COORELATING THE MILLENNIAL GENERATION TO RETAIL GROWTH

By

ISABELLA JEAN WHALEN

A Thesis Submitted to The Honors College

In Partial Fulfillment of the Bachelor's degree with Honors in

Business Management

THE UNIVERSITY OF ARIZONA

MAY 2014

Approved by:

Dr. Victor Piscitello
Eller College of Management
Department of Management

The University of Arizona Electronic Theses and Dissertations Reproduction and Distribution Rights Form

The UA Campus Repository supports the dissemination and preservation of scholarship produced by University of Arizona faculty, researchers, and students. The University Library, in collaboration with the Honors College, has established a collection in the UA Campus Repository to share, archive, and preserve undergraduate Honors theses.

Theses that are submitted to the UA Campus Repository are available for public view. Submission of your thesis to the Repository provides an opportunity for you to showcase your work to graduate schools and future employers. It also allows for your work to be accessed by others in your discipline, enabling you to contribute to the knowledge base in your field. Your signature on this consent form will determine whether your thesis is included in the repository.

Name (Last, First, Middle)
Whalen, Isabella Jean

Degree title (eg BA, BS, BSE, BSB, BFA):
B.S.B.A.

Honors area (eg Molecular and Cellular Biology, English, Studio Art):
Management

Date thesis submitted to Honors College:

Title of Honors thesis:
Correlating the Millennial Generation to Retail Growth

The University of Arizona Library Release Agreement

I hereby grant to the University of Arizona Library the nonexclusive worldwide right to reproduce and distribute my dissertation or thesis and abstract (herein, the "licensed materials"), in whole or in part, in any and all media of distribution and in any format in existence now or developed in the future. I represent and warrant to the University of Arizona that the licensed materials are my original work, that I am the sole owner of all rights in and to the licensed materials, and that none of the licensed materials infringe or violate the rights of others. I further represent that I have obtained all necessary rights to permit the University of Arizona Library to reproduce and distribute any nonpublic third party software necessary to access, display, run or print my dissertation or thesis. I acknowledge that University of Arizona Library may elect not to distribute my dissertation or thesis in digital format if, in its reasonable judgment, it believes all such rights have not been secured.

☑ Yes, make my thesis available in the UA Campus Repository!

Student signature: Isabella Whalen Date: 5/6/14

Thesis advisor signature: [signature] Date: 5/6/14

☐ No, do not release my thesis to the UA Campus Repository.

Student signature: ______________ Date: ______________

Abstract

Older generations continue to categorize Millennials as being consumed with their technological devices. It’s easy for them as well as decision making senior management, to assume that Millennials do everything on these devices, even shopping. The first hypothesis discussed in this thesis is that Millennials prefer e-commerce to brick-and-mortar stores. Through secondary research, this hypothesis was disproven, as Millennials in fact spend less time shopping online that older generations do. The second hypothesis observed in this thesis built off the first hypothesis. Assuming that managers believe the stereotype that Millennials are not only a strong contributor to retail revenues but also that they do in fact prefer e-commerce, the second hypothesis claimed that retailers would be adjusting to these trends by minimizing the number of brick-and-mortar stores. An opinion survey was conducted of retail manager’s perception of these claims, which disproved the hypothesis. According to the data which coincided with the survey respondent’s perception, retailers are in fact increasing the number of stores at a higher rate the past 5 years than they have been the past 10 years. In summary, Millennials prefer brick-and-mortar stores to e-commerce, as retailers are continuing to steadily increase the number of stores over time.

Executive Summary

Technology is all around us. Some generations were born with it, some have acquired it. No matter how old you are, you've probably utilized technology sometime even today. But the trend that many older generations see, and create stereotypes around, is that Generation Y is glued to their mobile devices, PDA's, and laptops. It's a common complaint from Baby Boomers and even the older of Generation X. Generation Y, or the Millennials are known to constantly be texting, using the web, and using apps at all times.

This thesis connects this stereotype to retail. It's easy to assume that if Millennials are constantly connected to technology, and use this technology for everything, that they also heavily shop online. This thesis theorizes that retail managers perceive the younger generation, the Millennials, as e-commerce driven consumers that don't utilize brick-and-mortar stores. An opinion survey was conducted to gauge retail manager's perception of this stereotype. The results were split; half of the respondents think Millennials shop mostly online, as the other half think they shop mostly in-store. Data from secondary research also disproved the hypothesis. Multiple surveys were researched and analyzed, as they all came to the same conclusion. Millennials not only prefer shopping in brick-and-mortar stores, but they also spend less time shopping online than any other generation. Secondary data also proved, however, that several Millennial driven chain stores were maintaining competitive rankings as multichannel retailers against mass merchandisers, specialty stores, and discount retailers. These select retailer's e-commerce strategies coupled with their brick-and-mortar growth helped them maintain a competitive advantage over other Millennial focused chains and department stores with the same target market.

Building off the initial hypothesis that Millennials shop strictly online, this thesis also hypothesizes that if the first statement is true, then it could be expected that retailers are closing or condensing their brick-and-mortar stores. This hypothesis includes department stores with Millennial merchandise and chain stores with a focus on Millennials, assuming these closures are necessary in order to further develop their e-commerce presence. In order for Millennials' hypothesized e-commerce habits to cause a disruptive incline or decline in store growth, it needs to be proven that they are a big contributor to retailer's revenues. With substantial secondary research, it was found that Millennials currently aren't as economically influential as their older generations, especially with the recent recession. However, they are still huge players, and as the biggest generation since the Baby Boomers, they are only going to grow as contributors to retailer's success. In the opinion survey, we also measured retail manager's perception of their company's growth or decline in number of stores. It was apparent they were not misled by a stereotype about Millennial's influence on store growth, as most agreed that their companies were growing quickly in the past five years.

Retail managers were found to either have a clear grasp of Millennial's true consumer behavior, or believe in the stereotype that they're engulfed in their technological devices. However, it was clear that retail companies were not falling into this hypothesis, as their brick-to-mortar growth has only grown in the past 5 years.

Table of Contents

Profile of a Millennial

Demographics

The Millennial Generation has several nicknames. “Generation Y” and “Echo Boomers” are more popular ones. The generally accepted age range for the Millennial Generation is between 13 and 33 years of age. The range is so spread out because the 13-22 cohort are privy to many of the same circumstances and environments as the older cohort, like school and living conditions. However, those in the 23-33 cohort are drastically different from the younger cohort due to their level of independence and career advancement. The older cohort is commonly miss-represented or ignored by its younger counterpart in market research. The Millennial population makes up 93 million people in the U.S., which makes it the largest generation, followed by the Baby Boomers (Census 2012). Millennials identify themselves as a unique generation. A study that surveyed what they thought made them unique resulted in 5 top self-assigned characteristics: technology use at 26%, music/pop culture at 11%, liberal and tolerant at 7%, smarter at 6%, and clothes 5%. Technology, a focal point of this research, is agreed across all generations to be an identifier for the Millennial generation.

Their total income averages $600 billion a year (Kennedy 2001). The older cohort is averaging an annual income of $51,381, as the younger cohort is averaging $30,604 annually (Census 2012).

The Millennials are more ethnically and racially diverse than older generations, as seen in Figure 1 (Pew Research, 2010). Despite the mix, Caucasians make up a strong majority at 61%, as Hispanics and African-Americans make up 17% and 15%, respectively (Census 2012). Research shows that Hispanics, African-Americans and Asian-Americans populations will grow drastically over the next few decades (Nielsen 2013).

Population Distribution

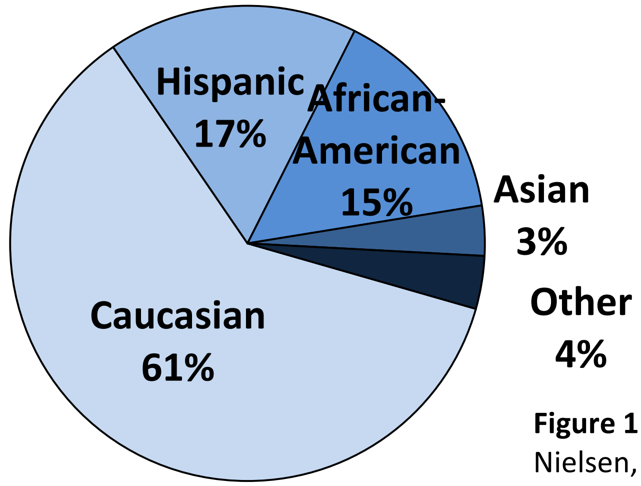

Figure 1
Nielsen, 2013

The family dynamics of the Millennial generations are different from previous generations. For instance, only 60% were raised by both parents, a decreasing number. In fact, parenthood and marriage are perceived as paramount to Millennials when compared to career and financial success (Pew Research, 2010). About one in eight Millennials over the age of 22 have moved back to their parent’s home, partially due to the recession. In fact, 36% of Millennials depend on their parents or family for financial assistance. The younger cohort, college students included, is a huge portion of that percentage (Pew Research, 2010). This greatly affects the amount of expendable money Millennials have to spend at retailers.

Millennials are significantly less likely to live in rural communities as their parents, the Baby Boomers, as shown in Figure 2. A significant number of Millennials live in suburbs or central downtown locations (Urban Land Institute, 2013).

Location of Millennials

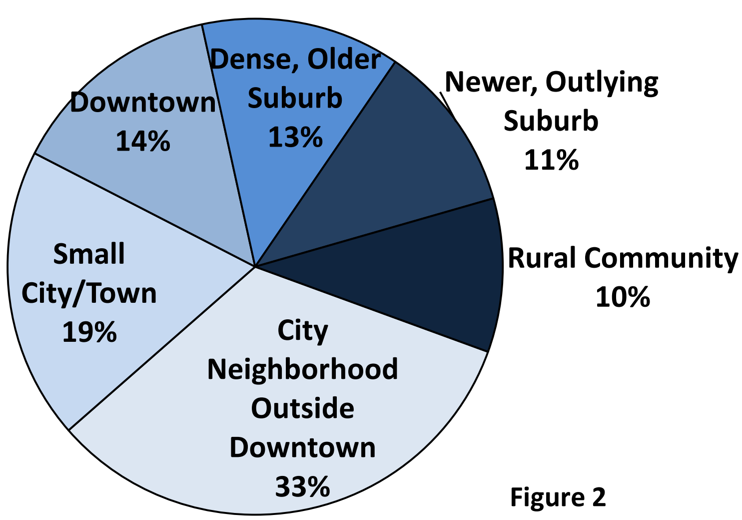

Figure 2
Urban Land Institute, 2013

Attitudes and Characteristics

Both age cohorts claim to have a similar hierarchy of personal life priorities, as shown in Figure 3. In opinion surveys, slightly over 50% agree that being a good parent is one of the most important things in their lives. Other priorities include having a successful marriage, helping other in need, owning a home, and living a very religious life (Pew Research, 2010).

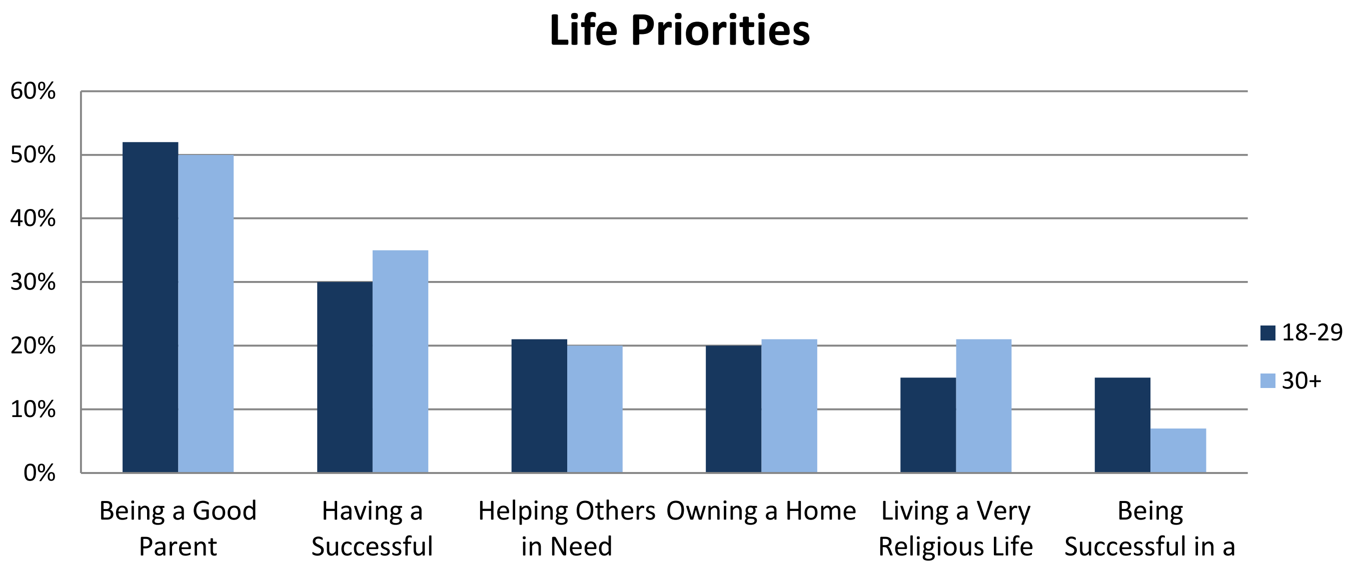

Figure 3
Pew Research, 2010

Despite the claims of the Millennials, research shows different. In a study conducted by Sue Loroz and Helgeson, materialism in the form of [1]success, [2]cenrality, and [3]happiness was significantly high in Millennials. It was higher compared to Baby Boomers specifically. Religiosity, although ranking high, was less important to Millennials than to Baby Boomers. Further findings included that the younger generation is slightly more self-monitoring (Sue Loroz and Helgeson, 2013).

Being open-minded and generally accepting is another huge trait of Generation Y. Socially, politically, religiously, and as consumer, they're open to change or controversial issues. Inter-racial couples, radical changes in government, self-definitions of religion, and open-ness to advertising are examples of what Millennials are open to (Pew Research, 2010). The generation's tolerance and acceptance of advertising is crucial, as advertisements continue to consume more and more media platforms like social media, Hulu, etc.

Why Generation Y Matters

There are multiple reasons Generation Y deserves so much attention from companies today. The four this thesis focuses on include their size, their influence, their prime age, and their spending habits, all of which contribute to long term potential.

Generation Size

As previously mentioned, the Millennial population encompasses 93 million people. This is almost 30% of the entire population of the United States (Census 2013). With this huge population, they can't be ignored. Although many people may bring to light that they simply don't have the same buying power as Baby Boomers, the fact of the matter is, there's so much Millennial spending that the numbers make up for the smaller wallets.

Opinion Leaders

Because Generation Y is the first to have been born with technology, they're well versed in it. We see time and time again that in both everyday life and when shopping, Boomers rely on a member of the Millennial generation to assist them with technology. This member is usually a child or child of a friend, and someone they're close with. They rely on the younger generation due to their expertise and familiarity. An example is Consumer Electronics. In a survey, over 60% of millennial respondents confirmed that they have some influence on their parents' purchases of Consumer Electronics, as 41% gave advice to friends or parents. This kind of an impact can't be ignored.

The family dynamic is the strongest bond that reinforces the Millennials' influence. We see younger siblings that look up to older siblings in the younger cohort. On the other spectrum there's the older Baby Boomers relying on their children in the older cohort for information, direction, and advice with technology. In a national survey conducted by Cotton Inc., it was determined that family has a 21% influence for most purchasers. About 36% say that they depend on financial support from their families (PewResearch, 2010). Although short term this means they don't have a large excess income to spend at retailers, this also means they are a huge influencer on how Baby Boomers and Seniors are spending their money.

The level of self-monitoring of the average Millennial is higher than their Baby Boomer counterparts (Sue Loroz and Helgeson, 2013). The consequence is Millennials are attention heavy and require peer approval. In fact, friends impact 53% of all U.S. shoppers, Millennials included (Cotton Inc., 2013). The population size of Generation Y compounded with this huge peer dependence equates to how much influence they have over retailer's success. It helps to realize how much they value the opinions and reviews of their peers because they are opinion leaders within their own generation as well.

In summation, although the Millennials may not hold the purse strings as of yet, they are influencing when said strings get loosened. Their indirect impact on spending is tremendous, and shows huge potential for future spending as well.

Age

The older cohort of Generation Y is already on its steps to the second or third promotion in their career. We see this as only a small portion of this generation, mostly because of how the recession has horribly impacted the career potentials of Millennials. The economic conditions from 5 years ago have left a lingering negative affect on economic success of Millennials entering the workforce. We're finally seeing conditions stabilize and finally giving the young generation a reason to be so optimistic towards their future. Although they had a rough start, as the younger cohort of Millennials enter the workforce, they are more stabilized, are capable of more spending, and will have a bigger wallet faster than their older cohort.

To the misfortune of retailers, multiple Millennials have and are moving back home after college, a sign of financial dependence on their Baby Boomer generation still. But the potential for higher incomes and higher spending is huge for the younger cohort, including those just leaving college and those that haven't even started college yet. Over time, as the younger cohort matures, they will prove to be a core portion of the nation's economy.

Spending Habits

Although Millennials aren't making as many annual shopping trips per household as other generations, they're still spending as much or more. Amount spent per shopping trip was $55, as

Boomers only spend average $45. At mass merchandisers specifically, Millennials spend on 7average $54 a trip, as Boomers and Seniors spend $47 and $35, respectively. (Nielsen).

The Millennials are expected to exceed all other consumer groups combined by 2030 (Stanley 2013). The inevitable potential growth of the Millennials' wallet is guaranteed to benefit or harm retailers, depending on how they react to their interests and behaviors.

Consumer Behavior

Looking farther into the Millennials' attitudes and beliefs can allow us to better understand their behavior as consumers. Only then can we develop sound opinions on the efficiency of upper management of retailers nationwide. Looking into general attitudes of Millennials' spending will prove whether they truly prefer e-commerce to brick-and-mortar more.

General Attitudes

As previously mentioned, the Millennials rank high on self-monitoring, which is reflective of their age. These individuals heavily depend on the approval or input of those in their peer group. It starts with active research and ends with an online review about their recent purchase. In fact, Millennials are three times more likely to research a product before making the purchase (CivicScience).

There is a desire to spend on the Millennials behalf. Not only are they known to be compulsive buyers (Sue loasdf), but they feel like they never have enough money to spend. Only 30% of Millennials ages 18-29 said they made enough to live their ideal life (PewResearch, 2010). This brings the promise of increased spending on the Millennials' behalf once they get a firmer grasp on economic conditions.

Shopping Behavior

-General Shopping

The younger and older cohorts have different shopping habits, but overlap more than they do differentiate. Unless specified, we make the assumption that the facts presented apply to the majority of the Generation Y population.

Chain stores are the most popular place to shop for clothes, as mass merchants takes a close second. Department stores and specialty stores follow behind, respectively.

Millennials spend an average of 96.5 hours shopping in-store and 97 hours shopping online in a month. There's a wider range the minimum and maximum hours for the older cohort, as 105 hours are spent online with the younger and only 89 hours are spent by the older cohort. There's only a small decrease for in-store time spent, at 98 hours and 95 hours (Cotton Inc., 2013).

Millennials that are making between $25,000-$49,000 annually were surveyed on how much they spent on apparel the previous month. The distribution of their disposable income being spent on retailers can shown on Figure 4. The majority was between $0 and $100 (Cotton Inc., 2013). Each shopping trip may not be extravagant, but their purchases will occasionally be profitable for retailers.

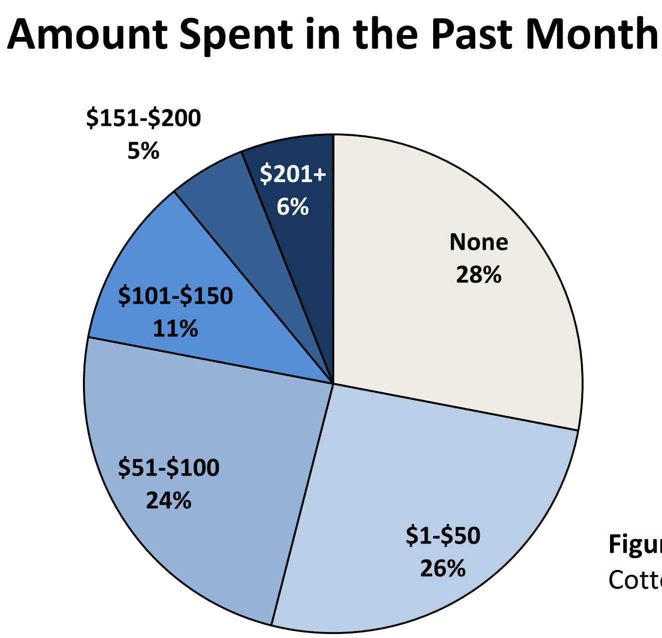

Figure 4
Cotton Inc., 2013

As previously discussed, the Millennials have a high dependence on peer reviews. But what sources do they trust for this information? About 71% of U.S. shoppers look for reviews directly on the retailer's site, and 45% go to e-commerce sites. Social media and blogs are two less popular options, at 17% and 8%, respectively. These reviews are written by 68% of online purchasers. A huge percentage of U.S. shoppers, 81%, claim that product reviews for clothing are believable (Cotton Inc., 2013).

-Online

In terms of Online shopping, it is widely assumed that a majority of Generation Y shoppers prefer online because they're known to be so tech savvy. In general, U.S. shoppers spend on average one hour and forty-five minutes browsing online. Men are closer to an hour and a half, as women are closer to two hours. This time is directly on par with time spent shopping in-store. We see that the e-commerce experience is utilized just as much as brick-and-mortar stores.

We see the trend that online shopping is spurred by social media or email correspondence. It's not even close to overcoming the organic searches, but is a growing opportunity. In 2010, only 3% of online shopping was initiated due to social media. In just three years, that changed to 9% in 2013. Out of popular social media, we see Facebook leading the pack in e-commerce lead ins. They take up39%, followed by Pintrist (19%), Twitter (14%), blogs (13.5%), and Instagram (9.8%). One of the leading reasons for this push in social media driven shopping is the availability of opinions and reviews. Again, these reviews make or break products online, and having that availability can further grow brand loyalty if done right.

Concerns for shopping online revolve around ease and availability. Topping the list is shipping cost, as 89% of U.S. shoppers consider this a concern of theirs. Clothing quality (81%), the return policy (80%), not trying on clothing (74%) the highest ranked concerns. To the surprise of some, the last of the top 8 concerns is shipping time (67%). These are concerns to address when enlarging or redefining one's e-commerce site (Cotton Inc., 2013).

Phones are another concern of retailers. With online coupons to find better deals while in-store, there are a lot of opportunities and threats for smartphone use. Over half (61%) of all cell phone users are using a Smartphone. About 50% of all Smartphone owners agree they use their device to browse for clothing online. Only 37% say they haven't. This is yet, another opportunity presenting itself to retailers. However, retailer's concerns rest in how these devices are being used in physical stores. The way to battle a negative outcome is to set the stage for mobile device interaction while Millennials are in store. Yes, a solid 77% of shoppers compare prices online before purchasing in-store, but 73% also browse for coupons, as 71% browse new styles. These percentages are so closely tied together, that it seems as though coupons can easily overcome the Millennials bringing competition in with them on their mobile devices (Cotton Inc., 2013).

-In-Store

Shopping in-store traffic depends on the type of establishment. For instance, frequency of Chain Stores has increased in the past 6 years by about 4%, as Mass Merchants has stayed relatively consistent. Department has seen an unexpected rise in 2012, where they were extremely consistent prior to then. Specialty stores have seen a decrease since 2008, but staying competitive with Department stores. The only source with a steady increase is e-commerce, but at 7%, it still doesn't compare to Chain Stores (25%) and Mass Merchants (23%) (Cotton Inc., 2012).

What do the Chain Stores and Mass Merchants have that Department Stores and the internet don't have? They don't have the in-store experience that shoppers, especially Millennials, are looking for. Consumers between ages 13-24, a majority of Generation Y, are significantly more likely (58%) that those ages 25-70 (45%) to embrace the store experience (Monitor, 2012). This experience is improved through window displays, sales associate interactions, and most importantly, fitting room renovations. Fitting rooms is where shopping is converted into a purchase for a majority of shoppers. These renovations include Old Navy moving their fitting rooms to the middle of the store, Ann Taylor adding chandeliers, and Macy's incorporating lounges for the accomplices of shoppers. Making the conversion point the most enjoyable for all parties is a win-win for retailers (Cotton Inc., 2013).

On average, women will visit a store about 2 times a month. Men on the other hand, will visit 1.5 times a month in a year. We see that frequencies aren't too high, which depicts that most trips to the store are planned.

-Summary - What is Truly Preferred

Across the board we see that shoppers are converted into buyers when in-store rather than they are online. Despite the stereotype that Millennials strictly prefer online shopping, the opportunities and experience of shopping in-store make brick-and-mortar stores the preferred shopping location. In the words of ShopperTrak's Bill Martin, "Lately, online gets all the headlines, but the reality is 90% of all commerce takes place in brick-and-mortar stores." The same hesitations that other generations have about online shopping strongly resonate with Generation Y as well. They don't depend on online sites for shopping, but rather utilize it as a tool for smarter and better shopping. Instead, we only see Millennials depending on e-commerce for luxury goods or high priced items. In fact, Generation Y's online purchases of luxury goods increased by 31%, more than any other generation. These are usually items that don't have the same shipping costs, probability of being returned, debatable quality, or need for testing or trying out. Essentially, luxury items purchased don't have the same liabilities that clothing or apparel bought online have. It's most convenient to purchase these goods on an online site, unlike clothing. We see from this example that e-commerce has the potential to be the preferred medium of shopping. Until the intangibles that are attached to shopping online are altered, Millennials will still depend on the brick-and-mortar to ensure their full satisfaction when shopping.

Physical Stores – Market Share, Number and Size

Department Stores

Although the target market of department stores generally is not Millennial consumers, it counts to observe their growth. We can observe their store growth to their altered strategies over time. Multiple department stores have succeeded that Millennials are a group worth targeting only recently. We can compare across years of data how this re-direction has affected store growth in recent years. We also observe the essential environmental impact on all retail, the economic recession that occurred in 2008 and 2009. This circumstantial factor is relevant to compare their growth to the growth of chain retailers.

-Market Share

Department stores used to be a go-to location for all apparel and accessory shopping. These “General Merchandise Stores” are considered Big Box, and are known to be the anchors of shopping malls nationwide. Immediately prior to the economic downturn in 2008-2009, they were already experiencing strong declines in revenues. Out of retailers, big box stores were hit the hardest by the recession. However, through various in-store renovations, marketing techniques, and most importantly, consolidations and strategic store openings, department stores are pushing to remain a top retailer.

Out of all retailers, there has been a dramatic decrease in revenues in department stores since the recession. Their rankings have decreased substantially. In 2009, there were 7 top ranked retail department stores. By 2013, there were only 3 top ranked department stores. We see from this trend that most department stores did not have the business models needed to transcend the economic downturn. Consequentially, a survival of the fittest environment grew out of the recession, leaving some smaller stores to fall to the way side or be bought out by the biggest players.

One thing to be said for department stores is that whether their sales are increasing or decreasing, it’s been fairly consistent, as shown in Figure 5. From the early 90’s department stores saw sharp increases in sales. When 2000 came, so did new competitors, and a change in the market.

Specialty stores cut into sales of non-apparel merchandise that department stores had once dominated. Electronics, especially, is one of the products that department stores couldn't maintain competitive prices or inventory on. They experienced a substantial down turn. Department stores made radical decisions in response. Federated Department Stores made

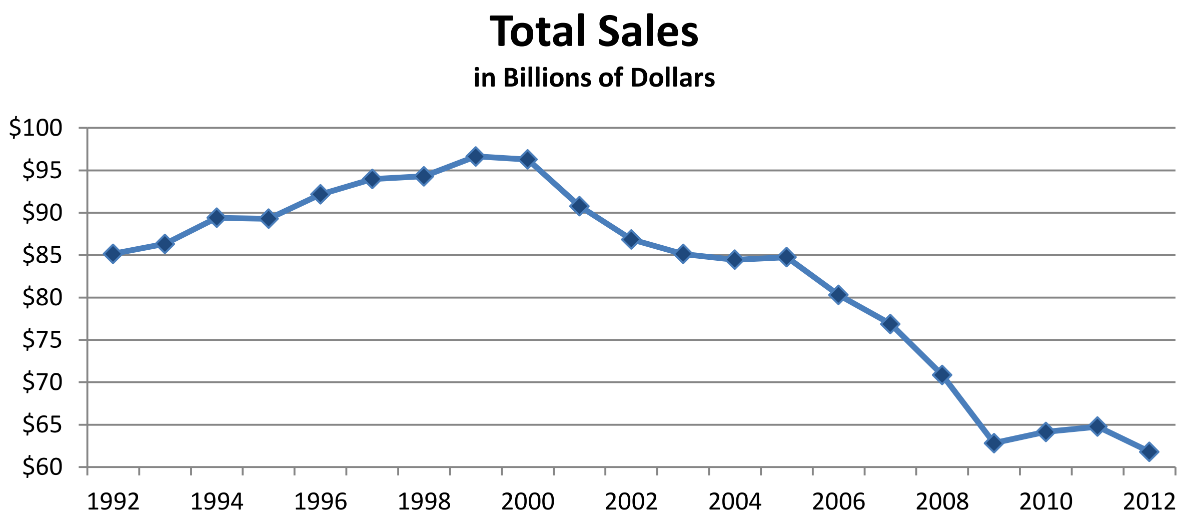

Figure 5
Census, 2012

several acquisitions of regional department store leaders and later renamed itself and all acquired stores Macy's. J.C. Penny made aggressive moves to build more stores. Mervyn's went private and heavily consolidated its stores after being sold by Target.

As apparent on Figure 5**,** these changes caused a drastic halt in department store's steep decline for about eight years. However, immediately prior to the recession, these changes didn't hold the department stores for too long. In fact, between 2007 and 2009 they experienced a devastating blow to sales. Since 2009 they've leveled out their decrease in sales, which is still on a negative trend (Census, 2012).

This negative trend isn't representative of all department stores, however. The market share leaders have experienced slight increases in revenues. Stores like Mervyn's, Beall's, and Boscov's are no longer market players, making room for the bigger players like Sears, Macy's, Kohl's, and J.C. Penney. Between 2009 and 2013 the companies that received increases in revenues include Sears (18%), Kohl's (10.3%) and Macy's (1%), as J.C. Penny fell by (13.7%).

We see the winning stores were making changes targeted directly to the Millennial Generation. Macy's is the spearhead for this change, although they haven't seen the same returns as other department stores. These renovations and additions include young private labels with fashion forward styles that mirror successful stores like H&M. Labels nested under the "Impulse" apparel include Material Girl by Madonna. Kohl's also is targeting this younger demographic with celebrity or high fashion brand labels like Brittney Spears' Candies Collection and Simply Vera Vera Wang. Dillard's also has added younger labels to Millennials' delight by adding clothes taken directly from the reality TV show *Project Runway*. Another trend in department stores that's contributing to the survival of the fittest stores is the shopping experience renovation. These changes range from small details like more mirrors and better signage to big additions like shopping carts and revamped store layouts (Retail Business Market Research Handbook).

The total growth for department stores has decreased over time, but has still maintained its growth depending on the store. Neiman Marcus is the only store to have a positive growth from 2010 to 2012. Kohl's went from #57 of the 100 fastest growing chains in 2010, but didn't return to the list the following years. Nordstrom, Macy's and Saks all maintained a spot on this list, but lost their rank from a range of 3 spots up to 37 spots. As previously pointed out, we see the top department stores maintaining a competitive grasp, but being far from taking up a majority of market share compared to other retail stores (Retail Business Market Research Handbook).

-Store Growth

At the beginning of the 21st century, right as department stores felt the economic strain, multiple companies ran to close less profitable stores. J.C. Penny led this trend by closing 50 stores between 2001 and 2002.Dillard's closed a modest 10 between 2002 and 2003. On the other hand, Macy's and Nordstrom started opening stores in response to the economic downturn. Macy's opened 18 in 2001 and Nordstrom opened 15 in 2001 and 11 in 2002. By 2004 almost all department stores swapped strategies; the companies that were closing stores slowly opened more, and those that aggressively opened stores initially opened only1 or2 more or none at all. Between 2005 and 2007 there were multiple acquisitions, consolidations, and shut-downs of department stores. Federated Department Stores officially renamed itself to Macy's, and renamed all and regional stores under the Macy's name. After purchasing Macy's and many regional department stores, Macy's had more physical stores on its hands than it knew what to do with. It went from having gaining 486 stores in 2005 to closing 88 the following year. Stores like Dillard's and Nordstrom maintained a steady increase of stores between 2001 to 2007, as Dillard's opened an average of 1 store per year, and Nordstrom an average of 8 per year (Merrill Lynch, 2007). In 2009, Kohl's proved to be a survivor past the recession by opening 56 new stores in 2009. J.C. Penny has been consistently the only real risk taker. It aggressively opened over 60 stores during 2006 and 2007, right as the department store popularity decline hit. It also opened 17 stores in 2009, amidst the recession.

Come 2013 we see that there's still room for growth despite the negative trend of revenues. Kohl's continues to grow exponentially as they opened 21 stores in 2012. Nordstrom directly behind it, although known for their exclusivity, opened 15 in 2012. Macy's and Neiman Marcus continue to grow at a substantial rate, as each opened 7 stores each. This growth depicts that, despite negative trends, physical brick-and-mortar stores are a retailer's most profitable asset. As stores are an enormous monetary investment, we see this allocation on behalf of department stores as a huge implication of consumer's preferences for brick-and-mortar vs. e-commerce. Even in the worst financial circumstances, the best in the market are moving to further saturate markets with physical stores, because it truly is the most advantageous move in order to reach their target markets, including Generation Y.

-Size of Stores

In order to stay competitive at the beginning of 2000, multiple department stores reduced the product lines they were used to carrying. The phrase "general merchandiser" became a less and less accurate description of department stores. The reason for this is that a majority discontinued selling specialty items that specialty stores were selling, especially since these specialty stores had more competitive prices and a bigger selection. They essentially became giant clothing stores. From a customer service stand point, this is more inconvenient for a majority of shoppers, especially the Millennials. It's harder for them to navigate to find the trends and styles they want to wear that matches their fashion type. Other chain stores, however, are very pointed in the type of clothing they offer, the general styles, and price points. Chain stores are more straight forward and simplistic, therefor more desirable by Millennials. This explains how the steady growth of big box stores is being overshadowed by the newer chain stores.

Currently, big box stores are responding not in the number of open stores, but in the size. In the words of The Retail Design Institute's Bian Dyches, "Growth is no longer in the reckless abandon phase of the 90's. The real strategy driving smaller formats was about the costs related to real estate, employees, and inventory." Rather than close stores or open huge, extensive stores, experts and responsive department stores understand that condensed stores are ideal. As the Millennial Generation ages, they lose the ability to spend time shopping, quite on par with their affluent Boomer parents or Seniors. An example is Kohl's. Seven of the most recent store openings were only 64,000 square feet, as the average full size store for Kohl's is 90,000 square feet. Deloitte anticipates e-commerce to play a big role in store size shrinkage.

Although store numbers aren't decreasing, industry attitudes and opinions contribute this to store's emphasis on maintaining the brand experience to maintain customer loyalty that can substantially depict the assortment the consumers look for. With the integration of technology, this shrinkage can be assisted with the support of a strong e-commerce site for each department store (Alison Paul, Deloitte)

Chain

What separates department stores from chain retailers in this research isn't just their store size, but also their target market. The research and data analysis used to measure chain retailers' success was limited to those that focus on Generation Y consumers. This filtering was determined by a number of criteria. The first filter was product. Is the apparel in the size range of young adults? What era of fashion are they applicable to? How conservative or trendy are they known to be? The second filter was price range. Are prices affordable for a Millennial to purchase on their own? Is the price range on par with the quality of the product? The third filter was end consumer rate. What age group is known to consume the products from these retailers? What age group are the brands under this company most popular with? After matching companies to these three filters, I was able to highlight appropriate stores, and continue the data analysis on their growth. This allows for a better correlation between brick-and-mortar growth and Millennial consumption.

-Market Share

While department stores were experiencing the worst revenues during 2007, chain retailers were still the fastest growing. Stores like Zumiez, Charlotte Russe, and J. Crew topped the charts, as Aeropostale, bebe Stores, Wet Seal, and Urban Outfitters fall throughout the list of the top 100 fastest growing retailers. Only 3 department stores made the list, as multiple specialty stores made it as well (Stores, 2007).

Upon the recession hitting the economy, chain stores suffered severely. Top retailers in 2009 were food and drug stores, mixed with hard specialty retailers. Some department stores and chain retailers made this list, but severely dropped in comparison to previous years. This trend set the tone for the next several years, up to current times. Chains like Anthropologie made entrances around 2010 to quickly fall below ratings' threshold. The stores that did make comebacks, however, were discount stores. Dollar General, TJX, and Family Dollar all worked up ranking in total revenues, particularly in 2012. These comebacks were prevalent due to the fact that food stores, drug stores, and hard specialty stores all remained extremely prevalent (National Retail Federation, 2012).

-Store Growth

Chain stores may not have the same sales volume or square footage that department stores have, but with a sufficient number of stores to saturate markets, they can still compete. A strong number of chain stores aggressively grew their business in 2001. Some of these retailers include Abercrombie & Fitch (137), Gap Inc. (249), and Pacific Sunwear (129). In 2002, immediately following these huge growths, most chain retailers decreased store growth to a modest roar. All but Gap Inc. maintained a positive and slightly fluctuant increase in store openings through 2007 (Shopping Centers Today).

Despite its volatile history, Gap Inc. in 2012 is the top chain retailer to be opening stores. Multiple chains fell off the map as their once aggressive growth decreased in comparison to faster growing food, drug, and specialty stores. These include Pacific Sunwear, Coach, and Claire's Stores. The ones to continue their growth include Abercrombie & Fitch, Aeropostale, Limited Brands, Genesco, and American Eagle (Shopping Centers Today).

The most successful chain retailers have a primary target market of Generation Y followed by Generation X. Out of the fast growing chains in 2012, there were over twice as many Millennial focused retailers than Boomer or Senior focused retailers. We see that not only are retailers reacting to the upcoming demand of Millennial consumers, but that, coupled with their brick and mortar store growth, Millennials are responding to their physical stores positively (Store, 2012). To further prove this point, the market share rankings from the largest retail chains are also filled with similar Generation Y and X specific retailers: Gap Inc., Abercrombie & Fitch, J. Crew, and American Eagle Outfitters (Chain Store Guide, 2012).

Although these stores are significantly increasing their brick-and-mortar stores on par if not more than retailers with older target markets, their revenues make them market leaders. This information proves that the Millennial Generation is directly impacting the growth of retail nationwide.

-Size of Stores

Chain Retailers already have the condensed square footage on their side. But that still doesn't stop consumers to take out their phone to find a better deal while on their mobile device or PDA. Rather than focus on size, chain retailers, especially those with high price items, need to focus on offering the opportunity to interact with shoppers via mobile device or PDA. This only personalizes the shopping experience, which is a top priority of Millennials, but it also distracts them from using these same devices to search and compare competitor's prices. Apps are effective ways to achieve this goal. In-store devices are also popular to engage the sales associates with the consumer to ensure they are getting the full in-store experience while still getting a trendy and efficient way to shop. Examples include electronic and mobile cashiers, tech incorporated fitting rooms, or access to their e-commerce site while in-store to broaden the available merchandise.

Summary

We see that, aside from mass merchandisers (25%), U.S. consumers go to shop at chain stores (23%) (Cotton Inc, 2012). Department stores (14%) and specialty stores (11%) immediately follow, as online (6%) is last. As we've established, Millennial consumers are a huge factor of importance in chain stores' growth. We make this connection due to the fact that a significant number of successful chain stores are targeted towards Millennial consumers. We see that department stores still aren't directly targeting Millennials, but contribute their recent comebacks in revenue to their recent attempts to reach this market. Not only are Millennials shopping in brick-and-mortar stores more than anticipated, but these stores that they frequent are receiving competitive revenues and store growth as a result.

E-Commerce – Usage Rates, Sales Volume, and Trends

Usage of E-Commerce

As the importance of brick-and-mortar stores has already been established, we look into the part that e-commerce plays into retailer's revenues. E-commerce sites have been known to be used for research or price comparisons when not used for transactions. It would be premature to assume that e-commerce sites aren't as important to a company's success at physical stores, however.

Online apparel and accessories sales were $34.2 billion in 2011 and increased to $41.0 billion in 2012. This 19% increase is expected to continue in the future, according to eMarketer. How often are U.S. shoppers going on line to make purchases? Compared to going to stores or shopping online, only 6% of U.S. shoppers utilize e-commerce according to Cotton Inc.'s Lifestyle Monitor Survey. Over half of U.S. shoppers (60%) claim to shop online at least once every three months (Forrester Research). The generation shopping online the most isn't Generation Y. In fact, Generation X, ages 31-44 dominate online shopping, as 68% make an online purchase once if not more every 3 months. The second and third largest group of individuals shopping online is the 45-54 age groups (64%) and the 55-65 age groups (60%). Despite not having been raised with technology, Millennials' parents and older siblings shop online for apparel more often. Only 54% of shoppers aged 18-30 make a purchase at least once

Figure 6
Impulse Research, 2013

every three months (Forrester Research). Understanding how Millennials have yet to become affluent with limited wallet sizes, it's not a surprise that prices are their number one reason for shopping online. Avoiding shopping hassles and crowds is the second most common reason, as shown in Figure 6 (Impulse Research, 2013). From these numbers we see that Millennials are actually o-ne of the smaller contributions to e-commerce sales volume.

Although the conversation rate on e-commerce sites is lower for Generation Y shoppers, the time they spend shopping online varies between age cohorts. According to Cotton Inc. Lifestyle Monitor Survey, consumers between the ages on 13-24 spend about 105 hours shopping online a month, and shop in-store for only 98 hours. Those in the older cohort that fit into the 25-34 age group spend 89 hours shopping online and 95 hours in stores. The older cohort of Millennials shop less online than every other age group (range of 13-70 years of age). Both cohorts spend less time shopping online than both Generation X and Baby Boomer respondents. The times spent shopping coincides with the generational differences in conversion rate of online shopping. Despite Millennials' low conversion rate and time spent shopping, their rates are still significant in comparison to their income capabilities. With time, improved economic conditions, and further financial independence, these numbers are sure to increase.

Largest E-Commerce Companies

Although further investigation proves that brick-and-mortar stores are where retailers make the majority of their revenue, ignoring the importance of e-commerce sites would be missing a huge opportunity. Successful e-tailers and companies with a solid e-commerce site are proof that maintaining a multichannel status optimizes revenues.

The number two fastest growing chain retailer doesn't have a single brick-and-mortar store. Amazon.com experienced a 46.2% increase in size in 2010, and continues to be the biggest threat to other retailers. Amazon also topped the list of online retailers in 2011. They aren't the only e-tailer that has seen substantial success. Overstock.com ranked number ten of chains with top growth. The success of these e-tailers indicate that despite the low percentage of consumers that shop online, e-commerce sites that satisfy consumer's needs are taking a majority of revenues from this smaller portion of shoppers. By looking into what these e-tailers are doing right, multichannel retailers can translate some key aspects to grow their own e-commerce sites.

Filtering down to online retailers, we see from Internet Retailer's Top 500 Guide that department stores top the list, with a substantial number of Millennial focused retailers making the top 300. This list includes mass merchandisers, specialty retailers, and discount stores. Companies like Abercrombie & Fitch Co., Urban Outfitters, J. Crew Group, and American Eagle Outfitters make the top 65 of this list. Because of these exceptional rankings, it's evident that these companies are consuming a high percentage of the Millennial online shoppers' time. These are examples of outstanding multichannel chain stores.

Filtering another level to focus on only multichannel retailers, the rankings further prove how big of a market share Millennial focused chain retailers have. According to Multichannel Merchant, in 2009 mostly mass merchants and specialty retailers were ranked based on total direct sales. However, just two years later more millennial focused stores rose to the top. Urban Outfitters and Gap were two big players. These companies reappeared on Harris Interactive's list of companies with the highest shopper satisfaction rankings. In the apparel category, Gap ranked fourth as Abercrombie & Fitch and Urban Outfitters tied for fifth.

It's apparent that companies like Gap, Urban Outfitters, and Abercrombie & Fitch are doing something correctly, as their target market is Millennials. Millennials' wallets are small, and online shopping is limited, yet these retailers maintaining a competitive advantage over other retailers. They achieve this by maintaining a presence with brick-and-mortar stores, and positioning themselves with interactive e-commerce sites that satisfy Millennials' needs. These websites have the opportunity for interaction that most websites don't. All websites advertise sale and discounts for the thrifty Millennial. Urban Outfitters' blog is an interactive method to get consumers excited about shopping. Abercrombie & Fitch makes the transition between online and in-store appear seamless. They also have a club shoppers can join for discounts, which offers an exclusivity aspect to their online shopping. Shipping is promised to be taken care of after a certain price point is reached. All of the concerns or reservations individuals have about shopping online is addressed directly and indirectly. These tactics are working, as these retailers maintain a top position with other competitive chain retailers.

INDUSTRY OPINION SURVEY

Methodology

In effort to measure the extent of existing stereotypes surrounds Millennials' spending habits and company's responses, an opinion study was conducted. A non-probability sampling method was used. A convenience sample was organized to a number of 13 respondents. These individuals were random, as an invitation to take the survey was sent out to well over a hundred individuals. The invitations were sent to professionals in the retail industry. The criteria required that they had some in-store experience as a manager, and worked at a store with some or mainly Millennial specific merchandise. Respondents were invited via LinkedIn. They were found by filtering searched by geographic location. Los Angeles, New York, Dallas, Phoenix, San Francisco, Miami, and Chicago were targeted cities (Appendix 11, 12).

The survey consisted of 10 questions. Questions asked basic information for the individuals to rank themselves on their store's size, they're opinion on Millennials' consumer behavior, their company's store growth, and their company's e-commerce growth.

Store size was determined by square footage. Medium was set between 1,500-50,000 square feet as Larger, Big Box stores were set at more than 50,000 square feet. Growth was measured in time increments. They had the option to claim openings or closures of stores in the past five years and ten years. For buying behavior, respondents chose whether Millennials browsed, influenced a purchase, or purchased clothing more often. They also were asked whether Millennials purchased more online or in-store. The survey then divided the Millennials into three age cohorts, and asked which age group purchased the most. When asking about e-commerce growth, we asked respondents to share which online resources were being used to expand their e-commerce and whether or not their e-commerce was developing faster between them and their competitor.

Store Size

No representatives took the quiz on behalf of boutiques, as 6 respondents represented medium square feet and 7 represented larger square footage. Seven respondents claimed that their store is bigger than the average size of stores for their company, as 4 claimed theirs was smaller (Appendix. 1, 2).

Store Growth

A strong majority claimed that their store had increased the number of store open. About 66% claimed more had opened in the past 10 years, as 41% claimed more had opened in the past 5 years. Only a few respondents claimed stores had closed (Appendix 3, 4).

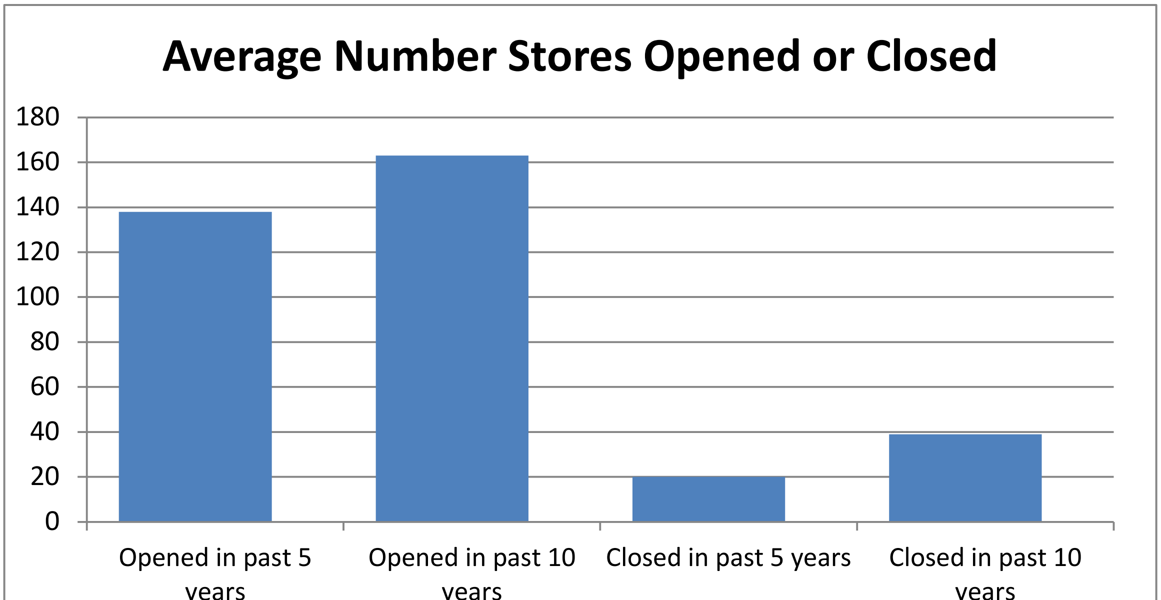

Figure 7

Millennial Buying Behavior

When asked about Millennial's behavior when in store, 50% of respondents agreed that they make a purchase. Another 41.6% responded that they influence a purchase, as only 16.6% claimed they only browse. When asked if Millennials purchased more in-store or online, the vote was down the line at 50%. The age group respondents associated with purchasing more was the high age range of 29-35, agreed upon by 66.6% of respondents. The mid-age range of 21-28 was selected as a purchaser or influencer by 50% of respondents, as the low age range of 15-20 was only selected by 25% of respondents (Appendix 5, 6, 7).

E-Commerce Growth

Respondents were asked if their company had improved in the following ways: social media, improved website, larger inventory available online, and increased online advertisements. They were then asked to select which of the criteria applied to their company in the last five years and last ten years. All respondents agreed their company's inventory has increased over both five years and ten years, and that the website had improved over the past 5 years. Social media varied between five years and ten years, as 34.62% more selected social media to be a recent alteration. Online advertisements are thought to have decreased over five years, as 9% agreed it had decreased since ten years ago.

All respondents agree that Twitter and Facebook are now fully utilized by their companies, up by 80% from ten years ago for Twitter and 60% for Facebook.

In comparison to competition, a majority (75%) of the respondents assume their company's e-commerce is expanding faster than competition, or same as competition (16.6%) (Appendix 8, 9, 10).

Findings

The stereotypes this data is disproving was that Millennials don't go to stores, and that when they do they don't make purchases. Another stereotype is that e-commerce has become such an easy trend that it has a stronghold on retail, meaning fewer physical stores.

As perceived by managers of retailer, companies are moving fast recently in order to utilize opportunities that the internet offers. Social media was an untapped resource ten years ago, yet retailers are quickly adjusting. We see that Twitter and Facebook are the most popular, as Instagram and Pintrist are still up and coming in popularity among companies. Furthermore, the website quality is also perceived as a recent development, and contributes to multiple respondents perceiving their store as competitive online.

The Millennials are aging, and the older cohort is becoming more affluent. This trend is also recognized by the respondents, as there's a steady increase in respondents saying 29-35 year olds are making purchases, a 16.6% increase in from the mid=-age range (21-28).

Despite the stereotype of e-commerce's popularity, even retail managers are fairly torn, and not all are buying into the idea. The fact that this question went half in half shows that even experienced retailers are not fully aware of e-commerce's impact on their business. But, they are confident that Millennials are purchasing. This confidence in conversion is surprising, yet depicts that managers in retail are expected to prioritize Millennials as another vital source of revenue.

The websites of these respondent's companies have been exponentially improved over time. This hasn't affected manager's perception of the growth or decline of physical stores, however. A strong majority agree that their company is further expanding their reach through opening new stores, especially within the last 5 years. The average guess as to how many had opened in the past 5 years was 138, as the average for the past ten years was 163, only 25 more stores between year 6-10. Respondents also agreed that more stores had closed in the past than they have recently. It was assumed that 20 stores closed in the past 5 years, as 39 were guessed to have been closed in the past 10 years. With this trend we assume that these managers perceived their companies to be declining in growth in the past, but coming back and growing quickly in the past 5 years.

SUMMARY

Millennials Prefer Brick-and-Mortar

Our initial hypothesis assumes that Millennials would prefer using technology to shop than physical stores. However, the research and data have overwhelming results in the opposite direction. It's easy to make the assumption in the other direction. Known as a generation that was raised on technology, to be the most familiar with the uses of technology, and easiest to adapt to changes in technology, it's no wonder that all other generations assume Millennials do everything online. In fact, Millennials do just about everything on their computers and phones. They're savvy and sale driven consumers. They're researching information about the next purchase they want to make, finding reviews from peers, and checking competitor's prices and selection. This may or may not formalize into a purchase, but will more often than not translate into an in-store purchase later on. It's the experience that Millennials look for. There's a social aspect of shopping that is lost with e-commerce. They also look for the opportunity to feel or sample the product before purchase. With apparel especially, Millennials look for the material's quality guarantee from their in-store visit that you simply can't get online. Furthermore, there's multiple concerns Millennials have about shopping online that are similar to every other generation's. Shipping costs, the ability to return in-store, quantity of inventory available, and the ability to try on clothing are the concerns all U.S. shoppers have when shopping online, Millennials included. As e-commerce sites fight to ease or relinquish some of these concerns, Millennials are seeing a better payoff for purchasing in a brick-and-mortar store.

Stores are Opening Rather than Closing

Based on the hypothesis that Millennials are incurring a negative growth in the number of brick-and-mortar stores, we initially looked at the actual number of store openings and closing of top retailers in the U.S. This took into account companies that had either left top ranked lists over years or recently made the list for the first time. The findings were clear; most retailers were increasing the number of stores at a steady rate over the past 5 years. In the opinion survey conducted, all respondents were confident that the majority of store openings had occurred in the past 5 years rather than the past 10 years. In fact, the same respondents believe that fewer stores have closed in the past 5 years compared to the past 10 years total. The data clearly disproves the hypothesis, and emphasizes that brick-to-mortar stores are helping multichannel retailers continue to thrive.

E-commerce is a Vital Source of Revenue and Competitive Advantage

With several Millennial focused chain retailers maintaining competitive revenues with the top retailers, it pays to see what they're doing right. Since Millennials' spend less than other generations, it is more significant when a retailer obtains a portion of the revenues from Millennials. For that reason, when a retailer whose apparel is aimed at Millennials is successfully gaining a substantial percentage of Millennials' business, it's evident that they are doing something right and something different. Stores that we mentioned such as Urban Outfitters, Abercrombie & Fitch, and Gap are all multichannel retailers with substantial e-commerce sites. Aside from their brick-and-mortar success, their rankings for e-commerce driven sales and online shopper satisfaction make it clear that their brand is successfully represented on the medium that Millennials respond to with the brick-to-mortar stores that Millennials purchase from. As previously discussed their e-commerce sites have the content that directly relate to Millennials' needs. Discounts for their price savviness, blogs or member forums for interaction, reviews for peer approval, and a lack of celebrity dense advertising, and a laid back attitude are what you will see on the e-commerce sites of the most successful Millennial chain retailers.

APPENDIX

Cohen, Marshal. "Licensing in the New World." *License! Glocal* Aug. 2013: 16. Print.

"Gen Y Speeds Up Luxury Goods Spending" *American Express Business Insights* Web 20 Oct. 2013

"Lifestyle Monitor" *Cotton Incorporated* 2012 Web. 20 April 2014

"Lifestyle Monitor" *Cotton Incorporated* 2013 Web. 20 April 2014

Loroz, Peggy Sue, and James G. Helgeson. "Boomers and Their Babies: An Exploratory Study Comparing Psychological Profiles and Advertising Appeal Effectiveness Across Two Generations." *The Journal of Marketing Theory and Practice* 21.3 (2013): 289-306. Print.

Mellan, Olivia, and Sherry Christie. "Making the Connection" *Investment Advisor* Sept. 2013: 42-48. Print.

"Millennials: A Portrait of Generation Next." *Pew Research Center.* Ed. Paul Taylor and Scott Keeter. N.p., n.d. Web 25 Oct. 2013 (http://www.pewresearch.org/millennials/>.

"Millennials Drive Consumer Electronics Growth" *TWICE: This Week in Consumer Electronics* Web. 15 Feb. 2014

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2006. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2008. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2009. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2010. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2011. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2012. N. *Business Source Complete*. Web. 20 Jan 2014.

Miller, Richard K., and Ciji A. Fleming. *Retail Business Market Research Handbook.* Norcross, GA: R.K. Miller & Associates, 2013. N. *Business Source Complete*. Web. 20 Jan 2014.

Mirabella, Lorraine. "Gen Y Shoppers, Raised on E-commerce, Still Prefer In-store Experience" *The Baltimore Sun* Sept. 2013: 5

Salfino, Catherine. "Optimizing Online: Retailers Invest in Technology to Create Unique Customer Experiences" *Cotton Inc.* 10 April 2014 Web. 20 April 2014

Stanley, Michael K. "Why Millennials Matter." *National Underwriter Life& Health* Aug. 2013: 36-40. Print.

Tuttle, Brad. "Millennial Shoppers: Big on Browsing, Not Splurging" *TIME Magazine* 11 Sept. 2013. Web. 25 Jan. 2014

United States of America. U.S. Census Bureau. *U.S. Retail Trade Sales – Total and E-Commerce.* N.p.: n.p., 2012. Print.

Appendix 1

Answer Choices	Responses	
Small (Boutique, Less than 1,500 sq/ft)	0.00%	0
Medium (between 1,500 - 50,000 sq/ft	46.15%	6
Larger (Big Box, More than 50,000 sq/ft)	53.85%	7
Total Respondents: 13		

Appendix 2

Answer Choices	Responses	
Smaller	36.36%	4
Larger	63.64%	7
Total Respondents: 11		

Appendix 3

Answer Choices	Responses	
More have opened in the past 5 years	41.67%	5
More have opened in the past 10 years	66.67%	8
More have closed in the past 5 years	16.67%	2
More have closed in the past 10 years	8.33%	1
Total Respondents: 12		

Appendix 4

Answer Choices		Average Number	Total Number	Responses
Opened in past 5 years	Responses	138	827	6
Closed in past 5 years	Responses	20	122	6
Opened in past 10 years	Responses	163	979	6
Closed in past 10 years	Responses	39	196	5
Total Respondents: 7				

Appendix 5

Answer Choices	Responses	
Purchase	50.00%	6
Influence a Purchase (Parents/family)	41.67%	5
Only Browse	16.67%	2
Total Respondents: 12		

Appendix 6

Answer Choices	Responses	
In-Store	50.00%	6
Online	50.00%	6
Total		12

Appendix 7

Answer Choices	Responses	
Low Age Range (15-20)	25.00%	3
Mid Age Range (21-28)	50.00%	6
High Age Range (29-35)	66.67%	8
Total Respondents: 12		

Appendix 8

	Social Media	Improved Website	Larger Inventory Available Online	Increased Online Advertisements	Total Respondents
5 years	84.62% 11	100.00% 13	100.00% 13	76.92% 10	13
10 years	50.00% 4	75.00% 6	100.00% 8	87.50% 7	8

Appendix 9

	Twitter	Facebook	Instagram	Blogs	Pintrist	Vine	Other	Total Respondents
5 years	100.00% 13	100.00% 13	84.62% 11	46.15% 6	61.54% 8	23.08% 3	30.77% 4	13
10 years	20.00% 1	40.00% 2	20.00% 1	80.00% 4	20.00% 1	0.00% 0	20.00% 1	5

Appendix 10

Answer Choices	Responses	
Faster	75.00%	9
Slower	8.33%	1
Same as Competition	16.67%	2
Total Respondents: 12		

Appendix 11

Retail Industry Questionairre

1. Would you consider the average size of stores for your company to be small, medium, or large?

- [ ] Small (Boutique, Less than 1,500 sq/ft)
- [ ] Medium (between 1,500 - 50,000 sq/ft
- [ ] Larger (Big Box, More than 50,000 sq/ft)

2. Compared to other store locations within your company, is your store smaller or larger than the average store size?

- [ ] Smaller
- [ ] Larger

3. That you know of, have more stores within your company opened or closed in the past 5 years? 10 years?

- [ ] More have opened in the past 5 years
- [ ] More have closed in the past 5 years
- [ ] More have opened in the past 10 years
- [ ] More have closed in the past 10 years

4. About how many more have opened or closed in the past 5 years? 10 years?

Opened in past 5 years ______

Closed in past 5 years ______

Opened in past 10 years ______

Closed in past 10 years ______

5. When Millennials (ages 14-34) visit your store, do the majority make or influence a purchase, or do they only browse?

- [ ] Purchase
- [ ] Influence a Purchase (Parents/family)
- [ ] Only Browse

Appendix 12

6. Do you believe Millennials purchase more in-store or online?

- In-Store
- Online

7. Which age group of Millennials make purchases or influences a purchase in store?

- [ ] Low Age Range (15-20)
- [ ] Mid Age Range (21-28)
- [ ] High Age Range (29-35)

8. How has your organization expanded its e-commerce and online presence in the past 5 or 10 years?

	Social Media	Improved Website	Larger Inventory Available Online	Increased Online Advertisements
5 years	[ ]	[ ]	[ ]	[ ]
10 years	[ ]	[ ]	[ ]	[ ]

9. Which Social Media has your organization utilized in the past 5 and 10 years?

	Twitter	Facebook	Instagram	Blogs	Pintrist	Vine	Other
5 years	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
10 years	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

10. Compared to your competitors, has your organization's e-commerce expanded slower or faster?

- [ ] Faster
- [ ] Slower
- [ ] Same as Competition