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DEVELOPING A PURCHASING MODEL FOR SENIOR CUSTOMERS IN THE FURNITURE MARKET

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Abstract:
In my research, I focused on the segment of people aged over sixty, narrowing my analysis to a less researched but even more substantial area: their role as buyers in the furniture market, their decision-making processes, and preferences. The studies revealed that the segment is far from homogeneous, although some characteristics are general to all generations. There are, however, differences in the purchasing styles and certain elements of the purchasing process evolve as a function of labor market activity, education, family situation, and perceived wealth.

The research has revealed the presence of three clusters within the segment, which indicate differences in purchasing attitudes and preferences along with the above factors, thus determining the segment's reach in the furniture market. The research shows that the members of the first (Open Novelty Acceptors), second (Thoughtful Realists), and third (Traditionalists) clusters have different buying styles. The shopping style observed in these groups has an impact on their information intake, purchasing decisions, and store selection mechanisms.

Since our research focused on the relationships between demographic characteristics and senior buying behavior, evaluating product alternatives, information seeking style, the impact of store attributes on the buying behavior and their decision-making style, we were able to build a senior buying style model specifically applicable to the furniture market, indicating the relationships between these attributes.

Key words: *furniture market; senior buying style model; senior customers.*

INTRODUCTION

Nowadays, more and more information is available on the purchasing behavior of the elderly, and the 60+ generation is the focus of more scientific research and articles. Despite the growing number of publications on older consumers, we still do not know enough about their motivations and preferences, all the more so because the general target groups of commercial activity (with some obvious exceptions) do not include older consumers. The fact of an aging society in Hungary is indisputable, and as the age of the groups identified by generational research progresses, generational experiences are integrated into consumption in old age.

In this article, I will focus on the segment of people over sixty, narrowing my analysis to a little researched but major area: their role as buyers in the furniture market, their decision-making processes, and preferences. The studies show that the segment is far from homogeneous, although some characteristics are common to all generations. There are differences in the purchasing styles, and some prospects of the purchasing process evolve as a function of labor market activity, education, family situation, and perceived wealth. The research has revealed the presence of three clusters within the segment, which show differences in purchasing attitudes and preferences along with the above factors, thus determining the segment's reach in the furniture market.

OBJECTIVE

It is a recognized fact that we are living in a period of demographic change, marked by a significant increase of older people in the population. Not only is the number of older people increasing but it is also assumed that these new, older generations are likely to have very different expectations of living conditions than previous generations. Older people form a heterogeneous group with broad differences in health, lifestyle, and living conditions. Differences between individuals increase with age, while socio-economic and regional differences remain unchanged even at older ages. These differences make it difficult to generalize the needs of older people. This gives reason to better understand and sustain expected future changes in values, behaviors, and the needs of older people of today and tomorrow.

The proportion of the population aged 60 and over is expected to double between 2011 and 2050 (United Nations 2011). While average life expectancy is increasing as people reach old age in better health, we are now in the midst of a period where large generations of people born in the 1930s and 1940s are receiving their old-age pensions. Concepts such as the third and fourth ages are based on people's life circumstances, and not on their chronological age. The notion of the third age is an attempt to capture the new way of life of older people and refers to the life stage when people have left behind all or part of the labor market, their careers, and the most stressful family responsibilities. While they are still pursuing individual development and remaining relatively independent of the help and support of others. The fourth age is characterized by dependence on the help of others due to illness, frailty, and stunting. The fourth age often begins with a disorder in health conditions. People in the fourth age are characterized by changes in various bodily functions, which can lead to a sudden change in their life situation and a different realism. People who live a relatively independent life until death live their entire old age in the third age. These two ages are preceded by the first age, which includes the need for nourishment, protection, education, and upbringing, and the second age, which includes socialization into adulthood and assuming responsibilities in various ways in work, family, or other tasks. Although individuals in an age group enter the first and second ages simultaneously, over time the group becomes more heterogeneous and the transition to the third and fourth ages is more or less individual. The length of time individuals remain at these ages also depends largely on their lifestyle, life course, and genes. At the same time, aging is a very individualized process with significant variations in abilities, skills, and experiences (Jonsson 2013).

Seniors see their homes as one of the most important and secure places in their lives, and the way they are built and furnished is a reflection of their lives. As people get older, they become less willing to change, both because of the finite financial possibilities and because of the emotional factors involved. If a change is made, it is primarily motivated by rational factors, such as when the previous one is broken, needs to be replaced, or needs to be replaced by a more practical one, for example, due to health or a change in housing situation (Rétfalvi, Bednárik, Némethné 2019).

Accordingly, renovation, design change, family life cycle change, and accumulation no longer play a role in purchase decisions, so the effectiveness of marketing communication activities focusing on these aspects may not be outstanding in this age group. Localism, reliability, and authenticity are becoming more important influencing elements among seniors. Given the fact that seniors are more experienced and deliberate in their decisions than young people, they have more faith in the perceived competence and reliability of retailers, manufacturers, and service providers, which is also linked to accessibility (Meyer-Hentschel, Meyer-Hentschel 2009). Personal information is often seen as more credible than information from the media (Hupp 1999) Credible sources of information include talk shows, home improvement shows, as well as advertisements from long-established local merchants, manufacturers, information from vendors - locally available products, which are more sought after because the closer the merchant is geographical, the more credible it is to the senior.

Their consumer expectations reflect well-defined value preferences:

- a desire for simplification,
- the need for convenience,
- health orientation,
- rejection of unnecessary things,
- the new puritanism,
- an appreciation of authenticity,
- the importance of trust,
- simplifying decisions, for example by accepting the views of opinion leaders (Törőcsik 2006).

Seniors are less ready to adopt new things at a slower pace than younger people and are more conservative in their everyday lives. They are less able to keep up with the fast-paced world, and the use of info-communication tools is not central to their lives.

Based on the above, the primary research is structured around the following topics:

- The furniture purchasing decisions of the senior population are influenced by the marketing communication activities of manufacturers and retailers.
- The senior population may not be a primary target group for furniture manufacturers and retailers.
- In their purchasing decision mechanism, the senior population prefers furniture produced by Hungarian companies.
- The senior population will stick to a dealer they already know when buying furniture.
- The senior population is not open to the use of smart technologies and solutions in smart furniture.

METHOD

To fulfill the study, we conducted descriptive, quantitative research using online and offline questionnaire surveys. Because of the online and offline survey, the questionnaire needed to be pre-tested, as the questions had to be easy to understand and answer within the context of the topic, without simplification affecting the thorough and multifaceted analysis of the topic. In addition to being technically sound, the questionnaire requires that the questions be clear, easy to answer, and simple to answer. Failing the adequate professional grounding, the answers may be irrelevant to the phenomena under investigation and of no value. Given the range of respondents, we considered it important to draw up a set of questions that would be understandable to all and that the answers would not require complex calculations. The questionnaires were checked before coding.

Questionnaires that were methodologically incorrect or incomplete were unincluded in the sample. Data collection took place in autumn 2020. A total of 329 questionnaires were returned. After checking and cleaning, 312 were analyzed and considered as the adequate sample. The questionnaires were edited according to the general rules for questionnaire editing.

In the structured questionnaire, we used nominal, ordinal and interval level variables to measure the questions compiled for each topic. Within the interval scale, we practiced a scale of agreement (Likert) to measure attitudes and opinions, where respondents could express their agreement with the statements made between two extremes, 1 (not at all true) and 5 (completely true).

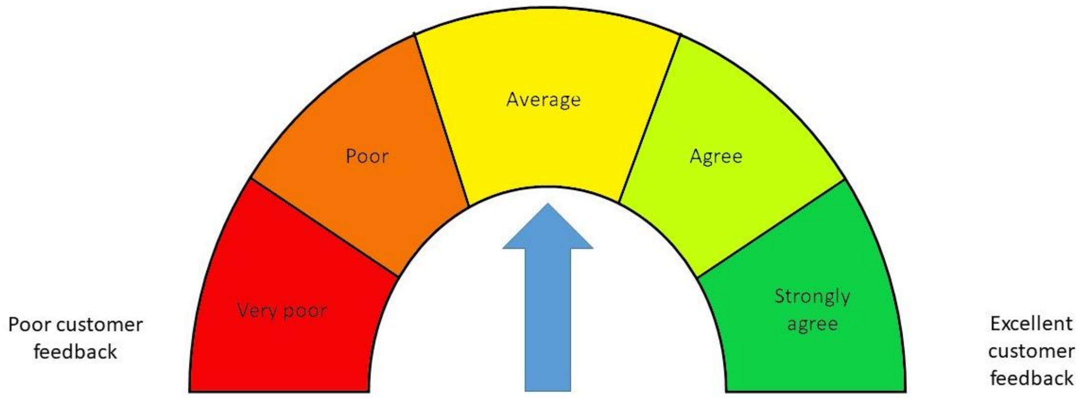

Fig. 1.
Conceptual model of the Likert scale
Source: Authors' editing based on the Britannica glossary as a guide.

The attitude questions were supplemented by closed questions on the respondent's judgments and knowledge.

The results were processed in two parts: first, frequency analyses were counted, and then they were supplemented by background analyses based on socio-demographic criteria. In the latter, we operated statistical methods to examine whether significant differences in the answers to the questions could be confirmed between the diverse demographic groups. The following variables were included in the analysis (based on relevance):

- respondent gender,
- age of respondents,
- academic level,
- labor market situation
- financial status based on self-reported income,
- marital status,
- a place of home,
- details about the residential property.

Following the delimitation of the research topic, the age of the respondent was included as a screening factor, the minimum age for inclusion in the sample being 60 years.

The cornerstones of our research obtain the following:

- the perception of furniture as an environmental element, its role in shaping the physical environment and its relationship to personality.

- the source and effect of information prior to furniture purchase, the amount to which it is accessible to the age group via ICT and media, the disclosure of people engaged in the choice, and the significance of validity of the information.
- the purchasing process from information assessment to decision.
- decision points related to the complex factors of furniture as a product: quality, origin, functionality, comfort.
- price and willingness to spend.
- perceptions of novelty, acceptance of novelty, openness to "smart" solutions.

RESULTS

The research revealed the presence of three clusters within the segment, which indicate differences in purchasing attitudes and preferences along with the above factors, thus determining the segment's reach in the furniture market. The research shows that the members of the first (Open Novelty Acceptors), second (Thoughtful Realists), and third (Traditionalists) clusters have diverse buying styles. The shopping style observed in these groups has an impact on their information intake, purchasing decisions, and store selection mechanisms.

The research has examined several questions. As a result of the overall sample, it can be perceived that perceptions of marketing communication activities among the 60+ age group are low, with respondents on average agreeing less than moderately with the statement that they often see advertisements for furniture manufacturers. Perceptions of the perceived impact of advertising scored even lower, - with an average value of 2.51 - agreeing with the attitude statement "furniture ads provide a big impact on me" on a five-point scale, while the attitude statement "furniture store ads sound like they are directed at me" was disapproved, with a value of 2.17. However, the average for the whole sample also shows that information from television programs, magazines, and newspapers give moderate interest to the group, with a slightly higher, but no markedly outstanding value in the groups of women, higher educated and the active ones. The first cluster of the examined group is the most open to marketing communication, with higher than average results, but not far from average.

The influence and evaluation of personal relationships are more characteristic of the influence of marketing communication among seniors, with the influence of spouses and children being particularly strong (the influence of friends is not confirmed).

The majority of seniors like furniture that has been polished. They tend to agree that furniture can give an image of its owner. However, they do not go to furniture shops without a reason, and although they are only moderately attached to their current furniture, they merely buy new furniture for good reasons.

Several types of questions were introduced in the research to verify the topics mentioned above. On one hand, attitudinal adjustment was used to examine the willingness to pay for furniture from Hungarian manufacturers in the purchase situation, and on the other hand, the importance of Hungarian origin in the ranking of other choice factors.

The support for Hungarian, but more expensive furniture, and the willingness to pay for these products (without considering the ability to pay) is highest in the first and second clusters, but still above the medium average, while the third cluster gains a very low, rather non-supportive result. For men, the statement indicating a higher willingness to pay more for Hungarian furniture received one of the most elevated levels of agreement in the cluster (mean=3.3), while women disagree they are willing to pay more for a piece of furniture solely because it is Hungarian (mean=2.6). Among elderly people, the domestic origin of the furniture does not justify higher spending, but it is only marginally different from the mean among active people (mean=3.1). Those with higher education (mean=3.41) and those with high income/savings (mean=4.0) are more open to buy Hungarian furniture, with both education and income decreasing, causing a decrease in agreement.

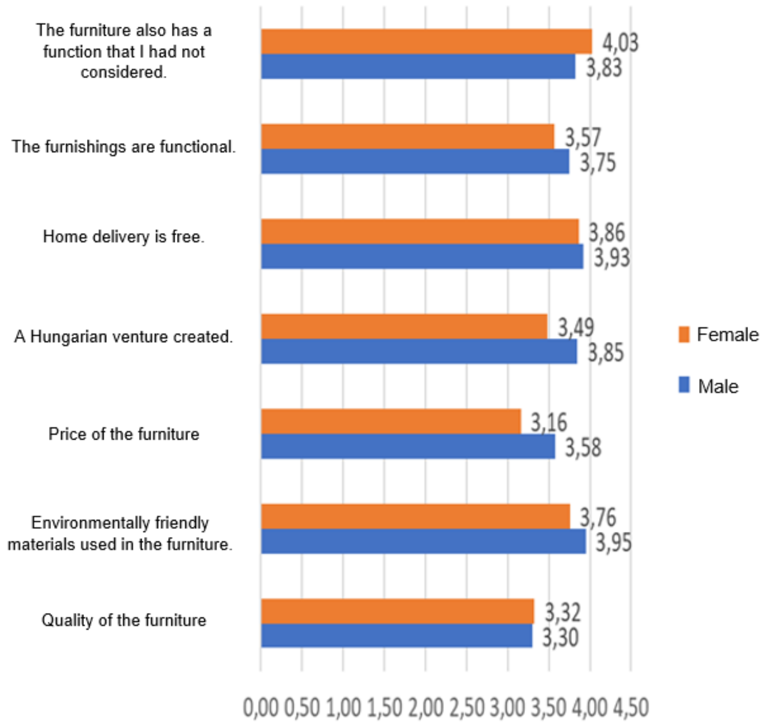

Fig. 2.
Ranking of importance based on product attributes.
Source: Authors' editing

This does not mean, that in a decision situation this kind of openness can take precedence over other considerations. In the overall ranking, the quality and price of the furniture are certainly more important than its domestic origin. When demographic factors are included in the analysis, it is clear that Hungarian origin is lower than third place in the ranking for several groups. Men, the members of the first two clusters, clearly rank lower in the order of importance, while the inactive and those with more significant incomes/savings only rank higher in the order of priority, but even here this factor does not rank first.

All the respondents take thorough consideration before performing a final decision (58% of selected respondents visiting more than one shop before making a decision). Loyal adherence to a particular furniture brand or a particular retailer, i.e. brand loyalty and shop loyalty, typically emerges as a decision criterion for one in five senior buyers. There are also marked differences between the specific clusters in practical terms of store choice. The first cluster has a considerably more significant share of shop and brand loyalty (43% of cluster members buying specifically from a brand or specifically from a retailer). The considerable proportion of those who shop around as much as possible is below average (43% also visits several shops before making a decision.). The second selected cluster is made up of rational fair-aged people who share decision alternatives. They are as thorough in their information gathering style as they in common are in their logical choice of shops: two-thirds of them visit several shops before making a decision. Established store and brand loyalty is only 17%. The third cluster, the traditional cluster, maintains the most elevated rate of adherence to low-price furniture shops. Brand loyalty is not present at all in this cluster, while one-third of them are explicitly shopaholics. Men are much less likely to stick doggedly to a particular shop than the other sex (10% and 24% respectively). Brand loyalty is moderately intenser for them (5% and 2.7%). However, both shop and brand loyalty are considerably higher for the upper-educated than for the adequate sample as a whole, with one in five seniors sticking to a particular furniture shop and one in ten to a particular brand. Brand loyalty does not appear at all among those with secondary education, 13% of the active population are brand loyal shoppers, while the same remains not the case among the retired. Shop loyalty is important for one in four of those in the top two income brackets, but only one in ten of those on more limited incomes.

The academic average of the specific answers to the questions on smart devices and modern technologies did not exceed 3.5 in any specific case. For the first, most open cluster, the perception of modern smartphones received this score, i.e. agreement with the statement ranged from neutral to agree - the highest score measured. Cluster members were moderately moreover than the medium in their agreement that they like modern-day devices and like to visit online stores. The second cluster, following the average, was substantially below the first cluster, with an unexpectedly smaller proportion of cluster three members agreeing. For the specific question on innovative Bluetooth solutions, there in common were few valuable responses from respondents. Men are more open to ICT solutions and their use in all respects, and the same is true for the ratio of primary, secondary, and tertiary education, where intellectual openness to smart devices increases with increasing educational attainment. Unsurprisingly, the average value of all attitudes towards innovation adoption was higher among those who were still active in the labor market in some form, with elderly people's response values all below the average. Note that we also found no mean value above 3.0 for these demographic groups, so that for both genders, labor market status, and all three educational categories. It can be declared that they tend to disagree with the attitude group statements, the differences being rather in the degree of disagreement. In specific terms of marital status, those without children are conventionally the most open to smart solutions, followed by those, who are in a relationship but no longer with children (the average values are also medium or below here, with a few outliers).

Our conclusions, based on the results of the primary research, are outlined below:

- The furniture purchase decisions of the senior age group are moderately influenced by the marketing communication activities of manufacturers and retailers. Other factors like demographic and social factors possess a mightier influence on the purchasing decisions of the 60+ age group.
- The senior population may not be a primary target group for furniture manufacturers and retailers. Seniors maintain a moderate perception of the marketing communications activities of manufacturers and retailers, and the level of advertising and message uptake is low.
- The senior population does not prefer furniture produced by Hungarian companies in their purchasing decision mechanism. In some groups, the influence of Hungarian origin is stronger than average, however, it is not the most important factor to consider while buying furniture.
- The senior population does not stick to the dealer they know well when buying furniture. Before making a decision, seniors weigh up their (limited) options and expectations and consider several alternatives before deciding to purchase furniture. They look around the shops and like to perceive what is on offer in person. Shop and brand loyalty represented by the fifth of the seniors.
- The senior population is unopen to the use of smart technologies and solutions in smart furniture. They are attached to the solutions they are familiar with, smart devices and solutions are not considered part of their lives, and the propensity to accept novelty is low. There is, in addition, a group of seniors who are more open to using smart devices and online solutions, but they do not yet have a high level of acceptance of smart solutions.
- Seniors represent not a homogeneous segment. Several distinct clusters of 60+ age groups can be formed in terms of purchasing style. The research shows that the first (Open Novelty Acceptors), second (Thoughtful Realists) and third (Traditionalists) clusters embody diverse buying styles. The shopping style observed in these groups has an impact on their information intake, purchasing decisions, and store selection mechanisms.

SENIOR BUYING STYLE MODEL

An analysis of the literature on the behavior of senior shoppers has revealed the study of the typology of senior shoppers has received considerable attention from researchers over the past decade. We summarised the most significant findings of the research on the generational, lifestyle, and purchasing behavior approaches in the relevant chapter, and in my research, after revealing the characteristics of the domestic furniture market and summarising the most relevant consumer analyses, we revealed the purchasing characteristics of seniors in the furniture market.

The result of our primary research is a model of senior buying style in the furniture market, in which the role of independent and dependent factors is supported not merely by the literature analysis but also by the comprehensive primary analysis of the factors.

From the cluster analysis study, it is clear that the 60+ generation is not homogeneous in terms of buying style, although some characteristics are general within the segment due to generational experiences.

In our research, we properly focused on the relationship between demographic characteristics and the buying behavior of seniors, the behavior of seniors when evaluating product alternatives, their information-seeking style, and the impact of store attributes on their buying behavior and their decision-making style.

To set up the model, we took as a starting point several models that we have scientifically studied.

Graciously according to Gehrt, Alpander, and Lawson (1992), shopping orientation describes the general propensity of consumers to buy. It is expressed by several variables such as information search, evaluation of alternatives and product choice. According to Brown, Pope, and Voges (2003), purchase orientation also reflects the general attitude of buyers towards the purchase process. According to Visser & Preez (2001), purchase orientation includes the activity, opinions, attitudes, interests, and buying process of buyers. The results of a study by Hansen and Jensen (2008) confirmed that purchase orientation affects consumers' attitudes, which in turn influence their intention to purchase products. Other authors emphasize that consumers with diverse orientations not only just have different purchase behavior but also different personal characteristics (Gutman, Mills, 1982; Lumpkin, 1985). In his study, Kolos (2008) focused on the shopping style of the domestic 50+ generation, using the measurement scale developed by Sproles and Kendall (1986) and Sproles and Sproles (1990), which combines the role of shopping importance, quality, price and brands, among others.

Based on the above, shopping orientation represents important variable of shopping behavior that helps to identify the types of shoppers distinguished by attitudes, interest, shopping process, information search, store selection, store attribute evaluation, and demographic characteristics.

The conceptual analyses required to set up the model, the secondary analysis of the furniture industry and the senior segment, and the primary attitude analysis of seniors towards furniture shopping, are used to develop a senior shopping style model applicable to the furniture market, as shown in Fig. 1.

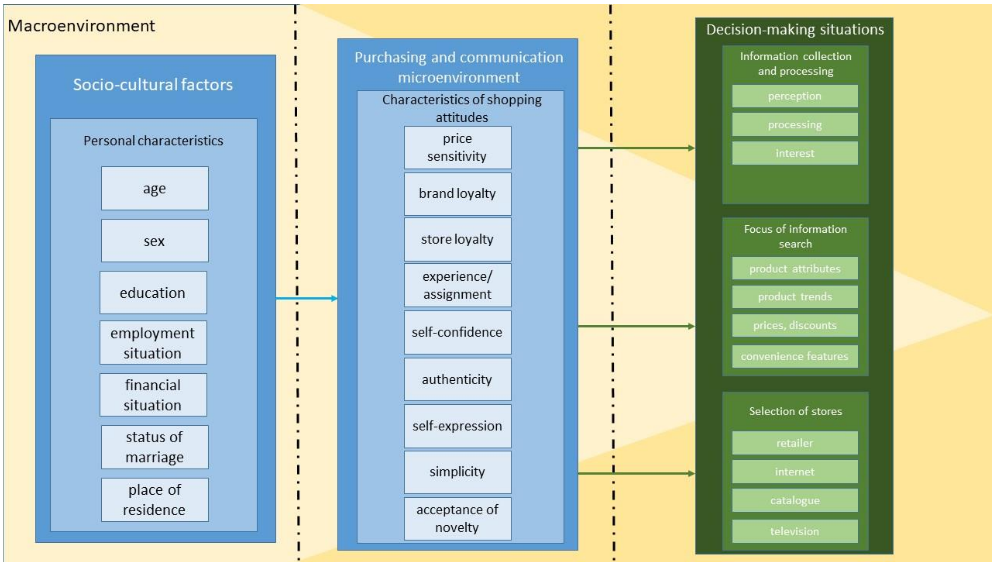

Fig. 3.
Senior buying style model.
Source: Authors' editing

CONCLUSIONS

The research discusses the following topics in more detail than before, thereby revealing new findings among seniors:

- 60+ age group shopping style analysis implementing attitudinal measures in the furniture market.
- Exploring the relationship between personal characteristics and buying styles.
- Identifying purchasing style clusters among senior furniture buyers.
- Degree of novelty acceptance in the furniture market among seniors.
- Examination of the relationship between furniture as an object and furniture as a means of self-expression.
- Examining store and brand loyalty in the furniture buying process.
- Examining the perception and reception of furniture market communication activities among seniors.
- The importance of furniture origin in the purchase decision.
- The degree of openness to the use of smart devices in the furniture market.

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