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Is shopping a family affair for Dubai's tweens? A study of the influence of generational differences on shopping orientations

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Cover Page

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Abstract Page

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Abstract

This paper is an exploratory study that attempts to analyse the shopping orientations of two of the most influential generational cohorts – Baby Boomers and Boomlets. The purpose of the study is to help retailers draw appropriate strategies in a highly competitive environment. The two generations together have the highest spending power and is therefore important to retailers. One of the questions the study attempts to answer is whether shopping is primarily a family activity in the Emirate of Dubai. The findings of the study will help retailers to organise store atmospherics, choose appropriate merchandise and store location etc to encourage maximum store traffic. A survey of Boomlets and their Boomer parents was conducted using an instrument with 15 questions. The results were analysed using frequency and cross tab functions in SPSS. The findings point out that there is a perceivable difference in the shopping orientations of the two cohorts and so mall managers and retailers have to engage in micro merchandising. There has been no study of generational cohorts in the region and hence this study is of great value.

Key words: shopping orientation, generational differences, retail strategies

Methodological area:quantitative

1 Introduction

The city-state of Dubai is synonymous with shopping. Both residents and tourists alike patronise the numerous malls that adorn the emirate. The retail space is ever expanding and evolving incorporating the latest trends as well as the requirements of the target market. The MENA Real Estate Overview (2010:21) published by Colliers International reported that the retail space available in 2010 would be 2.4 million m² and a further 400,000 m² was scheduled for release between 2011 and 2013. In the light of the current economic changes it is essential for retailers to analyse their target market and position themselves appropriately. The dependence of the economy on retail income and the peculiar nature of the UAE population are also factors that should encourage retailers to strategise carefully. Dubai has one of the highest concentrations of retail outlets in the world and this has given rise to intense price war and the need for diversity for retailers. Dubai also has the highest amount of retail space per person at 45.6 million square feet and the retail expenditure in 2009 amounted to AED 23 billion. (Dubai Retail Industry, 2010). Added to this, over 80% of the population consists of expatriates who are predominantly from Asian countries (UAE Interact, 2010). The other major impact on retailing comes from generational differences which this paper attempts to study. The two generations studied - the Baby Boomers and the Boomlets - together have a massive spending power which retailers need to capitalise. Analysing the shopping orientations of these two generations will help retailers to design their retail strategy appropriately.

1.1 The changing retail scenario

The term retailing incorporates "all the activities directly related to the sale of products to the ultimate end consumer for personal and non-business use" (Baines et al, 2011:464). The medium and venue can vary. The major types of retailers are store retailers, non-store retailers and retail organisations (Kotler and Keller, 2009: 482). Increased competition has generated new retail formats and combinations. This paper will study only store retailers - both independent and corporate retailing organisations.

A good retail strategy will incorporate decisions about product assortment, atmospherics, pricing, store format, location, communication etc and to effectively do this retailers have to profile the target market. Currently, the service mix to be offered is also considered in detail as it is seen as a way to woo weary shoppers. With the exponential growth of click and mortar formats brick and mortar retailers have come up with novel ways to entice customers. Independent retailers and large shopping malls are looking to entertain their 'guests' turning shopping into an experience.

While strategising, a retailer should also take into consideration generational differences and develop different approaches to cater to diverse age cohorts. The age subculture they belong to exerts a strong influence on consumers. People of the same age cohort share common memories about cultural heroes, historical events and so on and relate to products in more or less the same way (Solomon, 2009:574). As Wood (2002) remarks, "One can change or modify other personal characteristics (income, weight, intelligence etc.), age cannot be altered." This makes it a potent demographic variable. However, when it comes to family shopping there is a need for multigenerational retailing strategies which will attract both parents and children. Micro merchandising can help retailers to increase store traffic by targeting diverse age cohorts.

2 Literature Review

2.2 Shopping Orientation

Shopping orientation delineates an individual's approach to acquiring goods and services and determines why a costumer chooses a particular retail outlet.

Both market and customer variables affect shopping orientation. Customers can be segmented according to their shopping orientation or "general attitudes about shopping" (Solomon, 2009). One of the earliest studies on shopping orientation and its effect on retailing by Stone (1954, cited in Zhang et al, 2011) concluded that shoppers with different shopping orientations would like to shop in different outlets. George P. Moschis (1976:93) another seminal thinker added that "shoppers possessing different life-style characteristics have different communication needs". A monumental study by Darden and Reynolds (1971) consolidated and added to studies that preceded concluding that product use depended on shopping orientations. Generational influences on shopping orientations have been studied extensively and are included in the sections that follow. Retailers typically cater to Boomers as they are the largest in number and have the highest spending power. Another reason is that mall managers fall in the same age cohort (Wuest et al, 2008). To analyse family shopping the shopping orientation of Boomers and Boomlets have to be studied. The pioneers in the field of generational studies were social historians William Strauss and Neil Howe who published 'Generations' in 1991 after analysing generational aspects from 1584 to the present.

2.3 Baby Boomers

The Baby Boomers are the 78 million babies born in the US between 1946 and 1964 in the peaceful and prosperous decades that followed the rigours of the WW II. The generation is spread over a wide time span and those who were born in the earlier years display different characteristics from those who were born in the tail years. This led Yankelovich Monitor to divide them into three categories – “Leading Boomers” born between 1946-1950; “Core Boomers” born between 1951-1959; and “Trailing Boomers” born between 1960-1964 (Wellner, 2000). This study centres around the last two categories as the parents of the students in the sample surveyed fall in this group. Edmondson (1999) observes that Boomers are “feathering their nests” and account for 40% of expenses on home furnishings and equipment. Wuest et al (2008) observe in their study that Boomers make up a large majority of today’s workforce and possess much of the wealth. As they did not live through the depression they are not afraid of spending money. In ‘A new chapter: the joy of empty nesting” Joan Raymond (2000) makes very important observations. This group today has increased discretionary income as most are becoming empty nesters. Between 2000 and 2014 it is estimated that in the US seven Boomers will turn 50 every minute. Trailing Boomers have the highest income among the boomers and are also the most tech savvy. They are looking for more “adventure” booking exotic trips not just short cruises. Harley Davidson reports that this age cohort is their greatest patron. Raymond’s (2000) comment “now that the kids are away, the empty nesters are going to play [and pay] reflects this sentiment well.” The Boomers have also created a baby boom of their own. Most marry late and delay having children untill their late 20s and early 30s. These children are a privileged lot growing up in ones or twos in multi income families (Solomon, 2009: 588-589). These Boomlets are a generational cohort worth studying.

2.3 Baby Boomlets

The Baby Boomlets, also called “Echo Boomers” “Millennials” and “Gen Y” were born between 1977 and 1994 and are the children of the Baby Boomers. With a population of 81 million and spending capacity of 170 billion they are an important segment for retailers. They are the first generation to grow up with computers and are the most tech savvy. Marc Prensky in his article ‘Digital Natives, Digital Immigrants’ (2001) establishes the tech savvyness of Baby Boomlets rechristening them ‘digital natives’. They are also the first generation where internet consumption is exceeding television consumption (Barnikel cited in Reisenwitz and Iyer, 2009). The Baby Boomlets are good spenders and enjoy shopping (Ma and Niehm, 2006). Quart (cited in Massicotte et al, 2011) affirms this in his observation that teenagers visit shopping centres more often than any other age group. There have been arguments in favour of further dividing the Boomlets as they are a large generation (Paul, 2001). This study will deal with the tail enders as the sample surveyed has an average age of 19. Steve Kraft in a 2005 article ‘Echo Boomers’ throws light on many distinct features of this generation. Kraft cites the brands they love - Sony, Patagonia, Gap, Gillette, and Aveda. They are also “multi-taskers with cell phones, music downloads, and Instant Messaging on the Internet. They are totally plugged-in citizens of a worldwide community.” In contrast to Generation X they hold traditional values and value fitting in and team work. They abhor the use of tobacco and alcohol and trust the government and their parents (Kroft, 2005). Solomon (2009:580) adds that their favourite products are “cosmetics, posters and fast food”. In a recent study, Seock and Bailey (2008) concluded that female Boomlets are brand and fashion savvy and may be sensitive to product price more than their male counterparts. Reisenwitz and Iyer (2009) observe that Baby Boomlets are optimistic, idealistic, inclined to value tradition and more similar to Boomers than Gen X – the generation that bridges the two.

3 Methodology

The primary data for this study was collected from a survey of late Boomlets born in the early 1990s and their "Trailing Boomer" parents. This was ideal as the topic was about shopping with the family. This helped to minimise the disparity in extraneous variables like socio economic and cultural factors as respondents were from the same household. The major difference was the age cohort to which they belonged. Participants were assured that their responses would be anonymous and confidential. Their participation was voluntary and no monetary rewards were provided. The sample size was 76 (n=76) of which 51% were male. The children surveyed were in the age range of 16-25 and parents were 45+. The major nationalities represented by the students were – 40% sub continent; 25% from CIS countries; 16% Iranian; 11% non local Arab; 5% Chinese; 2% each from the UAE and the African continent. The nationality distribution for parents was 60% sub continental; 15% Emirati 10% each European and Iranian and 5% from CIS countries. All parents had lived in Dubai for more than 10 years and must have been subject to an acculturation process.

3.1 Survey Results

The questionnaire consisted of 15 questions most of which were ordinal on a 5 point Likert scale. Two ranking questions about favourite shopping item and desired features in a retail outlet were also included. Demographic questions included those on nationality, age, income and gender. Open questions were used to identify favourite shopping mall, apparel outlet and foot wear outlet. Frequency and cross tabulation functions in SPSS were used to tabulate the data.

A comparative summary of the data for Boomers and Boomlets are presented in Table 1 below.

		Boomers	Boomlets
Gender	Male	50	52.7
	Female	50	47.3
Shopping is my favourite pastime	Strongly Agree/Agree	30	33.9
	Neutral	50	37.5
	Disagree/Strongly Disagree	20	28.6
How often do you go shopping?	< Once a month	10	23.6
	Once a month	15	34.5
	Once in 2 weeks	30	23.6

		Student	Paper
	Once a week	40	16.4
	Several times a week	5	1.8
Who do you like to go shopping with?	Family	65	18.9
	Friends	5	43.4
	Alone	30	37.7
What time of day do you like to go shopping?	Morning	30	16.1
	Noon	5	17.9
	Evening	45	58.9
	Night	20	7.1
Do you prefer shopping on weekends?	Yes	50	42.9
	No	50	57.1
How much time do you spend on average in a mall?	Over 5 hours	15	3.6
	3-5 hours	30	62.5
	1-2 hours	55	33.9
How often do you have a meal when on a shopping trip?	Always	45	48
	Sometimes	55	48
	Never	5	3
How often do you watch a movie when on a shopping trip?	Always	5	3.6
	Sometimes	30	57.1
	Never	65	39.3

I like to shop on line	Strongly agree	0	11.3
	Agree	10.5	9.4
	Neutral	31.6	32.1
	Disagree	36.8	32.1
	Strongly disagree	21.1	15.1

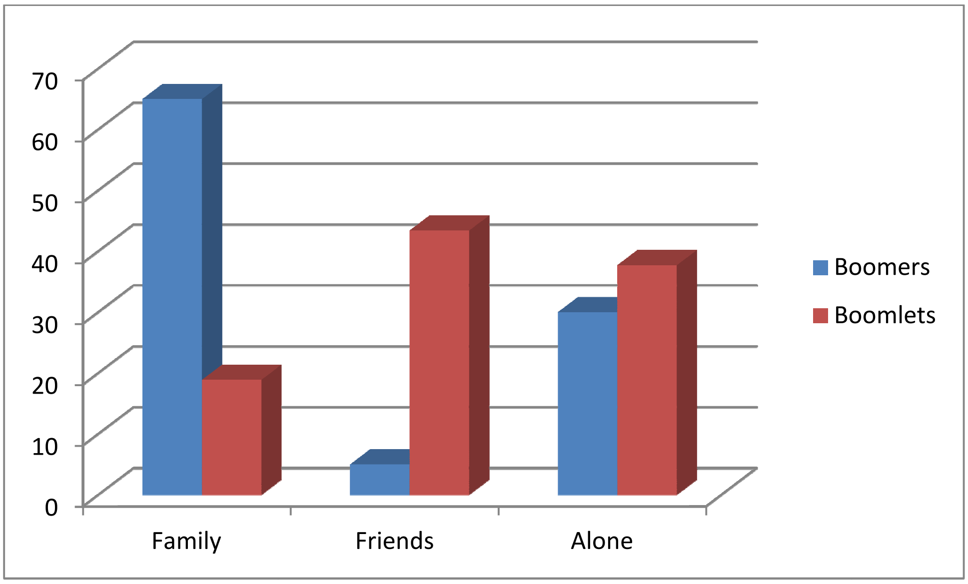
Table 1

The gender distribution for both cohorts was similar. For the psychometric question 'Shopping is my favourite pastime' both groups were similar in their responses to the Strongly agree/agree option with 30% Boomers and 34% Boomlets falling in this category. While 50% Boomers chose neutral, only 37.5% Boomlets chose this response. 20% Boomers disagreed/strongly disagreed while 28.6% Boomlets fell in this category. 40% Boomers shopped once a week and 30% shopped once in 2 weeks as opposed to Boomlets where the majority (34.5%) shopped once a month; 23.6% shopped less than once a month and the same percentage went shopping once in 2 weeks. Boomers preferred to shop with family (65%) while Boomlets preferred the company of friends. A significant percent of both groups liked to shop alone (30% Boomers and 38% Boomlets). The time preferred by both groups for shopping was evening (45% Boomers and 59% Boomlets); 30% Boomers liked to go shopping in the morning while only 16% Boomlets enjoyed it. The data for noon (5% Boomers and 17.9% Boomlets) and night (20% Boomers and 7% Boomlets) are also significantly different. Boomers reported no preference for shopping in the weekends while 57% Boomlets did not prefer weekend shopping. Most Boomers (55%) would spend an average of 1-2 hours in a mall while 62.5% Boomlets spent 3-5 hours in a mall.15%Boomers spent over 5 hours in a mall while only 3.6% Boomlets did so. The response to 'How often do you have a meal when on a shopping trip?' showed marked similarities for the two groups. 45% Boomers and 48% Boomlets 'Always' had a meal while shopping; 55% Boomers and 48% Boomlets 'Sometimes' had a meal while shopping. The response to 'How often do you watch a movie when on a shopping trip?' was considerably different. 30% Boomers 'Sometimes' watched a movie as opposed to 57% Boomlets; 65% Boomers 'Never; watched a movie while shopping in comparison to 39% Boomlets. The question "I like to shop online" also evoked mixed responses; 58% Boomers and 47% Boomlets Disagreed/strongly disagreed; 32% of both cohorts were Neutral; but none of the Boomers strongly agreed while 11% Boomlets did so.

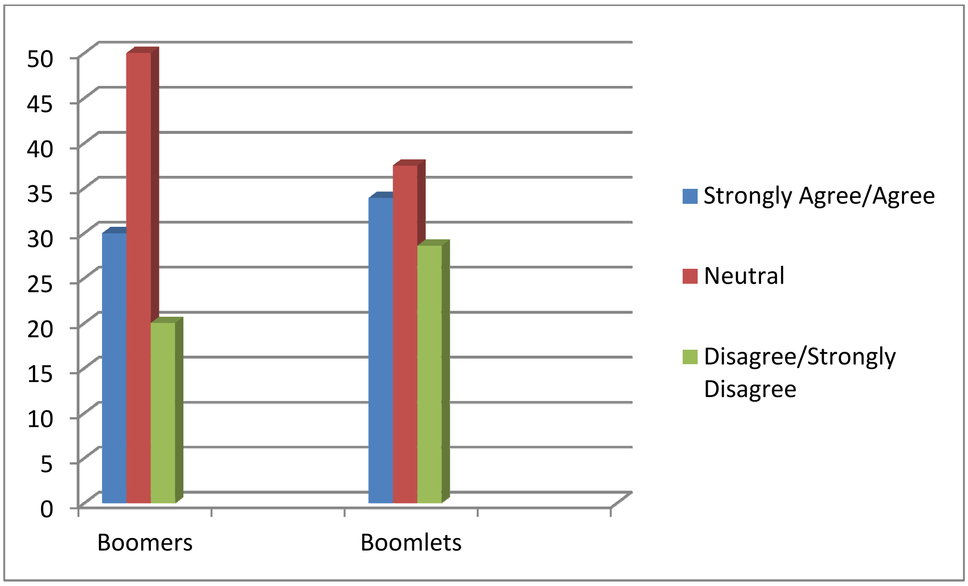
To the ranking question which asked respondents about their favourite shopping item Boomers chose Grocery and 67% respondents were male. Boomlets chose Apparel as their favourite shopping item. Both Boomers' and Boomlets' responses were in favour of variety of goods for the question on "which features of a retail outlet attract you most?" The favourite shopping mall was Mall of the Emirates followed by Dubai Mall for Boomers and Boomlets. Favourite apparel outlet was Zara for Boomers and both Giordano and Debenhams for Boomlets. Boomers chose Shoe Mart as their favourite foot wear outlet while Boomlets choose Aldo.

3.2 Discussion

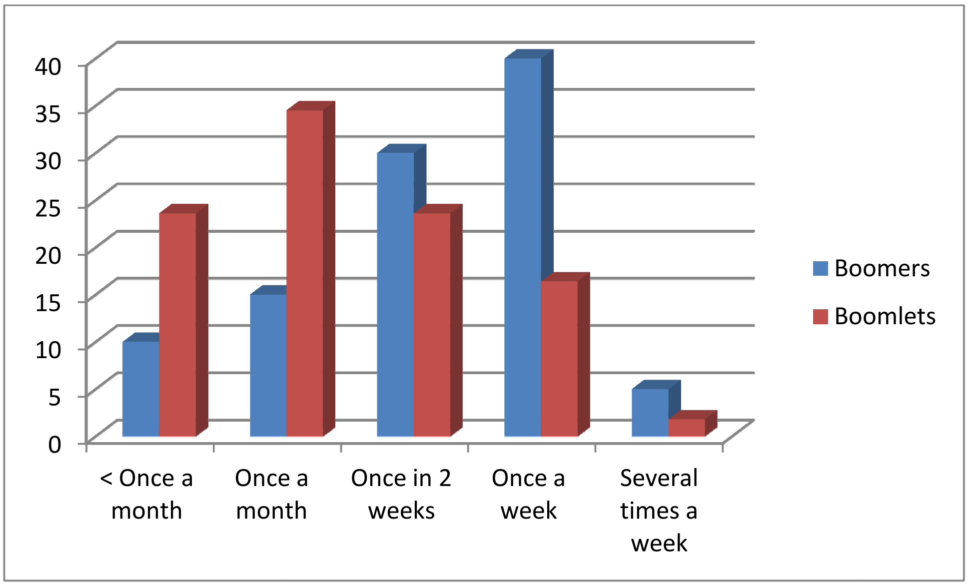
As this study is intended to analyse the shopping orientations of Boomers and Boomlets with the aim of helping retailers to cater to the two age cohorts with the maximum numbers and spending power only those aspects which help retailers strategise are studied here.



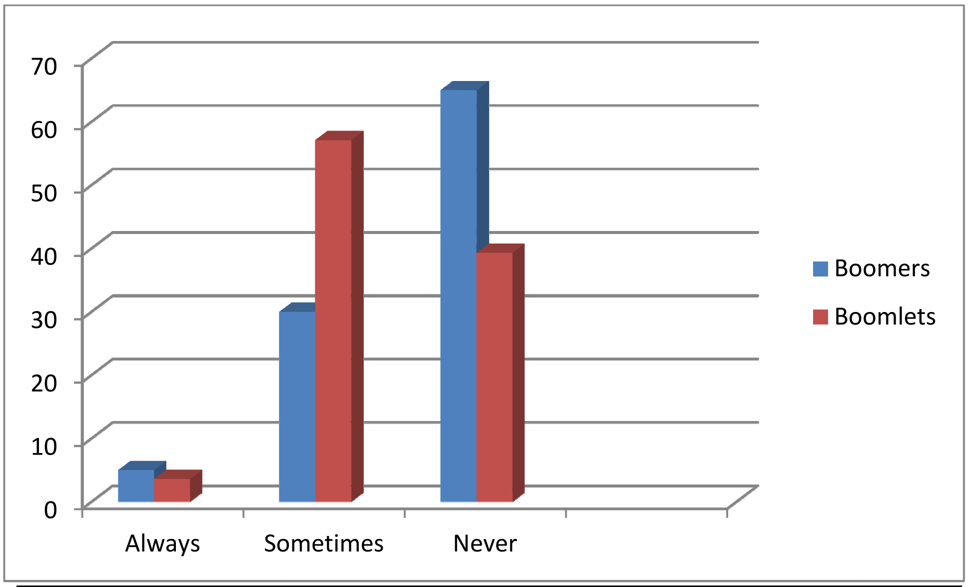
The graph 1 above shows that Boomers like to shop with family or alone and rarely with friends while with Boomlets the trend reverses with friends being the preferred shopping companions. More Boomlets prefer shopping alone than with their family. It is significant that more Boomlets than Boomers disagree that shopping is their favourite pastime while the number that agreed/ strongly agreed were very similar.



As can be seen in Graph 2 above half the Boomers surveyed responded in the neutral to the question whether shopping was their favourite pastime unlike the Boomlets.



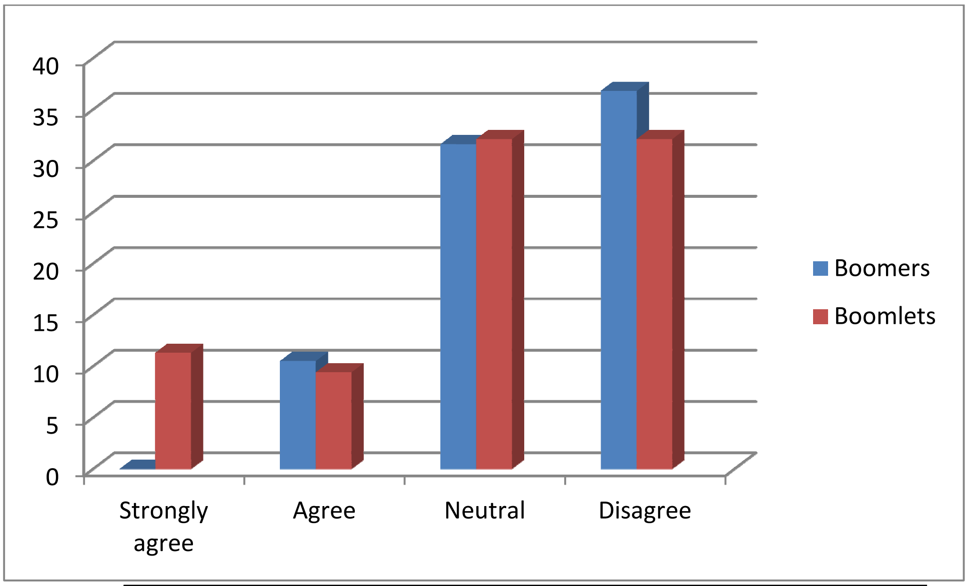
Though teenagers are expected to be shopaholics only as seen in the Graph above only 1.8% said they shopped several times a week as opposed to 5% Boomers. Teenagers seem to have other sources of entertainment. Most Boomers shop once a week. This could be because the favourite shopping item is grocery. The preferred shopping time for both cohorts is evening and this could be because most Boomers are working and Boomlets are studying during the morning hours. Boomers' second choice was to go shopping in the morning while for Boomlets it was the third choice. On average Boomers spent 1-2 hours shopping while Boomlets spent 3-5 hours. Boomers going grocery shopping may not spend much time while Boomlets spend time on meals and movies. Contrary to expectation 45% Boomers said they Always had a meal while on a shopping trip. Raymond (2000) explains this phenomenon, "they make good money and are not worried about the costs of eating out." Convenience and the booming economy are also cited as decisive factors.



4

Remarkably, 65% of Boomers said they never watched a movie while shopping. Boomlets seem to be looking for greater entertainment in their shopping experience with 57% responding that they ‘sometimes’ watched a movie while shopping. In their recent study Jackson et al (2011) observed that different generational groups display varying attitudes to entertainment attributes of a shopping mall.

In the current study though both groups liked the same malls the apparel and foot wear outlets patronised were different. Hence mall managers need to cater differently to the two groups. A study by Wuest et al (2008) based on 3 generations Boomers, Gen X and Boomlets concluded that mall features are important to all generations while selection of stores in a mall was most important to Boomers than Boomlets.



As seen above (Graph 5) none of the Boomers surveyed strongly agreed that they liked to shop online while with Boomlets this was 11%. Also, 58% Boomers disagreed/strongly disagreed that they liked shopping online. 32% Boomlets responded neutrally. This has been supported by previous studies like the 2009 study by Microsoft on web banking were half the boomers surveyed reported that they did not use web banking. The study concluded that Boomlets are much more likely than boomers to use web banking (Technology bridges generation gap, 2009). Previous studies like the one by Wood (2002) also concluded that more Boomers than Boomlets were reluctant to embrace on line shopping. Only 21% tech savvy Boomlets agreed/strongly agreed that they liked to shop on line. This could be because they like shopping with friends and shopping is therefore a forum for socialising. Seock and Bailey (2008) confirm this, “consumers' need for social interaction while shopping negatively affected the propensity to engage in Internet shopping.”

In short, as Massicotte et al (2011) concluded a mall cannot focus on only teenagers or adults alone and they can therefore create different sections. Adult sections should concentrate on aspects related to mall quality such as merchandise quality while teen sections should focus on social dimensions such as young sales people, youthful music, and teenage friendly decor.

4 Conclusion/Recommendations

This study affirms that shopping is predominantly not a family experience for Dubai’s expats and that most teenagers like to go shopping with their friends.

They also prefer to spend longer time in malls than their parents and love to watch movies. Malls should cater to both generational cohorts to enjoy increased store traffic. Existing malls and the ones that are planning to launch out soon could take into consideration the generational differences and similarities pointed out in this study. Since Boomers prefer to shop with family malls and retail outlets should engage in micro merchandising to facilitate family shopping. The shopping experience has to be enhanced for both cohorts. Food courts have to be more attractive as both groups enjoy eating out while shopping. Food outlets that cater to both cohorts can be included. Though click and mortar is gaining popularity worldwide, in Dubai, brick and mortar is still the norm. Improving mall atmospherics, product variety and engaging in multi-channel retailing to woo both cohorts will also help. This study will be of great value to existing outlets and to retailers who are launching out in this market. It will not be preposterous to expect more retail space in Dubai as contrary to common belief there is no over-supply. The International Council of Shopping Centre's supply yardstick is 1.1m² of mall space per person. Dubai with a population of 1.7 million in 2009 and a tourist population of keen shoppers numbering 7 million per year can afford to host more malls (MENA Real Estate Overview (2010:21).

4.1 Limitations

The sample size has to be much bigger to get valid results. The other major drawback is that the number of parents and children who were surveyed was not exactly the same. This could skew results. The instrument needs to be modified to include more mall features that would be attractive to both age cohorts. Informal interviews have to be conducted with Boomers and Boomlets. This will throw light on the reasoning behind many responses.

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