of choice since the mid-1980s (Hyde, 1993). It has also been reported that in 1990 consumers spent an average of four hours a month in a mall, compared to 10 hours in 1985 (Rudnitsky, 1992). Accordingly, challenges have been made for major renovation and/or expansion of aging shopping centers to sustain their competitive edge.

At the same time, shopping centers have entered yet another, inevitable, new phase of development. Small- and medium-sized strip malls and neighborhood malls are the fastest-growing shopping areas in

this new phase, and they are expected to become the nation's primary type of shopping center in the near future (Gilman, 1992). Downtown retailing, which had declined with the growth of suburban shopping centers in the 1950s, is being resurrected, as fewer new shopping mall sites become available and as the movement for revitalization of core cities becomes more forceful through public policy initiatives (Alexander and Muhlebach, 1992).

In contrast to the sales shrinkage for department stores and regional shopping centers, the fastest-growing retailers are off-price stores and manufacturers' factory outlet stores, which doubled their sales in the five years from 1988 to 1993 (Gruen, 1995). Similarly, discount stores (e.g., Walmart, K-Mart, and Target), most of which are free-standing stores, are continuing their 20-year trend of attracting more shoppers every year, with shopping frequency having risen more than 10% since 1974 (Green, 1994). Another formidable competitor, the power center—a center dominated by several large anchors such as discount department stores, off-price retailers, warehouse clubs, or category killers—also emphasizes convenience and value for today's time-pressed and cost-conscious consumers (ICSC, 1994).

Competition in the retail industry has become even more intensified through the expanding market share of convenience-emphasizing nonstore retailing provided by mail, telephone, television or, more recently, the Internet. Catalogs have experienced a double-digit sales growth rate annually for the past decade, except for 1993 ("State of the Industry," 1995). Television home shopping is also growing rapidly; the number of shoppers who purchased goods through television home shopping programs increased from 5% in 1988 to 9% in 1992, and its future growth is likely to be explosive (Eldridge, 1993).

All these trends explain efforts by today's consumers to reduce shopping costs—time, money and energy. However, another trend indicates that an increasing number of consumers view shopping as an important source of entertainment. A recent study, conducted by America's Research Group, found that 70% of shoppers who had experienced entertainment in a retail store or shopping center would return for another visit. The survey also revealed that 35% of shoppers considered shopping a source of entertainment for themselves or for their families (Reda, 1995). Capitalizing on this consumer trend, even relatively small shopping malls today offer fast-food courts, restaurants, art exhibits, video arcades, movie theaters, hair salons and dental offices (Bloch, Ridgway, and Dawson, 1994).

In an effort to predict future retailing trends, several marketing practitioners have speculated that retailing through stores will lose its share to paper or electronic catalogs (Gruen, 1995; Nunnink, 1993).



TABLE 1. (CONTINUED)

Period	1950s	1960s	1970s	1980s	1990s
Factory Outlet Mall			overruns, returns, seconds money low price, comparison shopping	manufacturers' outlet stores (+) food courts	Tenants x y
			discount store money low price		Tenants x y
Off-price Center					
Power Center				category killers, (+) entertainment center time, energy, money (+) specialization, entertainment	Tenants x y

Note. (+): added/increased, (-): decreased

Tenants: major tenant mix, x: minimum shopping cost desired, y: maximum shopping output desired.

However, the fact that people are more divergent in their shopping expectations contradicts this contention. Indeed, in-store shopping is expected to persist as a major shopping format because many consumers still prefer it. More specifically, in-store consumers enjoy the opportunity to see and feel merchandise, to receive support from salespeople in purchase decisions, to experience the social interaction or entertainment offered in shopping malls and stores, and to experience instant gratification from acquiring merchandise at the time of the buying decision (May, 1989).

Even for the competition among retail stores, it has been predicted that weak anchor department stores will soon give way to category killers carrying an exhaustive supply of merchandise in specific categories, or to a variety of smaller off-price and factory outlet stores stressing brand-name goods at reduced prices. Other experts have suggested particular ways for malls to survive in the future. For example, some say that as more and more routine shopping is done at strip malls, regional malls will most likely survive if they can reposition themselves as entertainment and cultural centers, pulling people out of their “cocoon,” even in the electronic age, in search of excitement, activity, and varied experiences (Fiedler and Weissenberger, 1994).

In sum, shifts in today’s consumers’ shopping patterns and in retail trends reiterate the importance of understanding shopping efficiency: consumers want to minimize shopping costs and maximize shopping output. These shifts in retail environment, combined with conflicting predictions among many retail practitioners, lead to one speculative question: Which retail formats are poised to prosper in the next decade or so?

## ■ Shopping Efficiency

The reformations of the retail industry and changes in consumers’ shopping patterns are believed to be linked to shifts and diversities in consumers’ shopping expectations. In popular literature, there has been much anecdotal evidence indicating that today’s shoppers no longer hold a single evaluation criterion, but instead select retail outlets based on multiple dimensions (Oesterreicher, 1993; “The Personality of Value,” 1995; “What the Customer Wants,” 1993). In the past, what consumers generally considered important was quality merchandise at a fair price. However, the shopping benefits that many consumers are now seeking include not only quality and price but also—and oftentimes more importantly—a return on the investment of time, effort, and

money expended to buy products (May, 1989; "The Personality of Value," 1995).

Indeed, there are some customers who still determine where to shop primarily by location, especially if other store options for the desired merchandise are inconveniently located. These consumers may perceive a higher level of satisfaction by reducing the amount of time, stress, and money involved in making a purchase ("The Personality of Value," 1995). However, empirical evidence indicates that consumers often travel beyond the nearest retailer, even for inexpensive goods (Levin, 1994). These customers may be primarily influenced by prices, either as a result of limited funds or because they enjoy playing the game of shopping, to find the maximum output for the lowest price (May, 1989).

All these examples lead to an indisputable proposition: the more benefits received on a given shopping trip, the more costs a consumer is willing to bear to obtain them. This proposition is congruent with Downs' (1961) theory of consumer efficiency: consumers seek to minimize the costs of shopping, including money, time, and energy, while trying to maximize the amount of output to be received. In fact, Downs (1961) has hypothesized that retail change is dictated by consumers' costs or the value perceived by consumers, rather than by changes in costs of operating retail stores or even by prices charged by retailers. He has asserted that retail trends since World War II can be viewed as a method of increasing the shopping efficiency of the average buyer. Among the examples of this are the continued trends toward self-service, attractive shopping atmosphere, high-volume outlets, large free parking areas, and staying open in the evenings and on weekends.

Several researchers have also pointed out that a key to maintaining a competitive edge in this retail environment is to provide for customers what has been defined as the true output of shopping: pleasure from shopping (Babin, Darden, and Griffin, 1994; Downs, 1961; Tauber, 1972); information (Downs, 1961; Ingene, 1984); and "the right goods at the right time in the right place for the right price" (Ingene, 1984). Among researchers who have studied shopping output, Schary (1971) posited that the act of purchasing is linked to the end of creating a pleasurable activity or meeting a functional need. Also, Bloch and Bruce (1984) conceptualized that consumers obtain hedonic value as well as task-related or product-acquisition value during the shopping experience. More recently, Babin, Darden and Griffin (1994) empirically studied two types of shopping value: hedonic value and utilitarian value. Hedonic shopping value is defined as perceived entertainment and emotional worth provided through shopping activities. On the other hand, utilitarian shopping value postulates that shopping is done out of

necessity and a product is purchased in a deliberate and efficient manner.

## ■ Perceived Importance of Retail Attributes

Given the notion that consumers desire to achieve shopping efficiency, retailers should provide appropriate retail attributes that their customers would consider important and that would be consistent with their customers' shopping needs and priorities. Numerous researchers have provided an extensive list of attributes which reflect several aspects of what consumers may expect from shopping in a specific retail outlet. These attributes reflect all aspects of shopping efficiency, including shopping costs (money, time, and energy) and shopping outputs, which are not restricted to functional utility (e.g., convenience, a variety of merchandise, low price, etc.) but also extend to the experiential aspects (e.g., prestige, pleasure, etc.) of shopping.

Specific examples of retail attributes in the literature include product (e.g., quality, price, assortment, or new product availability), convenience (e.g., locational convenience or easy parking), service (e.g., knowledgeable sales associate or friendly service), and pleasure (e.g., feelings of status derived from shopping in prestige stores, social interaction, or store atmosphere) (Bellenger, Robertson, and Greenberg, 1977; Eastlick and Shim, 1995; Keep and Linquist, 1995; Nevin and Houston, 1980; Stoltman, 1995; Stoltman, Gentry and Anglin, 1991; Tauber, 1972).

Some researchers have specifically suggested that shopping costs and outputs depend on how consumers perceive the retail attributes provided. For instance, Ingene (1984) demonstrated that a pleasant shopping atmosphere can affect both the amount of time and money that customers voluntarily spend in a store and the pleasure of shopping. May (1989) also pointed out that prestige or the attractive displays retailers provide can motivate shoppers to sacrifice the time and effort required to go to the more distant of two nearby stores, even if the goods in both are identical. Critical to this notion is the recognition that most consumers shop from retail outlets where they can find the highest level of satisfaction.

In addition, it must be stressed that important retail attributes perceived by consumers vary by type of retail format. Mall shopping, for example, is more likely to occur when shoppers are interested in social interaction and shopping for pleasure, rather than out of necessity or when



under severe time constraints (Babin, Darden and Griffin, 1994). On the other hand, consumers may perceive low prices as more important than convenience or attractive atmosphere when they choose to shop at more value-oriented retail centers such as factory outlet malls and discount stores. All these examples delineate the multi-dimensionality of retail attributes which should be studied for different types of consumers in the context of different types of retail centers.

## ■ Research Model and Hypotheses

A thorough review of the literature demonstrates that the perceived importance of retail attributes affects consumer perception of shopping costs which again affects shopping outputs. This relationship may not be of the same relative importance to all consumers, nor for all types of retail shopping outlets (Downs, 1961). In our research model (Figure 1), we examined how various demographic characteristics and retail attributes affect consumers' shopping costs (money, time, and energy) and shopping outputs (shopping expenditure and shopping value including hedonic, utilitarian, and overall value). Shopping costs were also examined to see whether they predicted shopping outputs.

Thus, specific hypotheses were established as follows:

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H1: Retail attributes act as significant predictors of shopping costs (money, time, and energy) and shopping outputs (shopping expenditure, hedonic shopping value, utilitarian shopping value, and overall shopping value).

H2: Demographic characteristics act as significant predictors of shopping costs and shopping outputs.

H3: Perceived shopping costs act as significant predictors of shopping outputs.

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## ■ Methodology

### *Instrument Development*

#### *Domain Specification*

In this study, we limited our use of the construct *shopping* to refer only to a situation in which a consumer visits a retailer with product purchase as the main purpose, in the context of store shopping. We further specified the domain of our study in terms of type of goods to be purchased.

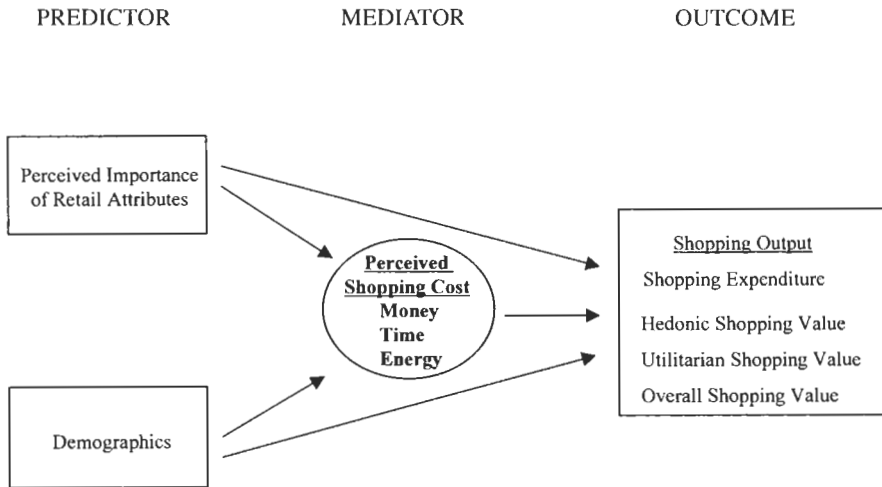


FIGURE 1. THE PROPOSED RESEARCH MODEL

Bucklin (1962) classified products broadly into three categories: shopping goods, convenience goods, and specialty goods. He defined *shopping goods* as “those consumer goods which the customer in the process of selection and purchase characteristically compares on such bases as suitability, quality, price, and style” (Bucklin, 1962, p. 50). On the other hand, nonshopping goods are either *convenience goods* (e.g., grocery, paper products), for which the consumer tends to purchase the most accessible item with a minimum of effort, or *specialty goods* (e.g., handcrafts, antiques), for which the consumer has a particular attraction and thus is willing to make a special purchasing effort (i.e., not accepting a substitute and postponing purchase until the particular item can be found). Thus, in this study, the main purpose of shopping was limited only to the acquisition of shopping goods (e.g., clothing, shoes, accessories, housewares, small appliances, gifts, sporting goods, small electronics, and home furnishings).

#### ***Focus Group Interviews***

In order to generate additional items regarding retail attributes, shopping costs, and shopping outputs beyond what were identified through our literature review, four focus group interviews were conducted with an average of 10 consumers (age 20 and above) in each group. The four groups were composed of (1) professional males, (2) non-professional males, (3) professional females, and (4) non-professional females. This schema was chosen to allow homogeneity in each group so that participants would be more free to share their views without feeling intimidated.

In the focus group interviews, participants were first given the definition of shopping goods along with examples, and then were asked to respond to two open-ended questions: (1) "In purchasing shopping goods, what factors would you consider in deciding where you are going to purchase that item?" and (2) "What would be shopping benefits or shopping outputs you would expect from making a trip to buy shopping goods?" The focus group discussions were tape-recorded and transcribed. All the items were then evaluated for content validity (i.e., whether or not the items are reflective of retail attributes, shopping costs, and shopping outputs) by a group of 10 judges, consisting of both faculty and graduate students in retailing. Items that were judged inadequate or unclear were deleted, and modifications or refinement of wording were done based on judges' comments.

### **Measures**

The survey instrument consisted of questions inquiring about the four main variables in the proposed research model: demographic characteristics, retail attributes, shopping costs (money, time, and energy) and shopping outputs (\$ amount spent, hedonic shopping value, utilitarian shopping value, and overall shopping value).

*Demographic Characteristics.* Demographic variables included questions concerning age, marital status, employment, education, and household income.

*Retail Attributes.* Retail attributes included items related to product (e.g., quality, pricing, assortment, or new product availability), convenience (e.g., locational convenience or easy parking), service (e.g., knowledgeable or friendly sales personnel, no-hassle return policy), and pleasure (e.g., prestige, social interaction, or attractive decor). With each of the retail attribute items, respondents were asked to rate "When you buy shopping goods at *this retail outlet*, how important is *attribute* to you?" on a five-point Likert-type scale (1 = "very important" to 5 = "not at all important").

*Shopping Costs.* Shopping cost measures concerned money, time, and energy and were derived from Bender (1964) and Downs (1961). The perceived degrees of expending shopping costs were measured with the following statements: (1) The *money* you spend for merchandise and other shopping-related costs such as gas, parking, and childcare; (2) The *time* you spend traveling to the store, parking, checking out at cash register, etc.; and (3) The *energy* you spend for the trip to the store, finding a parking space, and taking care of children while shopping. Each statement was rated on a 5-point scale (1 = "I feel I spend quite a bit too much" to 5 = "I feel I spend a minimal amount").

*Shopping Outputs.* Shopping outputs were measured in two different ways. Shopping expenditure was estimated in terms of amount of

dollars spent on that shopping trip. Shopping value was measured for three types of value: hedonic shopping value, utilitarian shopping value, and overall shopping value. The statements for hedonic value ("I usually have fun") and utilitarian value ("I'm usually just focused on finding what I want") were adapted from Babin, Darden and Griffin (1994). In addition, overall shopping value was measured with the statement, "Overall, shopping at *this retail outlet* provides a value to me," on a five-point scale (1 = "strongly agree" to 5 = "strongly disagree").

### *Sample and Data Collection*

First, a list of U.S. cities with a population approximately between 300,000 and 1,000,000 was compiled. Then, these cities were evaluated to determine if they meet two criteria: (1) the city has a regional shopping mall, factory outlet, power center, and Central Business District (based on the ICSC shopping center definitions), and (2) the downtown area has undergone a major redevelopment effort. Among the qualified cities, three (Atlanta, Dallas, and Phoenix) were determined to be the most comparable in terms of socio-economic characteristics and were used as our sampling frame.

A Computer Assisted Telephone Interview (CATI) was utilized for data collection. The telephone numbers were purchased from Nielsen Media Research (NMR). NMR begins with a file of all residential telephone numbers that are listed in published telephone directories. This file is, in effect, sorted by exchange and number within exchange. Next, within each exchange, 10,000 potential telephone numbers (XXX-0000 through XXX-9999) are generated and divided into 100 blocks of 100 consecutive numbers. If any of these blocks do not contain listed residential numbers, the block is eliminated. Thus, the sample will include telephone numbers that are listed in the published directories, those that are unlisted, and numbers within those blocks that have been assigned since the most recent issue of the telephone directory. Use of this sampling scheme is more efficient than a simple random-digit dialing procedure, since the time and expense of making calls to blocks that do not have currently assigned numbers, or to blocks with nonexistent or non-residential exchanges, is avoided (Douthitt, Zepeda, and Grobe, 1996).

At the outset of each call, the interviewer began the process by introducing the project as a major university's research study. This has been known to increase the response rate significantly by distinguishing itself from telemarketing efforts. In the interviews, respondents were first given the definition and examples of shopping goods. Respondents were then asked to think about the specific retail outlet at which they most frequently shop. Respondents were asked to indicate the specific

retail center (e.g., regional shopping mall, neighborhood shopping mall, strip mall, Central Business District, power center, factory outlet mall, or free-standing discount store) and also asked to identify one of the six retail store types (upscale department store, traditional department store, discount store, specialty store, category killer, and factory outlet store). To minimize respondents' misclassification errors, respondents were also asked to give the specific name of the retail store. If a respondent could not classify the store type or retail center category, the interviewer assisted in the classification. The correct classification was later verified by the researchers. After following these preliminary steps, the interviewer asked the respondent to focus on the particular retail outlet which s/he identified, and the interview proceeded.

### *Data Analyses*

For the purposes of analysis, retail attribute items were first factor-analyzed for data reduction. In order to test the model, LISREL was employed to analyze the measurement and structural relationships among variables. Joreskog's (1993) maximum-likelihood methods were used to estimate the parameters, and the chi-square ( $\chi^2$ ), and various fit indices were employed to test the model fit to the observed original data.

In addition to model testing, descriptive data are provided for each category of retail center (regional shopping mall, neighborhood shopping mall, strip mall, CBD, power center, factory outlet mall, and free-standing discount store). In our model testing, these seven categories were grouped into two categories: traditional shopping malls (regional shopping mall, neighborhood shopping mall, strip mall, and CBD) and discount retail centers (power center, factory outlet mall, and free-standing discount store).

## ■ Findings

### *Description of the Sample*

A total of 900 respondents participated in the study and, after excluding incomplete and nonqualified (respondents mainly utilizing nonstore retailers) cases, only 796 were used in data analyses. Selected demographic characteristics of the sample, including age, marital status, employment, education, and household income are presented in Table 2. Among the seven different types of retail center, neighborhood malls ( $n = 269$ ) and free-standing discount stores ( $n = 249$ ) were most frequently visited. This reflects the recent consumer trends of favoring convenience- and value-oriented retail outlets (Gilman, 1992; Green, 1994).

TABLE 2. DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE BY RETAIL CENTER: FREQUENCIES (PERCENTAGES)

	Regional		Neighborhood		Strip Mall	CBD	Power Center	Factory	
	Mall		Mall					Outlet Mall	Free-standing Discount Store
<b>Age</b>									
20-29	41 (39.0%)		73 (27.1%)		10 (28.6%)	5 (83.3%)	26 (49.1%)	6 (20.0%)	92 (36.9%)
30-39	23 (14.8%)		93 (34.6%)		17 (48.6%)	1 (16.7%)	25 (47.1%)	6 (20.0%)	90 (36.1%)
40-49	21 (13.5%)		11 ( 4.1%)		0	0	1 ( 1.9%)	17 (56.7%)	24 ( 9.6%)
50-59	33 (21.4%)		17 ( 6.3%)		0	0	1 ( 1.9%)	0	19 ( 7.6%)
60 or older	16 (10.4%)		65 (24.2%)		8 (22.9%)	0	0	1 ( 3.3%)	24 ( 9.6%)
<b>Marital Status</b>									
Married	60 (39.0%)		134 (49.8%)		16 (45.7%)	0	33 (62.3%)	11 (36.7%)	109 (44.1%)
Living in a marriage-like relationship	12 ( 7.8%)		10 ( 3.7%)		1 ( 2.9%)	0	1 ( 1.9%)	1 ( 3.3%)	14 ( 5.7%)
Widowed	0		1 ( .4%)		0	0	0	0	2 ( .8%)
Separated	17 (11.0%)		24 ( 8.9%)		0	0	0	0	17 ( 6.9%)
Divorced	11 ( 7.1%)		33 (12.3%)		8 (22.9%)	0	2 ( 3.8%)	0	17 ( 6.9%)
Never married	54 (35.1%)		67 (24.9%)		10 (28.6%)	6 (100%)	17 (32.1%)	18 (60.0%)	88 (35.6%)
<b>Employment</b>									
Employed	94 (61.0%)		161 (59.9%)		18 (51.4%)	0	27 (50.9%)	15 (50.0%)	155 (62.8%)
Looking for work	0		1 ( .4%)		0	0	8 (15.1%)	0	3 ( 1.2%)
Retired	24 (15.6%)		48 (17.8%)		0	0	0	0	8 ( 3.2%)
Disabled	1 ( .6%)		8 ( 3.0%)		0	0	0	9 (30.0%)	0

Student	23 (14.9%)	26 ( 9.7%)	9 (25.7%)	6 (100%)	17 (32.1%)	6 (20.0%)	54 (21.9%)
Homemaker	10 ( 6.5%)	25 ( 9.3%)	8 (22.9%)	0	0	0	9 ( 3.6%)
Other	2 ( 1.3%)	0	0	0	1 ( 1.9%)	0	18 ( 7.3%)
<b>Education</b>							
Grades 1-8	2 ( 1.3%)	0	0	0	0	0	0
Some high school	0	9 ( 3.3%)	0	0	1 ( 1.9%)	0	0
High school graduate/ G.E.D.	19 (12.3%)	34 (12.6%)	0	1 (16.7%)	0	0	30 (12.0%)
Some college	49 (31.8%)	100 (37.2%)	9 (25.7%)	1 (16.7%)	25 (47.2%)	12 (40.0%)	101 (40.6%)
College graduate	38 (24.7%)	75 (27.9%)	18 (51.4%)	2 (33.3%)	18 (34.0%)	14 (46.7%)	65 (26.1%)
Some postgraduate work	16 (10.4%)	21 ( 7.8%)	0	0	3 ( 5.7%)	1 ( 3.3%)	11 ( 4.4%)
Master's degree or equivalent	26 (16.9%)	29 (10.8%)	8 (22.9%)	2 (33.3%)	6 (11.3%)	1 ( 3.3%)	37 (14.9%)
Ph.D. or equivalent	4 ( 2.6%)	1 (  .4%)	0	0	0	2 ( 6.7%)	2 (  .8%)
<b>Household Income</b>							
Less than \$20,000	9 ( 5.8%)	11 ( 4.1%)	0	1 (16.7%)	5 ( 9.4%)	1 ( 3.3%)	32 (12.9%)
\$20,000-\$29,999	9 ( 5.8%)	10 ( 3.7%)	1 ( 2.9%)	1 (16.7%)	7 (13.2%)	4 (13.3%)	26 (10.4%)
\$30,000-\$39,999	11 ( 7.1%)	2 (  .7%)	1 ( 2.9%)	1 (16.7%)	7 (13.2%)	2 ( 6.7%)	22 ( 8.8%)
\$40,900-\$49,999	15 ( 9.7%)	8 ( 3.0%)	1 (2.9%)	1 (16.7%)	4 ( 7.5%)	2 ( 6.7%)	15 ( 6.0%)
\$50,000-\$59,999	4 ( 2.6%)	3 ( 1.1%)	0	0	0	2 ( 6.7%)	6 ( 2.4%)
\$60,000 or more	5 ( 3.2%)	3 ( 1.1%)	0	0	1 ( 1.9%)	1 ( 3.3%)	7 ( 2.8%)

Note. Totals do not add up to 100% due to missing data.

The next most frequently visited retail centers were regional malls (n = 154), followed by power centers (n = 53), strip malls (n = 35), factory outlet malls (n = 30), and CBD (n = 6). Because of the small sample size for several of the retail center categories, caution should be exercised in the data interpretation.

### *Perceived Importance of Retail Attributes by Retail Center*

Table 3 summarizes the results of the factor analysis which was run using the Principle Component Approach with a varimax rotation. Retaining the items with factor loadings greater than .5 and using the criteria of eigenvalues greater than 1, seven factors were identified that together accounted for 65.1% of the total variance. In addition, intercorrelations among the items within each factor were examined as a measure of reliability ensuring internal consistency. Reliability coefficients of the factors ranged from .45 to .83. Descriptions of the factors for each type of retail center as illustrated in Tables 3 and 4 are presented in the following.

#### *Economics*

Factor 1, Economics, captured items reflective of low prices: "being able to find a real bargain," "being able to find everyday low prices," "being able to find nice competitive prices," and "not having to purchase products at regular retail prices." This supports the recent trend of consumers' value orientation. This Economics retail attribute factor was rated high for most of the seven retail centers, especially by frequent shoppers of power centers, free-standing discount stores, neighborhood malls, and factory outlet malls. In addition, frequent shoppers of strip malls and regional malls also rated the Economics factor as high for purchasing shopping goods, although not as high as for the other previously mentioned four types of retail centers. This finding parallels the recent consumer trend: today's consumers are price-conscious and want value for their purchases (Gruen, 1995; Reda, 1995).

#### *Service*

Factor 2, labeled as Service, consisted of four items: "being able to find nice courteous sales personnel," "being helped by knowledgeable sales personnel," "being able to find prompt help when needed," and "being able to find high quality products." The service factor was most important to frequent shoppers of neighborhood malls and regional malls. This finding indicates the importance of being able to find available help when desired in mall stores. A recent study conducted by Stillerman Jones & Company, Inc. further emphasizes the importance of service: they reported that more than half of shoppers aged 15 and older went to



TABLE 3. FACTOR ANALYSIS OF RETAIL ATTRIBUTES

Factor Labels and Items	Rotated Factor Loadings	Eigenvalue	% of Variance Explained	Reliability Coefficient
<b>Economics</b>		6.40	26.7	.81
Being able to find a real bargain	.84			
Being able to find everyday low prices	.80			
Being able to find nice competitive prices	.78			
Not having to purchase products at regular retail prices	.53			
<b>Service</b>		2.63	11.0	.83
Being able to find nice courteous sales personnel	.87			
Being helped by knowledgeable sales personnel	.85			
Being able to find prompt help when needed	.78			
Being able to find high quality products	.61			
<b>Institutional Image</b>		2.15	9.0	.76
The prestige that this retailer is known for in terms of its image	.4			
The reputation that this retailer is known for in terms of its image	.78			
The availability of a lay-away plan	.66			
Finding an exciting shopping environment[.				
<b>Convenience and Safety</b>		1.79	7.5	.77
Having an easy time parking	.75			
Feeling that the store environment is safe	.75			
Having convenient store hours	.67			
Feeling that the store's physical environment is comfortable	.65			
<b>Atmosphere</b>		1.43	6.0	.77
Being able to relax	.84			
Being able to enjoy time with family or friends	.79			
Being able to enjoy a pleasant shopping atmosphere	.65			
<b>Easy Return</b>		1.18	4.9	.74
Ease and convenience of returning merchandise	.81			
A no-hassle return policy	.78			
A money-back guarantee	.66			
<b>Selection</b>		1.00	4.2	.45
Being able to find famous name brands	.75			
Being able to find many items on sale	.58			

TABLE 4. PERCEIVED IMPORTANCE OF RETAIL ATTRIBUTES BY RETAIL CENTER: MEANS<sup>1</sup>

Retail Attribute Factor	Regional		Neighborhood		Strip		CBD		Power Center		Factory	
	Mall		Mall		Mall				Center	Outlet	Discount Store	
Economics	2.12		1.75		2.01		3.11		1.65	1.76		1.68
Service	1.46		1.39		1.89		1.96		1.95	2.53		1.79
Institutional Image	2.86		2.68		4.32		2.38		3.42	3.73		3.06
Convenience and Safety	1.60		1.40		1.56		2.13		1.98	1.99		1.72
Atmosphere	2.04		1.67		2.13		1.72		2.31	2.44		2.15
Easy Return	1.71		1.54		2.03		2.33		1.70	2.01		1.58
Selection	2.00		2.17		2.41		2.25		2.07	2.00		2.47

<sup>1</sup>Means are based on a 5-point scale (1 = "very important," 5 = "not at all important").

the mall with a specific destination store or product in mind (Miller, 1997). In other words, since shoppers today shop more purposefully, they may require more help from sales personnel.

### ***Institutional Image***

The Institutional Image factor contained such items as “the prestige that this retailer is known for in terms of its image,” “the reputation that this retailer is known for in terms of its image,” “the availability of a lay-away plan,” and “finding an exciting shopping environment.” Overall, institutional image was not rated high by shoppers of any of the seven types of retail centers. Nonetheless, frequent shoppers of CBD rated this factor the highest. The current trend shows that people want their downtown center to be the community focal point—the hub not only of commerce but also of culture and entertainment. Furthermore, tourism has emerged as an effective revitalization focus, and one that will boost weekend sales (Cloar, 1995). Thus, the CBD may contain restaurants and specialty one-of-a-kind shops or entertainment complexes featuring large theme stores, interactive arcades, and virtual reality attractions to draw more consumers to the CBD area.

### ***Convenience/Safety***

The items included in the Convenience and Safety factor were: “having an easy time parking,” “feeling that the store environment is safe,” “having convenient store hours,” and “feeling that the store’s physical environment is comfortable.” Convenience/safety was important to all retail center shoppers, especially for those at neighborhood malls, strip malls, regional malls, and free-standing discount stores. Therefore, malls must provide a safe and pleasing environment by boosting security and promoting comfort and convenience (e.g., easy parking). For free-standing discount stores, such trends as a 24-hour open store policy appear to be important to many shoppers in terms of providing additional convenience and access.

### ***Atmosphere***

Three items were included in the Atmosphere factor: “being able to relax,” “being able to enjoy time with my family or friends,” and “being able to enjoy a pleasant shopping atmosphere.” In other words, consumers shop because of the opportunities to relax and entertain themselves or be with their family/friends in a pleasant atmosphere. The atmosphere factor was most important to frequent shoppers of neighborhood malls, CBD and regional malls. In a decade in which retailers are faced with growing competition from convenience-oriented in-home shopping, the major focus of mall shopping should be to make shopping experiences in the mall more efficient and enjoyable and provide shoppers with multiple reasons to come to the mall.

Furthermore, neighborhood malls should strive to develop a closer relationship with their community by recognizing and using local cul-

tures. CBD and regional malls, where frequent shoppers tended to be younger than those at other retail centers (Table 2), may have to combat more value-oriented discount retail centers with more ambience, entertainment, and leisure-time activities. However, considering that today's consumers are becoming more destination-oriented, it is also important to have high-performing tenant mixes presenting merchandise in exciting and attractive ways among all feasible entertainment components.

### *Easy Return*

Three items were involved in the factor labeled Easy Return: "ease and convenience of returning merchandise," "a no-hassle return policy," and "a money-back guarantee." Easy return, in general, was important to all retail center shoppers. In particular, this factor was considered most important by neighborhood mall and free-standing discount store shoppers, followed by power center and regional mall shoppers.

### *Selection*

The last factor, Selection, included only two items: "being able to find famous name brands" and "being able to find many items on sale." Selection was most important to regional mall shoppers, followed by factory outlet mall shoppers and power center shoppers. As the conventional wisdom of retail suggests that location, lower price, and better selection are important, our data also provide support for a greater selection of brands and sale items to attract consumers to regional malls as well as such discount centers as factory outlet malls and power centers. For these retail centers, carrying dominant assortments at low prices can draw more shoppers not only by providing them with what they want but by enabling them to cross-shop within the center.

## *Shopping Costs*

Table 5 depicts the mean scores of each shopping cost (money, time, and energy) by retail center, rated on a 5-point scale (1 = "I spend quite a bit too much," 5 = "I spend a minimal amount"). Although the mean score of each shopping cost differed for the seven retail centers, a similar pattern was revealed for the three shopping costs across retail centers. The highest level of all three shopping costs (money, time, and energy) was perceived by frequent shoppers of CBD and the lowest level of these three costs was felt by factory outlet mall shoppers. CBD builders and managers, therefore, need to consider various ways to reduce consumers' shopping costs when they develop or revamp their shopping areas. On the other hand, the factory outlet mall shoppers' perception that they spent a minimum amount of these shopping costs seems to coincide with the growth of factory outlet malls that successfully satisfy consumer value-orientation (Gruen, 1995).

TABLE 5. PERCEIVED SHOPPING COSTS BY RETAIL CENTER: MEANS<sup>1</sup>

Shopping Cost	Regional		Neighborhood		Strip Mall	CBD	Power Center	Factory		Free-Standing Discount Store
	Mall		Mall					Outlet Mall		
Money	2.87		3.12		3.20	2.67	2.73	4.03		3.34
Time	2.84		3.07		2.69	1.67	2.82	3.23		3.07
Energy	3.02		3.18		3.00	2.17	3.25	3.50		3.11

<sup>1</sup>Means are based on a 5-point scale (1 = "I spend quite a bit too much," 2 = "I spend too much," 3 = "I spend about the right amount," 4 = "I do not spend too much," 5 = "I spend a minimal amount").

## Shopping Outputs

### *Shopping Expenditure*

A majority of the respondents spent an average of less than \$50 or \$50–\$99 per shopping trip to the retail outlet (Table 6). Overall, shoppers of regional malls, neighborhood malls, and strip malls spent the highest amount of money per trip, and shoppers of factory outlet malls and free-standing discount stores spent the least amount. Some responses in the higher expenditure categories are important to notice. A small percentage (6.6%) of regional mall shoppers spent an average of \$500 or more. A total of 30% of factory outlet mall shoppers and 19.2% of neighborhood mall shoppers spent \$100–\$149 per shopping trip.

### *Shopping Values*

Table 6 illustrates three types of shopping value rated by shoppers for specific retail center. Hedonic shopping value (“I usually have fun when I am shopping at *this retail outlet*”) was rated highest by shoppers of factory outlet malls, power centers, and free-standing discount stores. This is an interesting finding because hedonic value appears to be driven by purchasing bargain products, rather than by enjoying attractive atmosphere or relaxation that traditionally have been associated with hedonic value in the literature. Utilitarian shopping value (“I’m usually just focused on finding what I want when I am shopping at *this retail outlet*”) was most strongly felt by CBD followed by factory outlet mall shoppers. Strip mall shoppers perceived the lowest degree of utilitarian value. Except for CBD, respondents perceived more hedonic value than utilitarian value in shopping at retail centers. Presumably, shoppers of all retail centers (except for CBD) are likely to receive emotional rewards from various sources such as experiencing entertainment and finding a variety of shopping goods at low prices. In terms of overall shopping value (“Overall, shopping at *this retail outlet* provides a value for me”), frequent shoppers of neighborhood malls most strongly felt they were getting a value from shopping at that retail outlet, followed by regional mall shoppers. On the other hand, the lowest degree of overall shopping value was perceived by CBD shoppers.

## The Causal Model

### *Traditional Shopping Malls (regional shopping malls, neighborhood malls, strip malls, and CBD)*

The hypothesized causal model in the study was present in Figure 1. To test the association among the constructs, demographics, perceived importance of retail attributes, perceived shopping cost, and shopping output, the structural equation modeling approach was employed. Results revealed that the associations between some paths were not statistically

TABLE 6. SHOPPING OUTPUTS BY RETAIL CENTER: FREQUENCIES (PERCENTAGES) AND MEANS<sup>1</sup>

Shopping Output	Regional		Neighborhood		Strip Mall		CBD		Power Center		Factory Outlet		Free-standing Discount Store	
	Mall		Mall		Strip Mall		CBD		Center	Mall		Outlet		Store
<b>Shopping Expenditure</b>														
Less than \$50	26 (17.1%)		63 (24.1%)		16 (47.1%)		2 (33.3%)		8 (15.1%)		12 (40.0%)		96 (38.7%)	
\$50-\$99	80 (52.6%)		108 (41.4%)		18 (52.9%)		0		25 (47.2%)		5 (16.7%)		128 (51.6%)	
\$100-\$149	17 (11.2%)		50 (19.2%)		0		1 (16.7%)		4 (7.5%)		9 (30.0%)		15 (6.0%)	
\$150-\$199	10 (6.6%)		19 (7.3%)		0		0		12 (22.6%)		3 (10.0%)		6 (2.4%)	
\$200-\$249	3 (2.0%)		3 (1.1%)		0		0		1 (1.9%)		0		1 (.4%)	
\$250-299	2 (1.3%)		0		0		0		2 (3.8%)		0		1 (.4%)	
\$300-\$349	3 (2.0%)		9 (3.4%)		0		2 (33.3%)		0		0		0	
\$350-\$399	1 (.7%)		0		0		0		0		0		1 (.4%)	
\$400-\$449	0		1 (.4%)		0		1 (16.7%)		0		1 (3.3%)		0	
\$450-\$499	0		8 (3.1%)		0		0		0		0		0	
\$500 or more	10 (6.6%)		0		0		0		1 (1.9%)		0		0	
<b>Shopping Value</b>														
Hedonic	1.81		1.89		1.77		2.33		1.62		1.43		1.73	
Utilitarian	2.45		2.33		3.37		1.67		2.23		1.77		2.60	
Overall	1.92		1.81		2.03		2.50		2.04		2.13		2.05	

<sup>1</sup>Means of shopping values are based on a 5-point scale (1 = "strongly agree," 5 = "strongly disagree").

significant at the .05 level (i.e.,  $t < 1.96$ ), such as the path from time cost to overall shopping value and the path from age to the utilitarian shopping value. The modification indices suggested that it might be possible to delete these nonsignificant paths without a significant increase in model chi-square. Thus, these paths were removed one by one out of the proposed model based on the magnitude of their nonsignificant level (i.e., the most nonsignificant one was removed first, followed by the second most nonsignificant one, and so on).

The final model acquired in the study is presented in Figure 2. The  $\chi^2$  of this model was 703.93 with 467 degrees of freedom. The  $\chi^2$  difference between the final model and the proposed model was  $703.93 - 611.44 = 92.49$ , which, with 57 degrees of freedom, was not statistically significant at the .05 level. Other fit indices showed that the final model had a moderate level of the goodness of fit index (GFI = .90) and the adjusted goodness of fit index (AGFI = .86). Values on the normal fit index (NFI = .95) and the comparative fit index (CFI = .97) were acceptable for the final model.

The final model's path coefficients for the factors affecting consumers' perception about traditional malls are summarized in Tables 7A and 7B. The Economics and Easy Return factors had significant influence on the shopping costs of time and energy. The positive path coefficients imply that respondents giving more consideration to the Economics or Easy Return factors were likely to perceive high time and energy costs. The Institutional Image factor also had a significant impact on the shopping costs of time and energy, but with a negative coefficient. This illustrates that, when the respondents had more concerns about the Institutional Image factor, they tended to give lower levels of the time and energy costs spent in shopping (i.e. they tended to feel they were not spending too much time or energy in shopping).

The Convenience/Safety factor significantly affected both shopping costs and shopping outputs. More specifically, respondents who considered the Convenience/Safety factor to be more important tended to perceive lower levels of money, time, and energy costs; to spend fewer dollars shopping; to perceive greater overall shopping value; to focus less on finding what they want while shopping; and to have fun while shopping at a traditional mall. In contrast, the Atmosphere factor was positively associated with shopping costs and utilitarian shopping value, but negatively associated with shopping expenditure and hedonic shopping value. Respondents who considered atmosphere important were also likely to perceive higher time and energy costs; to spend more dollars shopping; to focus more on finding what they want while shopping; and to have less fun shopping at a traditional mall.



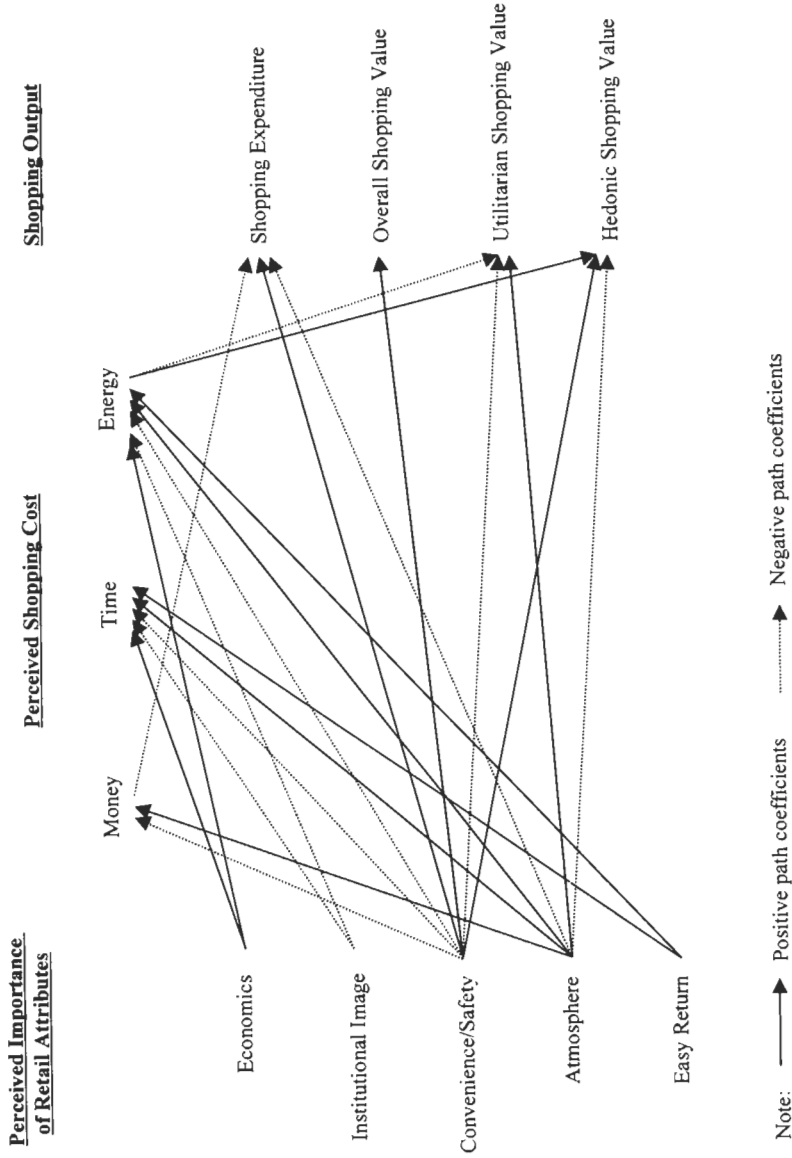


FIGURE 2. FINAL MODEL OF TRADITIONAL MALLS

TABLE 7-A. RETAIL ATTRIBUTES AND DEMOGRAPHICS ON SHOPPING COST AND OUTPUT: TRADITIONAL MALLS

	Shopping Cost			Shopping Output			
	Money	Time	Energy	Shopping Expenditure	Overall Value	Utilitarian Value	Hedonic Value
Perceived Importance of Retail Attributes							
Economics		1.22 (2.36)	1.28 (2.68)				
Institutional Image		-1.91 (-2.28)	-1.42 (-1.96)				
Convenience/Safety	-.80 (-3.15)	-4.89 (-2.40)	-5.02 (-2.73)	.75 (2.91)	.50 (2.47)	-.81 (3.13)	1.16 (4.01)
Atmosphere	.85 (3.27)	3.97 (2.27)	3.86 (2.49)	-.97 (-3.65)		.89 (3.40)	-1.21 (-4.17)
Easy Return		1.47 (2.50)	1.38 (2.13)				

Note: Value on the top represents path coefficient.  
Value on the bottom represents *t* value.

Table 7-B shows the effects of shopping costs on shopping outputs for traditional malls. Money cost had a negative influence on shopping expenditure, indicating that respondents who felt that they spent too much money were likely to spend greater amounts of money on shopping. Presumably, because respondents are already spending a high level of shopping expenditure, their perception of money cost might be high. Energy cost had a negative impact on utilitarian shopping value, but a positive influence on hedonic shopping value. That is, as respondents perceived higher energy cost in shopping, they were less likely to focus on finding what they want but more likely to have fun while shopping at a traditional mall. It is recommended that retailers of traditional malls continue to devise effective ways to reduce shoppers' energy costs while maintaining a pleasant mall environment.

***Discounter Retail Centers (power centers, factory outlet malls, and free-standing discount stores)***

The hypothesized structural model for the discount centers was the same as the model for the traditional malls (in Figure 1). Results showed that, with an  $\alpha$  level of .05, several paths were not significant, such as the path from energy to overall shopping value and the path from the Easy Return factor to the utilitarian shopping value. The approach used to delete non-significant paths for the traditional mall model was again employed.

Figure 3 presents the final model for discount retail centers. The  $\chi^2$  of this model was 901.28 with 452 degrees of freedom. The  $\chi^2$  difference between the final model and the proposed model was  $901.28 - 827.22 = 74.06$ , which, with 42 degrees of freedom, was not statistically significant at the .05 level. Other fit indices showed that the final model had a moderate level of the GFI (= .88) and AGFI (= .84). Values on the NFI (= .93) and CFI (= .96) were acceptable for the final model.

The final model's path coefficients for the factors affecting consumers' perception about discounters are summarized in Tables 8-A and 8-B. The

**TABLE 7-B. EFFECTS OF SHOPPING COST ON SHOPPING OUTPUT: TRADITIONAL MALLS**

Shopping Cost	Shopping Expenditure	Shopping Output		
		Overall Value	Utilitarian Value	Hedonic Value
Money	-19 (-3.59)			
Energy			-19 (-3.31)	.22 (3.64)

Note: Value on the top represents path coefficient.  
Value on the bottom represents *t* value.

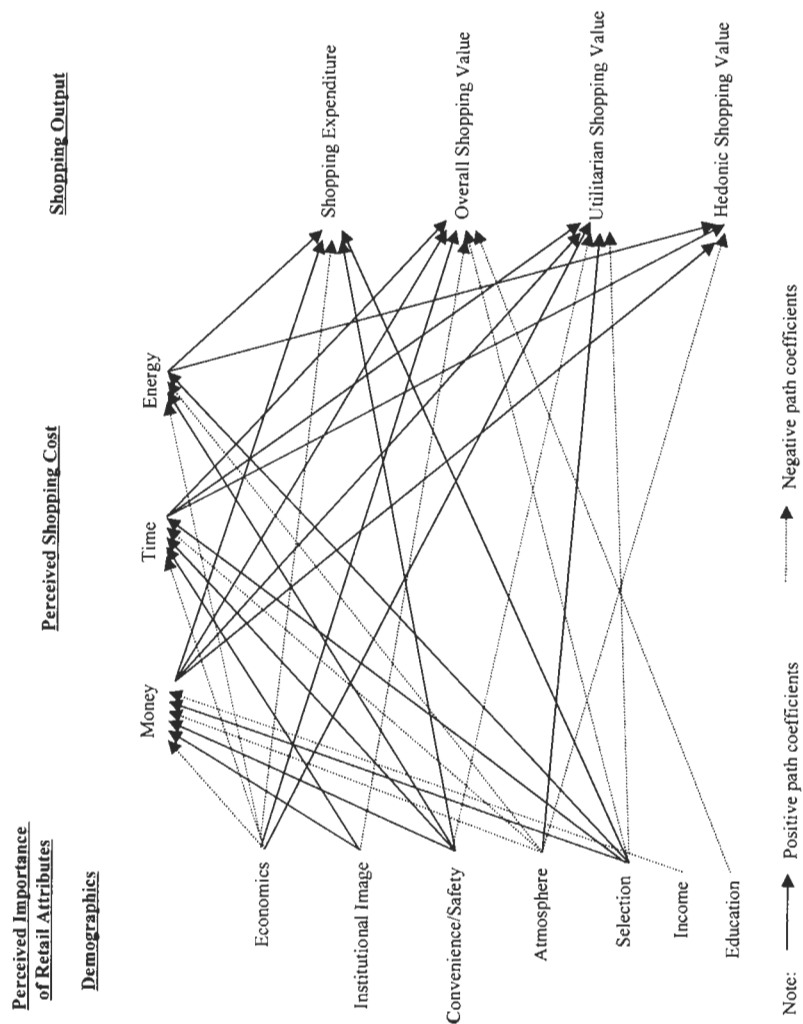


FIGURE 3. FINAL MODEL OF DISCOUNT CENTERS

TABLE 8-A. EFFECTS OF RETAIL ATTRIBUTES AND DEMOGRAPHICS ON SHOPPING COST AND OUTPUT:  
DISCOUNT CENTERS

	Shopping Cost			Shopping Output			
	Money	Time	Energy	Shopping Expenditure	Overall Value	Utilitarian Value	Hedonic Value
<b>Perceived Importance of Retail Attributes</b>							
Economics	-2.11 (-5.03)	-3.40 (-5.43)	-3.10 (-5.38)	-1.60 (-4.14)	1.60 (3.73)	5.56 (3.77)	
Institutional Image	.20 (2.55)	.34 (4.97)			-1.17 (-2.10)		
Convenience/Safety	1.02 (5.14)	1.10 (3.85)	1.31 (4.95)	.62 (4.05)		-2.17 (-3.59)	
Atmosphere	-51 (-4.41)	-62 (-4.02)	-66 (-4.63)			1.23 (3.72)	-24 (-4.03)
Selection	3.59 (4.10)	6.08 (4.48)	5.66 (4.55)	2.72 (3.59)	-2.43 (-3.01)	-10.22 (-3.43)	
<b>Demographics</b>							
Income	-.16 (-3.13)						
Education					-21 (-4.01)		

Note: Value on the top represents path coefficient.  
Value on the bottom represents t value.

**TABLE 8-B. EFFECTS OF SHOPPING COST ON SHOPPING OUTPUT: DISCOUNT CENTERS**

Shopping Cost	Shopping Expenditure	Shopping Output		
		Overall Value	Utilitarian Value	Hedonic Value
Money	-39	-.14	.31	-.19
	(-6.97)	(-2.39)	(4.77)	(-3.62)
Time		.25	.86	-.39
		(2.66)	(3.75)	(-5.49)
Energy	-.30			.50
	(-3.88)			(8.18)

Note: Value on the top represents path coefficient.  
Value on the bottom represents *t* value.

Economics factor was negatively associated with shopping costs and shopping expenditure, but positively associated with overall shopping value and utilitarian shopping value. More specifically, respondents who considered the Economics factor important tended to perceive lower levels of money, time, and energy costs; to spend a greater number of dollars shopping; to perceive greater overall shopping value; and to focus more on finding what they want while shopping at the discount center.

The Institutional Image factor was positively associated with the shopping costs of money and time, but negatively associated with overall shopping value. For the respondents who considered institutional image of the discount center important, money and time costs were perceived to be high, and overall shopping value was perceived to be low.

Unlike the final model for traditional malls, for discount retail centers the Convenience/Safety factor was positively associated with shopping costs and shopping expenditure, but negatively associated with utilitarian shopping value. More specifically, respondents who considered convenience and safety important tended to perceive higher money, time, and energy costs; to spend fewer dollars on shopping; and to focus less on finding what they want while shopping at the discount center.

In contrast, the Atmosphere factor was negatively associated with shopping costs and hedonic value, but positively associated with utilitarian value. In other words, respondents who considered atmosphere important tended to perceive lower degrees of money, time, and energy costs; to focus more on finding what they want when shopping; and to have less fun shopping. In the discount center, the atmosphere which makes shopping with their children or other family members easier and more efficient seems to be important.

The Selection factor was positively associated with shopping costs and shopping expenditure, but negatively associated with overall shopping value and utilitarian value. Respondents who considered the Selection factor to be important tended to perceive higher levels of money, time and energy costs; to spend fewer dollars on shopping; to perceive a lower degree of overall shopping value; and to focus less on finding what they want while shopping at the discount center.

In the final model of discount retail centers, only two demographic variables showed significant paths: the path from income to money cost and the path from education to overall shopping value. Respondents with a higher income level tended to perceive that they spent too much money in shopping. Probably, high incomers expect that price points at the discount center should be lower. In addition, respondents with a higher level of education tended to perceive a greater overall shopping value at the discount center.

Table 8-B indicates the effects of shopping costs on shopping outputs for discount retail centers. The results revealed more significant paths than those in the final model of traditional malls. Money cost had a negative influence on shopping expenditure, on overall shopping value, and on hedonic shopping value, but a positive influence on utilitarian shopping value. That is, as respondents perceived higher money cost, they were likely to spend a greater number of dollars shopping; to perceive a lower level of overall shopping value; to have less fun in shopping; and to focus more on finding what they want while shopping at the discount center. Interestingly, the shoppers who tend to feel they are spending too much money in the discount center still spend more money in purchasing goods. However, they neither enjoy shopping nor feel they are getting a value from shopping in the discount center.

Time cost had a positive influence on overall shopping value and on utilitarian shopping value, but a negative influence on hedonic shopping value. The respondents who perceived a higher level of time cost were likely to perceive greater overall shopping value and to focus more on what they need, but to have less fun while shopping at the discount center. Shoppers who perceive they are spending too much time in the discount center tend to go to the discount center with specific products in mind and do more purposeful shopping.

Energy cost had a significant impact on shopping expenditure and on hedonic shopping value. Although respondents felt that they were spending more energy for the trip to the store, finding a parking place or taking care of children while shopping, they were spending more money in purchasing and having more fun shopping at the discount center. Nonetheless, retailers of discount centers should develop strategies to reduce shoppers' energy cost in order to provide better shopping experiences.

## ■ Conclusion

This study, which investigated the relationships among consumers' perceived importance of retail attributes, demographics, perceived shopping costs and shopping outputs in a specific type of retail center, sheds light on the complex issues surrounding various types of retail centers. For the question raised in the introduction, "which retail formats are poised to prosper in the next decade or so?" we suggest that the answer depends on understanding how consumers perceive retail attributes and shopping costs when they shop at a specific retail center.

Some assumptions on successful retailers in the future, however, can be made based on the analyses of shopping costs and shopping outputs. Factory outlet malls and free-standing discount stores seem most likely to be successful in attracting shoppers because shoppers tend to perceive lower levels of shopping costs and higher levels of shopping values (hedonic shopping value and overall shopping value, in particular). Regional malls, neighborhood malls, strip malls and power centers were perceived as high in the shopping costs that shoppers had to spend, but they were also perceived to generate greater hedonic shopping value and overall shopping value.

In our findings, it is clear that consumers assign different degrees of importance to retail attributes at various types of retail centers. The following list presents important retail attributes to be considered for meeting the expectations of shoppers at each retail center: regional malls—service, convenience/safety and easy return; neighborhood malls—service, convenience/safety, easy return, atmosphere and economics; strip mall—convenience/safety and service; CBD—atmosphere; power center—economics and easy return; factory outlet malls—providing important retail attributes to reduce shopping costs and increase shopping outputs.

Shopping costs were also important predictors of shopping outputs, much more for discount centers. For traditional malls, two findings from the final model are particularly interesting. In contrast to the popular understanding that today's time-constrained consumers make fewer trips to shopping malls, time cost did not affect any of the shopping outputs, with the other shopping costs (money and energy) having limited impact on shopping outputs. Additionally, overall shopping value was affected by only one retail attribute—Convenience/Safety.

Given that today's consumers demand more for less from the shopping experiences and that the retail industry is becoming more competitive and complex with new retail formats, retailers in the next decade will be positioned better if they understand what factors predict their customers' shopping costs and shopping outputs. They must develop



right strategies by understanding what retail attributes are important to meet their customers' specific shopping needs and expectations and by examining how shopping costs (time, money and energy) affect shopping outputs that can be assessed by shopping expenditure and shopping values (overall, hedonic and utilitarian).

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