

WHO WILL BE WINNERS AND LOSERS?

Competitive Analyses Between Regional Malls and Big-Box Retailers

Youn-Kyung Kim, Ph.D.*

Associate Professor, Department of Consumer Services Management,
University of Tennessee, Knoxville, Tennessee.



Overview

As niche has become the byword of retail marketing strategy, the marketplace that has emerged is an environment where the consumer may obtain almost anything, anywhere, at any time. Today's consumer has become overwhelmed and our market is saturated. Moving forward to capture the attention-depleted consumer, especially given the less than stellar economic horizon, is a task that is increasingly difficult for retailers. Thus, it seems critical to provide the insight necessary to sustain retailers throughout the economic downturn and allow them to emerge as winners.

Regional malls are losing market share to value- and convenience-emphasizing big-box retailers such as supercenters, category killers and warehouse clubs. Shopping center developers and owners have to respond to market conditions vigorously if they are to retain, revive and increase regional centers' vitality. To this end, this study assessed the market share among the four retail formats for different product categories, compared the four retailer formats in perceived retail attributes, and identified significant retail attributes that predict future retail patronage intention for each of the product categories for each retail format.



*ykim13@utk.edu

■ Introduction

The retail landscape in the United States has changed considerably during the past decade. Changes have been influenced by: (a) shifting consumer shopping preferences (e.g., shopping less often, visiting fewer stores per trip and spending more money per visit); (b) the slowdown of consumer spending (its increase from 1998 to 2002 was at a pace 14% lower than that of the preceding five years); and (c) abundance of retail choices due to diversified retail formats (Barta et al., 1999; Reynolds, Ganesh and Luckett, 2002).

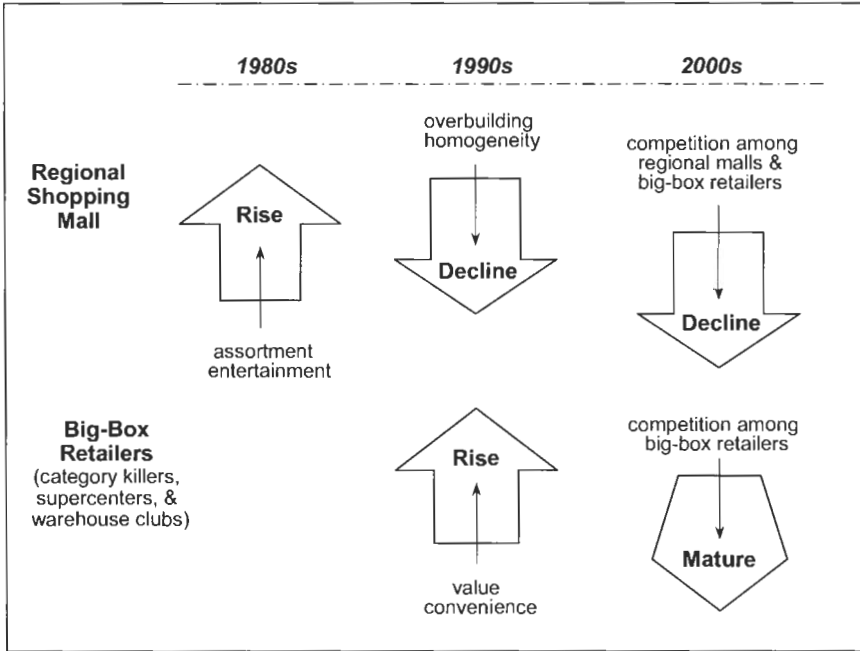
These changes have threatened the popularity of traditional mall shopping. Some malls have survived and thrived because they meet the needs of their target consumers. For instance, strip malls meet consumers' need for convenience; super-regional malls attract consumers from longer distances via their entertainment facilities and events; factory outlet malls provide value and assortment and fashion/specialty centers appeal to narrow target segments. Regional malls, however, are losing market share to value- and convenience-emphasizing big-box retailers, such as *super-centers* (combined supermarkets/discount department stores housed in a single 150,000–230,000 square-foot building), *category killers* (huge, single-focus mega stores, which could “kill” local competitors in a particular retailing category) and *warehouse clubs* (membership club stores distributing packaged and bulk foods and general merchandise in a no-frills environment) (O'Connor, 1999).

Given this competitive retail environment, the coming decade will force large numbers of regional malls either to close or implement significant repositioning strategies. Thus, shopping center developers and owners have to respond to market conditions vigorously if they are to retain, revive and increase regional centers' vitality. To do this, they must assess the market share against competitors, identify how their customers perceive their retail image, and relate its impact on future retail patronage intention. Information gathered will help them project long range retail trends.

■ Competition Between Regional Malls and Big-Box Retailers

Regional shopping centers are in the decline stage of their life cycle and have decreasing vitality as shopping destinations (Figure 1). The decline in their popularity clearly is evidenced by various statistics (e.g., the number of trips to the mall has declined by 50% since the early 1990s).

FIGURE 1 LIFECYCLE STAGES OF REGIONAL SHOPPING MALLS AND BIG-BOX RETAILERS



The decline in regional shopping center appeal has resulted in a substantial surplus of shopping center space (e.g., 20 square feet per person in 2000, about double the amount of a decade ago) (Plunkett, 2001–2002). Within this environment of overbuilding, there are significantly increasing levels of competition between suburban regional shopping malls located in the same metropolitan area.

Another factor threatening traditional mall shopping is increasingly diversified retail formats. These formats include category killers, warehouse clubs, supercenters, factory-outlet malls and nontraditional retail formats such as online, television and catalog shopping (Reynolds, Ganesh and Luckett, 2002). Among these retail formats, big-box retailers (e.g., category killers, warehouse clubs and supercenters) compete against each other and against regional malls in a given product category, because they share customers located within a reasonable driving distance.

Today's consumer lifestyle influences have shifted their preference toward big-box retailers, because their standalone locations offer better visibility and exposure. They also offer more efficient shopping with direct access to the parking lot in addition to abundant surface parking (O'Connor, 1999). Furthermore, the retail consolidation trend puts increased pressure on retailers to become more competitive by reducing

expenses and thus cutting their margins; these savings are passed on to the consumer (Dunne and Kahn, 1997).

Big-box retailers have been successful until very recently. For example, the sales growth of supercenters was 21.6% with conventional units growing only 2.4% in 2002. Sales at warehouse clubs grew 9.1% in 2001, making them one of the strongest performing retail channels (Gallo, 2002). Category killers enjoyed their expansions and growth until the 1990s.

However, retailers have had growth plans that outpace consumer demands. As a result, big-box retailers are entering the mature stage of their lifecycle, reaching a point where their main competition is among themselves (Barta et al., 1999). Sales growth at some category killers (e.g., Toys “R” Us) has slowed, and several others (e.g., Incredible Universe computer and electronics stores, Just for Feet shoe stores) have been closed. Warehouse clubs’ growth decreased to single-digit growth in 2002 from double-digit in each of the previous three years (Gallo, 2002). Also, profit margins are under pressure at many superstore chains (Plunkett, 2001–2002).

Within this environment, it is critical to determine the levels of competitiveness among retail formats. Competitiveness can be assessed by market share analysis supported by retail image analysis. This assessment, together with retail patronage intention, will help determine the future success of regional shopping malls and big-box retailers.

■ Gain/loss Analysis

Consumers use both conscious and unconscious evaluation logic when choosing between competing retail outlets. Connecting this decision logic to quantifiable statistical analysis is a key in addressing practical distribution and marketing problems and improving overall understanding of the consumer. Wilson and Woodside (1991) established a model that assessed the market shares among the competing stores. This original model for market share was structured for specific retailers within the specialty clothing store segment.

Expanding the model to the retail format level facilitates an evaluation of market share as controlled by each of the four formats (i.e., regional malls, supercenters, category killers and warehouse clubs). The gain/loss analysis was applied to data to explore the competitive structure of the market for each of seven major product categories (i.e., home improvement/furnishings, consumer electronics, automobile maintenance items, sporting goods, pet supplies, books and toys). Initially, shopping trip patterns were obtained by calculating the shopping percentage based

on stated shopping trips at each retail format for a given product category. A gain/loss analysis was then conducted for all pairs of the four retail formats. This analysis determines which of the direct competitors have customers that are vulnerable to marketing efforts and may be attracted to a particular retail outlet. Retail management can use this information to reposition and increase their market share.

■ Research Objectives and Research Model

Regional malls, supercenters, category killers and warehouse clubs all strive to achieve distinct market position in the local competitive environment. The crucial strategic question is, “*Which retailer format will win while others lose now and in the future?*”

As illustrated in the research model (Figure 2), the competitive analysis among the four retail formats was organized at different levels. Initially, the market share analysis focused on the average share of shoppers each retail format obtains across the entire sample of shoppers. Second, the retail image analysis focused on the perceptions of shoppers toward retail attributes of the four retail formats. The retail image analysis was linked to repatronage intention for each product category for each retail format.

To test the model, the following objectives were established:

1. To assess the competitiveness among the four retail formats in terms of:
 - (a) Market share analysis through gain/loss analysis for each product category, and
 - (b) Retail image analysis based on perceived retail attributes.
2. To determine repatronage intention based on perceived retail attributes.
3. To predict winners and losers among the four retail formats based on objectives 1 and 2.

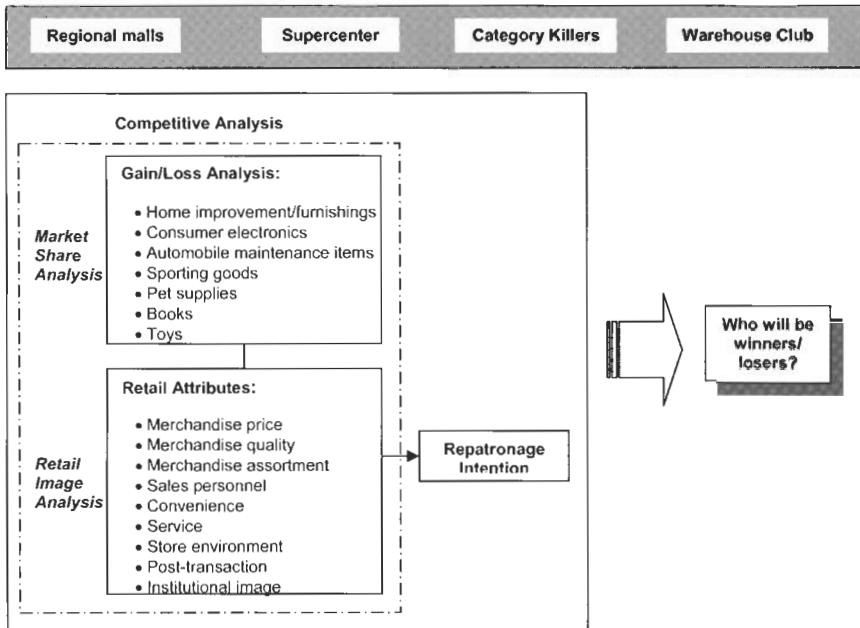
■ Methods

Product Categories

To eliminate comparison issues and help establish respondent focus, a set of products common to all of the four retail formats (i.e., regional malls, supercenters, category killers and warehouse clubs) was developed.

These product categories were based on category killer format stores listed among the 2002 top 100 retailers: home improvement/furnishings, consumer electronics, automobile maintenance items, sporting goods, pet supplies, books and toys (Chain Store Age, 2002).

FIGURE 2 RESEARCH MODEL



Measures

The instrument consisted of the main variables in the proposed research model including shopping trip patterns, retail attributes and repatronage intention.

Shopping Trip Patterns.

Shopping trip patterns were identified to be used for gain/loss analysis. Respondents were asked whether they had shopped at each retail outlet (representing each retail format) for each of the seven product categories within the past three months. Type of data was nominal ("yes" or "no").

Retail Attributes.

Perception of retail attributes was measured for each of the four retail formats. A multi-item scale for retail attributes was adapted from several sources (e.g., Bellenger, Robertson and Greenberg, 1977; Bloch, Ridgway and Dawson, 1994; Wakefield and Baker, 1998). The scale was based on

Kim and Kang's (1997) proposition that current consumers want to receive the maximum amount of benefits and spend the minimum amount of costs (e.g., time, effort and money), and thus encompassed both benefits and costs as well as functional and experiential aspects of shopping. Perception of each attribute was measured by asking "How would you rate a retail outlet in terms of attribute?" Responses were made using a 5-point rating scale (1 "Poor" to 5 "Excellent"). Specific factor items and the corresponding medium-to-high reliabilities (expressed as Cronbachs α) are illustrated in Table 1.

Repatronage Intention.

Repatronage intention was measured for each of the seven product categories for each of the four retail formats. It asked the likelihood of visiting each retail outlet in the next three months. Responses were based on a 5-point rating scale (1 "Not Likely" to 5 "Very Likely").

Focus Group Interviews

As a component in developing the quantitative data collection instrument, four focus group interviews were conducted with an average of 10 consumers (age 20 and above) in each group. The four groups were composed of (1) professional males, (2) non-professional males, (3) professional females and (4) non-professional females. This schema was chosen to allow homogeneity in each group so that participants would be more free to share their views without feeling intimidated.

In the focus group interviews, participants were asked to respond to two open-ended questions: (1) "In purchasing goods, what factors would you consider in deciding where you are going to purchase that item?" and (2) "What would be the shopping benefits or shopping outputs you expect from making a trip to buy shopping goods?" Questions were posed to obtain both benefits and costs associated with retail format selection as well as functional and experiential needs served by format choices. The findings from the focus group interviews, along with the literature, were incorporated into the final instrument development.

Sample

Random sampling of four representative geographically-dispersed metropolitan areas in the United States was employed to obtain quantitative data. The metropolitan cities selected were Chicago, Seattle, Atlanta and Phoenix. Each of the four regional areas contains a minimum of one regional shopping mall as well as at least one store from each of the three other formats (category killer, warehouse and supercenter). Table 2 describes demographic characteristics of respondents.

TABLE 1. RETAIL ATTRIBUTE FACTORS

Factor	Item	Cronbach's α			
		R	S	C	W
Price of Merchandise	• Being able to find a real bargain	.85	.87	.86	.86
	• Being able to find many items on sale				
	• Not having to purchase products at regular retail prices				
	• Being able to find competitive prices				
Quality of Merchandise	• Being able to find everyday low prices	.64	.71	.73	.70
	• Being able to find famous name brands				
	• Being able to find high quality products				
	• Being able to find unique products				
Assortment of Merchandise	• Being able to find out about new products	.74	.78	.77	.77
	• Being able to find the latest products				
	• Being able to find a wide selection of merchandise				
	• Being able to find unique products				
Sales Personnel	• Being able to find nice courteous sales personnel	.86	.85	.86	.89
	• Being able to find prompt help when needed				
	• Being helped by knowledgeable sales personnel				
Convenience	• Having an easy time parking	.74	.72	.71	.74
	• Having convenient store hours				
	• Having a convenient store location from home				
	• Having convenient store location from work				
	• Being able to find exactly what you want in the least amount of time				
Service	• Availability of a lay-away plan	.49	.51	.66	.59
	• Having other services (e.g., gift wrapping, bank, photo processing, restaurant, snack corner)				
	• Being able to use your choice of credit cards				
Store Environment	• Being able to enjoy an attractive décor	.89	.92	.90	.90
	• Finding nice displays of merchandise				
	• Feeling that the physical environment is comfortable				
	• Having adequately wide aisles				
	• Having an easy-to-follow layout				
	• Having clear signage				
	• Being able to find some entertainment while shopping				
	• Being able to enjoy time with your family or friends				
	• Being able to relax				
	• Finding an exciting shopping environment				
• Feeling that the store environment is safe					
Post-Transaction	• A no-hassle return policy	.76	.65	.73	.71
	• Ease and convenience of returning merchandise				
	• Having a reliable delivery service				
Institutional Image	• The reputation that this retailer is known for	.70	.74	.77	.76
	• The prestige that this retailer is known for				

Note. R = Regional Mall, S = Supercenter, C = Category Killer, W = Warehouse Club.

TABLE 2. DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS

	Frequency	%		Frequency	%
Age			Ethnicity		
20 or under	27	4.80%	White	379	67.70%
21–30	97	17%	African-American	108	19.30%
31–40	94	16.50%	Native-American	4	0.70%
41–50	131	23%	Hispanic	25	4.50%
51–60	104	18.40%	Asian/Pacific Islander	17	3%
over 60	116	20.50%	Other	27	4.80%
Gender			Number of children under 12		
Female	359	63.10%	0	1	0.70%
Male	210	36.90%	1 or 2	123	82.50%
			3 or 4	24	16.20%
Income			5	1	0.70%
\$10,000 or below	27	4.70%	Education		
\$10,001–20,000	32	5.60%	High school or less	141	24.90%
\$20,001–30,000	44	7.70%	Associate degree	138	24.30%
\$30,001–40,000	35	6.20%	Bachelor's degree	155	27.30%
\$40,001–50,000	58	10.20%	Graduate degree	101	17.80%
\$50,001–60,000	31	5.40%	Other	32	5.60%
\$60,001–70,000	34	6%	Employment Status		
\$70,001–80,000	43	7.60%	Full-time	273	48.70%
\$80,001–90,000	14	2.50%	Part-time	83	14.80%
\$90,001–100,000	65	11.40%	Full-time Housewife/ Househusband	26	4.60%
\$100,001–110,000	6	1.10%	Unemployed	83	14.80%
\$110,001–120,000	9	1.60%	Retired	96	17.10%
over \$120,000	171	30.10%			
Marital Status					
Single/never married	191	33.60%			
Married/living with a partner	293	51.50%			
Separated/widowed/divorced	80	14.10%			

Data Collection

Survey data were collected via Computer Assisted Telephone Interview (CATI). Participants were selected based on three qualifiers: (a) 18+ years of age, (b) primary or joint decision maker of purchasing goods and (c) shopping activity in at least two of the selected four retail formats within the past three months. Once the project was in the field, this information was tracked and monitored closely. In the event of grossly disproportionate representation across retail formats, it became necessary to enact quota controls to ensure adequate base size for analysis. As a result, 276 con-

sumer data were obtained from each city. Each individual consumer responded to two of the four retail formats (i.e., regional malls, supercenters, category killers and warehouse clubs).

■ Results and Discussion

Objective 1

Objective 1 (To assess the competitiveness among the four retail formats in terms of (a) market share analysis through gain/loss analysis for each product category and (b) retail image analysis based on perceived retail attributes) was accomplished with both qualitative analyses and quantitative analyses. The market share analysis was conducted through gain/loss analysis (see Tables 3 and 4).

The most successful retailer format in general seems to be a category killer. More specifically, category killers exhibit the highest levels of gain for six product categories: automobile maintenance items (22.9%), home improvement/furnishings (16.9%), books (15.6%), pet supplies (14.7%), consumer electronics (14.5%) and sporting goods (13.6%). A supercenter is the most successful retailer for toys (9.5%).

At the next level of success, regional malls display positive gains for books (6.8%), toys (5.9%), sporting goods (3.1%) and consumer electronics (2.1%). Supercenters display positive gains for automotive maintenance items (4.7%), sporting goods (4.5%), home improvement/furnishings (2.9%) and pet supplies (2.0%). The gain of category killers for toys is 3.9%. The least successful retailer seems to be a warehouse club, which exhibits the highest level of loss for all product categories.

For retail image analysis, multivariate analysis of variance (MANOVA) was used to determine whether significant differences exist among the four retail formats in terms of perceived retail attributes (Table 5). MANOVA was followed by univariate analysis of variance (ANOVA) and *Tukey* multiple comparison procedure to pinpoint where the differences are and to provide an insight into why shoppers prefer certain retail formats over others. The results are as follows:

- **Merchandise Price.** Warehouse clubs and supercenters exhibited significantly higher ratings than those of category killers, which in turn were significantly higher than those of regional malls.
- **Merchandise Quality.** Category killers were rated higher than supercenters and warehouse clubs; regional malls were rated higher than supercenters.
- **Merchandise Assortment.** Category killers were rated higher than any of the other three retail formats (regional malls, supercenters and warehouse clubs).

TABLE 3. SHOPPING TRIP PATTERNS

Product Category	Retail Format					Total
	Regional Mall	Super-center	Category Killer	Warehouse Club		
Home improvement/furnishings	223 ^a (23.1%)	263 (27.2%)	364 (37.7%)	116 (12.0%)		966 (100%)
Consumer electronics	227 (26.6%)	217 (25.5%)	306 (35.9%)	102 (12.0%)		852 (100%)
Automobile maintenance items	73 (17.8%)	117 (28.5%)	173 (42.2%)	47 (11.5%)		410 (100%)
Sporting goods	144 (27.3%)	150 (28.4%)	186 (35.2%)	48 (9.1%)		528 (100%)
Pet supplies	130 (22.5%)	153 (26.5%)	208 (36.0%)	86 (14.9%)		577 (100%)
Books	253 (30.1%)	151 (18.0%)	309 (36.7%)	128 (15.2%)		841 (100%)
Toys	196 (29.4%)	214 (32.1%)	186 (27.9%)	70 (10.5%)		666 (100%)

^aThe number is based on the respondents who said "yes" to the question on whether s/he has shopped at each retail outlet (representing each of the four retail formats) for each of the seven product categories within the past three months.

TABLE 4-1. GAIN/LOSS ANALYSIS: HOME IMPROVEMENT/FURNISHINGS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-4.1% ^a	-14.6%	11.1% ^b	-2.5%
Supercenter	4.1% ^a	—	-10.5%	15.2%	2.9%
Category Killer	14.6%	10.5%	—	25.7%	16.9%
Warehouse Club	-11.1% ^b	-15.2%	-25.7%	—	-17.3%

^aThe gain for supercenter of 4.1% is a loss for regional mall for *home improvement/furnishings*.

^bThe loss for warehouse club of -11.1% is a gain for regional mall for *home improvement/furnishings*.

TABLE 4-2. GAIN/LOSS ANALYSIS: CONSUMER ELECTRONICS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	1.1% ^a	-9.3% ^b	14.6%	2.1%
Supercenter	-1.1% ^a	—	-10.4%	13.5%	0.7%
Category Killer	9.3%	10.4%	—	23.9%	14.5%
Warehouse Club	-14.6% ^b	-13.5%	-23.9%	—	-17.3%

^aThe loss for supercenter of -1.1% is a gain for regional mall for *consumer electronics*.

^bThe gain for category killer of 9.3% is a loss for regional mall for *consumer electronics*.

TABLE 4-3. GAIN/LOSS ANALYSIS: AUTOMOBILE MAINTENANCE ITEMS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-10.7% ^a	-24.4%	6.3% ^b	-9.6%
Supercenter	10.7% ^a	—	-13.7%	17%	4.7%
Category Killer	24.4%	13.7%	—	30.7%	22.9%
Warehouse Club	-6.3% ^b	-17%	-30.7%	—	-18%

^aThe gain for supercenter of 10.7% is a loss for regional mall for *automobile maintenance items*.

^bThe loss for warehouse club of -6.3% is a gain for regional mall for *automobile maintenance items*.

TABLE 4-4. GAIN/LOSS ANALYSIS: SPORTING GOODS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-1.1% ^a	-7.9%	18.2% ^b	3.1%
Supercenter	1.1% ^a	—	-6.8%	19.3%	4.5%
Category Killer	7.9%	6.8%	—	26.1%	13.6%
Warehouse Club	-18.2% ^b	-19.3%	-26.1%	—	-21.2%

^aThe gain for supercenter of 1.1% is a loss for regional mall for *sporting goods*.

^bThe loss for warehouse club of -18.2% is a gain for regional mall for *sporting goods*.

TABLE 4-5. GAIN/LOSS ANALYSIS: PET SUPPLIES

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-4.0% ^a	-13.5% ^b	7.6%	-3.3%
Supercenter	4.0% ^a	—	-9.5%	11.6%	2.0%
Category Killer	13.5%	9.5%	—	21.1%	14.7%
Warehouse Club	-7.6% ^b	-11.6%	-21.1%	—	-13.4%

^aThe gain for supercenter of 4.0% is a loss for regional mall for *pet supplies*.

^bThe loss for warehouse club of -7.6% is a gain for regional mall for *pet supplies*.

TABLE 4-6. GAIN/LOSS ANALYSIS: BOOKS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-12.1% ^a	-6.6% ^b	14.9%	6.8%
Supercenter	-12.1% ^a	—	-18.7%	2.8%	-9.3%
Category Killer	6.6% ^b	18.7%	—	21.5%	15.6%
Warehouse Club	-14.9%	-2.8%	-21.5%	—	-13.1%

^aThe loss for supercenter of -12.1% is a gain for regional mall for *books*.

^bThe gain for category killer of 6.6% is a loss for regional mall for *books*.

TABLE 4-7. GAIN/LOSS ANALYSIS: TOYS

<i>Retail Format</i>	<i>Regional Mall</i>	<i>Supercenter</i>	<i>Category Killer</i>	<i>Warehouse Club</i>	<i>Average</i>
Regional Mall	—	-2.7% ^a	1.5% ^b	18.9%	5.9%
Supercenter	2.7% ^a	—	4.2%	21.6%	9.5%
Category Killer	-1.5% ^b	-4.2%	—	17.4%	3.9%
Warehouse Club	-18.9%	-21.6%	-17.4%	—	-19.3%

^aThe gain for supercenter of 2.7% is a loss for regional mall for toys.

^bThe loss for category killer of -1.5% is a gain for regional mall for toys.

- Sales Personnel. Category killers were rated higher than supercenters and regional malls; regional malls were rated higher than warehouse clubs.
- Convenience. Both supercenters and category killers were rated higher than warehouse clubs.
- Service. Warehouse club was rated lower than any of the three other formats (regional malls, supercenters and category killers).
- Store Environment. Both regional malls and category killers were rated higher than warehouse clubs.
- Post-Transaction. An overall difference existed among the four retail formats, with category killer showing the highest rating.
- Institutional Image. There was no significant difference between retail formats, with category killer showing the highest rating.

Objective 2

Objective 2 (To determine repatronage intention based on perceived retail attributes) entails using regression analysis. Multiple regression analysis was employed for each of the seven product categories for each of the four retail formats (see Table 6). Retail attribute factors were entered as predictors, with repatronage intention as the dependent variable. The results of regression analyses illustrate significant predictors ($p < .05$) as follows:

■ Predictors of Repatronage Intention to Shop at a *Regional Mall*

- Home improvement/furnishings – reasonable merchandise price
- Automobile maintenance items – merchandise assortment, lower level of post-transaction satisfaction
- Books—reasonable merchandise price

Reasonable prices are important to attract consumers to buy home improvement/furnishings and books at a regional mall. Merchandise as-

TABLE 5. ANOVA: COMPARISON OF RETAIL ATTRIBUTES BETWEEN RETAIL FORMATS

Retail Attribute	Retail Format					F-statistic	Tukey
	Regional Mall	Supercenter	Category Killer	Warehouse Club			
Merchandise Price	3.30 ^a	3.85	3.62	3.93		30.69***	W > C > R; S > C > R
Merchandise Quality	4.09	3.68	4.10	3.82		17.20***	C > S; C > W; R > S
Merchandise Assortment	3.62	3.58	3.80	3.53		5.90***	C > R; C > S; C > W
Sales Personnel	3.37	3.21	3.62	3.03		15.83***	C > R > W; C > S
Convenience Service	3.66	3.82	3.82	3.56		5.93***	C = S > W
	3.57	3.60	3.39	2.94		11.82***	S > W; R > W; C > W
Store Environment	3.69	3.53	3.69	3.39		6.93***	C = R > W
Post-Transaction	3.49	3.53	3.73	3.42		2.71*	
Institutional Image	3.93	3.83	4.02	3.94		2.21	

^aMean of the attribute items in the factor.

*The mean difference is significant at the .05 level.

***The mean difference is significant at the .001 level.

sortment is important to increase purchasing of automobile maintenance items. However, repatronage intention to shop at a regional mall to buy automobile maintenance items was negatively influenced by post-transaction satisfaction (e.g., return policy, easy return, delivery); the less satisfied consumers are with post transaction, the more likely they are to come back. This finding may be explained by the facts that (a) when consumers buy automobile maintenance items at a regional mall, they are not likely to return these items, and (b) buying automotive maintenance items does not involve delivery service.

■ Predictors of Repatronage Intention to Shop at a *Supercenter*

- Consumer electronics – pleasant store environment
- Toys – reasonable merchandise price, merchandise quality

Consumers are likely to shop at a supercenter for consumer electronics if the store environment is pleasant (e.g., wide aisles, easy-to-follow layout, clear signage, comfortable and safe shopping environment). To buy toys at a supercenter, consumers are looking for reasonable merchandise price and quality.

■ Predictors of Repatronage Intention to Shop at a *Category Killer*

- Automobile maintenance items – reasonable merchandise price
- Pet supplies – reasonable merchandise price, service, lower level of pleasant store environment

Reasonable merchandise price was a significant predictor of shopping at a category killer for both automobile maintenance items and pet supplies. In addition, service was important to make consumers shop for pet supplies. However, lower level of pleasant store environment influenced repatronage intention to buy pet supplies. It suggests that buying pet supplies at a category killer is not influenced by pleasant store environment (e.g., décor, display, comfortable and safe environment) or entertainment (e.g., enjoying time with family or friends, exciting shopping environment, being able to relax).

Objective 3

Objective 3 (To predict winners and losers among four retail formats) was accomplished by content analysis of the results from objectives 1 and 2. It is obvious that the current winner is a category killer for the six product categories (home improvement/furnishings, consumer electronics, automobile maintenance items, sporting goods, pet supplies and books). Not surprisingly, category killers receive positive customer perceptions of many attributes: merchandise quality, merchandise assortment, conve-

TABLE 6-1. REGRESSION ANALYSIS: REGIONAL MALL

Retail Attribute	Product Category						
	Home Improvement/ Furnishings	Consumer Electronics	Automobile Maintenance Items	Sporting Goods	Pet Supplies	Books	Toys
Merchandise Price	.300**	.013	.062	.029	.165	.311*	.050
Merchandise Quality	-.001	-.118	-.144	.019	.116	.285*	.087
Merchandise Assortment	.138	-.028	.374*	.414*	.136	-.026	.003
Sales Personnel	-.008	-.125	.110	-.076	-.053	.017	-.015
Convenience	-.013	-.013	.131	.139	-.005	-.154	.143
Service	-.054	.023	.053	.058	-.004	-.011	.186
Store environment	.190	.593**	.204	-.003	.098	.263	.352
Post-transaction	.042	-.077	-.334*	-.196	.037	-.075	-.457**
Institutional Image	-.216	-.085	-.226	-.161	-.197	-.229	-.095
R ²	.170	.119	.165	.110	.095	.177	.143
F	2.159*	1.420	2.081*	1.290	1.098	2.263*	1.748*

*Beta (standardized coefficient).

*The mean difference is significant at the .1 level.

*The mean difference is significant at the .05 level.

**The mean difference is significant at the .01 level.

TABLE 6-2. REGRESSION ANALYSIS: SUPERCENTER

Retail Attribute	Product Category						
	Home Improvement/ Furnishings	Consumer Electronics	Automobile Maintenance Items	Sporting Goods	Pet Supplies	Books	Toys
Merchandise Price	.217 ^a	.188	.190	.001	.028	-.178	.349**
Merchandise Quality	-.027	-.171	.142	.078	.460*	.333 ⁺	.377*
Merchandise Assortment	-.257	-.093	-.390*	.248	-.488*	.176	-.166
Sales Personnel	-.039	.263	.206	.127	.027	.266	-.130
Convenience	.150	-.160	.010	-.079	.204	-.088	-.216
Service	.076	-.145	-.130	-.006	-.107	-.203	-.235 ⁺
Store environment	.512*	.648*	.443 ⁺	.043	-.059	-.167	.283
Post-transaction	-.103	-.096	-.133	.067	.087	.202	-.157
Institutional Image	-.330*	-.189	-.168	-.230	.000	-.241	.235
R ²	.167	.192	.109	.109	.125	.235	.237
F	1.851 ⁺	2.217*	1.131	1.132	1.305	2.866**	2.906**

^aBeta (standardized coefficient)

*The mean difference is significant at the .1 level.

⁺The mean difference is significant at the .05 level.

**The mean difference is significant at the .01 level.

TABLE 6-3. REGRESSION ANALYSIS: CATEGORY KILLER

Retail Attribute	Product Category						
	Home Improvement/ Furnishings	Consumer Electronics	Automobile Maintenance Items	Sporting Goods	Pet Supplies	Books	Toys
Merchandise Price	-.031 ^a	-.199	.278*	-.054	.318*	-.017	.046**
Merchandise Quality	.155	.296 ⁺	-.066	-.236	.120	.037	.061
Merchandise Assortment	-.273	-.077	.066	.153	-.089	-.052	.105
Sales Personnel	-.187	-.228 ⁺	-.166	-.109	.121	-.114	-.085
Convenience	.144	-.063	.098	-.188	.049	.002	-.166
Service	.141	.270 ⁺	.228 ⁺	.046	.550***	.108	.009
Store environment	.415 ⁺	.166	.007	.490*	-.455*	.266	.531*
Post-transaction	.144	.129	.010	-.022	-.293 ⁺	.279 ⁺	-.121
Institutional Image	-.333*	-.189	-.128	-.203	-.002	-.404**	-.387**
R ²	.149	.149	.164	.096	.193	.139	.131
F	1.872 ⁺	1.866 ⁺	2.086*	1.116	2.464*	1.717*	1.570

^aBeta (standardized coefficient).

⁺The mean difference is significant at the .1 level.

^{*}The mean difference is significant at the .05 level.

^{**}The mean difference is significant at the .01 level.

^{***}The mean difference is significant at the .001 level.

TABLE 6-4. REGRESSION ANALYSIS: WAREHOUSE CLUB

Retail Attribute	Product Category							
	Home Improvement/ Furnishings	Consumer Electronics	Automobile Maintenance Items	Sporting Goods	Pet Supplies	Books	Toys	
Merchandise Price	-.109 ^a	-.100	.069	-.259 ⁺	-.162	-.252 ⁺	-.282 ⁺	
Merchandise Quality	-.223	-.300	-.298	-.162	-.183	-.188	.060	
Merchandise Assortment	.108	.392	.356	.310	-.050	.060	-.053	
Sales Personnel	-.032	-.128	-.130	-.307 ⁺	.010	-.061	-.092	
Convenience	.180	.007	.097	.160	.369 [*]	.291	.173	
Service	.012	-.113	.128	.103	.197	-.249	-.127	
Store environment	.305	.129	.050	.248	-.026	.210	.443 ⁺	
Post-transaction	-.089	.193	.040	.098	-.019	-.043	.073	
Institutional Image	-.110	-.013	-.031	.133	.119	.065	.034	
R ²	.101	.082	.121	.230	.149	.114	.180	
F	.785	.624	.963	2.095 [*]	1.204	.903	1.514	

^aBeta (standardized coefficient).

⁺The mean difference is significant at the .1 level.

^{*}The mean difference is significant at the .05 level.

nience, store environment, post-transaction satisfaction and institutional image. The winner for toys is a supercenter, mainly because of reasonable merchandise prices.

Supercenters and regional malls are the second winners for several product categories: home improvement/furnishings, automobile maintenance items, sporting goods and pet supplies for supercenters due to merchandise price, convenience and service; consumer electronics, books and toys for regional malls due to merchandise quality and pleasant retail environment.

Warehouse club is the loser for all product categories. This finding is supported by consumers' low ratings in retail attributes of warehouse clubs. Consumer responses were lowest in several attributes: merchandise assortment, sales personnel, convenience, service, store environment and post-transaction.

■ Conclusions and Managerial Implications

As the retail environment springs forth seemingly endless opportunities for shopping experiences, the market for each retail format narrows. To this end, investigation of competitiveness among formats is essential for retailers and shopping center developers alike. As the market becomes mature, analyzing consumer perspective regarding product category purchase decisions and retail formats is a crucial step toward positioning for the future.

Category killers are the winner of many product categories. They must maintain their successful strategies of providing quality merchandise, depth of merchandise (e.g., sizes, colors, style), helpful sales personnel, convenience (e.g., comparison shopping, one-stop shopping), pleasant store environment, post-transaction service (e.g., return policy, easy return, reliable delivery service) and institutional image (e.g., reputation, prestige). However, they might consider improving their services (e.g., lay-away plan, having other services in a store) to assure their continuing success.

Supercenters are the second winner for home improvement/furnishings, automobile maintenance items, sporting goods and pet supplies. They are successful in providing reasonable merchandise prices, convenience and service. However, they are weak in providing quality merchandise, helpful sales personnel, pleasant store environment and institutional image. To assure future success, supercenters need to improve many of these retail attributes.

Regional malls are the second winner for consumer electronics, books

and toys. Regional malls receive positive feedback from consumers in such retail attributes as merchandise quality, merchandise assortment and pleasant store environment. As regional mall patronage declines due to competition from non-store shopping retailers (e.g., the Internet, catalogs) and big-box retailers, providing a comfortable and pleasant shopping environment for a family or friends seems to be critical to improve customer patronage.

Warehouse clubs are the loser for all product categories. In order to be competitive with regional malls and other big-box retailers, they must enhance their strategies. In particular, they need to put efforts into improving their merchandise assortment, sales personnel assistance, convenience, service, store environment and post-transaction service. At the same time, they can take advantage of their low price lines to retain current customers and attract new customers as well.

The ultimate goal of this study was to shed light not only on the quantifiable shift in the market, but also the underlying consumer rationale driving the market conditions. Project findings, when linked to strategic planning such as image positioning schemes and benefit segmentation methods, should provide retailers, shopping center developers and investors with viable opportunities both to improve the current predicament and effectively forecast growth potential. Additionally, the research provides a real-time analysis of customer needs associated with each format so that, if necessary, unmet needs may be addressed proactively. Retailers may also use the data to support marketing mix differentiation strategies (product and service offerings, pricing, distribution channel and promotional strategies) to confront current issues.

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