SENIORS AND SHOPPING: SEEKING VALUE VIA SERVICE

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Abstract

This paper reports on a preliminary study that identifies the factors that contribute to the overall value of retail outlets for two seniors' segments and a younger control group, in Australia. A range of factors are investigated, under the broad areas of store characteristics (eg, perceived service orientation) and customer characteristics (eg, shopping affect). Data were collected via a cross-sectional field study, using mall intercept, and with respect to pharmacies and department stores. Key findings are that differences exist between age groups. Younger adults seek factors concerned with price, merchandise and focus on service, while overall value for both seniors groups arises from a focus on service. Implications of the study are discussed, including managerial applications, limitations and future research.

Keywords

Value, service, retail, seniors, Australia

INTRODUCTION

As a segment, seniors are undergoing significant growth in industrialised societies, and this growth is expected to continue for some decades. In the 20th century, 30 years of life expectancy was gained and the trend is continuing (Moschis 2003). As well as living longer, mature consumers are wealthier and have more disposable income than in the past (Mattila et al. 2003). Studies on seniors show that they use shopping as a means of social contact (Moschis 2003) and even increase the frequency of their shopping trips when seeking to reduce loneliness (Kim et al. 2005). Additionally, Patterson (2007) showed that older consumers have different loyalty motives, when compared to their younger counterparts. Therefore, marketers have considerable interest in senior shoppers. As Moschis et al. (2004, p. 31) state "..the mature segment of our population is simply too large and too affluent to ignore."

While authors acknowledge that the seniors market is heterogenous, increasing in size, and of considerable economic importance, few studies segment the market beyond an age criterion, usually 55 or 60 years (Moschis 2003). Based on their research at the Centre for Mature Consumer Studies (USA), Moschis et al. (1997, p. 283) suggest that age alone is a poor criterion to use to define the mature market because "aging is multidimensional... people gradually grow old biologically, psychologically and socially." Consequently, Moschis and his colleagues (1997) have developed a lifestage model which incorporates psychosocial (extent of isolation) and biophysical (health) dimensions. In a study of food and grocery purchasing (n = 1,437), Moschis et al. (2004) found that the consumer behaviour of older Americans differed from their younger counterparts, and also varied widely according to the lifestyle group to which they belong. Similar data from other countries do not appear to exist. Hence this study uses

seniors' segments in Australia, in a preliminary study, to investigate value in specific retail contexts, using a variety of customer characteristics as controls.

The Concept of Value

Customer-perceived value is important to organisations because studies have shown that it is related to feelings of loyalty, positive word-of-mouth and future patronage (Cronin et al., 1997, 2000; Lin et al., 2005; Sirdeshmukh et al., 2002). In fact, some scholars suggest achieving customer perceived value may be possibly more important than achieving high quality (Cronin et al. 1997). Apart from customer loyalty, other scholars emphasise strategy. For example,Lin et al. (2005) allege that value is a strategic imperative for firms while Swait and Sweeney (2000) state that creating value is a source of differentiation that retailers can profitably utilize. Similarly, Berry (1996) argued that retailers must compete on customer value, not price. However, relatively few studies have explored value in retail and nor have many studies considered it for different segments.

Swait and Sweeney (2000) noted the strategic usefulness of grouping consumers in segments, and demonstrated one way of doing so, using the concept of a customer's 'value orientation'. Their segmentation showed that consumers differ with respect to the emphasis they place on price, quality, or achieving a balance between the two. Kerin et al. (1992) extended the concept of value in retail supermarkets to include the consumer "experience", which encapsulates benefits beyond those received from the items purchased (generally merchandise quality and price). Their concept of experience includes the physical surroundings, personnel, waiting times and customer-related policies and practices; all of which lead to attitudinal responses. Therefore, we now discuss value in more detail, with particular reference to mature consumers and the retail
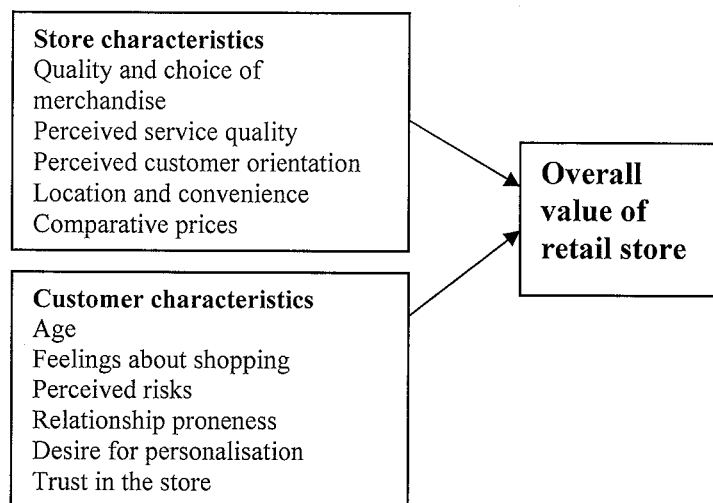
context. In doing so, we develop our overall research question; that is, to identify and compare the determinants of customer value of regular shopping experiences for two seniors' segments and a younger control group.

Drawing on the seminal work by Zeithaml (1988), value has been frequently conceptualised in terms of the customer's assessment of the utility of a product, based on give-get components (the benefits of a goods/service package compared to the associated sacrifices or consumer costs). Value can be assessed either by a multiplicative model (a ratio of quality to sacrifices), by the corresponding additive model, or by considering the overall 'value-added' model (Cronin et al. 1997). In their study of both hedonic and utilitarian services, Cronin et al. (1997) found a sizeable increase in variance explained in purchase intentions by introduction of a direct measure of service value. More recently, Lin et al. (2005) noted that debate is still occurring about how to conceive and measure value. They tested three models and, based on their findings using eTail service value data, proposed a formative second-order and reflective first-order specification of value. This means that we need to identify the factors that lead to value, the focus of this study, as well as understanding and measuring an overall assessment of value.

In prior studies, the overall assessment of value has emphasised a 'value-for-money' approach (see, for example, Dodds et al. 1991; McDougall & Levesque 2000; Sweeney et al. 1999). Our interpretation of customer perceived value differs from most previous work in that it does not restrict value to 'value-for-money'. In the current study, value is conceptualised as the 'overall value of a retail store', defined as the utility of the total package that is offered to customers. This definition is consistent with Zeithaml's (1988) idea of utility, and it incorporates benefits and sacrifices but does not use a give-get framework. We put forward a range of factors that may contribute to benefits or

sacrifices or both under the broad areas of store characteristics and customer characteristics. The idea of using store and customer characteristics is developed from the work of Homburg et al. (2002) with respect to business strategy in retail. Our research question aims to link those store and customer characteristics to value. Further, understanding the importance of store characteristics to different groups is especially valuable because managers have control over them (Homburg et al. 2002). Figure 1 shows the conceptual model guiding the study.

Figure 1 Model Guiding the Study

Store characteristics
Quality and choice of merchandise
Perceived service quality
Perceived customer orientation
Location and convenience
Comparative prices

Customer characteristics
Age
Feelings about shopping
Perceived risks
Relationship proneness
Desire for personalisation
Trust in the store

Overall value of retail store

Prior work on value has largely focussed on quality as the major contributing benefit, and price, time and effort as the major costs (for example, Sirdeshmukh et al., 2002; Tam, 2004). Studies which have broadened this view include those by Sweeney and Soutar (2001) and Lemmink et al. (1998). Sweeney and Soutar (2001) identified four dimensions in their PERVAL scale: quality, emotional, social and price. The importance of the four dimensions was subsequently confirmed in a study of Chinese shoppers (Wang et al., 2004). Lemmink et al. (1998) used cognitive, affective and functional elements of value and found that these factors explained a large part of variance in customer satisfaction in stages of the restaurant experience. With respect to

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retail settings, Kerin et al. (1992) included shopping experience perceptions (eg, cleanliness, employee friendliness); and Berry (1996) stated that consumer costs include price, convenience and effort, the opportunity costs of time, disinterested or uninformed employees, and poorly merchandised stores, while benefits include quality merchandise, caring personal service, pleasant store atmosphere, convenience and peace of mind. Thus, a very wide range of factors can be considered to apply in the retail context. Figure 1 shows how we have grouped these factors, and others, for investigation.

Apart from the quality and choice of merchandise, Figure 1 shows three other dimensions for store characteristics. Service orientation and customer orientation have been developed based on the work of Homburg et al. (2002) with respect to strategy in clothing and furniture stores. Service orientation includes elements such as provision of information and advice, home delivery and pick-up, and extended warranties, and is important because Moschis et al. (2004) found that older consumers prefer to shop where they receive such special services. Customer orientation is concerned with understanding and meeting customer needs, and the creation of value relative to competitors (Homburg et al. 2002). Store characteristics also include location and convenience. Heinonen (2004) found that place and time are integral elements of service value, and called for their investigation in retail settings. Finally, in his overview of knowledge in relation to marketing to older adults, Moschis (2003) noted that people in the mature market are very convenience-oriented, and the Moschis et al. (2004) study of food purchasing found location near other places that seniors patronize, to be one of the six most valued shopping factors.

The elements under customer characteristics in Figure 1 include the 'traditional' major sacrifice of price, and the time factor mentioned above (Heinonen 2004). Social and emotional dimensions are critical components of the model because they not only

contribute to conceptualisations of value (Sweeney and Soutar 2001) but because the mature market considers shopping to be a social event (Moschis 2003; Pettigrew et al. 2005). Similarly, seniors tend to be risk averse, and patronise reputable outlets (Moschis 2003). In their study of electrical goods purchases, Sweeney et al. (1999) found that perceived risk, as measured by elements of performance and financial risk, had a more powerful, direct effect on value for money than the traditional antecedents of relative price or perceived product quality. Further, they found that value entirely mediated the effect of risk on willingness to buy.

The final two dimensions shown in customer characteristics are trust and relationship proneness. Sirdeshmurkh et al. (2002) argued that trust creates value by providing relational benefits derived from interacting with the service provider, and by reducing exchange uncertainty and helping the consumer form consistent and reliable expectations of the service provider. In their retail study Sirdeshmurkh et al. (2002) found that value completely mediated the link between frontline employee trust and customer loyalty. Investigating relational benefits with service firms, Gwinner et al. (1998) found three primary types: confidence, social and special treatment (above core service). Confidence reflects reduced anxiety and risk, faith in trustworthiness of the provider, and knowing what to expect. The findings of Moschis et al. (2004) in which recommendation by same-age peers was important to seniors, and increased with age, reinforces the need to incorporate trust in the model. Finally, Ravald and Grönroos (1996, p.23) noted that "the relationship itself might have a major effect on the total value perceived. In a close relationship the customer probably shifts the focus from evaluating separate offerings to evaluating the relationship as a whole." Consequently, we incorporate relationship proneness into the factors contributing to value.

In summary, our study investigates the factors that contribute to the overall value of specific retail stores, and compares the relative importance of the factors, as assessed by two age-based seniors' segments, and a younger control group (aged less than 50 years). Our fundamental hypothesis is that the factors contributing to value will differ significantly for each seniors' segment and for younger consumers. The research sub-questions are:

1. Which store and customer characteristics contribute to overall value in shopping?

2. What differences exist between age segments?

We next outline the method for the study, followed by results and discussion. The paper concludes with limitations and potential future research.

METHOD

In the current study, value is explored in terms of two everyday retail services: pharmacies and department stores. These stores were selected because they have major elements of both goods and services. Previous studies appear to have focussed essentially on goods (eg, Kerin et al. 1992) or services (eg, McDougall and Levesque 2000), although some studies include dimensions of both (eg, Sweeney and Soutar 1999). Retail studies with seniors seem have emphasised food purchasing (because of its frequency and importance to health outcomes) (e.g., Hare et al. 1999; Moschis et al. 2004; Pettigrew et al. 2005). In asking respondents to select specific stores, we adopt the recommendation of Kerin et al. (1992) who stated that research on perceived value in retailing should be context-driven, that is, focus on one particular type of retailer since

specific price and quality cues can vary across retailers, for example, in department stores and supermarkets.

Data were collected by a cross-sectional mall intercept survey of consumers in a large regional shopping centre in Australia. While the emphasis was on gaining responses from mature consumers, some younger shoppers were approached as well to provide a comparative sample. Surveys (880) were distributed at varying locations within the shopping centre complex, but close to an entry/exit point. Different days of the week and a range of shopping hours were used. Consumers were approached and invited to complete the survey anonymously at their leisure, and to return it via the postal system. Completed surveys (193) represented a response rate of 22%. The seniors groups consisted of 148 respondents with the younger age group (<50 years) represented by 45 respondents (23%).

Most respondents were female (90%). Mature consumers were represented by 50 respondents (26%) in the 50 - 59 years age group, 48 respondents (25%) in the 60 to 69 age group and 50 respondents (26%) aged 70 years or more. Within the mature consumers group, the majority felt that they were in good health (89%), shopped alone (55%), shopped at least once a week or more (89%) and used their own or partner's vehicle for transport (77%). Respondents were asked whether they felt isolated in the community. Approximately one-fifth of respondents (22%) described their extent of isolation as "often" (3%) or occasional (19%) with the remainder (78%) indicating that they do not feel isolated. Two-thirds of respondents belonged to at least one or more community group (67%) with over half (55%) of those attending such groups at least once a week.

Measures in the survey are customised from previous literature. Store characteristics include: quality (Kerin et al. 1992; Homburg et al. 1992); overall quality

(Cronin et al. 1997); service orientation and customer orientation (Kerin et al. 1992; Homburg et al. 1992); location and convenience (developed for the study using Berry (1996) and Heinonen (2005)). Scales for customer characteristics include price consciousness (Homburg et al. 1992; Lin et al. 2005); time pressure (Homburg et al. 1992); social outcomes (developed from Gwinner et al. 1998; Sweeney and Soutar 2001); emotional outcomes (developed from Sweeney and Soutar 2001); risk (Cronin et al. 1997; Sweeney and Soutar 2001); trust in store (Sirdeshmukh et al. 2002); relationship proneness (De Wulf et al. 2001). Items constituting the refined scales are provided in Appendix 1.

Data were entered into the SPSS statistical package. Scales were tested and refined using principal components analysis and reliability scores. Based on the preliminary analyses, we considered it necessary to use composite scores for the major variables: quality and choice of merchandise ("merchandise"), and "focus on service" (derived from perceived service quality and customer orientation, because the items in these constructs could not be discriminated). Similarly, "trust in the store" loaded with "perceived risk" and so we included the relevant items in the refined scale for risk. Other variables loaded on factors as expected and demonstrated acceptable reliability values. Table 1 provides a summary of constructs, intercorrelations and reliability scores for all variables used in the analyses. The research questions were investigated using ANOVA and regression analyses.

Table 1 Constructs, Intercorrelations and Reliability Scores for Measures

	No of items	Mean	SD	Alpha	1	2	3	4	5	6	7	8	9
1. Merchandise	3	5.70	1.03	.85	1								
	3	5.34	1.12	.85									
2. Focus on service	12	5.91	0.98	.92	.47***	1							
	12	5.03	1.21	.93	.59***								
3. Location and convenience	2	5.96	1.14	.84	.40***	.53***	1						
	4	5.91	0.94	.78	.43***	.48***							
4. Comparative prices	1	4.76	1.94	-	.24**	.06	-.10	1					
	1	4.92	1.82	-	-.12	.01	.17						
5. Perceived risk	3	1.82	1.02	.78	-.26**	-.34***	-.11	-.39***	1				
	4	2.04	1.14	.89	-.36***	-.38***	-.43***	-.27**					
6. Overall value	1	5.74	1.14	-	.54***	.67***	.39***	.35***	-.38***	1			
	1	5.43	1.38	-	.54***	.71***	.44***	.39***	-.39***				
7. Behavioral intentions	2	5.75	1.31	.82	.44***	.72***	.36***	.28**	-.33***	.66***	1		
	2	5.01	1.62	.92	.49***	.66***	.37***	.15	-.35***	.62***			
8. Personalisation	2	3.88	1.82	.90	.06	.25**	.14	.06	.04	.15*	.23**	1	
					.02	.12	.13	-.12	.15	.01	.08		
9. Shopping affect	2	5.00	1.55	.78	.25**	.21**	.29***	.08	-.18*	.22**	.25**	.25**	1
					.19*	.30**	.39***	.04	-.14	.21**	.15		
10. Relationship proneness	2	5.06	1.70	.80	.15	.28***	.13	.17	-.17*	.25***	.29***	.32***	.28***
					.19*	.39***	.32***	.05	-.13	.16*	.21**		

Note. The first value represents the findings for pharmacies, the value in brackets below represents findings for department stores. Attitudes to personalisation, shopping affect and relationship proneness were only measured once; *p<.05, **p<.01, ***p<.001

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RESULTS AND DISCUSSION

As indicated in the Introduction to this paper, initially we wished to investigate two major questions. The first of these seeks to identify which customer and store characteristics contribute to overall value and the second tests for differences according to age. Findings related to these two questions are reported in turn.

Factors contributing to the overall value of shopping

To investigate the factors that contribute to the overall value of the shopping experience, two hierarchical regression analyses were used. To partition out potential effects of customer characteristics, they were entered as Block 1, with store characteristics as Block 2. These analyses used data from the whole sample for pharmacies and department stores. The findings are shown in Table 2.

Table 2 Results of Regression Analyses with Dependent Variable Overall Value

	Pharmacies		Department stores	
	Beta	Beta	Beta	Beta
Block 1: Customer characteristics				
Perceived risk	-.18	.00	-.35***	.03
Desire for personalisation	.09	-.04	-.02	.00
Shopping affect	.13	.03	.15	.01
Relationship proneness	.16	.01	.08	-.10
R^2 change	.12		.18	
Block 2: Store characteristics				
Merchandise		.19**		.26***
Focus on service		.58***		.63***
Location and convenience		.02		-.03
Comparative prices		.27***		.44***
R^2 change		.49		.53
Adj R^2		.58		.69

*$p<.05$, **$p<.01$, ***$p<.001$

Table 2 shows that customer characteristics do not predict overall value for pharmacies or for department stores, for this cohort. The initial effect due to risk, when

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department stores were the focus of attention, was not retained when store characteristics were entered. We therefore interpreted this effect as spurious. In contrast to customer characteristics, store characteristics demonstrated significant effects for quality and choice of merchandise, focus on service, and comparative prices, for both stores. In each case, the beta value for focus on service highlights its importance. Identifying service as the best predictor of "overall value" is of special interest because it extends the original benefits/sacrifices ideas developed with respect to "value for money" (Zeithaml 1988). Our findings in retail reinforce the views of Swait and Sweeney (2001) and Lemmink et al. (1998) that value needs to be conceptualised broadly.

Table 2 also suggests that comparative prices may not be as important to value in pharmacies, when compared to department stores. Finally, the difference in the variance explained (adjusted R^2 value) for pharmacies and department stores supports Kerin et al.'s (1992) comments that value in retail is context-driven.

Differences between age groups

Having established that the major contributors to overall value in retail for this sample, we wished to determine whether there were differences due to age. As a preliminary investigation, we ran ANOVA on the major variables (customer and store characteristics) using three age groups as the grouping factor (less than 50 years, 50 to 69 years, 70 years and older). No differences between groups were identified for customer characteristics or for assessments related to department stores. However, significant age effects were demonstrated for pharmacies with respect to overall value, focus on service, and location and convenience. Table 3 shows the findings.

Table 3 Results of Oneway ANOVA for Pharmacies Based on Three Age Groups

Dependent variable	F value	Groups demonstrating a significant difference	Mean difference
Overall value	3.71*	Less than 50 : 50 to 69 years	-.59*
		Less than 50 : 70 years and older	-.67*
Focus on service	9.55***	Less than 50 : 50 to 69 years	-.67**
		Less than 50 : 70 years and older	-.95***
Location and convenience	7.73***	Less than 50 : 50 to 69 years	-.71**
		Less than 50 : 70 years and older	-.94***

*p<.05, **p<.01, ***p<.001

Table 3 shows that younger consumers attributed a lower score to each of the three variables in question: overall value, focus on service, and location and convenience. This was not unexpected. However, based on Patterson's (2007) results for loyalty, we felt there may be a significant difference in the two age categories 50 to 69 years, and 70 years and older. The ANOVA did not demonstrate any such difference. Consequently, we ran another ANOVA in which we split the 50 to 69 years group into two groups (50 to 59 years, 60 to 69 years). This latter analysis showed significant differences between the age group less than 50, and the two older groups 60 to 69; and 70 years and older. However, the age group 50 to 59 did not demonstrate any significant differences to either their younger or older counterparts. From this finding, we assume that there is much variation within that age category, also indicated by relatively high standard deviations on the variables of interest.

Returning to our major aim of identifying differences in assessments of value by age groups, we decided to re-run the regression analysis for pharmacies, using age groups. Because the study is preliminary and based on a relatively small sample (n=193), we used only three age groups: less than 50 years (n=45), 50-69 years (n=98), and 70 years and older (n=50). Our gaol in these final analyses was to gain any insights

that might guide us in further activity, not to propose statistical generalisability. The findings from the three regression analyses are shown in Table 4.

Table 4 Results of Regression Analyses (Dependent Variable Overall Value) for Pharmacies Based on Different Age Groups

Age	Less than 50 years	50 to 69 years	70 years and more
Independent variable	Beta	Beta	Beta
Merchandise	.29*	.09	.19
Focus on service	.32**	.64***	.59***
Location and convenience	.05	.04	.17
Comparative prices	.60***	.16	.09
F value	21.19***	18.24***	20.87***
Adjusted R^2	.729	.504	.713

Table 4 shows that younger consumers are concerned with prices, and this effect is not evident for the two older segments. This makes intuitive sense, given that the "baby boomers" are known to be wealthier and possessing more disposable income than mature consumers in the past (Mattila et al. 2003), and are therefore likely to have other priorities. In contrast, younger consumers, with greater financial demands due, for example, to children and mortgages, are likely to be influenced by comparative prices. Returning to the mature segments, they appear to place more emphasis on the pharmacies having a "focus on service", with the lack of statistical differences in the ANOVAs discussed previously suggesting that this effect is consistent across seniors' age groups. However, the adjusted R^2 values reported in Table 4 are of particular interest. The variance explained for the 50 to 69 years age group (50.4%) is much lower than the other two groups, suggesting that the regression may be incompletely specified for this group.

In summary, few studies appear to have specifically explored the meaning of value, using both goods and services, for different segments and in specific retail

contexts. The findings from our preliminary study contribute to theory because they suggest that seniors emphasise service, while younger consumers are concerned with first, price; second, quality and choice of merchandise; and third, service. Further, effects are lesser for the seniors group in the 50 to 69 years age bracket, and results differ for pharmacies when compared to department stores. These findings point to activities to which managers may wish to direct their attention; and they warrant further research to understand and enhance the quality of consumer experiences. These two areas are the focus of the final two sections in our paper.

MANAGERIAL IMPLICATIONS

The outcomes of the present study suggest that retail managers would be advised to consider the value priorities of different segments in developing their management and marketing strategies. In particular, customer characteristics may not be as influential as expected in predicting value in retail but store characteristics and price appear very influential. This result was consistent for both department stores and pharmacies, and is good news for managers because they are able to address store characteristics.

Having a focus on service appears to be a stronger predictor of value than either price, or quality and choice of merchandise, although all three areas were significant. In this study, service is comprised of elements that reflect the attitudes of employees, prompt individualised attention, creation of customer value, an emphasis on customer service, and providing a consistent shopping experience. Managers can establish and maintain a service climate that expects, supports and rewards employees for their part in providing such an environment. In doing so, they are not just training their staff, but

ensuring that they understand their customers' needs, and monitor and evaluate their service.

A major finding of the study is that age did not produce different effects for department stores but it did for pharmacies. This finding seems to indicate that either consumers seek a department store "experience" that is more consistent across age groups, or that their needs from pharmacies vary more with respect to their age. We support both these possibilities and suggest that managers place particular emphasis on service in pharmacies, with older consumers. As noted previously, seniors are an increasingly important and affluent segment of the population, but senior shoppers complain less than younger shoppers (Moschis 2003) and their needs and preferences may be easier to overlook. Our study found significant differences for customers less than 50 years, when compared to those in the 50 to 69, and over 70 years brackets. However, considerably the factors contributing to value did not explain as much variance for the 50 to 69 years group. This group therefore emerges as a focus for attention by managers, with their enhanced health, wealth and mobility giving them the opportunity for greater consumer sovereignty than in the past.

LIMITATIONS AND FUTURE RESEARCH

The study reported here used a cross-sectional field method and, as such is subject to issues of sampling, validity of measures, and analyses and inferences (Mitchell 1985). Data were collected from only one regional city in Australia and the response rate was quite low (22%). As stated earlier, we were seeking to test a fundamental hypothesis that age would affect consumers' perceptions of value, in order to establish direction for future activity. Hence, we were not focussing on generalisability, and it is clear that the findings need to be confirmed in further studies,

in different contexts, before any assumptions might be made about their wider applicability. It is expected that we will develop the model and perform further testing in France and Australia.

Cross-sectional studies, which use multiple measures in similar formats are subject to common method variance (Mitchell 1985). This limitation means that correlations may be inflated, and results of regression analyses overstated (Lindell and Whitney 2001). We applied a rigorous approach to testing the measures for validity and reliability, resulting in the need to change some constructs in the initial model. We would like to redevelop some of these constructs and re-test their psychometric properties and relationships to the dependent variables.

The study has strength in that respondents were asked to complete separate sections for different types of stores. Findings for overall value appeared to be consistent for pharmacies and department stores, but findings for different age groups demonstrated more differences for pharmacies. Hence, research that focuses on certain types of stores and different age groups is warranted. We are particularly interested in the age group 50 to 69 years because the amount of variance in overall value (pharmacies) was considerably less for this group when compared to younger or older consumers. This finding seems to indicate that we may need to perform exploratory research with "baby boomers" to respecify our model, before proceeding with more activity.

Finally, the factor that we have called "focus on service" requires considerably more work. It arose from items in the perceived service quality and customer orientation scales and, despite its loading as one factor in the principal components analyses, it seems to incorporate a number of conceptual dimensions. Future work on this factor and related constructs should help to elucidate its effects, which appear to be very important to seniors.

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APPENDIX 1

ITEMS CONSTITUTING THE SCALES

Note:

1. Respondents were asked to evaluate the store they use most often by thinking about how it compares to other stores in the same category.

2. "Pharmacy" was replaced by "department store" when appropriate.

3. Unless otherwise shown, the same items were used for pharmacies and department stores.

4. Unless otherwise indicated, data were based on a 7 point scale from 1, strongly disagree, to 7, strongly agree.

Merchandise

(Data based on a 7 point scale from 1, much worse, to 7, much better.)

1. The choice of products within different categories, eg different brands of headache tablets (depth of products)

2. The number of different categories of products available, eg, headache tablets, eye drops, muscle pain cream, etc (breadth of products)

3. The amount of merchandise they have in stock (Are the products you want always available?)

Focus on service

(Data based on a 7 point scale from 1, much worse, to 7, much better.)

1. The willingness of employees to help customers

2. Employees who give prompt service

3. Employees who have the knowledge to answer questions

4. Employees who are courteous and polite

5. The ability of employees to inspire trust and confidence

6. Providing caring, individualised attention to customers

7. This pharmacy is committed to customers

8. This pharmacy tries to create customer value

9. This pharmacy understands customer needs

10. This pharmacy places a lot of emphasis on customer service

11. I know what to expect when I go into this pharmacy

12. I feel less anxious here than when I go to other pharmacies

Location and convenience

Pharmacies

1. This pharmacy is located in an area that is convenient for me because of its proximity to other stores

2. This pharmacy is located in an area that I find physically accessible (eg, near ramps or car parks)

Department stores

1. This department store is located in an area that is convenient for me because of its proximity to other stores

2. This department store is located in an area that is accessible by public transport

3. It is easy to park near this department store

4. This department store provides operating hours that are convenient for me

Comparative prices

1. Compared to other pharmacies this pharmacy is costly (recoded for analysis)

Perceived risk

(Data based on a 7 point scale from 1, very low, to 7 very high.)

1. The financial risk associated with using this pharmacy is..

2. The risk that I will be embarrassed socially due to my use of this pharmacy is...

3. The risk that I will feel uncomfortable psychologically due to my use of this pharmacy is..

4. The personal (physical) risk associated with using this department store is..(Item 4 included only for department stores)

Overall value

1. Thinking about the quality of goods and services that I receive, prices, and other costs or benefits to me such as convenience, time and location, I think shopping here is good value overall

Behavioral intentions

1. I am likely to do most of my future (pharmacy) shopping at this particular pharmacy

2. I am likely to recommend this pharmacy to friends, neighbours, and relatives

Personalisation

1. I like to know the employees who serve me by name

2. I like to be recognised by employees

Shopping affect

1. I enjoy social aspects of shopping

2. I feel positive about shopping

Relationship proneness

1. I like to be a regular customer of specific stores

2. I will go out of my way to patronise the stores I like