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# A Preliminary Evaluation of the Millennial Shopping Experience: Preferences and Plateaus

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**Abstract**

This study identified and examined the concerns of hotel general managers regarding ethics in the hospitality industry. Thirty-five managers were interviewed during and immediately following the economic recession to determine which ethical issues in the hotel industry and at their own properties concerned them the most. Results showed that more people and organizations attempted to renegotiate hotel rates, which actions, in turn, led to some lapses in ethical behavior. Managers said that because of the economic downturn, they felt pressure from both private owners and corporate headquarters. They also said a lack of work ethic, low motivation, and low pay caused many workers to underperform in ways that raised ethical issues. Managers also mentioned diversity issues and theft by both guests and employees as ethical issues of concern, and shared stories about their experiences.

**Cover Page Footnote**

This article was written in honor of Dr. Joseph F. Durocher, Posthumously

# A Preliminary Evaluation of the Millennial Shopping Experience: Preferences and Plateaus

## By Kimberly J. Harris, Jason Stiles and Joseph Durocher

## Abstract

The purposes of this study were twofold. First, the study sought to better understand the Millennial Generation's (MG) shopping and service behaviors and preferences. Second, the study sought to identify service differences between the Baby Boomers, adults aged 18-24, and prior generations. In comparison, grandparents and parents of the MG are considered more influential in forming the attitudes and behaviors of their offspring; however, when shopping, this tradition does not hold true. The MG are less committed than generations before them to business relationships, legacy shopping, and the expectation of quality service delivery, yet are more concerned with environmentally conscientious retailers who offer a green approach to doing business, such as offering recyclable packaging, using energy-efficient lighting, and supporting non-profit community organizations that vow to protect the environment.

## Introduction

The MG expect and accept fluctuations in service delivery; therefore, they have developed a tendency to "flash shop," or quickly make purchasing decisions without commitment to the brand or reputation of the service provider. They spend freely on technology and other gadgets that make purchasing more efficient, interactive, and intuitive. This study suggests that the MG communicate a nonchalant attitude toward service delivery and product quality and an acceptance of mediocrity of product performance. This generation's lack of interest in reporting flawed or low-performing products and services is of growing concern to companies seeking their business, complicating the ability to predict the impact of their purchasing desires or service-level expectations.

## Literature Review

Shopping behaviors for services, products, and entertainment have been of interest to businesses, researchers, and marketing experts

for generations. Observations, predictions and the profiling of shoppers representing markets segmented into age categories tell of changes in the economy, products of popularity, and products that have waned in the wake of evolving technology. Monikers for categories such as Baby Boomers, Generation X, and Generation Y are well known and imply keen differences in needs, wants, desires, and expectations.

The generation of current study is called the Millennial Generation (MG). Millennials are profiled as being the most savvy generation when it comes to the use of technology. Highly educated, they are more concerned about the environment than prior generations. They use technology to help them shop, learn, communicate, and socialize. They expect quick service, due in part to the immediate input received from interactions with interactive, hand-held, user-controlled equipment (Sweeney, 2006; Barone, 2007). The MG possess an ever-increasing dependency on various online technologies used to research a product or service before it is selected, and in many cases, use the same technology to make purchases.

The MG has come to expect immediacy in many aspects of life; whether dealing with humans or electronic equipment, they want instantaneous responses to questions, accuracy in the information delivered, and "right now" delivery speed (Sandfort & Haworth, 2007). Interestingly, their expectation of quality services and near flawless delivery is not as high compared to the Baby Boom generation (Barone, 2007; Howe, 2005). Research suggests that the MG are significantly different from prior generations in the traditional trade process in that they expect speed, average service interaction, and average or below average product quality without brand recognition, brand cultivation, or long-term product performance (Paul, 2001; Bakewell & Mitchell, 2003).

**Quick Decisions and Non-Linear Shopping; A Shift in Shopping Paradigm**

Millennials tend to make quick purchasing decisions. Compared to Baby Boomers, the MG first shop for convenience and then for performance (Gronbach, 2000; Yi & Jeon, 2003). Competition, quality, and guarantees are not the staples of decision making; therefore, when MGs shop for goods and services, they tend to comparison shop on the Internet and discuss options with their peers (Gustafsson, Johnson, & Roos, 2005). Interestingly, if a shopping decision is made, and the first business fails to deliver to expectation, they shop the next most convenient business with no particular ill-feelings toward the first failed experience. Failure of the first experience has no effect on the later

decision to repeat shopping with the first retailer, as the MG will return time and time again, hoping for a more fulfilling experience in subsequent visits (Scarborough, 2007).

Compared to the generation before, Baby Boom shoppers believed in creating relationships and identifying businesses in which they created permanency, such that certain stores or service deliverers were attached to ownership feelings. This "legacy shopping," or choosing products and services due to a familial commitment or tradition that was engrained in families or cultures, is not present in the MG (Barone, 2007; Sebor , 2006). For the prior generations of legacy shoppers, the local grocery became "The Grocery Store," a dentist became "My Dentist," and a particular restaurant or social club became "The Café" or "The Club." The circle of family or friends dedicated to the organizations or gathering places knew instantly of the place of business referred to and tended to attach themselves to the same business. With the MG, flexibility and wanting products when they want it drives the purchasing decision, despite the prior experience of others (Trzesniewski & Donnellan, 2010). Service providers are selected based on speed of delivery and availability of products and services. The MG conduct shopping decisions based on the sequential list of providers showing up on an Internet search engine, with preference shown to the company appearing first or within the first page of a search engine list (Tsui & Hughes, 2001; Wood, 2004).

The shift in shopping culture presented by the MG is predicted to impact the economy with unprecedented influence. Consequently, this group is the focus of economic strategists interested in studying their preferences, behaviors, and expectations. Of keen interest to business owners is the growing reliance of the MG on digital media alone, with little or no interest in print media for shopping encounters. This is not to communicate that the MG do not have an interest in using print media as a secondary resource, but that digital shopping encounters are preferred (Mitchell, McLean, & Turner, 2005). Keeping pace with the technology in both delivering robust ads and product options is the challenge presented to retailers, who may have neither the financial means nor the technological savvy to meet the increasing demand (Smit, Meurs, & Neigens, 2006).

Yi and Jeon (2003) reported that advertising influences whether an audience will select a product; therefore, an ad must be designed to intrigue the viewer enough to watch it, connect to the content, and ultimately decide to engage with the context. Ads that offer the user

control over the content, methods of interactive engagement with the context, and ultimately options for making decisions for purchasing from the retailer within the minutes or seconds committed to the spot, are those that will drive consumer interest. Consequently, this age group has retailers scrambling to meet and anticipate demand changes, offer technology that keeps pace with the user's imagination, and deliver both products and services in an affordable format (Textor, 2008).

Coomes and Debard (2004) and others (Erickson, 2007; Barone, 2007) studied the identifiers of speed in response to ads and the tendency of the MG to jump from competitor to competitor as they shop. These behavioral characteristics are not unlike those identified by Scarborough (2007), Lippe (2001), and Bakewell and Mitchell (2003), all of whom presented research suggesting that retailers will have to realize that young buyers take only seconds to make purchasing decisions and often do so as they are in motion and multitasking, accessing products and services through handheld devices, and giving only seconds to a retailer to convince them to make a purchasing decision.

**The MG Demand Product and Service Shifts**

The MG has begun to exert a challenging shift in product and service preferences compared to prior generations. Baby Boomers, born between 1943 and 1960, have dominated consumer markets over the past two decades; however, a shift in buying process, products of interest, and service expectations is on the rise (Trezesniewski & Donnellan, 2010). The youngest of the MG are currently in college. Not only do they have access to their own income, but possess a significant reach into the resources of their Boomer parents. Some older members of the MG have entered graduate school, and some are starting careers wherein they expect substantially higher starting salaries than their generational predecessors. Generation X students, a bit older than the MG, were characterized by more independence and self-reliance; however, the MG tend to cling to parents and depend on their advice in making many of life's key decisions (Howe & Strauss, 2004; Ma & Neihm, 2006). Learning from past buying behavior, impact of economic shift, and an interest in sustainability of products is of greater concern to the MG than GenXers or Baby Boomers (Trezesniewski & Donnellan, 2010).

Harris Interactive (2001) expected that the MG will continue to have an unprecedented impact on the future of the economy due to their reliance on technology for both their professional and social lives. The use of interactive tools is preferred by the MG to socially connect and communicate, as opposed to linear forms of technology, such as

television and tethered telephones, used by Boomers and GenXers. The MG have developed specific and highly efficient codes and languages to speed communication. According to Howe (2005), the MG surpass prior generations in the impact of their influence for technological advancement.

With speed as a priority, the MG rely on iPods, video games, cell phones, texting, instant messaging, and high-speed Internet access for day-to-day activities. Their non-perishable purchases are frequently begun, or occur exclusively, on the Internet, where human interaction is at a minimum. Each year the use of online interaction increases. Millennials use the Internet to surf, shop, conduct research, meet friends, blog information, and access news (Harris Interactive, 2004). It must be noted that the MG has most likely researched a business electronically as well as discussed it with friends before shopping with a particular retailer. If a purchase is made, the business has met selection criteria and the approval of their peers (Kleijnen, Lievens, Ruyter, & Wetzels, 2009).

## Conglomerate Shopping and Shopping Preferences

The MG prefer conglomerate shopping, wherein the provider reveals competitive information for comparison purposes; offers products that are often purchased with the initial product sought; and offers discounts for purchasing one or more, or multi-item, selections within a specific time frame (Trzesniewski & Donnellan, 2010; Tsui & Hughes, 2001) . Equipped with information on products and services, availability, and technical service, the consumer chooses sites that offer one-stop shopping. This shopping experience offers user control of information, open-ended time frames for making a shopping decision, and perceived rewards for buying all that is needed from one site. Smart shopping is the marketed result.

According to Mooring (2004), shopping behaviors and preferences are understood in the context of generational expectations and experiences. A generation forms a group identity expressed in commonalities that can drive service and product demands. Mooring further suggested that individuals born within a specific time frame have a tendency to develop a group identity in the way they socialize and conduct business. Others acknowledge controversy over generational boundaries, although they agree on the importance of commonality within generations (Harris Interactive, 2001; Howe & Strauss, 2007). In statistical terms, some stages of a generation's development demonstrate common traits so close in proximity that attributes are a standard deviation or two from the mean (Schlesinger, 1969; Jones, 1980; Strauss

& Howe, 1997). In almost all stages, a generation forged by common experience and influences is usually within an inter-quartile range of preferences (Wilgoren, 2000; Zoba, 1999).

Howe (2005) used the term *generational theory* to describe the commonalities exhibited by generations. Generational theory seeks to explain the commonalities among members of the same generation, as well as how current generations diverge from prior generations. Table 1 shows the various generations and the time frames that define them, as described by Strauss and Howe (1992).

**Table 1**

**American's Generations - 1584-1995**

| Generation | Years Born | Generational Type |
|---|---|---|
| Puritan | 1584-1614 | Idealist |
| Cavalier | 1615-1647 | Reactive |
| Glorious | 1648-1673 | Civic |
| Enlightenment | 1674-1700 | Adaptive |
| Awakening | 1701-1723 | Idealist |
| Liberty | 1724-1741 | Reactive |
| Republican | 1742-1766 | Civic |
| Compromise | 1767-1791 | Adaptive |
| Transcendental | 1792-1821 | Idealist |
| Gilded | 1822-1842 | Reactive |
| Progressive | 1843-1859 | Adaptive |
| Missionary | 1860-1882 | Idealist |
| Lost | 1883-1900 | Reactive |
| G.I. | 1901-1924 | Civic |
| Silent | 1925-1942 | Adaptive |
| Boom | 1943-1960 | Idealist |
| Thirteenth Generation | 1961-1981 | Reactive |
| Millennial | 1982-? | Civic |

The MG has begun to exert a challenging shift in this traditional commonality of generations. Baby Boomers, born 1943-1960 (Strauss & Howe, 1997), have dominated consumer markets over the past two decades; however , with the onset of the MG, this domination is fading. The MG was estimated by Neuborne (1999) "to be 60 million strong, more than three times the size of Generation X, they're the biggest thing to hit the American scene since the 72 million baby boomers" (p. 1). According to the U.S. Census Bureau's *Summary Report* (2002), this is the largest American generation since the Baby Boomers, and therefore has the potential to exert unprecedented influence on the market. For

example, Harris Interactive (2004) estimated that college students returned to their campuses with $122 billion in spending power and $24 billion in discretionary spending.

Table 2 depicts documented traits of the MG and how these traits can affect market preferences (Thatch & Olsen, 2006). These traits and their influence on business are displayed below:

**Table 2**

**Millennial Traits and Corresponding Marketing Implications**

| Five Major MG Traits | Corresponding Marketing Implications |
|---|---|
| Internet Proficient | Use integrated media approach with emphasis on Internet |
| Diversity Conscious | Show diversity in all advertisement; emphasize universal values |
| Positive and Practical | Use marketing messages that focus on value and quality with no slick advertising; unvarnished truth voiced by everyday people |
| Belief in Fun and Responsibility | Conduct market research to tap into what is perceived as fun, quirky, and outrageous |
| Environmentally and Socially Aware | Emphasis on business practices that are socially and environmentally responsible |

Howe and Strauss (2004) also discussed common traits and described the MG as tending to trust authority, be more likely to involve parents in key life decisions, and be closely involved with parents (who see these children as their primary life interests). This group reports feelings of being special. In school they demonstrate a high degree of concern for grades and academic status. As they enter the work world, they have high expectations of early work experiences that are intellectually rewarding. They are the most educated of any group to date and understand that the future for them holds no security. The financial future is uncertain and unstable; therefore, expenditures must satisfy current needs. Investing is somewhat of an anomaly, with some MGs showing interest in products and services that are considered sustainable,

and other MGs uncommitted to long-term investments of any kind (Mitchell, McLean, & Turner, 2005).

**Service Plateaus…a Leveling of Expectation**

The MG has complex expectations of service that are unique. Of interest to retailers are discovering the point at which service options, interactions, and support services plateau for this generation. Do service levels matter? If so, to what extent does the effort plateau (Megehee, Dobie, & Grant, 2003)?

Time management, connectivity, detailed access to product information through the Internet, and close connection to the purchases of MG parents have been among the trends responsible for this high consumption-oriented culture. It appears that the MG have been exposed to high service quality through the experiences and expectations of their affluent parents, but whether the MG buying behavior can be based on this parental influence is unclear (Sweeny, 2006).

Further study is needed to understand service deviation and thresholds of this *über*-group. It appears that the shopping experience for this group is as much for social interaction as for product or service need. Millennials often browse the Internet's various websites to research and compare products, cost differences, performance ratings of both products and services, and locations of businesses by peer influence, peer perception, and peer acceptance.

Coomes and Debard (2004) researched the specific service expectations of the MG as related to the behavior of the service provider. According to their research, Millennials expect service to be delivered at the quick speeds they encounter when using technology. Whether the service is human or electronic, their patience as related to response time is short (Barone, 2007; Howe, 2005).

Levels of service, such as services given to Platinum-, Gold-, Silver-, or Bronze-level customers popular with airlines, frequent guest programs with hotels, etc., need not be offered to meet the expectation of the MG. This finding would imply that with sufficient research, service providers need not overspend on the quality of the service or product, as such expenditures will not significantly impact the MG purchase decision (Fleischner, 2006). The leveling off of the amount of service or amenities offered to attract and keep the MG shopper is in need of further study.

Armed with information on the MG, companies may improve the efficiency of their service quality strategies. In some cases, this study

is designed to provide some insights into how businesses with the "right approach" can appeal to the MG. Parasuraman, Berry, and Zeithaml (1993, 1994) presented several studies showing that companies should improve service in a cost-effective manner. This leads the reader to consider the idea of service plateaus, which would permit a company to establish cost-effective limits to service as well as provide expected service to its greatest quality level. The link of service to profitability was further refined to focus on the factor that has the greatest impact on strategy: lowering customer-defection rates. Development of industry-specific measures to address the MG promises to provide management with a knowledge lever to profitability. To the extent that the MG is larger and emerging as an unknown purchasing force, advanced study of this generation has dramatic implications for business (Rundle-Thiele, & Bennett, 2001).

## Assumptions, Investigative Project, and Online Survey

Due to the preliminary nature of this work, this study investigated assumptions rather than hypotheses. This pilot study lacks models of shopping preferences and behaviors of the MG, studies in multitude by academicians as to business behaviors as opposed to psychological characteristics and demographics of this generation. The goal of identifying buying behavior and service expectations was the focus of this preliminary investigation. The findings of this study provide data upon which hypotheses can be established for follow-up studies. The following three assumptions were applied:

Assumption 1: Millennials prefer speed of service over quality of product in the purchase exchange.

Assumption 2: Millennials prefer less human interaction rather than more or the same level of human interaction from a customer-service provider in the purchase exchange.

Assumption 3: Millennials are more forgiving of a poor service exchange between themselves and the customer-service provider than those of previous generations.

# Methodology

The statistical tests planned for this study were both quantitative and qualitative. To compare the differences of the approach to service based on types of retail outlets, the use of ANOVA was planned using opinions of the shopping experience as dependent variables, and types of businesses as the independent variables. For the reasons stated from the MG conducting the inspections, qualitative analysis would be used to group responses with regard to emotion, age, knowledge of the products of focus, and overall evaluation experience. Emotion, knowledge, and overall evaluation of the shopping experience are psycho-behavioral variables beyond the focus of this study; however, in subsequent studies on MG shopping behavior, these variables should be considered. Age was used to identify the MG and eliminate GenXers or those younger than the MG.

## Recruitment of the Sample

Recruitment procedures for the sample included asking students taking a class in services management within the College of Business to participate in a covert shopping project. This project was required of all students taking the course, but using student projects for this research study was voluntary. Those volunteering their project to be used were juniors and seniors aged 18-24, majoring in a variety of disciplines within the College. To ensure that the sample met MG criteria, the students volunteering for this study had to meet the following MG criteria:

- Student had to be nearing the completion of a 4-year degree at an accredited university

- Student had to have a discretionary budget per month, beyond the basics for food, clothing, and housing, to purchase luxury items (e.g. travel, electronic, entertainment)

- Student had to have a parent or guardian with household income level of $40,000 or above

Obtaining student permission to use their shopping project for the purposes of this study was required by the Florida State University's Institutional Review Board (IRB) for educational research. This board reviewed the details of the study as presented for support and found the study to be of quality and to be ethically designed.

The covert shopping experiences were conducted by two-person teams.  Projects were gathered from this service class over a four-year period and included a variety of businesses located in the Panama City, Tallahassee, and Southern Georgia, areas.  Each team was required to produce reports based on controlled criteria as well as to complete an online survey at the conclusion of the project. A pretest of the shopping experience was conducted by 18 teams meeting the sample criteria for participants.

The final guidelines and control criteria used to shop businesses were established and evaluated using the results of the feedback provided by the pre-test group and then applied to the pilot study.  The purpose of the study that followed was to determine the relevance of certain human-interaction business factors and practices upon the purchasing-satisfaction level of the MG.

## Gathering of Data for the Pilot Study:  The MG Shopping Experience

For the purposes of this study there were 75 two-person teams conducting covert shopping experiences using the evaluation criteria established in the pre-test.  The process for shopping directed all participants to follow a specific model for their shopping experience. The experience required each team to:

1) Select a local business of their choice and conduct a pre-purchase personal call to obtain directions to the store

2)  Visit the business to study the presentation of lighting, parking, signage, ease of access, and first impression of the physical plant

3) Return to the business and select a product of interest to possibly purchase

4) Interact with store personnel to learn about a product of interest but make no purchase

4) Return to the store for a third time to make the purchase

5)  Return to the store within the time required to make a return of the product purchased

6)  Log the experience of the shopping experience, including the final return of the product

During the shopping project, students were asked to evaluate all aspects of the shopping experience, using criteria for each stage of the

experience. Students were required to write a detailed report of the experience as a whole. To summarize the interactions with the chosen business's staff, shopping encounter, and ease of return of the product, the report had to include responses to all criteria, photos, business cards of management, examples of advertisements and coupons, receipts proving purchases and returns, and an overall evaluation of the experience. The report had to be at least five pages but no more than ten.

Students then completed an online survey at the end of the written portion of the project to test their individual responses to the criteria established for the shopping project as compared to the response they submitted with their partner. The 75 project narratives were coded over a three-month period by two research assistants into quantitative data. The results of the online survey were compared to the narrative responses.

The coding of narrative data has the limitation of human error in translation. To control for this error, coding guidelines were established and uninvolved graduate students were hired to follow the criteria when inputting the data. An additional measure which could have improved inter-rater reliability would have been to have additional researchers code the same 75 narratives and then determine inter-rater reliability. This measure was deemed unwarranted at this phase, as the results of the study were intended to be more expository than conclusive in nature.

The survey was deployed using Survey Monkey and included 36 questions in addition to demographic data as to gender, race, selected major, age, and year of college; and whether or not the survey results could be used in a written report by the researcher. The surveys were anonymous and participation in the survey portion voluntary, as was the participation in the narrative portion of the study.

**Results of the Pilot Study**

The findings of this pilot study identified a more focused set of questions that will be used in a follow-up investigation. Criteria that will be deleted in future studies were those that had the least number of responses. The research exposed clusters of interest which are being used to develop refined measurement instruments. As a pilot study, students rank ordered their responses using a seven-point Likert scale for each of the criteria established for the shopping evaluation.

The results reported in this study clustered responses into percentages for each category. This simple response reporting was preferred to running regression analysis or other more robust statistical

tests since the data set was small and the results yielded variables to be used for further investigation. It was decided to avoid running tests that would yield results but would have the same or less information as the frequency tests produced.

**Pre-test Results Truncated and Summarized**

The pre-test included 36 respondents (18 two-person groups), 63% female and 37% male. Most were white (83%), in their last year of college (66%), and all had met the previously mentioned qualifying criteria.

The pre-test evaluation categories were given to participants, each with a corresponding list of expected service deliverables. Participants ranked each deliverable using a 5-point Likert scale that included the options of strongly disagree, disagree, neutral, agree, and strongly agree as evaluative responses. Table 3 depicts the 11 anecdotal summaries that capture the responses of the students in this pretest set.

**Table 3**

**Criteria Used for Shopping Evaluations**

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- *Service Provider Answering the Phone*: Less than half (30%) gave clear instructions as to directions to the business, most were courteous in conversation, more than half (48%) did not introduce themselves, less than half (35%) offered a greeting other than to answer the phone, half (50%) focused on the caller and avoided distractions while on the phone, and less than half (48%) seemed knowledgeable of the store and its products, services, and name of management.
- *Marketing & Signage*: More than half (67%) said signs were well lighted; however, it was also reported that the signs were too small, more than half (58%) said that font size and shape was difficult to read, more than half (72%) said signage was obstructed, more than half (55%) said that signs were in poor condition, and an even response (50%) overall said that signage was difficult to see from the facing street.
- *Parking Lots*: More than half (98%) reported that lots were acceptably clean, more than half (95%) said that the construction of the lots was acceptable and clearly marked, they were acceptably landscaped, and provided enough space for parking. Respondents were evenly split on whether the parking lots were convenient to the entrance of the business and posed a safety threat to shoppers.
- *Condition of Entrance*: More than half (80%) reported the entrance to be clean and uncluttered, lighting adequate, trash can located close to entrance, and 99% believed the interior of the store would be clean.

- *Organization of Interior Space*: More than half (59%) reported the interior of the business was easy to navigate, isles clear, items easy to access and arranged in a logical manner and all businesses were said to have handicap access.
- *Cleanliness of Restroom Facilities*: More than half (77%) reported restrooms to be of concern with regard to cleanliness and stocking of soap, toilet tissue, and hand-drying supplies. Less than half (22%) reported that doors or fixtures needed repair; however, more than half (57%) reported that trash was over-flowing, commodes/urinals dirty, sinks dirty, the floors and countertops were soiled. Most reported (52%) that handrails and other contact surfaces were soiled. Over 85% reported that the cleaning schedule, if present, posted in the restroom was not updated.
- *Service Received During Interaction*: Over half (56%) said that employees were wearing clean uniforms and had general knowledge of the product or service requested. Over half (90%) of the employees showed a concern for the customer and refrained from engaging in personal or other conversation with co-workers while serving the participants; however, over half (96%) reported that customer service providers did not remember them from previous visits and after the initial greeting, did not give service within 15 minutes of initial contact. Participants also reported (89%) that employees did not know the name of the manager of the store or the one currently on duty.
- *Service Detail*: Most participants (76%) noted that general acknowledgement of a customer was made within a few seconds after entering the business. However, less than half (42%) reported that the time delay in waiting for the assigned service representative was unacceptable.
- *Overall Quality of Product*: Over half (99%) reported that product quality was 'good' to 'very good', items were in stock, and that they would purchase the item again. Over half (91%) reported that items were not displayed effectively and were not available to test before the purchase.
- *Presence of Management:* Over half (80%) reported that management was not visible and when requested, management did not respond. Over half (96%) were neutral when asked if management appeared to be professional.

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*NOTE.* Overall Quality of Service: Interestingly, when asked to rate their overall experience from 1-10, with 10 being the highest rate, the average response was a 2.63.

These findings were, in turn, used to refine the design of the shopping, project requirements, and follow-up survey that would be used in the pilot study phase of this project.

# Pilot Study Results

## Assumptions, Investigative Project, and Online Survey

The pilot study embraced the findings from the pre-test. The number of categories, each with a detailed list of interactions and deliverables, was refined from the instrument used in the pre-test. Due to the preliminary nature of research in this demographic group, investigative assumptions rather than hypotheses were developed. The goals of identifying buying behavior and service expectations were the guiding purpose of the pilot investigation. The findings of this study provide data upon which hypotheses can be established for follow-up studies. The following assumptions were applied:

<u>Assumption 1</u>: Millennials prefer speed of service over quality of product in the purchase exchange.

<u>Assumption 2</u>: Millennials prefer less human interaction rather than more or the same level of human interaction from a customer service provider in the purchase exchange

<u>Assumption 3</u>: Millennials are more forgiving of a poor service exchange between themselves and customer service provider than those of previous generations

The project that was designed according to details learned from the pre-test study addressed a myriad of categories, each with a detailed list of interactions and deliverables that required attention. This pilot investigation was established following guidelines of initial study work as described by Howell (1987). Howell further suggested that the establishment of hypotheses is not possible when conducting pilot testing. Only variables considered to have significant impact are discovered if the sample is accurate. With initial studies, it is difficult to derive hypotheses that can be tested based on the reliability and validity of the data; therefore, trying a variety of instruments and approaches to gathering the data with the probable sample is empirical until errors have been controlled with validity. It is then that hypotheses and appropriate tests can be selected, which situation is applicable in this study.

The overall results of the shopping experiences are summarized below using the 7-point Likert Scale rating, wherein 1=Unacceptable, 2= Very Bad, 3=Bad, 4=Neutral, 5=Good, 6=Very Good, and 7=Excellent; or, depending on verbiage of the statement, 1=Strongly Disagree, 2=Disagree, 3=Somewhat Disagree, 4=Neither Agree Nor Disagree, 5=Somewhat Agree, 6=Agree, 7=Strongly Agree.

| Evaluation | Average Rate |
| --- | --- |
| Overall Store Purchase Experience | 4 (neutral, neither agree nor disagree) |
| Overall Customer Concern Offered | 4 (neutral, neither agree nor disagree) |
| Overall Rating of Customer Service | 4 (neutral, neither agree nor disagree) |

Results of the participant's formal written reports and surveys yielded information on service and presentation of both the facilities and products. An ANOVA with a .05 significance level was established and run using appropriate dependent and independent variables after reliability tests were confirmed. The ANOVA was run to investigate significant differences among types of businesses shopped; however, no significant differences were found. The use of post-hoc studies was considered moot as no differences resulted to then gauge the strength of the differences in the means. Table 4 depicts the business categories visited in the study.

**Table 4**

**Business Categories Shopped and Percentage of Stores Represented**

| | | |
|---|---|---|
| Department Stores (11%) | Gardening/ Landscaping (4%) | Grocery Store (1%) |
| Pet Stores (4%) | Craft Store (3%) | Gasoline Service Station (1%) |
| Sporting Goods Stores (16%) | Bicycle Shop (4%) | Costume Shop (1%) |
| Automotive Supply Stores (3%) | Electronics Store (9%) | Music Store (1%) |
| Home Improvement (1%) | Drug Store (4%) | Scrap Booking Store (1%) |
| Bookstore (4%) | Home Décor (12%) | Marine/Scuba Shop (1%) |
| Office Supply (7%) | Restaurant Supply (3%) | Tire Shop (1%) |
| Coffee Shop (7%) | Photo Shop (1%) | Toy Store (1%) |

Written feedback from the pilot phase of this study helped to provide invaluable insights vis-à-vis each of the evaluation categories that had been developed from the pre-test. While they used the criteria given to them, they added numerous other factors. Those factors that were reported frequently will be used to refine the shopping, write-up, and survey instruments in follow-up studies.

Participants evaluated each business based on information considered to be components of quality services, such as Web site features that included a map, product, and other information; TV advertisements; posted hours of operation; availability of the business card of management or the owner; clear directions given over the phone for locating the business; courteous staff; pleasant greetings; staff focused on the customer and knowledgeable about products and services; signage well lighted, displayed, and easily visible from cross roads; outside presentation of business well manicured, clean; parking lot well marked, well lighted, free of potholes and obstructions, and safe/secure; and adequate handicapped parking, spaces of adequate dimensions, close to the entrance and easy to enter/exit.

Participants also evaluated the entrance of the business for cleanliness; doors that were easy to operate and of adequate size to

enter/exit with items; easy to enter/exit if in a wheelchair; lighting adequate in day and night conditions; trash can located near the entrance/exit; employee close to the entrance; and non-cluttered entrance/exit area. Once inside the business, participants evaluated the location of products for ease of access and marketability; racks or display shelves adequately stocked and spaced; packing materials or other obstructions clear of isles; cleanliness; adequate lighting; visible pricing; staff available for quick assistance; name tags and uniforms of staff clean, clear, and reflecting the image of the business; products and services easily accessible for the handicapped; maintenance of checkout areas (belts clean, in good working order, cash registers working), speed of checkout; availability of management; security in the store; bathroom facilities that were conveniently located, regularly monitored for cleanliness; floor and counters free of standing water or debris, soaps and tissue adequately stocked, safe entrance/exit, trash emptied, and facilities operable.

Employees were also observed for professional behavior, etiquette, willingness to assist customers and adhere to business policies, interaction with peer employees, and obvious interest or disinterest in their job. Participants also evaluated a purchase experience for knowledge of staff, education about the product of interest, and ease of purchase as well as ease of returning an item. Participants were asked to return the item, pretending first to have forgotten their receipt to track the response from the business regarding returns (money returned, credit given to credit card, in-store credit issued, or no assistance), and then to produce the receipt either by finding it or returning to the store later with the product and the receipt. Finally, the participants evaluated the fond farewell--the follow-up, if given--by store employees and the overall experience of their shopping project.

It was discovered that the Millennials participating in this study evaluated 73% of the businesses shopped as being "good" in all areas of evaluation with one exception, that of focused customer service. Participants further reported that employees treated their age group with less focus than they treated older customers. Overall, they believe customer service providers are "suspicious" (as several participants reported) of their presence in the store or shop.

According to this sample, this age group believes that the customer-service provider does not consider their ability to purchase as an indicator of a definable target market in home improvement stores, department stores, and similar businesses where the product line is deep

and wide. In essence, Millennials participating believed that customer service was adequate but not very good or excellent in stores that did not focus on them as a primary target market. Businesses such as electronics stores, bike stores, and music stores were those that obtained these ratings; however, it should be noted that these businesses are not those that were most frequented. The most frequented businesses were sporting goods, department stores, and home décor businesses, all of which obtained the rating of "good" or neither "good" nor "bad."

In the reports generated, most found the businesses to be "good" to "very good" in all areas except cleanliness, availability of staff for quick assistance, and staff knowledge of products and services. In these service areas, participants reported cleanliness as the most important variable for considering shopping in a particular store, and knowledge of staff and product availability to be second and third most important, respectively. Treatment of participants by staff was reported to be lackluster; however, this treatment did not rank as important as cleanliness, knowledge of staff, and product availability.

When participants were asked if they would return to shop at their selected place of business for this project, 38% agreed. It was reported that for those stores that were part of chains, they would select a different location (other than the area designated for the shopping projects) but would continue to shop at the chain. It is their belief that customer-service personnel are not as important to the shopping decision as ease of finding the product, cleanliness of the store, and availability of staff to assist in obtaining the product or finalizing the purchase decision in an efficient manner.

## Conclusions

The Millennial Generation investigated in this study is predicted to have a significant impact on the future of businesses in terms of how much and what type of service is demanded. The findings of this pilot study hint at characteristics that unquestionably are different from those of previous generations, and, without question, characteristics that need to be researched further. Availability will be a key factor that drives the purchase decision.

The MG researches and compares products and services electronically and gains further knowledge by e-chatting with both friends and other users. Purchases are often made without personally experiencing the product. A focused interaction with a customer service provider is not as important as the capacity to make a quick purchase.

When in-store purchases are made, this sub-set of Millennials expects cleanliness, quick access to store personnel if needed, and availability of product. While most purchases are made via the Internet, when an in-store purchase is made, Millennials want quick-in, quick-out flash experiences, with little attention by store personnel.

Assumptions established for this study were confirmed; however, more study is needed and generalizing based on the presented results can be considered only an indicator of those meeting the demographic criteria. Millennials coming from a higher income bracket, college educated or not, may have a discretionary income well above that mentioned and service expectations that are more like those of their parents or those within their social group.

While preliminary in nature, this study offers insight into the differences and demands of the subset of the Millennial Generation that was investigated. It is recommended that businesses of all types, including those that are hospitality oriented, take heed of the information shared by those researching the MG to ensure that their future marketing plans and investments in cutting edge electronic communications attract and cater to the MG's buying habits. It is critical to offer websites that are first-in-line when using search engines such as Google, Yahoo, and Netscape and once accessed, ensure users sites that are fully functional, easy to use, complete with product information and offering comparisons to like products, and secure purchases opportunities. Millennials are savvy in their use of electronics and off-site shopping venues; therefore, to keep MGs on a business site as long as possible increases the likelihood of a purchase and decreases the likelihood that they will surf elsewhere to find information related to the product on competitive sites.

The MG prefers a shopping experience that is complete, rich in visuals that offer current, dependable information. Businesses should consider partnering or investing in technical teams to serve as assistants to purchasers and to maintain the electronic interaction venues current and in excellent working order. Face-to-face interactions with the MG is not of prime importance; therefore, offering sites and quick access, and online personnel who are knowledgeable about products and services, are key to earning and developing a return MG customer. With the most robust buying power for the next two decades, researching this generation and catering to their buying behaviors will continue to be of growing importance.

Due to the lack of significant differences found in the ANOVA results, no associated tables appear. This study contributes to the body of

information about services and service delivery in that a segment of the population, one predicted to be significantly powerful over the next 20 years, is not impressed with the quality of service given by any retail outlet visited. The approach to satisfaction mirrors the American Customer Satisfaction Index (www.acsi.com), which presents data communicating that Americans, like most Europeans, are dissatisfied with service. While they are interested in product quality, they believe it is service that wins their patronage. Unfortunately, no company in particular is working hard enough, making enough effort, or concerned enough to offer the expected level of service to create "service legacies" or customers who will buy from them for generations.

Unlike the generations before who were committed to products that are well known by their brand, not the product, this tradition may not survive. Craftsman tools, Clorox, Kleenex, and Xerox are examples of "legacy products" that certain customers prefer exclusively. However, the MG "hop shops" as it searches for price and convenience. Unlike their parents, they are not attached to relationships, brands, or the reputation of a business. They recognize well-known products as historical, not futuristic.

## Limitations

As noted, continued research of the MG is needed. This study is limited geographically as well as demographically, and while the results reflect the findings of studies produced on the MG, they are incomplete. A larger population with characteristics of a broader spectrum than those controlled for this study will give improved insight into the MG as a whole.

This study yields information that may be somewhat generalizable to the MG who are college educated, from a higher-than-average income household, and have consistent and reliable access to electronic communication venues. This demographic sample may be of key importance due to their current and predicted buying power; however, not all MGs meet the criteria established for this study. Further research is needed on the same demographic; however, more detailed and controlled variables need to be studied to identify the strength of influencing variables that sequentially impact choices of this generation.

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