CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

This chapter primarily focused on discussing the findings and recommendations of this research. The first section will begin with the discussion of the research results with regards to the retired consumers' shopping orientation and the required retail attributes. This will be followed by implications of this study and thereafter, recommendations for future research in this area.

5.1 Discussion of Research Results

This research attempts to study the shopping habits and the retail needs of the urban retired consumers. Specifically, this research seeks to identify the retail attributes, especially attributes on retail stores and products that are required by this group of consumer. A comparison between age groups, gender and ethnicity with respect to the required retail attributes were also investigated. In addition, this research endeavors to examine the shopping habits of the urban retired consumers.

The data collection technique adopted in this research was the self-administered questionnaire method. The research instrument used was a seven-page questionnaire covering 35 statements on retirees' retail attributes preference, their shopping orientation as well as demographic information which covered additional information on the living arrangement of the retirees.

The sample in this study consisted of 157 retired respondents residing in Kuala Lumpur and Petaling Jaya. There were more female retirees than the male retirees in this study. A high proportion of the retirees were senior citizens between the age group of 55 to 64 years old. Majority of the retirees
were Chinese followed by Indians and Malays. Most of them have achieved highest education level of up to upper secondary. Almost eighty percent of the retirees remained married and more than a quarter of the sample retirees used to work for the Government. Approximately, one third of the retirees' income was in the range of RM1,000 – RM1,999 with the main source of income coming from pension/EPF, children's financial support as well as interest income from fixed deposit. In terms of the living arrangements for these retirees, majority do not live alone. They either lived with their spouse and/or adult children. Therefore, the majority household size of these retirees was between three to four people. The findings from this research indicated that urban retirees are generally independent and are able to take care of themselves as most of them do not depend on their relatives for daily support nor are they required to provide daily support to their next-of-kin, even though majority of these retirees lived with their next-of-kin.

In the study on retirees shopping habits, it was found that close to half of the retired consumers prefer to purchase their groceries from the supermarket. This was then followed by hypermarkets. With the influence of the modern trade stores in the lives of consumers, the traditional wet/night market became third choice, followed by the mini markets. Except for one respondent, it was found that the internet channel was not used by retired consumers to purchase groceries.

In terms of the frequency of the retirees conducting grocery shopping, it was found that majority of them shop on weekly basis and this activity was favourably done in the morning of weekdays. This finding was obvious that the retired consumers are crowd avoiders. When the retired consumers went shopping, they generally do not shop alone. Most of them were accompanied by their spouses while some go shopping with their adult children. In terms of the time spent for shopping activity, this study found that urban Malaysian retirees on average spent between one to two hours on grocery shopping. Majority of these
retired consumers indicated that they spent between RM50 – RM99 on each shopping trip. The retired consumers’ purchases were generally paid on cash basis as more than half the retirees do not own a credit card. The retirees in this survey were found to be very independent and mobile as majority of them were able to go shopping by their own vehicle. When asked on the responsibility of grocery shopping in each of the retirees’ household, more than half of the retired consumers were the responsible party. Of these, majority were the female retirees. In terms of decision making when the retired consumers encountered uncertainties, majority of them responded that they would seek advise from their family members.

In the descriptive analysis on retail attributes, it was found that retirees’ mainly preferred stores that offer conveniences “to stores” and “in-stores” related features, attractive pricing and quality of products. The convenience attribute was important as the retirees’ in this survey, considered the availability of free parking at store to be the main attribute of concern. The other convenience “to store” attribute required by the retirees was ample parking lots. When in-store convenience were considered, attributes such as ability of stores to allow refund/return of unsatisfactory/defect products; stores that are able to sell everything under one roof; availability of signboards to indicate aisle where products are located; special checkout counters for senior citizen; provision of rest areas; conducive lighting and temperature in the store; availability of special services such as assistance to senior citizens in carrying purchases to car; wide aisle and easy access to toilets would influence the retired consumers in their patronage decision. In terms of the pricing attribute, the retired consumers favoured stores that were able to offer reasonably priced products and those that can offer discounts to senior citizens. In addition to price and convenience, they also looked for quality products. Majority of the retirees in this survey were of the opinion that the quality of products was important to them. This attribute supported the findings from the study by Lumpkin et al (1985) which also found that older consumers desired for quality products. The other attributes that
supported the determinant attributes found in Lumpkin et al's (1985) study were the ability to refund/return unsatisfactory/defect products; reasonable pricing and convenient parking with ample parking lots and free parking.

On the other hand, attributes not required by retirees and deemed not able to influence their patronage and purchase decisions were product advertisement; endorsement by celebrity; availability of sales assistant in stores as well as those who are around the retirees' age. This attribute, however, seemed to be in contrast to the finding from Lumpkin et al's (1985) study which found that salesperson was an important element in older person's store patronage decision as the salesperson was required in stores to help the consumer in finding the goods. This group of consumer also does not perceive that imported products are better than the locally produced goods. They also do not purchase store brands even though it was cheaper; product branding do not seem to influence the retirees' in their purchase decisions. Contrary to what most would think, the retired consumers have no preference for smaller sizes and do not seem to buy smaller quantities' products.

In the independent samples t-test on the age variable, the age grouping was reclassified from six to only two main groups of below 60 years of age and above 60 years of age. When the t-test was conducted between the retail attributes and the age of retirees, significant differences were found in attributes such as readable labels/tags; preference for smaller sizes; preferences for imported products; preference for stores that sell everything under one roof; less popular brand but reasonably priced; discounts and celebrity endorsement. For all the seven attributes, "older" retirees who were above the age of 60 years reported higher means as compared to their "younger" counterparts who were below 60 years of age. The preference for bigger prints on labels/tags was possibly due to the deterioration in eyesight as one became older while preference for smaller sized products were possibly due to the rationale to avoid pilferage of perishable products before full consumption. They also perceived
that imported products are better than local products due possibly to the colonisation effect as these retirees were born before independence of the country while their preference to shop in stores where they can get everything under one roof indicated the desire for convenience in their shopping activity. Less popular brand but reasonably priced products and discounts for senior citizens were also requirements of the "older" retirees. Both attributes indicated that these consumers are price sensitive consumers. As for the celebrity endorsement attribute, the mean was reported below "Neutral", indicating the disagreement of the retirees in terms of its capability to entice retirees to purchase products with such advertising and promotional feature.

On the other hand, the t-test analysis between the retail attributes and gender of retirees also found seven attributes that were statistically significant. The attributes were readable labels/tags; product packaging; availability of everything under one roof; availability of ample parking lots; provision of free parking; importance of public transportation to stores and preference for store brand due to its lower pricing. The male retirees reported higher means as compared to their female counterparts in the attributes of product packaging, availability of everything under one roof, ample parking lots, free parking and preference for store brand due to its lower pricing while the female retirees were found to report higher means in the requirement for readable labels/tags and requirement for public transportation to their shopping destination. The results were consistent with the earlier analysis on retirees' mode of transportation to their shopping destination which found that the male retirees contributed a higher percentage in terms of traveling in their own vehicle while the female retirees reported a higher percentage in terms of those that depended on public transportation. Additionally, the male retirees were found to place greater emphasis on product packaging, patronised stores that offer everything under one roof due possibly to the convenience factor and lastly, they are generally more price conscious than their female counterparts as they have greater preference for store brands due to its lower pricing. As for the female
retirees, the requirement for readable labels/tags on products could possibly be attributed to the attention given to the information on the labels/tags due to their role as the responsible person for grocery shopping in their household.

In the t-test results on comparison of retail attributes by ethnicity, four attributes were found to be statistically significant. In this test, the three main ethnic groups were recoded into two main groups, representing Chinese and Non Chinese retirees. The four attributes of significance were quality products; perception that imported products are better; easy access to toilets and celebrity endorsement. In all the four attributes, the Chinese retirees reported higher means than their non Chinese counterparts. However, in the interpretation of celebrity endorsement on products, the non Chinese were found to have higher level of disagreement to this mode of promotion as compared to the Chinese retirees.

For the retail attributes that did not report significant results, they do not appear to be important distinguishing characteristics for marketers in terms of marketing strategy formulation.

5.2 Implications of The Study

As consumers advance into retirement, there will be a change in lifestyle, reevaluation of priorities and needs at this life stage. This study has enhanced marketers' understanding and is able to provide additional insight on retired consumers in terms of their shopping orientations and their retail needs. With this, marketers would be able to formulate marketing strategies to meet the changing needs of this segment of consumers. The results of this study have several implications that would be beneficial to marketing managers, especially in the area of fast moving consumer goods (FMCG) and retail storeowners to tap into this segment.
From the research, it was found that retirees frequented the supermarket the most. Therefore, marketers interested to target the retired consumers’ market should channel the sale of products to the modern trade store especially in supermarkets. The main popularity of supermarket to the retired consumers is due to the convenience in terms of the large number of outlets. Also, most of the time, supermarkets carry a wide range of grocery products ranging from perishable food items to do-it-yourself (DIY) tools. Additionally, the pricing on the supermarkets’ products have also become fairly competitive in order to compete with hypermarket, which is the other modern trade channel that is fast booming in this marketplace. Generally, supermarkets are easier to reach as they are strategically located in most developed residential estates such as Bandar Utama, SS2, Damansara Jaya, Damansara Utama and Ampang. Among the more established supermarkets in Kuala Lumpur and Petaling Jaya are TOPS, Fajar, The Store, Bintang, Jaya Jusco, etc.

Knowing that most retired consumers would conduct their grocery shopping on weekly basis, marketers can do product promotion on a specific day of the week to target these consumers. As retired consumers preferred to shop in places which are less crowded, marketers can target mornings of weekdays to do their product promotion. It was also found that retired consumers preferred products that are reasonably priced and those that are on promotion. It should be highlighted that the retired consumers purchased products due to their rising needs for the products, past experience with the products and price incentive to purchase the said products (Lumpkin and Greenberg, 1982). The study also highlighted that this group of consumer do not seem to be influenced by celebrity endorsement on products, advertisement or even product brand. Researches have also found that retired consumers are more intent on making decisions with minimal influence (Wolfe, 1997). Through knowledge and experience, retired consumers generally make purchases because the need for the product arises. Therefore, marketers should be cautioned against promoting their products using advertisement and celebrity endorsement. Instead, marketers should strategise
their marketing measures to include competitive pricing for products targeted at this segment and also ensuring retired consumers have good initial experience with their products to enable repeat purchase.

In addition to the above, this research found greater implications for storeowners. If storeowners can identify the preferred attributes of the retired consumers, they can build and maintain their patronage and loyalty to patronize these stores. For example, storeowners need to consider the convenience "to stores" to retired consumers in terms of provision of free parking for senior citizens. As an additional attraction, storeowners should consider allocating parking lots specially for retired consumers as they generally prefer to patronize stores with ample parking lots. These were among the important attributes to attract retired consumers as the urban consumers were found to be independent and are able to drive their own vehicle.

Secondly, stores that are able to promote reasonable pricing and offering promotions to retired consumers would also be able to attract them to patronize their stores. Also, for stores to attract retired consumers, storeowners can consider offering special discounts for senior citizens' purchases. Storeowners could provide special discount cards for these consumers. At present, the airlines, railways and certain bus services have already embarked on offering 50% discounts on senior citizens' traveling tickets. Companies in the other sectors should also emulate this measure. Marketers should be aware that retired consumers are frequent comparison shoppers for both product variety and price (Leventhal, 1997). Storeowners can limit the availability of special services and discounts to retired consumers to certain time of the day, i.e mornings and certain day of the week. The availability of these promotions not only increases the store's sale but will also encourage ongoing business from retired consumers who prefer to shop during off peak season.
Storeowners should consider incorporating in-store convenience attributes as part of their stores' infrastructure. Some important features are ability to refund/return the purchase of unsatisfactory products, provision of signboards to indicate clearly aisles where products are located, provision of benches and rest areas, conducive lighting and temperature, availability of special services such as assistance to senior citizens in carrying purchases to car and special checkout counters, wide aisle to accommodate ease of walking and easy access to toilets. These features would be able to accommodate the physical and biological changes occurring in these retired consumers. More often than not, retired consumers need to rest in between their shopping. If stores do not consider this factor in the store design, it would definitely discourage retired consumers to spend longer time in the stores. The conducive lighting in stores would assist retired consumers to read labels more clearly and to find products easily. This can be attributed to biological changes that have occurred such as deteriorating eyesight. The findings in the study also indicated that retired consumers would appreciate stores that are able to provide special services and facilities that cater to their needs. The findings in this study also found that the retired consumers prefer the availability of special checkout counters for payment of their purchases. This can be considered as one of the incentives to accommodate biophysical changes in retired consumers. Some would probably get discomfort and fatigue from having to stand in long, slow-moving checkout lines.

To specifically target the "older" group of the retired consumers, marketers/storeowners should ensure prints on labels/tags are readable, availability of products that are packaged in smaller sizes, sell imported products, ability to provide everything under one roof, selling less popular brand of products which are cheaper and providing discounts to retired consumers. On the other hand, if marketers/storeowners want to target the retired consumers by way of their gender, they should consider provision of ample parking lots, free parking, good packaging of products, ability to provide everything under one roof and selling store brands for the male consumers while readable prints on
labels/tags and ensuring availability of public transportation to the shopping
destination for the female consumers. When targeting the Chinese retired
consumers, marketers/storeowners should ensure product sold is of quality, sell
imported products and have easy access to toilets in their stores.

To deal with retired consumers, marketers and storeowners must create a
positive relationship with them (Leventhal, 1997). This can be achieved through
understanding their behavior and needs. From the findings, marketers should
also understand that the retired consumers are not a homogeneous segment of
consumers. If marketers and storeowners are able to consider the above factors,
they should be able to attract retired consumers to buy their products and
patronize their stores.

5.3 Recommendations for Future Research

This study is basically exploratory and cross-sectional in nature and is by
no means an exhaustive study on the retirees' market. Additionally, the results
only reflect on the responses from limited retired consumers in the urban areas of
KL and PJ. Further measures for this study to be conducted on national basis
would be beneficial, i.e. research to include rural areas and smaller towns and
with a bigger sample size to reflect the demographic composition of Malaysia.

There is also a need to investigate the extent of “friendliness” of our retail
stores to retired consumers. Research in the area of retail store attributes from
the perspectives of the stores would be able to highlight to consumers which
stores actually catered the attributes required by retired consumers. This
research can also look into the storeowners’ views on the attributes required by
retired consumers as the requirement to provide services for retired consumers
would mean a change in store outlook that might affect their businesses.
Another area of improvement to this study is to segment the retired consumers based on their lifestyle activities. In this research, the retired consumers' other leisure activities can be identified and their lifestyle can be understood better. Marketers can then incorporate the other activities of interest to these consumers when formulating the marketing programs to make the promotions more interesting.

Further extensions in this area such as the non-food purchase behavior of retired consumers can also be studied. Areas of interest would be apparel shopping and the purchase of over-the-counter drugs. With such study, the coverage on the shopping orientations of retired consumers will be more complete.