AN EMPIRICAL STUDY ON LIFESTYLE SEGMENTATION ON THE RETAIL STORE ATTRIBUTES THAT ARE IMPORTANT TO OLD PEOPLE

DR.V.MAHALAKSHMI*; DR D.CHITRA**

*PROF & DEAN, PANIMALAR ENGINEERING COLLEGE
**ASSOCIATE PROFESSOR , PANIMALAR ENGINEERING COLLEGE

ABSTRACT
A market segment is a sub-set of a market made up of people or organizations with one or more characteristics that cause them to demand similar product and/or services based on qualities of those products such as price or function. Every organization engaged in a market will develop different ways of imagining market segments, and create product differentiation strategies to exploit these segments. Psychographics, or lifestyle groupings, has emerged as a robust technique for identifying distinct market categories of the 65 and older market. An activities, interests, and opinions (AIO) questionnaire provided data to identify five distinct groups of elderly consumers. Significant differences were found among the five clusters with regard to the perceived importance of various retail attributes

INTRODUCTION
Demographics alone do not give a complete picture of the consumer, thus hampering the marketer in segmenting the market to its full potential (Cooper, 1984). Bone (1991) indicates that the use of demographic characteristics such as age, discretionary income, and employment status can be misleading. The use of chronological age, a common method of segmentation, is not as closely related to behavior as is psychological age (Barak & Rahtz, 1989; Bartos, 1980). Although the use of discretionary income as a segmenting tool is tempting due to its tie to spending behavior, it does not take into consideration such factors as activity levels, personal interest, health, or discretionary time (Bone, 1991; Burnett & Wilkes, 1985-86; Moehrle, 1990).

By incorporating psychographic information with demographics, the marketer will better understand the wants and needs of the consumer. Sorce et al. (1989) suggest that "firms that wish to market their products and services to the older American market should use lifestyle variables in segmenting the market" (p. 58).

According to Gollub and Javitz (1989), "psychology, socioeconomics, and health are the keys to understanding how older adults want to live" (p. 28). Greco (1986) states that "many retailers and manufacturers seem to think that age alone dictates singular buying pattern and purchasing motives" (p. 72). However, proper identification of segments which exist within this market will allow the development of more effective marketing strategies for approaching the
elderly (French & Fox, 1985). Lambert (1979) and Moschis (1993) indicate that the buying behavior, desires, and needs of the elderly must be unique. If uniqueness is lacking, then aging consumers are not a distinctive market.

In this study an attempt is made to identify and obtain information about the concerns, needs, and problems that are salient in the minds of older consumers at retail outlets. Efforts were made to identify psychographic characteristics of the elderly consumer, as well as to determine lifestyle groups and the relationship between these groups and retail store attributes.

The mature market is also more likely to have excellent incomes. Lazer (1985), Linden (1986), and Schewe (1985) have suggested that the increase in income will result because many of those in tomorrow's mature market will benefit from improved pension and retirement plans. According to the Special Committee on Aging, seven out of every ten older families would have had incomes below the poverty level without the 1985 increase in transfer benefits, such as Social Security, Medicare, and tax breaks for the elderly (US Congress, Senate, 1990).

The improved transfer benefits and retirement plans provide more discretionary income for the elderly, which provides more purchasing power than that enjoyed by younger customers because of fewer obligations (Hopper and Buskin, 1995; Lazer, 1985; Moehrle, 1990).

Much of the research on the shopping patterns of older people has been exploratory, involving limited samples (Gelb, 1982; Gollub and Javitz, 1989; Greco, 1986; Mason and Bearden, 1978; Moehrle, 1990); therefore, the findings must be interpreted with caution. However, there are some helpful insights from new and expanded research. One national study on store choice for apparel found that the elderly generally base their patronage decisions on the same attributes as their younger counterparts (Lumpkin et al., 1985). Other studies of elderly consumers have suggested that there are sub segments which can be identified by unique shopping orientations (Greco, 1986; Lumpkin, 1984, 1985; Moschis, 1993; Sorce et al., 1989).

Retail store attributes and shopping patterns

Lambert (1979), Lumpkin et al. (1985), and Mason and Bearden (1978) imply that store attributes and shopping patterns of the elderly are based on their perceptions of how the retailers meet their wants and needs. Mason and Bearden (1978) suggest that elderly consumers often shop for reasons other than buying goods. Dychtwald and Flower (1990) aver that the "mature consumer is more interested in purchasing experiences than things" (p. 286).

Some research has been conducted regarding the shopping patterns of the elderly. For example, Mason and Bearden (1978) conclude that the elderly prefer to shop in the mornings. Also, Lumpkin and Hite (1988) and Mason and Bearden (1978) confirm that the elderly are not frequent users of catalogs, nor are they as homebound as stereotypically portrayed. Lumpkin (1984) indicates that the elderly do not perceive mobility as a restriction. However, Lumpkin's study (1984) contradicts other studies that suggest the elderly enjoy the shopping experience. He did not find that the 65-and-over consumers enjoy interpersonal exchanges with the store personnel, as previous studies suggest (Gelb, 1982; Lambert, 1979; Mason and Bearden, 1978). The shopping patterns of the elderly support the perception that the elderly possess store
loyalty. Although stores offering senior discounts are viewed more favorably, the elderly are not likely to change their store patronage just to try something different (Lambert, 1979; Lazer, 1985; Lumpkin and Greenberg, 1982; Mason and Bearden, 1978).

Bone (1991) suggests that the mature market can be attracted by offering special discounts based on age. However, Bone (1991) and other researchers caution marketers that it is a "...false assumption that the mature market has low discretionary income and thus price is the determinant attribute" (p. 51). Hence, assuming that price is the key determinant can be misleading. Smith and Moschis (1985) suggest that age relates positively to the use of money-saving sales promotion offers, such as cents off and/or coupons; yet, their research does not support this view. In many instances, price and price-related aspects are of lesser importance, which could explain the preference for department store shopping by the mature patron as opposed to discount store shopping (Lambert, 1979; Lumpkin and Greenberg, 1982; Lumpkin et al., 1985; Mason and Bearden, 1978).

Lambert (1979), Lumpkin et al. (1985), and Mason and Bearden (1978) agree that the most important attributes of store selection relate to the relationship of quality to price and the finding of satisfactory products. The elderly consumer prefers quality products yet wants attractive prices - value for the money - not necessarily the cheapest price. The elderly want fashionable clothing and the ability to return unsatisfactory goods (Greco, 1986; Lumpkin et al., 1985).

Another group of attributes which affects the store choice of the elderly consumer is sales (reduced prices) (Lambert, 1979; Lumpkin et al., 1985). Another important consideration is the availability of advertised products and the ease in locating these advertised products within the store. Also included in the group of important attributes are helpful and courteous salespeople and the readability of tags or labels, which are either in or on the products (Greco, 1986; Hildebrandt, 1988; Lambert, 1979; Lumpkin et al., 1985; Mason and Bearden, 1978). Dychtwald and Flower (1990) assert that the older consumer is also searching for convenience, including convenient use of the product or service, as well as convenient procurement of the product. This includes the purchase arrangements and delivery, setup, and instructions for use if required.

Lumpkin et al. (1985) report that attributes not perceived as primary determining factors in store choice by the elderly are those which deal with tangible aspects, such as carry-out, parking, and location. The elderly desire to be comfortable, but it is not a primary consideration; nor is a great deal of emphasis placed on uncrowded stores or package carry-out. These findings contradict other research (Lambert, 1979; Lowe and McCrohan, 1988; Mason and Bearden, 1978) which suggests that these attributes are important to the elderly.

**Psychographic groupings**

The conflicting research on the elderly has led many to question the wisdom of using age alone to segment the market. In fact, after a review of 33 segmentation studies since the mid-1970s, Bone (1991) concludes: "Thus, chronological age does not seem to be an appropriate
segmentation variable" (p. 48). Other more meaningful variables, particularly lifestyle, or psychographics, have emerged as a very robust technique of identifying distinct categories of buyer behavior. Several models have been proposed that appear to have sound research support for their lifestyle categories (Cooper, 1984; Day et al., 1988; French and Fox, 1985; Gollub and Javitz, 1989; Sorce et al., 1989). Using a variety of research tools and samples, each author(s) has developed a classification scheme with appropriate labels for each category. Anywhere from three to six categories have been developed depending on the questionnaire, sample, and statistical method employed.

French and Fox (1985) questioned 200 gerontologists about the adjustment patterns of the elderly to old age. They were able to identify two factors that underlie a list of behaviors and attitudes of the elderly. The first factor is how much the elderly actually enjoy retirement living; the second factor is the extent to which the elderly are secure in the adjustment process. The success or failure of this adjustment process provided a classification scheme of nine distinct groupings.

Drawing on the work of the gerontologists, Sorce et al. developed a questionnaire designed to tap the changes that age brings - family composition, health, financial status, and social and physical activities. The questionnaire was distributed to 418 older adults living in Monroe County, New York. Utilizing factor analysis and cluster assignment, the researchers were able to identify six distinct lifestyle profiles: self-reliant, quiet introverts, family oriented, active retirees, young and secures, and solitaires.

The National Association for Senior Living Industries conducted a study of how older adults prefer to live in retirement (Gollub and Javitz, 1989). Through a nationally-distributed survey of 3,600 people aged 50 and older, five psychological and health factors were prevalent: autonomy-dependence, introversion-extroversion, self-indulgence, resistance to change, and functional ability. Six distinct psychographic categories or groupings emerged from the study. Since the details of the study are proprietary to the sponsors, the statistical methodology is not available.

Two other studies have been conducted utilizing psychographic components. The first, by Day et al. (1988), utilized 137 activity, interest, and opinion (AIO) statements. The psychological concept of locus of control was the underlying theory used to construct the questionnaire. A sample of 111 females over 65 not working outside the home provided input into factor and cluster analysis. Four major lifestyle groups were identified. The second study (Cooper, 1984) also used AIO statements, and also generated four groups of lifestyle. However, the focal point of this study was life satisfaction. The sample was 121 elderly adults living in non-subsidized apartments whose average age was 65.

From these five studies and others, the same general conclusion is reached: definite psychographic groups exist within the elderly market segment. What is lacking, however, is research on the impact of those distinct groupings on buyer behavior and other aspects important to the marketer. It is clear that the elderly market cannot be treated as homogeneous. What is not clear is to what extent those psychographic groups affect buyer perceptions and behavior. This
study will extend the psychographic literature by showing the relationship between elderly lifestyle and retail store attributes.

Methodology

Sample

A convenience sample of 550 respondents was drawn from senior citizen. The criteria for those participating in the study were age, income, and living arrangement. Inclusion in the sample required that the respondents be 65 or older, reside in apartments or homes, and do their own shopping for personal or family use. Of the 550 respondents, 425 returned the questionnaire, of which 386 were usable, for a response rate of 70 percent.

Questionnaire

The survey instrument was a self-administered questionnaire used to determine the lifestyle characteristics and retail store attributes of the consumers over age 65. As part of a larger study, the survey instrument identified and measured the store attributes used by the over 65 age group when choosing retail stores for the purchase of over-the-counter drugs. Lifestyle characteristics were measured by the respondents activities, interests, and opinions (AIO). Demographic characteristics of the sample were also collected.

Statements used in the development of the lifestyle section of the questionnaire were drawn from studies by Cooper (1984), Lumpkin, et al. (1985), Lumpkin and Greenberg (1982), Sorce, et al. (1989), Darden and Ashton (1974-75), and French and Fox (1985). These statements included items which were used to determine the activities, interests, and opinions of the sample. A five-point Likert-type scale was used, with responses ranging from "not me at all" (1) to "really me" (5).

In another section of the questionnaire, an attempt was made to determine the importance of the various store attributes based on the perceptions of the participants. Lumpkin et al. (1985) suggest that an attribute may be relatively important to a customer when choosing a store. The attributes studied are those related to convenience of store location, in-store convenience and physical environment, price and quality, and special needs of the elderly (Darden and Ashton, 1974-1975; Dove, 1984; Lambert, 1979; Lumpkin et al., 1985; Lumpkin and Hite, 1988). To determine the importance of each attribute, a five-point scale ranging from "never" (1) to "always" (5) was used. To identify problems with question clarity and ease of completion, the initial questionnaire was pre-tested on eight experts in questionnaire construction and 50 senior citizens. The instrument was revised after the pre-test.

The internal consistency of the resulting instrument was 0.77 (lifestyles) and 0.97 (store attributes), using Cronbach's coefficient alpha. According to Churchill (1979, p. 68), reliabilities of 0.50 to 0.60 will suffice to determine the estimated correlation of the k-item test with errorless true scores. However, Nunnally (1967) indicates that a reliability of 0.85 to 0.95 should be considered the desirable standard when important decisions are to be made based on the results of the research study. A low alpha coefficient indicates that the items used to measure the
constructs of lifestyles and purchasing decisions are performing poorly in capturing the essence of these constructs (Churchill, 1979). To improve the reliability of the instrument, items with a correlation near zero were eliminated. The instrument was then reevaluated by the team of experts for readability, ease of answering, and ambiguity. The survey instrument was again completed by 50 senior citizens; the resulting coefficient alpha was 0.86 (lifestyles) and 0.94 (store attributes).

**Lifestyle analysis**

The lifestyle data (62 statements) were submitted to a factor analysis which performed a principal components analysis along with a varimax rotation.

After completing appropriate statistical procedures, each cluster created was given a name to emphasize the characteristics of the respondents in that particular cluster. The name of each cluster corresponds to that generated by Sorce et al. (1989).

Displayed in Table 1 are the questionnaire items in each cluster and their respective loadings, showing the relative importance of each item. The largest of the clusters was Family Oriented with 91 respondents accounting for 25.6% of the sample. The remaining clusters were almost equal in size: Young and Secure (19.4%), Active Retiree (18.1%), Self Reliant (20%), and Quiet Introvert (18.9%).

**Retail store attributes**

To reduce the number of variables relating to store attributes the 35 questions were submitted to a factor analysis. The varimax rotation method was used to obtain the factors, thus creating four separate variables which represent the original set of variables. Table II shows the four factors generated and their respective loadings of each store attribute.

As shown in Table II, the factor titles are names based on the characteristics of the individual statements, having factor loadings of +0.40. Factor 1 is called Store/personnel quality and reflects perceived variety and quality of the products, store layout, and friendly, knowledgeable personnel. Factor 2 is the Store characteristics of location, temperature, and an uncrowded store with a place to relax while shopping. Factor 3 is called Discount/sales policies. It includes the importance of items being on sale, accepting coupons, as well as giving senior citizen discounts. The last factor is called Service attributes and comprises items relating to delivery, phone-in, carry-out, and parking.

**Results**

There were 254 women (65.8 percent) and 132 men (34.2 percent) who completed the questionnaire. The majority of the respondents (69.4 percent) were married; 22.3 percent were widows or widowers with 8.3 percent being single or divorced. Their ages ranged from 65 to 84, with the majority being in the age group of 65 to 69 (66.6 percent). Most of the respondents
(68.9 percent) lived with only their spouses, but 21.8 percent lived alone. Also, 93.8 percent of the participants owned and operated their own automobiles. Most of the sample had college experience (58 percent), while some (14 percent) had a graduate degree.

The results of the analysis of variance (ANOVA) test, indicate there is a significant difference ($p = 0.0260$) among the lifestyle groups when considering Store/personnel quality. The 14 items within this category indicate that such characteristics as fair prices, quality products, and variety of choice, well-known brands, and pleasant, helpful personnel are viewed as significantly different when selecting a retail outlet for purchasing the products.

When considering Store Characteristics, the test results indicate there are no significant differences ($p = 0.0559$) among the groups. However, when viewing the contrasts among the groups, the mean of the Family Oriented group differs significantly ($p = 0.0260$) from the means of the remaining groups. Also, the mean of the Active Retirees varies significantly ($p = 0.0360$) from the means of the other groups.

From the post hoc multiple comparisons test, the Active Retirees find the components of Store Characteristics to be important in the selection of a retail outlet when purchasing products. In contrast, the Family Oriented place little importance on these characteristics. The groups did not differ significantly ($p = 0.0571$) regarding Discount/Sales Policies. However, when contrasting the groups, there is significant variance in the importance placed on reduced prices, the acceptance of coupons, and special discounts among the groups.

The family oriented differ significantly ($p = 0.0138$) from the other four groups when considering discount/sales policies. Additionally, the quiet introverts differ significantly ($p = 0.0401$) from the other groups. Therefore, it appears that the quiet introverts perceive the components which comprise discount/sales policies as important considerations when selecting a retail outlet. However, to the family oriented group, these particular characteristics are not prime considerations when selecting retail outlets.

**Discussion**

This research study confirms much already known relative to the purchasing behavior of the elderly - that is, age, in and of itself, does not provide sufficient information in segmenting the elderly market. Lifestyle of the elderly provides more valuable information than chronological age alone. This lifestyle information can be used by retailers to improve marketing strategies in order to appeal to a target group of senior consumers. By using lifestyle clusters a particular retailer could glean important and useful information about its clientele. It has been shown from this research that what one group of seniors consider important in retail store attributes, other groups do not. Any retailer who simply markets to the 65 and older segment of the population will not focus on the salient characteristics of each distinct group among the elderly.

To recap the findings of this study regarding store attributes, the lifestyle groups differ significantly when considering store/personnel quality (fair prices, quality products, well-known brands, to name a few). Overall, lifestyle groups do not differ significantly when considering
store characteristics (store temperature, uncrowded shopping, salespeople their own age, etc.),
discount/sales policies (reduced prices, coupon acceptance, special discounts, etc.), or service
attributes (home delivery, package carry-out, phone ordering, etc.). However, there were some
significant differences between groups when applying the post hoc comparison tests.

Specifically, the family oriented and the quiet introverts differ significantly in their
consideration of the store/personnel quality, with the former group placing great importance on
the attributes related to store/personnel quality in selection of a retail outlet. Also, the family
oriented and active retirees differed significantly from other lifestyle groups regarding store
characteristics, with the former group placing little importance and the latter group placing more
importance on this attribute when selecting a retail outlet. Perhaps the active retirees with their
busy lifestyle have limited time to shop, and they thus select stores in close proximity to their
residences.

When considering a store's discount/sales policies, the family oriented and quiet
introverts differ significantly from the other lifestyle groups. The quiet introverts view these
store policies as important considerations, while the family oriented group does not place great
emphasis on them.

According to this study's results, service attributes are not seen as important by any of the
lifestyle groups. It may be that since the quiet introverts enjoy shopping, they spend their time
looking for bargains. According to this study's results, service attributes are not seen as important
by any of the lifestyle groups. This last finding should be of particular interest to stores which
have traditionally catered to or are beginning to cater to the elderly by offering extra services,
such as telephone ordering and delivery. This type of marketing probably reinforced a popular
stereotype that the older consumers are house-bound and unable or unwilling to do their own
shopping. Based on this study a few recommendations are in order. For example, if the store's
customer base is largely family oriented, the retailer would be prudent to emphasize quality
products and fair prices. It would also be important to hire and train (if necessary)
knowledgeable and helpful cashiers/salespersons. If the base is largely active retirees, the retailer
would do well to highlight the characteristics of store location, temperature, easy access to items,
and a place to relax while shopping. Finally, if quiet introverts are the bulk of the store's
clientele, the store should offer and advertise its senior citizen discounts and reduced prices.

In conclusion, this research reinforces a stream of previous studies which demonstrates
the value of psychographic information over age alone regarding store characteristics and the
elderly. Where resources permit, retailers would benefit from conducting their own surveys of
their clientele and using that information to structure their marketing campaign to acquire and
retain an adequate customer base. Although there are inherent limitations in this study, the
findings show the importance of lifestyle characteristics of the elderly; information about their
activities, interests, and opinions supplants age alone in defining a profitable retail strategy.

References

psychographic dimensions", in Kriner, R.E. and Baker, G.T. III (Eds), Advances in Health Care
Research, American Association for Advances in Health Care Research, Silver Springs, MD, pp. 47-51.


Table 1

Questionnaire statement and their cluster loadings

Cluster 1: Family Oriented

0.76  Enjoy spending time with my family
0.66  Enjoy being with people
0.62  Feel pride in using the things I've built or made
0.59  Feel that I cope well with everyday life
0.58  Work on self-improvement
0.52  Vote most elections
0.50  Read the newspaper daily
0.40  Prefer going to a movie theater
0.40  Enjoy renting/purchasing movies to watch on VCR

Cluster 2: Young and Secure

0.83  Attend cultural/art events
0.83  Walk/exercist on a daily basis
0.59  Enjoy traveling in the USA
0.53  Think of myself as younger than most others
0.51  Environmental/wildlife issues are important
0.46  More self-reliant than others
0.46  Enjoy listening to public radio
0.46  Life today surpasses yesterday
0.45  Enjoy being asked about the latest trends
0.43 Financially I'm better off than others
0.43 Careful to eat the right foods
0.36 Enjoy doing the sweepstaks/lottery
0.33 Like to go to sporting events at place of origin

**Cluster 3: Active Retiree**

0.76 Take active part in Federal political campaigns
0.68 Active in politics
0.68 Member of frequent flyer program
0.54 Enjoy doing stock/bond investments
0.52 Enjoy taking movies with camcorder
0.52 Subscribe to news magazine
0.48 Active in sports(golg, tennis)
0.47 A security system is in my home
0.42 Regularly purchase items through the mail
0.40 Fish or hunt on a regular basis
0.38 Spend time planning for retirement

**Cluster 4: Self-Reliant**

0.80 Work on community projects
0.77 Enjoy doing volunteer work
0.74 Make plans a month ahead
0.67 Attend planned social events
0.47 Make plans a year in advance
0.43 Have friends/neighbors I can talk to or get to help me
0.42 Avoid book readers

**Cluster 5: Quiet Introvert**

0.80 Enjoy shopping at shopping center
0.68 Shopping gives me a chance to get out and do something
0.67  Try new and different places to shop
0.63  Often combine shopping with lunch/dinner
0.63  Enjoy eating at new restaurants
0.48  Do not dress different from friends
0.46  Enjoy watching soap operas
0.39  Not reached peak of mental ability

Note: Factor loadings: > ñ.30 significant when sample 50; > ñ.40 more important; > ñ.50 = very significant.

Table 2

Retail store Attributes

Factor 1: Store/Personnel Quality

0.71  Fair prices
0.66  Quality products
0.65  Ease of finding items
0.62  Variety of choice in store
0.60  Fast/convenient checkouts
0.60  Friendly cashiers
0.58  Knowledgeable salesperson
0.52  Help in finding items in store
0.52  Help in reaching items
0.50  Readable tags on shelves
0.47  Convenient entrance/exit
0.45  Well-known brands
0.43  Can return products
0.41  Wide aisles
0.41  Accept checks
Factor 2: Store Characteristics

0.64 Variety of stores close
0.62 Not too hot or cold in stores
0.61 Store Uncrowded
0.50 Small store so items can be found easily
0.48 Lounge in store
0.47 Place to sit
0.46 Limited variety so items can be found easily
0.45 Salespersons your own age
0.44 Store close to home

Factor 3: Discount/Sales Policies

0.68 Accept coupon
0.68 Senior citizen discounts
0.68 Like discount stores because clerks leave me alone
0.61 Sales(marked-down prices)

Factor 4: Services Attributes

0.83 Delivery to home
0.77 Phone-in orders
0.75 Provides transportation to store
0.53 Can walk to store
0.44 Package carry-out
0.43 Convenient parking

Note: Factor loadings: ñ.30=significant when sample 50;
ñ.40=more important; ñ.50 very significant.