How to attract and retain the Millennial Generation: El Corte Inglés Portugal Case Study

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Dissertation written under the supervision of Pedro Celeste

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Abstract (EN)

Dissertation Title: How to attract and retain the Millennial Generation: El Corte Inglés Portugal Case Study

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Through the analysis of the Millennial challenge of El Corte Inglés, this thesis delivers an overall perspective of the Portuguese retail market under marketing topics such as targeting, positioning, marketing mix, consumer behaviour, brand equity and retailing.

El Corte Inglés is one of the biggest department stores' group in the world and operates in Portugal since 2001. Running a strategy of renewal and continuous improvement of their commercial offer, where quality, service and assurance are determinant for the success of the company, one of their goals is attracting and retaining the Millennials, which are considered the customers of tomorrow.

Therefore, this thesis aims to study, through primary and secondary research, how can the department store attract and retain the Millennial generation and how is it perceived by the referenced cohort, by understanding their habits and their demands.

Main results indicate that Millennials associate El Corte Inglés with luxury and premium, nevertheless, recognize they offer higher levels of quality and variety. Online channels have changed the way this segment shops and values the purchasing experience. Further, communication strategies augmented their importance on captivating the attention of the teenagers and young adults. Events, partnerships and betting on the digital platforms such as social networks are actions positively received by the Millennial generation.

Keywords: Consumer Behaviour, El Corte Inglés, Millennials, Multichannel Strategies, Retailing

Resumo (PT)

Titulo da Dissertação: Como atrair e reter a geração Millennial: O Caso de Estudo do El Corte Inglés

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Através da análise do desafio enfrentado pelo El Corte Inglés em atrair e reter a geração Millennial, a presente tese oferece uma perspetiva geral do retalho Português sobre conteúdos de marketing como targeting, posicionamento, marketing mix, comportamento do consumidor, identidade da marca e retalho.

O grupo El Corte Inglés é um dos maiores department stores do Mundo e estabeleceu-se em Portugal desde 2001. Tendo uma estratégia de renovação e constante melhoria da sua oferta comercial, onde qualidade, serviço e garantia são determinantes para o sucesso da empresa, um dos seus objetivos é atrair e reter os Millennials, considerados os clientes de amanhã.

Desta forma, esta tese propõe estudar, através de pesquisa primária e secundária, como é que o El Corte Inglés pode atrair e reter este segmento de mercado e, como é a marca percecionada pelo mesmo, através da compreensão dos seus hábitos e expectativas.

Os principais resultados indicaram que os Millennials associam a marca com luxo e com o conceito de premium, todavia, reconhecem que o El Corte Inglés oferece níveis superiores de qualidade e variedade. Os canais online alteraram a maneira como este segmento compra e valoriza a respetiva experiência e, as estratégias de comunicação tornaram-se mais importantes para cativar a atenção dos adolescentes e novos adultos. Eventos, parcerias e a aposta nas plataformas digitais como as redes socias, são algumas das ações que receberam uma apreciação positiva pela geração Milénio.

Palavras-Chave: Comportamento do Consumidor, El Corte Inglés, Estratégias Multicanal, Milénios, Retalho

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1 Introduction

The world is always evolving and patterns change along time. The retail market is no different and has been developing over generations. Hence, consumers play a crucial role on market trends as they are the ones whose needs demand to be satisfied. Therefore, as consumers' needs, wants and desires progress, retailers have to adapt accordingly. However, there are many styles of consumers, so companies ought to understand each kind. The individuals that grew "holding hands" with technology, in the middle of the digital revolution are known as the "Millennials" and, as they matured, they became consumers as well, bringing new needs, new thoughts and new demands into the retail industry.

Therefore, in order to investigate what drives this generation, what are they interested in, what do they value while shopping and how did the digital revolution and the internet influence their behaviour, I propose myself to study the real case of El Corte Inglés Portugal, which aims to attract and interact with the Millennials.

1.1 Problem Statement

In order to study and scope the purpose of this dissertation, the following problem statement was defined - How can El Corte Inglés Portugal attract and retain the Portuguese Millennial Generation?

1.2 Research Questions

This study aims to provide useful insights regarding the following questions:

1) What are the Millennials looking for and what do they value?
2) How do online channels influence Millennials's consumer behaviour?
3) In what way do Millennials perceive El Corte Inglés?
4) How do Millennials feel regarding El Corte Inglés's online platforms?

1.3 Methodology

In order to better understand and answer the proposed questions, the study was based on primary and secondary data.

Regarding the primary data, both quantitative and qualitative research was gathered. For the quantitative research, an online survey targeted to Millennials was conducted and, for the qualitative research, a focus group was made along with an interview with the marketing director of El Corte Inglés, Manuel Paula.

Secondary data, such as industry and company reports plus data panels, was also used.

2 Literature Review

In this chapter, theoretical topics regarding Millennials, retailing, consumer behaviour and multichannel strategies are going to be introduced.

2.1 The Millennial Generation – Generational Scope and Influences

The name Millennials was firstly introduced by Strauss and Howe in 1987, when children born in 1982 was entering pre-school. At this time, media was the first concept linked to this generation. (Howe & Strauss,2000, p. 370). Despite this, Millennials were subdivided into multiple designations like Generation Y, introduced in 1993. (Ad Age, 1993, p. 6 cited in Howe &Strauss, 2000). As a result, it is always difficult to reach an agreement on the time frame of this generation since many authors have different opinions. Incongruences regarding the different denominations of Millennials are most commonly associated to generational hierarchy, to historic moments or just preferences evidenced in their time (Donnison 2007). As a result, there are labels like Generation Net, Generation Nintendo, Generation We, Generation Dotcom, Digital Natives, Generation Search, etc. (Bergh &Behrer, 2011).

Donnison (2007) explains birth dates' range of this generation is usually from 1977-1983, being the early-to-mid eighties the most favoured birth date for the majority of the authors. Nevertheless, the same author also states the year of 1994 is still accepted for Allerton (2001) and Darko (2000). On the other hand, there are other authors who think Millennials are still being born everyday (Gardener &Eng, 2005; Tsui, 2000; Weiss, 2000 cited in Donnison,2007). Therefore, Millennials are perceived as the teenagers and young adults of today. Consequently, for this article, Millennials are everyone who was born between 1986 and 1998 (18 to 30 years old).

Huerta and Rivera (2006) stated the main generational mark for Millennials is that they were the first to grow up in the digital world. Additionally, they were highly influenced by economic well-being and the phenomenon of globalization. (Huerta &Rivera, 2006). The Millennial individual is someone who is familiar with high-tech, consumption-oriented, acceptant of multiculturalism, objective, goal-oriented, socially and ecologically aware and values relationships (Eastman and Liu, 2012). Millennials are also considered as confident and self-reliant, technologically savvy, open to change and diversity, service-oriented, multitasked and expectant to have immediate access to information (Young & Hinesly (2012, p.147).

Tapscot claims that, despite TV was the signature medium of the Baby Boomers, the net-generation behaves differently. Not only they watch TV, but also view it while messaging with their friends and surfing the internet (Tapscott, D., 2010). Computers and mobile phones are part of the Millennials, playing a huge role in their lives. Ninety-seven percent of this generation in the U.S. owns a computer and 94% owns a cell phone. (Marketing Breakthroughs Inc., 2008). Furthermore, Millennials access digital media on a daily basis and are capable of making a purchase from any supplier in the world. Therefore, they have been considered as a driving online force of online shopping. (Smith, K. T., 2001). Moreover, social networks are vital to Millennials (Hewlett et al.,2009), possibly related to their attitude of integrating technologies into their daily lives (Moore,2012, p.441), although it can also derive from the standardization of mobile technologies that provide online services wherever they are.

Further, Millennials also use their mobile devices to connect and communicate with retailers or brands, fearless about using these technologies as marketing channels (Moore, 2012, p.441).

2.2 Retailing – From Consumer Behaviour to Multichannel Strategies

Consumer behaviour is described by Solomon (1995) as the study "of the process involved when individual or groups select, purchase, use, or dispose of products, services, ideas or experiences to satisfy needs and desires". In the marketing context this term can be referring pre-purchase or post-purchase activities. Authors like Engel, et al. (1986), characterize consumer behaviour as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision process that precede and determine these acts".

Consumer behaviour towards purchasing is changing and decreasing its overall spending (Creamer, 2008). Internet is used to find the best price by consumers, ultimately labelled as "recession shoppers" (Pr Newswire Association LLC, 2009).

Relatively to internet, the number of users around the world is expected to exceed 2 billion (Internet World Stats, 2010) and will continue to double every 1-1.5 years (Kaynar and Amichai – Hamburger, 2008). Studies regarding the American population point out that an average consumer spends approximately 6 hours per day surfing on the internet (The Economist 2010).

As technology develops, consumers increase their multichannel shopping, for example, they might use the internet to seek for information about a certain product, then go to a retailer to have a closer view of the product and, finally, buy the product via smartphone (Ansari, Mela, and Neslin 2008).

Multichannel strategies are already being used for a long time, especially in retail. Nevertheless, its importance has significantly grown with the development of new business channels like electronic marketing channels and the internet (Zentes et al., 2007). Despite of the many definitions for multiple marketing channels, many authors agree that it is the usage of more than on channel in market access. For Kotler and Keller, multiple marketing channels are when "a company uses two or more marketing channels to reach one or more market segments" (Kotler and Keller, 2009). Other authors have defined multiple marketing channels based on the vision of the consumer. For Rangaswamy and Van Bruggen (2005), multiple marketing channels are when a firm interacts with different segments through different channels.

Several authors have analysed the pros and cons of a multichannel strategy in relation to a single one. Poloian (2013) studied the characteristics of this strategy from the point of view of the benefits brought by its use: expanding the customer base – retailers are able to reach local, national and global consumers by using more than one channel; customer convenience – the majority of stores are not open on a 24/7 basis everyday, therefore, by using catalogues and the internet, working hours are longer and there is more interaction with the customers, allowing them to save time and money; as consumers are becoming multichannel purchasers, they expect the shops they use to be multichannel as well; risk balance – especially in times of economic instability, companies gain competitive advantage by having multichannel options.

Kotler and Keller (2009) did the same analysis but identified three different advantages: larger market coverage – consumers can purchase products in multiple locations, making them more profitable than single-channel ones; cost reduction – internet sales are cheaper for companies, avoiding renting, building new stores and hiring more employees; higher level of sales customization – it is easier for a company to adjust to their customer's demands if they have multiple channels available.

On the other hand, there are also some limitations. For example, there are more difficulties regarding conflict and channel control. Having more than one channel can cause conflict like sales cannibalization as different canals compete for the same customers (Kotler and Keller, 2009). Besides, budget is also an example of a limited resource that needs to be distributed along others (Poloian, 2013). Considering control issues, they result from deficient leadership and inadequate methods to measure the performance of individual channels (Arikan, 2008). Furthermore, the image of the company can be affected by unsynchronized performance in different channels. In conclusion, multi-channel retailing is moving to Omni-channel retailing. (Verhoef, Kannan & Inman,2015).

Digital media is about electronic media that delivers information through digital formats. These can be computers, mobile phones, digital outdoor signs, among others. This online advertising is having a tremendous growth since its inception in 1994 (Robinson, Wysocka, and Hand, 2007). Advertisers spend millions of dollars everyday to place their ads on websites. Recent research showed that when people read ads online, they are more likely to purchase what is being advertised. (Smith, 2009). The increase in digital marketing is related to the increase of internet users that buy/sell online. This online exchange of products is denominated as Electronic commerce or E-commerce. According to the Organization for Economic Cooperation and Development (OECD), the financial crisis of 2008 boosted e-commerce sales worldwide since consumers started trying to reduce expenditures (Iafrica, 2009). Nevertheless, there is still a perceived risk in online transactions, as many consumers just use this channel to get information in the pre-purchase phase (Forsyhte and Shi, 2002).

Since digital advertising is considered to be the most promising field of development for marketing in this decade (Okazaki, Katsukura, and nishiyama, 2007), the concern on consumers developing negative attitudes towards this kind of advertising is increasing (Chatterjee, 2008). Besides, consumers do not like to be interrupted while they are working or just surfing the internet with disturbing messages like pop-ups (Li, Edwards, and Lee, 2002). Additionally, past research observed some ways of online advertising to be effective in influencing consumer behaviour. For example banner advertising was found to positively affect the probability of a consumer purchase (Goh and Chintagunta, 2006). In the other way, more recent studies have proven that online ads are considered to be annoying and uninformative, showing that 69% of individuals think pop-ups are irritating and, 23% consider they would not return to the website because of this kind of ads (McCoy et al. 2007). This conclusion matched an early study executed by Cho and Cheon (2004), where respondents deliberated that online advertising interfered with them attaining their goals.

Connecting with consumers through online brand communities such as social networks are considered to be a successful method (Cova, Pace, and Park, 2007), allowing marketers to join consumers online and connecting with them (Simmons, 2008).

2.3 Millennials as Consumers

Millennials were reported before as tech-savvy, objective, social lovers and high consuming people. However, it is their intrinsic need for status consumption, relation with brands and their propensity to formulate collective thoughts that better defines this behaviour. Status consumption is the "tendency to purchase goods and services for the status or social prestige value that they confer on their owners" (Eastman & Lui 2012). The same authors also concluded that this need was bigger for Millennials than previous generations. In another study, Caplan (2005) said that Millennials value price and features as the most important attributes of a certain product and value it more than the brand name. Millennials seek for products they can relate to their lifestyle or personality, which is why brand is not so important. Additionally, Eastman and Lui concluded that status consumptions is homogeneous through gender, income, education, etc. Therefore, Millennials will seek for brands with strong and clear perceptions among their peers (Benson, 2004). Considering opinions of peers and friends, these are more important than expert counselling sometimes. Tapscott (2010) highlights Millennials's demand for greater choice and customisation in their purchases. He also says they spend a considerable time searching products online and checking out retailers before purchasing our visiting stores. According to this author, the Millennials are expecting manufacturers and retailers to be honest and they will not hesitate to complain online about products or unethical behaviour.

Barton (2012) studied that 50% of the Millennial generation in the U.S. used mobile devices for consulting consumer reviews while shopping. Smith (2011) concluded online reviews are very influential and Millennials should be given discounts or coupons as incentives since this generation is stimulated by that kind of actions. Furthermore, they have considered word of mouth more important than advertising (Allsop et al., 2007), and seek for people with similar opinions when deciding to buy a product.

Millennials are the most difficult segment to target through television ads (Crang,2012) and, according to empirical evidence, digital advertising is more effective to this cohort. Emarketer (2010) conducted a study with Millennials and was able to observe that this generation talks more about products and services in online platforms than any other generation and, 56% of them do it through social networks. Moreover, in terms of statistics, Walter (2012) provided some useful insights regarding the Millennial generation like: 93% of teenagers with a desktop or a laptop, use it to go online, 80% manages two or more devices at the same time while watching tv and that 71% reported to having liked a brand on Facebook only to receive an offer. Mccrea (2011) also published a list of facts about this audience in the U.S. (sources: Pew Research, Intrepid, Bureau of Labor Statistics, Emarketer, Iconoculture, Experian Simmons, ComScore, PgAV Destinations and Brookings Institution): 48% of Millennials claim word-of-mouth influences their purchases more than Tv ads; 43% of this segment claim that texting is just as meaningful as a real conversation with someone over the phone; there is an email usage decline of approximately 27% among 12-34 years old individuals; 24% of Millennials say “technology use” is what makes their generation unique;22% of Millennials consider helping people one of the most important things in life. These stats should be taken into account by marketers when formulating marketing strategies for this segment.

Also regarding advertising, Millennials are sceptical when they are being targeted (Kapner, 1997), as this cohort believe it leads to higher product price, which goes against with their desire for the lowest possible price (Beard, 2003). Therefore, the communication strategy becomes critical when targeting Millennials. Smith (2011) concluded that the marketers should use side-panel ads and offer coupons if they want to captivate Millennials’s attention. He observed that this generation also enjoys watching advertisements on YouTube, prefers brighter and more coloured websites, and are attracted to customization features. Additionally, Millennials like interactive websites and to network with the marketer. Finally, competitive prices and shipping costs are a top motivator for Millennials repeatedly buying behaviour.

As the Millennial generation continues to age, finishing college, starting to work and constructing a family, the marketers that spent their time targeting and satisfying Millennials' wants, needs and preferences, will be the ones that come out ahead. (Mccrea, 2011).

3 Case Study

According to a study from the Portuguese magazine Visão, the Millennials despite had entered a stage of life where consume would be predicted to be astonishing, like buying a car, branded clothes or luxury accessories, they were not. Instead, adopted a posture of being connected all the time, preferring experience to possession. They grew with the 8th wonder of the world – the internet – becoming the first digital native generation where the greater part of their lives were inside the LCD of a smartphone, the place where all the world connected anytime, anywhere. In the article published, 72% of the Portuguese Millennials still lived with their parents, 92% surfed the web, 94% used a computer and 33% bought online. Moreover, some of the discovers were that 55% bought products due to online reviews wrote by other consumers, 45% because of what friends did/wore/used, 26% because of what they had seen in an online video (YouTube, Vine, etc) and 26% because of recommendations made through social networks.

Classified also as the generation Me (due to the selfie's trend), they were characterized as multicultural, tolerant, less loyal to the brands, eco-responsible and much more entrepreneurs, turning out to be a big challenge for the retail market to have them.

3.1 El Corte Inglés

El Corte Inglés was founded in 1940 in Spain (Exhibit 1). Once a small shop, the firm would buy, in 1995, its competitor Galerías Preciados due to their bankruptcy. The stores of El Corte Inglés were very large in size and offered a wide range of products as electronics, furniture, books, clothes, groceries, etc., and developed continuously through the years.

In 2015, the department store was already considered the biggest in Europe and ranked fourth worldwide, as well as owner of several associated businesses as Hypercor, Supercor, Repsol Opencor, travel Agency, assurance services and financial services. The group had a net profit of 158 million euros, with sales reaching the 15.220 million euros, 4,3% more than in the year before. The investment volume maintained above the 350 million euros in order to keep high levels of quality and service that characterize the Group, highlighting the effort made in the digital world aiming for a pioneer positioning.

3.2 Portuguese Branch

The Portuguese branch was founded in 2001 (Exhibit 2). “We came to Portugal in 2001 and replicated the Spanish model. The brand was already well known in the country, mainly by those who did shopping in Madrid, Barcelona, Vigo or Badajoz.” – explained Manuel Paula – “We were not unknown and that was our starting point, then, we just had to adapt to the Portuguese culture”. Many products and some operations suffered natural changes as Portuguese needs were different from their country’s neighbours. There were distinct tastes regarding music, groceries, books, etc. The technical assistance had to be local as other services, since the Portuguese consumer initially behaved like a tourist and not in a daily basis. The El Corte Inglés’s philosophy was, therefore, adapted to the Portuguese supply. In 2006, a second store was opened in Portugal, located in Vila Nova de Gaia (Exhibit 3).

At El Corte Inglés there were 3 main pillars in their philosophy: quality, service and assurance. Manuel Paula described each:

“Quality is having a range of products that completely satisfy our customers. We have to sell brands and products whose performance should be above their expectations. The place where they shop must be pleasant and consumers should feel safe and valued. Service is the capability that the salesperson has to serve well and please, which create the challenge of having 2000 workers attending in a standardized way as they come from different areas and they all need to think in the same manner. Besides, the service must be coherent, if I have great salespersons in one floor and less good in others, the perception changes. We survey and do this tracking very carefully. Department stores are shops that established in capital cities with personalized service and wide variety of products. This service’s culture comes since its inception and it is very important for El Corte Inglés as it was an opportunity for the brand. Finally, regarding assurance, we had a slogan that was “if you are not satisfied we give back your money”. Of course there are still customers that buy a suit and return in the next day saying they are not satisfied, however, the value of the slogan is bigger than this kind of cost. These factors are much harder to copy by competitors, as they are part of our DNA.”

3.2.1 Competitive Analysis

Through the years, competitiveness changed. In 2001 there was no online competition for example. Additionally, El Corte Inglés had many times been perceived as a shopping centre because of its dimensions. The marketing director of El Corte Inglés, Manuel Paula, clarified – "Shopping centres have a real estate core business, we don't. El Corte Inglés is a department store, a cornet shop that, instead of having 20 squared metres, has 50 thousand. Actually we are closer to a corner shop business than to a Shopping Centre".

El Corte Inglés had competed through the years in several areas of business since technology, food products, clothing, furniture, sports wear and equipment, beauty products, among many others. Therefore, its competitor's collection was vast (exhibit 4), for example: Fnac and Worten in technology and electric appliances, Continente and Pingo Doce in the food retail industry, Sportzone and Decathlon in sports wear and equipment, Sephora in beauty products, etc. Additionally, since their first day in Portugal, Media Market and Ikea entered the Portuguese Market as it was a highly competitive industry.

3.2.2 Natural Target and Customer characteristics

In Spain, the target was the medium class, however, as in Portugal the average income was a little lower, the department store was perceived as something more premium. Therefore, the natural target were the medium-high and high classes.

Regarding customers Manuel Paula disclosed - "El Corte Inglés has more women shopping. The average age of the customer is between the 45 and 50 years old. There is some retired public with some time availability and, individuals with higher business jobs. There is some exposition to tourism, principally the Chinese segment. Relatively to our social networks' public, it has the same characteristics but, 15 to 20 years old younger and more balanced through gender, although there are more women too" (exhibit 5).

3.3 Portuguese Retail Market

APED, the Portuguese association of retailers revealed several data (exhibit 6) on the Portuguese retail market (stats from 2014). GDP increased 0,9% in volume after the decrease of 1,4% occurred in the year before, reflecting a recover on the private consumption.

Food retail registered a sales volume reduction of 1,2% in 2014 comparing to 2013, due to the deflation on alimentary products, and the non-food retail market dropped 0,7%. In the lead of the respective market is Continente and Worten.

Regarding the non-food retailing, the consuming electronic market registered an increase of 5,4 % in the sales volume (353 million euros), private labels grew 6,9%, informatics verified a rise of 2,6% (increase in pc's and decrease on tablets), telecommunications increased 38,1%, photography dropped 3,2%, entertainment decreased 2,9% (although consoles had a positive variation of 16%) and clothing also reduced 4,1%.

Relatively to store openings, APED associated companies registered a lower number than in the previous year, from 78 to 54, while the number of stores' closure was precisely the same, 32.

3.3.1 Trends and preferences of the Consumer

The Portuguese market was hypersensitive to promotions. It had always behaved that way regarding prices and promotions, however, it was aggravated 5 years before with the economic crisis. "In 2011, with the cut on Christmas subsidy, the consumer instead of having 2 salaries, had just one and, therefore, created a big challenge to retailers" - said Manuel Paula, marketing director of El Corte Inglés Portugal – "In fact, the 50% discount campaign Pingo Doce did back then, was one of the most visible regarding this subject and, since then, there is a huge promotional dynamic".

Although there had been verified a resume on the private consume and even retailers had better conditions to sell more, they were not able to do it with more margin as who didn't promote didn't sell.

The Portuguese consumer was much more attentive to the prices. Digitalization, despite being developed a little later because of the crisis, allowed him to be much more informed. Access to information was becoming greater and greater and granted the opportunity to search and decide, incentivising sensitiveness to the price and promotions. Therefore, companies had to face it and use their stores as entertainment places. Consumers needed to feel pleasant, the experience had to be rich and, ultimately, people had to have fun. Manuel Paula stated that "if consumers don't feel amused and entertained, they buy through the internet. The experience is a factor of attraction and retention of clients, consequently, service becomes crucial. For example, the existence of televisions is important to create a more modern and technological experience, more fun".

3.4 The Challenge – Attracting the Millennials

Attract and retain the Millennial generation was one of the goals of El Corte Inglés, although it was a difficult mission. Paula explained "first of all it's our public of tomorrow. Millennials are the teenagers and young adults of today. It is a segment that influence purchases but does not always buy. They come to El Corte Inglés sometimes with their parents while they go alone to our competitors' stores. They are very sensitive to the prices and promotions. They go to H&M, Primark, Mango and, the perception of higher levels of quality and service refers to higher prices. Even practising prices as aggressive as the competition, a collection inserted in the middle of premium brands, with a personalized service and better installations, are harder to be perceived. Moreover, it is especially difficult when it is a target with a limited purchasing power and behaves a chameleon, always changing habits."

Therefore, it was crucial to develop careful measures in order to attract this generation.

3.4.1 How to attract and retain the Millennial Generation

Although attracting and retaining this segment was an objective for the company, Millennials were seen as an opportunity and as a threat at the same time. "Other fashion chains like Inditex, Primark and Mango are growing. Our incapacity of providing a young and cheap collection and, at the same time with quality, is a problem. The teenager doesn't care about the quality of the jacket, but to own several colours to wear. The Millennial wants space while shopping with his friends and, in a department store like El Corte Inglés, it is difficult to behave that way. Therefore, it is really important to be communicating with this generation everyday and, as it is more sporadic to do it in-store, we have to do it digitally all the time, mainly through social networks."

Besides, the department store opened 20 years before with an average of 30 years old employees, therefore, the team was 20 years older and more distant from the youngsters.

Furthermore, it was a conservative company which had a boom in the 80's and 90's, loosing the contact with the younger generations and with the cheaper fast fashion collections.

Finally, with the e-commerce and digital revolution, there was an opportunity to reactivate that contact.

3.4.2 Communication Strategies to attract the Millennials

The marketing director of El Corte Inglés knew communication was vital when targeting Millennials. "El Corte Inglés must talk to Millennials now, because, if it doesn't, it might cost a fortune to reach them later. That's why we are concerned about this generation. They don't generate sales immediately but, communicating to the teenager is cultivating the long-term and building the brand. It is not possible to frame a brand based on promotions".

Regarding clothing and fashion, although El Corte Inglés didn't have music "pumping up" like Primark, Mango or H&M, there were some differences regarding the salespersons, being younger that in the other floors, as the customer's age average, that was lower and rounded the 30 years old.

El Corte Inglés reformulated their language towards Millennials as it could communicate a transversal message in a more relaxed and "chilled" way. In fact, social networks could perfectly be the transmission link, however, Paula knew the precautions the department store had to have. "Social networks are not just Millennial territory; they are massive global channels. Instagram has more Millennials, as it is a younger Facebook. Twitter has some problems here in Portugal. We do a lot of promotions, but we don´t want to be known only by that kind of content. Our interaction on those channels must be qualitative, because, it is very hard to understand the direct causes between the link social-network-sales and, because the omnichannel is not 100% traceable. We consider that, for the level of interactions we create and, for the number of followers we have, the engagement (like, share, comment) has very positive levels. We understand that "netizens" don't share 50% discount campaigns, making the interaction short. However, if we ask if it is cold outside, they start answering. People value the concern and the emotion behind the messages."

3.4.3 Events and Partnerships

Events and partnerships were a good source of attraction of the Millennial Generation (exhibit 7). In fact, El Corte Inglés was having events almost everyday. However, there was no perception at all it was being done. Therefore, the department store started sharing them on their social networks.

They did the official release of top videogames like Uncharted 4 and FIFA 17, the launch of virtual reality, partnerships with João Cajuda (15th most influential travel blogger by Rise), A Pipoca mais Doce(most known blogger in Portugal) and Bons Rapazes (two bloggers with one page with 35 thousand followers, where on of the members is an actor, Pedro Teixeira, with more than 1 million followers through his social networks). Additionally, El Corte Inglés organized some small concerts with Dengaz, Carolina Deslandes and Diogo Piçarra.

“Events being successful don´t mean sales, unless they are gaming actions like Uncharted 4 and FIFA 17, where the opening party brought selling. During the football Euro 2016, we illuminated our building with the national colours (exhibit 8) and it gave an outstanding goodwill. We are many times perceived as Spanish and, that action, awarded us with a lot of shares in social networks, not only by men, but women too. Actually, we did the same for the fight against cancer with the pink lighting and people appreciated it.” – Manuel Paula.

One thing was clear for El Corte Inglés and Paula, the first step was to attract consumers into their stores. “We know El Corte Inglés is able to make the same level of sales as a shopping centre with one third of the visitors, therefore, our first battle is to have people in our stores. Our impulsive purchase levels are in the 25%, this means 1 in 4 individuals that visit El Corte Inglés buys something he was not counting on.”

Lastly, the company was organizing one Halloween action with a presenter of Nickelodeon (oriented for the teenagers), where the sales workers had the permission to be with special make-up, turning into living dead’s, a clear message of evolution of the store that once upon a time thought “why bother and spend money if we are not going to generate sales”.

4 Market Research

In order to face the challenge created by the case study, a market research was conducted.

4.1 Aim and scope of the Research

The Market Research data was obtained through an online survey (exhibit 9), a focus group (exhibit 19) and an interview (exhibit 11). The aim of the research was to understand what drives Millennials during their shopping and perceive the purchase behaviours of this generation along with their values and preferences. Additionally, the research had the purpose of interpret the feelings Millennials had towards El Corte Inglés and how could the department store manage their expectations within the retailing industry. Therefore, the survey was mainly distributed to teenagers and young adults and the focus group had only participants of this generation.

The online survey was available to everyone during the month of November and counted with 269 valid responses. It was a substantial number of answers that permitted to make several significant conclusions. The data was analysed through SPSS statistics software (exhibit 11) and Microsoft Excel.

The focus group allowed to consider wider opinions on Millennials' buying perceptions and was a big source of information to complement and stress the survey data.

The interview was conceived with the El Corte Inglés Marketing Director, Manuel Paula.

4.2 Demographic factors

The sample of the online survey was balanced in terms of gender, with 123 males (45,7%) and 146 females (54,3%). The large majority of the respondents were aged between 18 and 23 (82,2%), followed by the 24 to 30 years old respondents with 16,7%). Only 3 people were younger than 18. Concerning nationality essentially Portuguese people were considered (96,6%).

Considering occupation, university students contemplated 80,6% of the sample while 16,7% were already employed, 2,2% were still at school and 0,4% unemployed. Finally, regarding monthly income, 128 respondents (47,6%) earned less than 300€. Earnings between 300€ and 500€ were registered by 21,6 %, the same for earnings in the interval of 501€ to 1200€. Within 1201€ and 3500€ were 7,1% and income above 3500€ only 2,2 %.

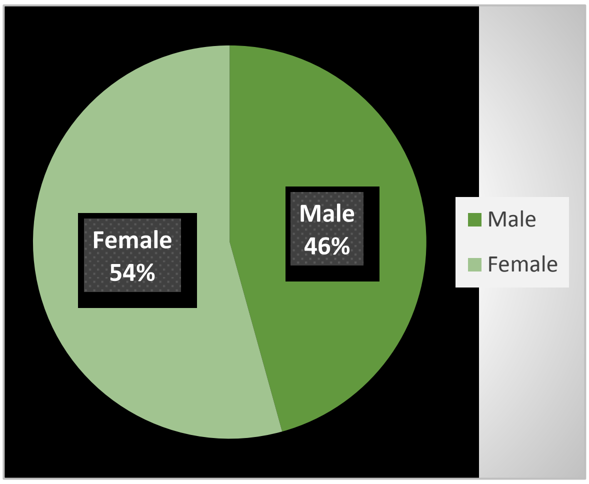

Figure 1 - Gender

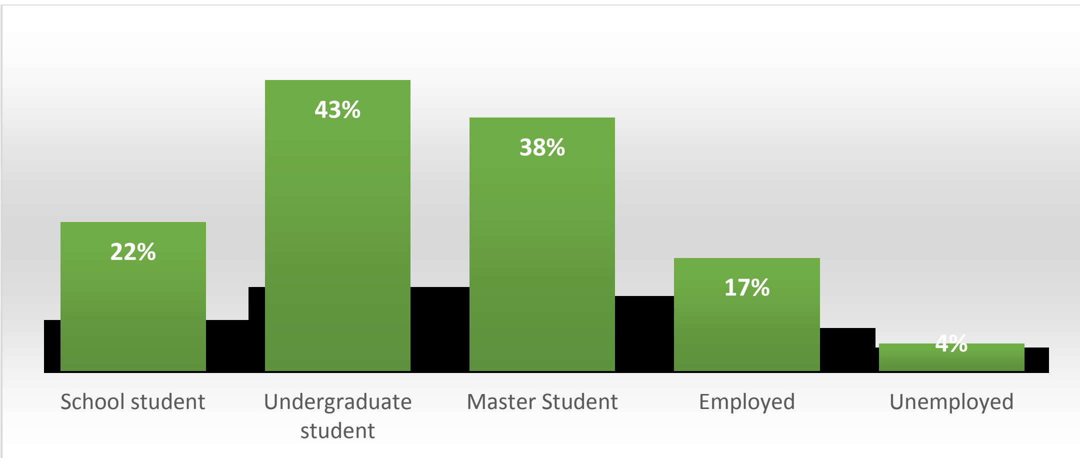

Figure 2 - Occupation

The focus group was attended by 8 participants, 5 males and 3 females, aged between 19 years old and 24 years old. There were 6 university students (either undergraduate and master students) and 2 members already employed (both females).

All the respondents still lived with their parents, except for a couple that recently moved in to theirs new apartment in which they live together for 3 months.

The interview occurred in the 28th of October at El Corte Inglés situated in Lisbon.

4.3 Shopping Habits

In this section respondents were asked how regularly did they shop, what and where. Both in-store and purchase patterns were studied.

4.3.1 In-store

Regarding in-store, the number of times respondents were going to make a purchase was well spread. The greater part shops 1 to 2 times per month (35,7%) and 24,2 % shops 3 to 4 times a month. There is a substantial number of individuals who make a purchase 5 times or more (25,2%) as there is 14,4% who go less that one time per month. Relatively to what they buy or at least have a decision role in the purchase, clothes and accessories was clearly the number one choice with 85%, followed by sports wear and equipment (47%) and electronics (43%). They were moderately buyers also in groceries (42%), gifts and souvenirs (42%), beauty products (36%) and jewellery/watches (35%). Toys and furniture registered low values with 7% and 11 % respectively.

Figure 3 - What do Millennials buy?

In the focus group it was possible to infer other sort of purchase behaviours. When asked where did they spend their income on, clothes, technology and groceries where once again enumerated. 5 of the respondents said they go to the supermarket at least one time every ten days. While two participants already lived together and others were old enough to start caring about weekly groceries shopping, it was explained that many youngsters come from different cities to study in Lisbon and share apartments with other university students and, consequently, had to be responsible for the supermarket duty. Therefore, it was explained the new services El Corte Inglés was offering – Click & Collect and the App El Corte Inglés Supermercado – and the feedback was very positive from the participants as they considered the app as "super fun" and very well organized and, the service Click & Collect as super convenient.

Clothes were usually paid with their own money but in two cases were the parents who supported directly that cost. However, they remained the purchase deciders. The participants also showed a common cost in tickets for shows and festivals.

Male participants were clearly more into technology, as gaming and computing were one of their preferences, while beauty products and all kind of accessories (as purses and phone cases) satisfied the choices of the females.

Lastly, it was common to every participant that they first search on the internet and then make an in-store purchase in most of the cases.

4.3.2 Online

When it comes to online purchases, it was possible to understand that not many individuals are using this channel regularly, as 79% of the respondents didn´t buy online or, at least, on average, purchase less than 1 time per month. 23% of the sample bought 1 to 2 times per month online and 7,4% bought 3 or more times during a month (in which 3 individuals answered that made more than 6 monthly purchases).

Regarding what respondents bought online, the same patterns of in-store purchases are noticed except for sports wear and equipment and groceries. Clothes and accessories registered 63%, electronics 43% while sports category dropped to 29% and groceries to 10%. Gifts and souvenirs, beauty products and jewellery/watches registered 26%, 17% and 16% respectively. Toys (6%) and furniture (4%) were once again the categories where respondents seemed to had less interest.

Within the focus group, 6 of the 8 respondents considered online purchases as a second choice. Nonetheless, the participants referred that were used to spent their money online in travels. The other 2 participants did online purchases on a regular basis on products such as clothes, accessories and computer games. One inclusively bought his last computer online.

4.4 What is El Corte Inglés brand perception by the Millennials within the retailing industry?

From the focus group discussion, it was possible to conclude that many times El Corte Inglés is confused with a shopping centre. Respondents compare the department store with Centro Comercial Colombo and Amoreiras Shopping Centre. For the aim of this research, the important was to compare the perceptions and feelings of the respondents and not how did they classified El Corte Inglés as.

Respondents were asked to make some word association between El Corte Inglés and its competitors. Stores like Fnac, Worten, IKEA, Sportzone, Staples, Media Market and Primark were pronounced on this analysis. In comparison to the other stores and shopping centers,

El Corte Inglés was classified as a premium and as a luxury store to shop. As a result, participants referred that its products had better quality. In the other way, 2 participants considered El Corte Inglés as confuse for finding a certain product. The department store was also associated with the dress code of their personnel and for the “formal appearance along with the security”. One participant didn’t have the same opinion as others as he didn’t classify the department store as premium or highly expensive, but instead with variety and with products for every “taste”.

In the sports category, Decathlon was described as the department store with the larger diversity of products and more “sports specific” while Sportzone was less diverse but cheaper. El Corte Inglés was not referenced by the participants.

Regarding technology, Fnac was the overall preferred store because it was viewed as “It has what I need for sure” and supported culture. Media Market and Worten were also known by the participants but more as household appliances. The last one seemed to have some negative feelings regarding customer services due to past experiences with the store from 2 of the focus group attendants. El Corte Inglés was referred but as a limited and not specialized store in this area.

Ikea in furniture and Staples in office supplies registered positive thoughts by the participants. Ikea because it was considered cheap and with attractive design products and Staples for having everything its needed for work.

Finally, clothing was intensively discussed in the focus group. Female attendants claimed that the youth collection of El Corte Inglés was more directed to man since there was more variety for that gender than for young women. In general, participants believed there should be a cheaper collection to compute with other fast fashion stores. Primark was seen as a crowdie and confusing store but where the prices were really cheap, in which with 70 euros they could buy much more products than in El Corte Inglés. Besides, they felt much more at ease than in El Corte Inglés, since the focus group attendants could touch on the clothes comfortably in spite of being observed by the security guards in a way it seemed they were committing a crime. Trendy songs listened in-store were appreciated by the large majority of the participants.

The preferred stores enumerated by the participants were Fnac, El Corte Inglés, Decathlon and Primark.

The survey gave also some insights. Regarding brand awareness, every respondent claimed to knew about El Corte Inglés. From the 269 respondents, 253 (94,1%) had already a purchase experience at the department store. However, only 1,5% of this group of respondents had it online.

Respondents where inquired on their level of agreement (from 1 to 5) in 6 different sentences. Results showed that they believe El Corte Inglés clearly offers a wide variety of products (mean of 4,39), is a department store for all ages (mean of 3,94) and values the consumer (mean of 3,83). The uniqueness of the store was somewhat agreed (mean of 3.75). With the lowest score but still slightly above the neutral position were the levels of amusement when shopping (mean of 3,49) and the levels of overcoming expectations (mean od 3,23).

They were also asked to state their perception about El Corte Inglés from 1 to 7 in 6 different categories regarding, price, selection, fashion, low/high end, excitement and degree of identification with the department store. It was possible to observe that respondents consider El Corte Inglés has an extensive selection (mean of 5,68), is fashion (mean of 5,54), is expensive (mean of 5,45) and is more for high-end social classes (mean of 5,36). With lowers scores although having positive perceptions were the levels of excitement (mean of 4,79) and identification (4,54).

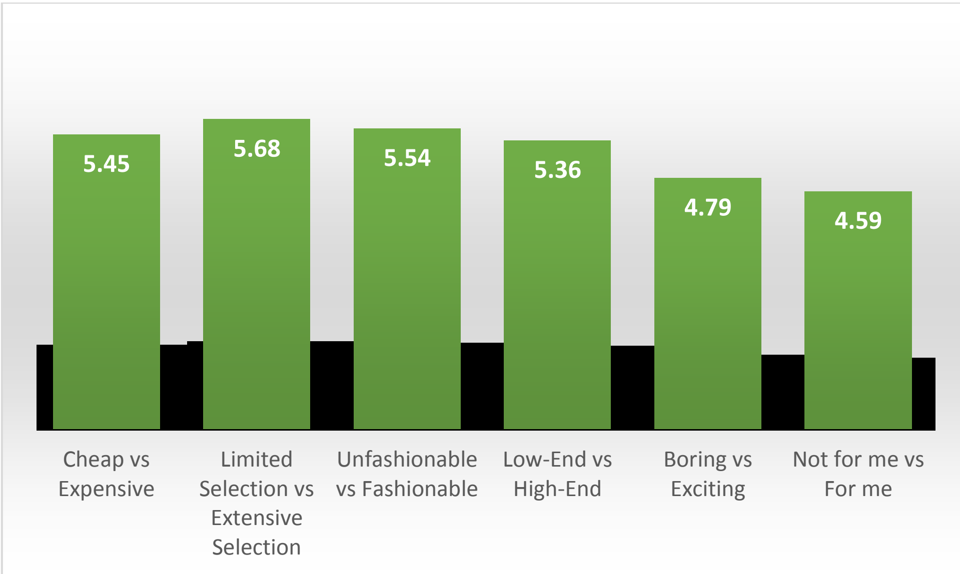

Figure 4 - Millennials's perceptions on El Corte Inglés

A regression was conducted with the perceptions dependent variable "Not For me vs For me". The predictors were the other perception levels and the feeling about El Corte inglés. The model registered an adjusted R square of 42,4%, so the variability in the responses were explained by the explanatory variable by that percentage. It was a good indicator since it was being studied human feelings which were harder to calculate. The significance value was below 0,05 therefore there was strong evidence that the effects studied in the model were significant.

The significant factors affecting the level of identification with the department store were price, fashion, excitement and when the consumers felt valued. Higher levels of excitement, fashion and consumer service influenced positively the feeling of identification with the department store while higher levels of price provided the opposite.

4.5 What do Millennials value in their shopping experience?

After analysing the perceptions of the sample towards El Corte Inglés, the sample was divided in 2 clusters in order to achieve more specific results about what Millennials valued when having a shopping experience.

The clusters were about whether or not respondents considered El Corte Inglés as a channel for them to shop. Cluster one had 168 individuals and was constituted by the ones who considered the department store was right for them (5 out of 7), so it was named as “For me” segment. It was composed by the respondents who thought El Corte Inglés was quite expensive, with an extensive selection, super fashion and more directed to high end classes (all this factors with a score of 6 out of 7). They also believed it was an exciting store (5 out of 7). In the other hand, cluster 2 was composed by 101 respondents and it was named as the “Not for me” segment. In this cluster, all the factors were evaluated with one point less compared to the “For me” cluster, except in fashion (4 out of 7) and “for me” where they scored 3 out of 7.

All factors were statistically significant.

In conclusion, the greater part of the respondents identified themselves with the brand and considered El Corte Inglés as a place for them to shop.

4.5.1 In-store

In this section of the online survey participants were asked what where the 3 things they valued the most when purchasing a product in a store. Millennials considered price (89%), the quality of the products (86%) and variety of products (39%) as the most valued factors when shopping. Customer service (30%) and store design/atmosphere (20%) were moderately appreciated by respondents.

Comparing the 2 different segments originated by the clusters, it was possible to infer conclusions about how they differ valuing the quality of the products, store design/ atmosphere, customer service and variety of products, as these factors were statistically significant. The "For me" segment valued more the quality of products (90% vs 79%), customer service (39% vs 21%) and store design/atmosphere (26% vs 11%) than the "Not for me" segment, while this last one considered the variety of products more important than the first (44% vs 36%).

The focus group allowed to perceive that participants valued the price ("if the discount is large I will take the opportunity for sure") and variety the most. The opinions were divided about the preferred relationship between the quality of the products and its price. Some said they would prefer to pay a slightly higher price for better quality while others would sacrifice quality for a lower price.

The customer service was also valued by the majority of the focus group attendants, specially for male participants. They said they enjoyed being well served by a sales person and inclusively one participant confessed it had a lot of impact on whether he would buy a product or not. "If a sales person told me I looked good with some kind of clothing, I would buy right away!". Additionally, females said they wanted more space while shopping and didn't need an annoying person always present, specially in beauty products. However, male participants disagreed and claimed that in order to get the right gift for "the girls", they needed help in those kind of areas.

4.5.2 Online

When it comes to online, the importance of each option was more balanced than in-store. Millennials valued lower prices and reliability the most with 69% and 51% respectively. Then, the most important factors were fast delivery (39%), product reviews (38%) and variety of products (33%). Lastly, payment options (29%) and easiness of navigation of the platform (18%) were also considered important by some respondents.

Considering the clusters, the significant factors that could be compared were product reviews, easiness of navigation of the platform, fast delivery and payment options. The "for me" segment valued more product reviews (40% vs 35%), the easiness of navigation of the platform (22% vs 11%) and fast delivery (42% vs 34%). In the other hand, the "not for me" segment valued more the payment options (33% vs 26%).

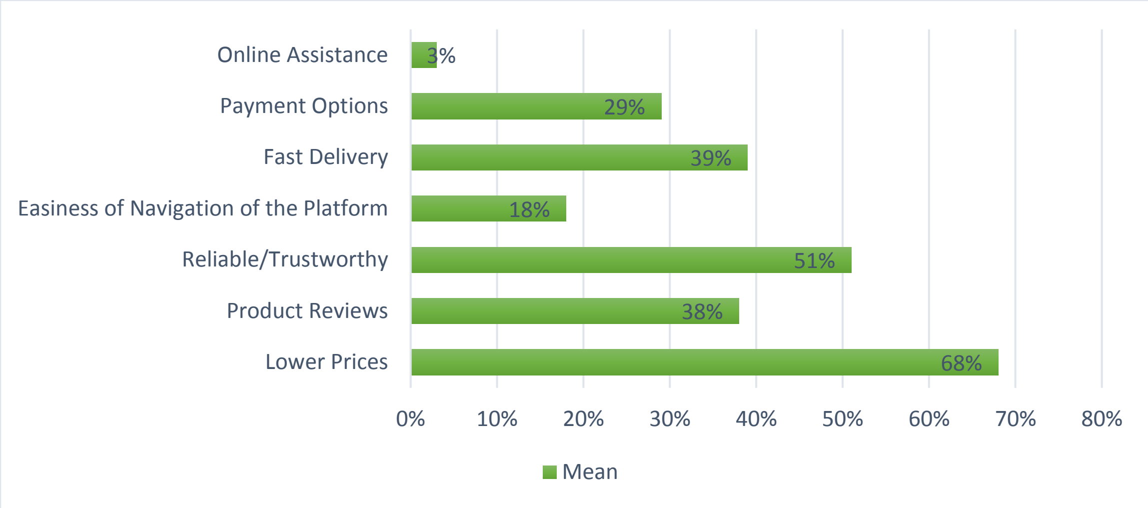

Figure 5 - What do Millennials value in online shopping?

The participants of the focus group claimed that past experiences with the stores were very important as the price and variety. Furthermore, the feedback / product reviews played a big role when purchasing a product online since they searched a lot before they buy something.

4.6 El Corte Inglés Communication

4.6.1 Advertising, Events and Partnerships

In the focus group, participants were somewhat familiar with El Corte Inglés advertising and claimed the department store's ads were "cute". However, it was possible to notice that they were not made in Portugal neither adapted for the Portuguese culture.

Regarding to El Corte Inglés' events, focus group attendants were not aware of any of the events presented in the session. Nonetheless, 3 participants were aware of partnerships made with a gas stations, Bons Rapazes and the blogger of "A pipoca mais doce", as they considered all the partnerships as a plus for El Corte Inglés and contributed positively for their perception towards the department store.

4.6.2 Website and Social Media

The website of El Corte Inglés was presented to the attendants of the focus group and was considered as an advertising with loose images and badly organized (seemed "like a casino”). They claimed they preferred if it was more user friendly with more connections. The participants told the menu should have played a major role instead of being hidden. They also noticed there was no search bar in the home page.

Relatively to social media, Facebook and Instagram pages were displayed. The Facebook page didn´t deserve much comments by the participants, unless for the number of likes per post that they considered really low. In the other hand, the Instagram page was really appreciated by the female attendants that considered the pictures very exciting and, although just one person in the room followed that account, the participants said it was appealing and that they would follow it. Males in the focus group complained the page was more directed to the other gender.

From the online survey, only 16,5% were familiar with El Corte Inglés’ social media. Respondents were asked to rank their preferences regarding the content they would like to see on a social media page of the department store. Information about promotions and products/services ranked 1st, then followed by feedback on new products (2nd), events powered by El Corte Inglés (3rd), tutorials on ideas on how to use certain products (4th), advertisements (5th), and finally, social responsible initiatives (6th).

4.6.3 Why are not Millennials shopping at El Corte Inglés?

In the online survey, respondents were asked what could be done to increase their willingness to shop at El Corte Inglés. “Lower prices” and “higher discounts” were two of the most seen sentences. Nevertheless, there were other opinions that didn’t need necessarily to lower the prices, as they claimed there should be more low-end brands and more variety within the collection the store already provides for each brand.

Millennials had the opinion that advertising could be more for “people of my age”, in order to inform them all the good things that are available to them which El Corte Inglés could provide. In terms of promotions, respondents believed there should be more regarding youngsters as they had less money to spend. There were some opinions the department store was somewhat confusing and there should be more indications to guide them within the store.

Finally, in the online survey, respondents said there should be some background music in the youngsters' floor.

In the focus group, participants said El Corte Inglés should communicate in a more relaxed way to Millennials and create a special loyalty card for teenagers and young adults. Regarding brands available, attendants advised the store had the same brands for a long time and maybe should consider to innovate and change. "We grew with Zaras, Mangos and H&M's, so we need more". They had the opinion El Corte Inglés could work on bringing Abercrombie and Fitch, Holyster and Top Shop to Portugal.

Ultimately, events should continue and they could bring more singers to the stores like HMB as they knew the band went to Amoreiras Shopping and said it was a "huge" success. Further, they added some other artists like Aurea and contestants from reality television music competitions. However, the communication would have to improve in order to reach their ears. The investment on social media should also continue.

5 Conclusions

The aim of this research was to understand how could El Corte Inglés attract and retain the Millennial generation. For that purpose, four research questions were designed in the beginning of this article and a market research was implemented to analyse Millennials's shopping habits and attitudes, how were online channels influencing those same habits and attitudes, how was El Corte Inglés being perceived by the cohort and how did Millennials feel regarding the department store's website and social media.

5.1 What are Millennials looking for and what do they value?

Survey respondents and focus group attendants indicated that Millennials used their income, or at least had a buying decision role, mainly in clothes and accessories, sports wear and electronics. Nevertheless, as many students came to live near universities in rented houses, and others start to be old enough to care, groceries were also a category where Millennials focused their attention. Additionally, some Millennials, due to their growth, started having relationships and living together and the need for furniture and house appliances also urged. It was possible to conclude men are more into technology and women into beauty products.

Relatively to what do Millennials value, it was evident that they rate price, quality of products and variety as the most important factors while shopping. However, customer service and store design and atmospherics were also considered important, specially for Millennials who identify themselves with El Corte Inglés. Customer service was more important to men than to women, who appreciated to have their space. Millennials showed moderate interest in stores having some background music. Finally, all focus group participants demonstrated a common interest in tickets for live shows and travelling.

5.2 How do online channels influence Millennial Consumer Behaviour?

It was possible to understand that Millennials search the majority of the products they intend to buy through the internet first, using websites and social networks as search engines. When shopping online, this cohort expected prices to be lower and reliability played a big role to use those online channels. Additionally, product reviews were considered as a big plus since they could perceive better the feelings other consumers had when using a certain product that they were interested in. The individuals that consider El Corte Inglés to be a store for them to shop, valued even more product reviews and the easiness of navigation of the online platforms.

The category of products Millennials demonstrated more interest to buy online were clothes/accessories and electronics. However, it was possible to conclude that online purchases are still seen as a second choice, unless the product/service is related to travelling.

5.3 How do Millennials perceive El Corte Inglés?

El Corte Inglés had still the stigma of being a “luxury” and “premium” store. Despite Millennials pondered the store to be more expensive than the majority of competitors, they associated it with higher levels of quality and variety. Furthermore, all Millennials are aware of the existence of the store and the large majority had already a shopping experience in there. Finally, they agreed the store was for all age groups and that it valued the consumer. Relatively to the sorts of products El Corte Inglés offers, Millennials didn’t associate it with sports wear neither with household appliances and considered the store to be limited in the technology category. Clothing apparel was considered too expensive for their budget.

It was also possible to conclude that more Millennials related themselves with the store than the ones who didn’t. In here, factors like price, fashion and excitement affected the level of identification with the store. However, it was considered a place where formality ruled and it pushed them away from the store. Besides they were not conscious of the events and partnerships the store was setting up to attract this segment, although they were interested on those actions.

Finally, it was possible to conclude that before equating about retaining Millennials, El Corte Inglés needs to attract them first.

5.4 How do Millennials feel regarding El Corte Inglés’ online platforms?

Millennials considered the website to be confusing and not enjoyable as they preferred "more connections" style where the menu bar would play the main role to guide them through the pages.

The majority of the Millennials were not aware of the social media content the store had. Regarding the Facebook page the only thoughts were on the lack of engagement the post had. On the other hand, Instagram was more appreciated and it was considered to be very appellative, specially by the females. It was concluded that Millennials wanted social media to provide information about promotions and products/services available, to give feedback on their assortment and to communicate the events they were hosting.

6 Recommendations

My recommendations for El Corte Inglés are based on three main areas: assortment, experience and communication.

In terms of product assortment, the department store should innovate regarding the clothing apparel. It is the main source of sales for the Millennial generation and they consider it as old-fashioned. They want fast fashion clothes with lower prices since they were used to stores like Zara, Mango and H&M. As mentioned in the market research, El Corte Inglés should study the possibility of having Abercrombie and Fitch, Holister and Top Shop as part of their offer, stores that are not in the Portuguese market for now and could provide a lot of excitement.

Regarding groceries, the service click & collect and the app El Corte Inglés Supermercados generate positive feelings through the millennial generation and, therefore, should be targeted also to them, as it was observed that, more than young adults starting to gain their independency, students are living near universities and could be interested customers too. Additionally, Millennials could be an excellent source of propagation through online media.

Moreover, experience nowadays is extremely important to attract and retain customers. Therefore, El Corte Inglés should signal in a more organized way the categories of products they have in each floor since Millennials consider difficult to find what they want. Besides, in the youth clothing collection, top musical hits should be played on the background.

The cohort also showed interest in some kind of special treatment. This, could be provided by a loyalty card for teenagers and young adults where they would receive an incentive to continue shopping at the store. Further, more promotions directly targeted to this cohort would demonstrate more than communication, but the desire the store has in appealing to them. Likewise, El Corte Inglés should continue making new partnerships with references of this generation and hosting events that can attract the Millennials's segment. Artists like HMB, Aurea and contestants from reality television music competitions are some examples that could please the Millennial audience.

Regarding communication, my recommendation is to interact even more with the youth segment through the social networks. Nowadays, it is crucial for brands to increase the number of followers, specially in Facebook and Instagram that are the ones where they spend the most of their time. Therefore, they should rise their engagement by raffling products that are rapidly spread through the online media.

Finally, my last recommendation is related to the website. Millennials enjoy surfing the internet and looking for products through the different sites, however, they considered El Corte Inglés's homepage to be confusing and not easy to navigate. Therefore, the menu toolbar should have a major role in the website navigation and, all the clothes' collections should be inserted in the page with the grid type of product display.

7 Limitations and Future Research

The aim of this study was to understand how could a department store like El Corte Inglés, attract and retain the Millennial generation. Although the objective was accomplished, there were some limitations that could have bias the information collected.

Hence, the first limitation was regarding the sample as it could be larger and, the majority of respondents were under 23 years old. Consequently, opinions from older Millennials had a different weight on the analysis and findings obtained. Expanding data collection through online surveys and focus groups arranged by life stage of Millennials could provide even more insights regarding this subject.

Furthermore, El Corte Inglés is a retailer that sells a wide variety of products, which creates some difficulties to make comparisons with its competitors in each category of goods. Moreover, due to the importance of granting their customers' privacy, the data provided by the department store was to some extent limited.

Finally, El Corte Inglés is facing this challenge not for a long time. Therefore, future research could be able to analyze the results of some actions which are being implemented in the last months.

Future research should also study how El Corte Inglés could attract and retain the teenagers and young adults without jeopardizing its positioning, or, to study how positioning changed or can change because of targeting the Millennials. Further, as El Corte Inglés has currently one department store located in Lisbon and other in Porto, an interesting research that could be made would be to study the differences between Lisbon and Porto Millennials, regarding their wants and needs and, if marketing campaigns targeted to this generation should be according to each region.

8 Teaching Notes

8.1 Synopsis

The present case study aims to understand which marketing strategies should El Corte Inglés Portugal adopt in order to attract the Millennial generation to their department stores, having in mind the trends and preferences of the retail market and the consumers.

El Corte Inglés opened the first store in Portugal in 2001, reproducing the Spanish model while adapting their philosophy to the Portuguese culture. The business is assented in three main pillars: quality, service and assurance. As the retail market evolved, it became increasingly competitive both local and globally. Further, due to the Portuguese culture expectancy for low prices and promotions, the digitalization of things and the lack of aim on targeting the younger generations to the store, El Corte Inglés is facing the challenge of attracting the Millennial generation, which is considered the customer of tomorrow.

Therefore, El Corte Inglés implemented a set of measures from interacting with the teenagers and young adults through their favorite online platforms – social networks – to getting partnerships with bloggers and hosting gaming events. Nevertheless, although the development of e-commerce and the digital revolution created an opportunity for the department store to aim the millennial cohort, problems as the conservatism of the store and its positioning in the market constituted an obstacle.

Hence, it is legitimate to problematize, which are the best strategies to attract and retail the Millennials, having in mind the advantages and disadvantages of its targeting.

8.2 Target audience and Teaching Objectives

The case study provides a practical and real life challenge which can be analyzed and discussed by both undergraduate and master students, in marketing and strategy related courses. It can be introduced in the field of marketing and strategic marketing under the topics of targeting, positioning, marketing mix, consumer behavior, brand equity and retailing.

Further, the main teaching objectives are:

1) Understand the dynamics of the Portuguese retail market and how trends and preferences of the consumers affect it.
2) Present students the importance of the positioning of a brand.
3) Acknowledge the the relevance of successful communication strategies and channels used for the effect.
4) Improve the students' strategic thinking and problem-solving skills by visualizing a set of possible approaches to address a challenge, while applying and consolidating theoretical concepts and frameworks.

8.3 Teaching Plans

It is strongly suggested that students have prepared the case in advance. My recommendation is that students perform an analysis of the industry using the Porter's Five Forces and a SWOT analysis to better understand the industry they will be studying. Additionally, the subsequent articles are endorsed in order to students acknowledge better the topics covered in the case:

- Artun, O., & Kelly, M. (2016). What Lilly Pulitzer Learned About Marketing to Millennials What Lilly Pulitzer Learned About Marketing to Millennials, 2–6.
- Deirdre, B. Y., & Senior, C. (2015). or How to Become Friends With Gen BuY.
- Stojkovic, D., Lovreta, S., & Bogetic, Z. (2016). Multichannel strategy - the dominant approach in modern retailing. *Economic Annals*, *61*(209), 105–127. https://doi.org/10.2298/EKA1609105S

Thenceforward, students should prepare answers for the following questions, in order to perform a successful debate in class:

1) What are the trends carried by the Millennial Generation and how multichannel strategies adequate to those tendencies?

There are many answers to this question. Here are some possible responses to the topic:

❖ Grown in a digital world with the phenomenon of globalization.

- Millennials are familiar with high-tech, consumption-oriented, acceptant of multiculturalism, objective, goal oriented, socially and ecologically aware and value relationships.
- Need for status consumption and to relate with brands and Demand for greater choice and customization.
- Spend considerable time searching products online through computers/mobile devices and checking out retailers before purchasing or visiting stores.
- Millennials are stimulated by consumer reviews, discounts and word-of-mouth advertising.
- Multichannel strategies fit Millennials desires as they increase levels of convenience, are able to reach the local and the global consumer since it is possible to buy products in multiple locations, save time and money and provide higher levels of sales customization.

2) Characterize the Portuguese retail market knowing the dynamics affecting its comportment.

- Ultrasensitive to prices and promotions
- Huge promotional dynamics
- Consumer much more well informed.
- Use of stores as entertainment places.
- Shopping experience must be rich and pleasant.
- Higher stands required as the consumer becomes more and more demanding.

3) Describe the philosophy of a successful company as El Corte Inglés and how can Millennials be a difficult segment to target.

- Based on three main pillars:
    - quality (range of products and performance>expectations).
    - service (serve well and coherent).
    - assurance (hard to copy and value for consumer).
- Difficulties can be:
    - Perceived as expensive.
    - Influence purchase but do not always buy

- Limited purchasing power.
- Chameleon Behavior.
- Difficulty by the store on providing a young and cheap collection maintaining high levels of quality.
- Company's sales team is 15 years older than when the store was founded.

4) What were the strategies developed by El Corte Inglés in order to attract the Millennial Generation?

- Take advantage of the e-commerce and digital revolution opportunity.
- Communicate every time, everywhere with the young cohort.
- Cultivate the long-term relationship.
- Younger sales persons at the most visited floors by Millennials.
- Creation of partnerships with Millennials' references and host suitable events (showcases, gaming, etc).

5) "Aiming to attract the Millennials might antagonize with the department store's positioning and create a conflict with other segments of consumers". Discuss.

Students are expected to debate the importance of attracting the millennial generation versus the possibility of jeopardizing the brand's positioning. There are no right or wrong questions.

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11 Appendixes

Exhibit 1 – El Corte Inglés first store

Figure 6 - El Corte Inglés first corner shop

Exhibit 2 – El Corte Inglés Lisboa

Figure 7 - El Corte Inglés Store in Lisboa

Exhibit 3 – El Corte Inglés Vila Nova de Gaia

Figure 8 - El Corte Inglés Store in Vila Nova de Gaia

Exhibit 4 – APED data on sales' volume.

		2014	2013	2014 vs 2013
1	worten	728	695	5%
2	El Corte Inglés	503	479	5%
3	IKEA	337	300	12%
4	fnac	334	324	3%
5	Leroy Merlin	281	254	11%
6	SPORT ZONE	196	188	4%
7	lfp lojas francas	194	175	11%
8	DECATHLON	193	171	13%
9	AKI	177	166	7%
10	MediaMarkt	162	147	10%
11	MO	120	106	13%
12	C&A	112	111	1%
13	CALZEDONIA TEZENIS intimissimi	109	104	5%
14	Massimo Dutti	95	87	10%
15	BRICO MARCHÉ	82	78	5%

Figure 9 - Non-food Sales' volume (in millions)

		2014	2013	2014 vs 2013
1	CONTINENTE	567	555	2%
2	pingo doce	432	428	1%
3	Intermarché	278	277	0%
4	LIDL	243	241	1%
5	Minipreço	222	225	-1%
6	Auchan	220	219	1%
7	worten	121	125	-3%
8	AKI	91	90	0%
9	El Corte Inglés	84	85	-2%
10	Leroy Merlin	80	74	8%
11	IKEA	69	69	0%
12	DECATHLON	67	68	0%
13	SPORT ZONE	64	64	1%
14	BRICO MARCHÉ	61	58	5%
15	Maxmat	56	56	4%
16	MO	55	55	-1%
17	C&A	44	44	-1%
18	ALDI	37	34	10%
19	fnac	32	28	15%
20	MediaMarkt	28	28	0%

Figure 11 - Top 20 Sales' volume per sales' area

		2014	2013	2014 vs 2013
1	lfp lojas francas	444,0	405,5	9%
2	MediaMarkt	298,0	293,4	2%
3	ALDI	281,4	203,9	38%
4	fnac	259,6	285,0	-9%
5	Disney Store	257,3	185,9	38%
6	Minipreço	236,8	245,0	-3%
7	LIDL	234,0*	249,6*	-6%*
8	IKEA	232,8	217,0	7%
9	MICHAEL KORS	226,1	N/D	N/D
10	GANT	196,2	173,3	13%
11	CARLOS LOPES Supermercados	195,5	260,0	-25%
12	Auchan	194,0	193,7	0%
13	ÁLVARO COVELO & PINTO	188,6	188,6	0%
14	Leroy Merlin	187,2	186,9	0%
15	DECATHLON	186,7	162,3	15%
16	Intermarché	179,3	182,0	-1%
17	SACOOR brothers	177,6	141,5	26%
18	Prénatal	177,2	177,2	0%
19	NIKE	174,8	N/D	N/D
20	El Corte Inglés	174,1	166,5	5%

Figure 10 - Top 20 Sales' volume per employee

Exhibit 5: Customer profile (In-store and Facebook data)

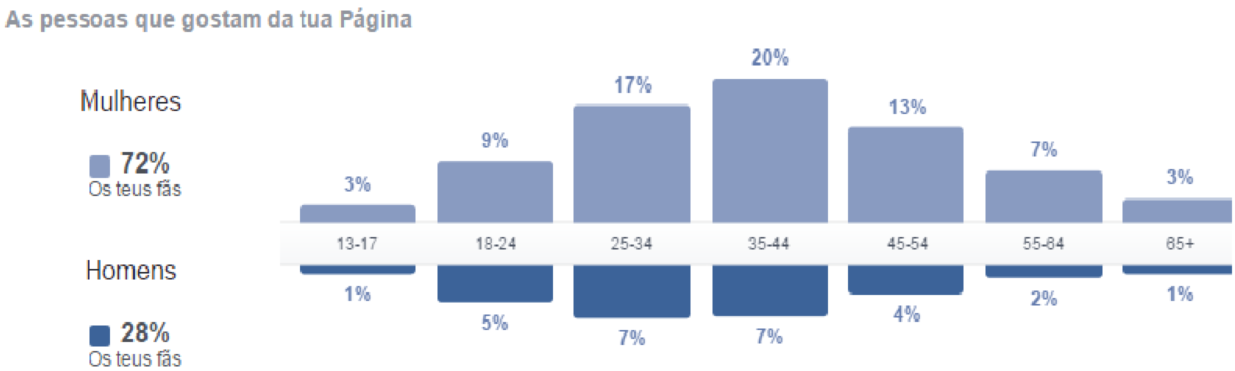

Figure 12 - El Corte Inglés's Facebook Like Stats

Profesión-Ocupación	Total	Hombres	Mujeres
Titulados medios, diplomados y afines	19,6	13,0	22,8
Titulados superiores universitarios	17,6	21,8	15,6
Jubilados y pensionistas	14,3	14,3	14,3
Administrativos	12,3	10,1	13,4
Profesionales técnicos (delineantes, ópticos...)	10,1	13,3	8,5
Estudiantes	7,9	9,6	7,1
Empleados de comercio, protección y restauración	5,7	5,8	5,7
Trabajadores no cualificados (empleados domésticos, personal de limpieza...)	2,0	2,6	1,7
Trabajadores cualificados en construcción, agricultura...	1,8	2,9	1,2
Amas de casa	1,1	--	1,7
Dirección de empresas y Administraciones públicas	0,8	1,4	0,5
Fuerzas armadas	0,3	0,9	--
No contestan/En paro	6,5	4,3	7,5

Evolución Profesión-Ocupación	2012	2009	Difer.
Titulados medios, diplomados y afines	19,6	17,2	+2,4
Titulados superiores universitarios	17,6	16,6	+1,0
Jubilados y pensionistas	14,3	12,2	+2,1
Administrativos	12,3	12,1	+0,2
Profesionales técnicos (delineantes, ópticos...)	10,1	14,9	-4,8

Figure 13 - El Corte Inglés customers' occupation

Exhibit 6: APED Data on the Portuguese retail market.

	JAN13 -DEZ13	JAN14 -DEZ14	VAR ANO 2014 VS ANO 2013
TOTAL ALIMENTAR + NÃO ALIMENTAR	19.124	18.937	-1,0%
TOTAL ALIMENTAR + NÃO ALIMENTAR (EXCEPTO COMBUSTÍVEIS)	15.808	15.767	-0,3%
TOTAL ALIMENTAR (FMCG + PERECÍVEIS)	10.955	10.829	-1,2%
TOTAL NÃO ALIMENTAR	8.169	8.108	-0,7%
TOTAL NÃO ALIMENTAR (EXCEPTO COMBUSTÍVEIS)	4.853	4.938	1,8%
BENS DE EQUIPAMENTO	1.871	2.047	9,4%
ENTRETENIMENTO + PAPELARIA	313	309	-1,4%
MNSRM	478	482	0,8%
VESTUÁRIO	2.191	2.100	-4,1%
COMBUSTÍVEIS	3.316	3.170	-4,4%

Fonte: AC Nielsen, GFK e Kantar

Figure 15 - Sales' volume (in millions)

	JAN13-DEZ13	JAN14-DEZ14	VAR ANO 2014 VS ANO 2013
BENS DE EQUIPAMENTO	1.871	2.047	9,4%
ELECTRÓNICA DE CONSUMO	335	353	5,4%
LINHA BRANCA	390	417	6,9%
PEQUENOS DOMÉSTICOS	213	226	6,4%
INFORMÁTICA	579	595	2,6%
TELECOMUNICAÇÕES	277	382	38,1%
FOTOGRAFIA	77	74	-3,2%
ENTRETENIMENTO + PAPELARIA	313	309	-1,4%
PAPELARIA	36	39	9,9%
ENTRETENIMENTO	278	270	-2,9%
VESTUÁRIO	2.191	2.100	-4,1%
MNSRM	478	482	0,8%
COMBUSTÍVEIS	3.316	3.170	-4,4%
TOTAL NÃO ALIMENTAR (EXCEPTO COMBUSTÍVEIS)	4.853	4.938	1,8%
TOTAL NÃO ALIMENTAR	8.169	8.108	-0,7%

Fonte: AC Nielsen, GFK e Kantar

Figure 14 - Sales' volume (in millions)

		2014	2013	2014 vs 2013
1	CONTINENTE	4.173	4.116	1%
2	pingo doce	4.047	3.974	2%
3	Intermarché	1.905	1.926	-1%
4	Auchan	1.527	1.571	-3%
5	LIDL	1.063*	1.085*	-2%*
6	minipreço	825	894	-8%
7	ALDI	117	96	22%
8	Apolónia	33	30	10%
9	Novo Horizonte	6	6	-5%
10	Novo Rumo	3	3	-14%

* Estimativa com base na informação das empresas de estudos de mercado que monitorizam o mercado de FMCG

Figure 16 - Top 10 food retailers

MILHARES €	JAN-DEZ 2013	JAN-DEZ 2014	VAR JAN-DEZ 2014 VS 2013
TV	250.010	270.588	8,2%
CÂM. VÍDEO	7.694	9.771	27,0%
AUSCULTADORES	9.117	9.064	-0,6%

Fonte: *GFK*

EXEMPLOS DE LOJAS DOS CANAIS DE DISTRIBUIÇÃO:
Esp. Auto: Norauto, Feuvert ...
Lj.Inf.+Lj.Eq. Esc.+Esp.Tel. : Office Pak, Phone House...
Hipers: Continente, Jumbo...
Cadeias Mult.: Box, ECI, Fnac, Media Markt, Worten,...
Indep./Assoc.: Tien21, Euronics, Bestsell,...

Figure 17 - Top 3 products sold (Electronics)

MILHARES €	JAN-DEZ 2013	JAN-DEZ 2014	VAR JAN-DEZ 2014 VS 2013
SMARTPHONES	200.883	306.005	52,3%
ACESS. TELMV./ TABLETS	21.387	26.936	25,9%
TELEMÓVEIS	29.136	18.988	-34,8%

Fonte: *GFK*

EXEMPLOS DE LOJAS DOS CANAIS DE DISTRIBUIÇÃO:
Esp.Telecom: Phone House, Ensitel, Worten Mobile...
Hipers: Continente, Jumbo...
Retalho: Box, ECI, Fnac, Media Markt, Worten, Tien21, Euronics, Bestsell...

Figure 18 - Top 3 products sold (Telecommunications)

MILHARES €	JAN-DEZ 2013	JAN-DEZ 2014	VAR JAN-DEZ 2014 VS 2013
LIVROS	147.142	146.805	-0,2%
SOFTWARE	59.504	52.701	-11,4%
CONSOLAS (HW)	34.360	39.864	16,0%

Fonte: *GFK*

EXEMPLOS DE LOJAS DOS CANAIS DE DISTRIBUIÇÃO:
Hipers: Continente, Jumbo, Leclerc, ...
Retalho+Livrarias: ECI, Fnac, Media Markt, Worten, Bertrand, Bulhosa...

Figure 19 - Top 3 products sold (Entertainment)

	JAN13-DEZ13	JAN14-DEZ14	VAR ANO 2014 *VS* ANO 2013 (p.p.)
TOP 10 - INSÍGNIAS			
ZARA	5,1	5,8	0,7
PRIMARK	5,5	5,7	0,2
MO	4,0	4,7	0,7
C&A	3,7	3,8	0,1
BERSHKA	2,7	3,2	0,5
DECATHLON	3,0	2,9	-0,1
H&M	2,2	2,9	0,7
SPRINGFIELD	2,6	2,6	0,0
PULL & BEAR	2,6	2,5	-0,1
SPORT ZONE	2,5	2,5	0,0
OUTRAS CADEIAS TÊXTIL	25,9	26,0	0,1
DISTRIBUIÇÃO ALIMENTAR			
CONTINENTE	4,7	4,4	-0,3
LIDL	1,3	2,5	1,2
AUCHAN	1,3	1,4	0,1
LOJAS INDEPENDENTES E OUTROS	32,8	29,0	-3,8
TOTAL	**100,0**	**100,0**	

Fonte: *Kantar*

Figure 20 - Market Share in Clothing

Exhibit 7: Events and partnerships of El Corte Inglés

Figure 21 - El Corte Inglés promoting Uncharted 4

Figure 22 - Fifa 17 Event at El Corte Inglés Lisboa

Figure 24 - Star Wars event with Portuguese celebrities

Figure 23 - El Corte Inglés shooting session with Bons Rapazes

Exhibit 8 – El Corte Inglés Building's Lighting

Figure 25 - El Corte Inglés's building when Portugal won the Euro 2016

Figure 26 - El Corte Inglés supporting the fight against cancer

Exhibit 9 - Survey El Corte Inglés

My name is António Santos and I am currently working on my Master Thesis. This survey is extremely important to me and I really appreciate your help. Thank you for your participation.

The following Questions are regarding your IN-STORE experience.

1) How many times per month do you usually go shopping?
    a. Less than 1
    b. 1-2 times
    c. 3-4 times
    d. 5-6 times
    e. more than 6 times

2) From the following categories what are the ones you play a buying decision role
    a. Gifts and souvenirs
    b. Clothes and accessories (scarves, hats, wallets, etc)
    c. Sports wear and equipment
    d. Toys
    e. Groceries
    f. Electronics (TV's, stereos, computing)
    g. Furniture
    h. Beauty products
    i. Jewellery and watches
    j. Others: what?

3) What do you value in your shopping experience?
    a. Quality of products
    b. Price
    c. Store design and atmosphere
    d. Customer service
    e. Convenient parking
    f. Variety of products
    g. Knowledgeable salesperson

h. Other: what?

The following questions are regarding your Online experience?

4) How many times per month do you usually shop online?
   a. Less than 1
   b. 1-2 times
   c. 3-4 times
   d. 5-6 times
   e. more than 6 times

5) From the following categories what are the ones you play a buying decision role?
   a. Gifts and souvenirs
   b. Clothes and accessories (scarves, hats, wallets, etc)
   c. Sports wear and equipment
   d. Toys
   e. Groceries
   f. Electronics (tv's, stereos, computing)
   g. Furniture
   h. Beauty products
   i. Jewellery and watches
   j. Others: what?

6) What do you value in your ONLINE shopping experience?
   a. Variety of products
   b. Lower prices
   c. Product reviews
   d. Reliable/Trustworthy
   e. Easiness of navigation of the platform
   f. Fast delivery
   g. Payment options
   h. Online assistance
   i. Other

7) Do you know El Corte Inglés?
   a. Yes
   b. no

8) Have you ever bought any product at El Corte Inglés?
   a. Yes
   b. No

9) Have you bought the product(s) in-store or online?
   a. In-store
   b. Online
   c. Both

10) What are your attitudes towards El Corte Ingles? Classify each option from 1 to 7. For example, in the first option (Cheap vs Expensive), if you think it is very cheap you classify with "1", if it is very expensive you classify with "7".
    a. Cheap vs Expensive
    b. Limited Selection vs Extensive Selection
    c. Unfashionable vs Fashionable
    d. Low end vs High End
    e. Boring vs Exciting
    f. Not for me vs For me

11) To what level do you agree with the following sentences from 1 to 5, being 1 "Strongly Disagree" and 5 "Strongly Agree".
    a. El Corte Inglés is a unique store.
    b. El Corte Inglés values the consumer.
    c. El Corte Inglés offers a wide variety of products.
    d. El Corte Inglés gives an exciting shopping experience.
    e. El Corte Inglés is a department store for all ages.
    f. El Corte Inglés exceeds my expectations.

12) What would encourage you to shop more at El Corte Inglés? This is a very important question.

13) Are you familiar with El Corte Inglés's social media?
   a. Yes
   b. No

14) Please rank what would you like to see in El Corte Inglés's social media?
   a. Information about promotions and product/services
   b. Feedback on new products
   c. Advertisements
   d. Events powered by El Corte Inglés
   e. Tutorials on ideas on how to use certain products
   f. Social Responsible initiatives
   g. Other:

15) Having in mind the following sentences, evaluate them regarding your personality.
   a. I always look for being fashionable
   b. I am very price sensitive
   c. I search a lot before I purchase
   d. I have in mind my friend's opinions
   e. I like to feel unique
   f. Social status is important for me
   g. I rather prefer to be the first to have a certain product
   h. I pretty much spend for today and let tomorrow bring what it will

16) What is your gender?
   a. Male
   b. Female

17) What is your current age?
   a. <18
   b. 18-23
   c. 24-30
   d. 31-45
   e. 45-55

f. >55

18) What is your occupation?

a. School student
b. Undergraduate student
c. Master student
d. Employed
e. Unemployed

19) What is your monthly income?

a. <300€
b. 300-500
c. 501-1500
d. 1500-3500
e. >3500

Exhibit 10 - Focus Group Guidelines

Introduction

- Short explanation of the purpose of the interview
- Permission to use quotations after authorization of the guest
- Permission to record the interview (audio).

1. What analysis do you make about the Portuguese retail market?

2. How have been El Corte Inglés reacting to competitors' threats in the market?

3. What is the present positioning of El Corte Inglés in Portugal and how would you define its development since 2001?

4. What is the customer's profile at El Corte Inglés?

5. Relatively to Millennials, what is the department store's strategy to attract and retain this segment?

6. What are the obstacles El Corte Inglés is facing in order to attract the previous segment?

7. What are the main competitors regarding the Millennials's segment?

8. Also regarding the Millennial Generation:

    a. When did the company decide to target the generation?
    b. What is the communication strategy towards the Millennials? (Role of the webstie and social media).
    c. Which communication channel is the most suitable for attracting this generation?
    d. What are the results so far?

9. What Marketing actions have been taken in order to attract the Millennials?

10. What are the metrics used to measure the results?

Exhibit 11 - SPSS Output Data Tables

Table 1 – What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	123	45.7	45.7	45.7
	Female	146	54.3	54.3	100.0
	Total	269	100.0	100.0	

Table 2 – How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<18	3	1.1	1.1	1.1
	18 - 23	221	82.2	82.2	83.3
	24 - 30	45	16.7	16.7	100.0
	Total	269	100.0	100.0	

Table 3 – What is your nationality?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Portuguese	257	95.5	96.6	96.6
	Other	9	3.3	3.4	100.0
	Total	266	98.9	100.0	
Missing	System	3	1.1		
Total		269	100.0		

Table 4 – What is your occupation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	School student	6	2.2	2.2	2.2
	Undergraduate student	116	43.1	43.1	45.4
	Master Student	101	37.5	37.5	82.9
	Employed	45	16.7	16.7	99.6
	Unemployed	1	.4	.4	100.0
	Total	269	100.0	100.0	

Table 5 – What is your monthly income?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<300 €	128	47.6	47.6	47.6
	300 - 500	58	21.6	21.6	69.1
	501 - 1200	58	21.6	21.6	90.7
	1201 - 3500	19	7.1	7.1	97.8
	> 3500 €	6	2.2	2.2	100.0
	Total	269	100.0	100.0	

Table 6 – How many times per month do you usually go shopping?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1	40	14.9	14.9	14.9
	1 - 2 times	96	35.7	35.7	50.6
	3 - 4 times	65	24.2	24.2	74.7
	5 - 6 times	34	12.6	12.6	87.4
	More than 6 times	34	12.6	12.6	100.0
	Total	269	100.0	100.0	

Table 7 – From the following categories what are the ones you play a buying decision role?

	N	Mean	Std. Deviation
Gifts and Souvenirs	269	.42	.495
Clothes and Accessories (scarves, hats, wallets, etc)	269	.85	.360
Sports Wear and Equipment	269	.47	.500
Toys	269	.07	.263
Groceries	269	.42	.494
Electronics (Tv's, stereos, computing, etc)	269	.43	.496
Furniture	269	.11	.311
Beauty Products	269	.36	.480
Jewellery and Watches	269	.35	.479
Others	269	.02	.135
Valid N (listwise)	269		

Table 8 – What do you value the most in your shopping experience? Select no more than 3.

	N	Mean	Std. Deviation
Quality of Products	269	.86	.349
Price	269	.89	.315
Store Design and Atmosphere	269	.20	.401
Customer Service	269	.30	.461
Convenient Parking	269	.09	.280
Variety of Products	269	.39	.488
Knowledgeable Salesperson	269	.05	.223
Others	269	.01	.105
Valid N (listwise)	269		

Table 9 - How many times per month do you usually shop online?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1	187	69.5	69.5	69.5
	1 - 2 times	62	23.0	23.0	92.6
	3 - 4 times	14	5.2	5.2	97.8
	5 - 6 times	3	1.1	1.1	98.9
	More than 6 times	3	1.1	1.1	100.0
	Total	269	100.0	100.0	

Table 10 - From the following categories what are the ones you play a buying decision role in your online shopping?

	N	Mean	Std. Deviation
Gifts and Souvenirs	269	.26	.442
Clothes and Accesories	269	.63	.484
Sports Wear and Equipment	269	.29	.453
Toys	269	.06	.230
Groceries	269	.10	.301
Electronics (Tv's, stereos, computing, etc)	269	.43	.496
Furniture	269	.04	.207
Beauty Products	269	.17	.380
Jewellery and Watches	269	.16	.364
Others	269	.09	.286
Valid N (listwise)	269		

Table 11 - What do you value in your online shopping experience? Select no more than 3.

	N	Mean	Std. Deviation
Variety of Products	269	.33	.470
Lower Prices	269	.68	.466
Product Reviews	269	.38	.487
Reliable/Trustworthy	269	.51	.501
Easiness of Navigation of the Platform	269	.18	.387
Fast Delivery	269	.39	.489
Payment Options	269	.29	.453
Online Assistance	269	.03	.180
Others	269	.01	.121
Valid N (listwise)	269		

Table 12 - Do you know El Corte Inglés?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	269	100.0	100.0	100.0

Table 13 - Have you ever bought any product at El Corte Inglés?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	253	94.1	94.1	94.1
	No	16	5.9	5.9	100.0
	Total	269	100.0	100.0	

Table 14 - Have you bought the product(s) in-store or online?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In-store	249	92.6	98.4	98.4
	Both	4	1.5	1.6	100.0
	Total	253	94.1	100.0	
Missing	System	16	5.9		
Total		269	100.0		

Table 15 - What are your attitudes towards El Corte Inglés?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Cheap vs Expensive	269	1	7	5.45	1.244
Limited Selection vs Extensive Selection	269	2	7	5.68	1.201
Unfashionable vs Fashionable	269	1	7	5.54	1.294
Low-End vs High-End	269	1	7	5.36	1.124
Boring vs Exciting	269	1	7	4.79	1.249
Not for me vs For me	269	1	7	4.54	1.510
Valid N (listwise)	269				

Table 16 - To what extent do you agree with the following sentences about El Corte Inglés?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
El Corte Inglés is a unique store.	269	1	5	3.75	.897
El Corte Inglés values the consumer.	269	1	5	3.83	.839
El Corte Inglés offers a wide variety of products.	269	1	5	4.39	.733
El Corte Inglés gives an exciting shopping experience.	269	1	5	3.49	.987
El Corte Inglés is a department store for all ages.	269	1	5	3.94	1.093
El Corte Inglés exceeds my expectations.	269	1	5	3.23	.860
Valid N (listwise)	269				

Table 17 - Are you familiar with El Corte Inglés's social media?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	44	16.4	16.4	16.4
	No	225	83.6	83.6	100.0
	Total	269	100.0	100.0	

Table 18 - Please rank what you would like to see in El Corte Inglés's social media?

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Information about promotions and products/services.	269	1	6	1.49	.929
Feedback on new products.	269	1	6	2.72	1.229
Advertisements	269	1	7	4.14	1.494
Events powered by El Corte Inglés.	269	1	7	3.83	1.384
Tutorials on ideas on how to use certain products.	269	1	6	4.11	1.438
Social Responsible Initiatives	269	1	7	4.80	1.387
Others	269	1	7	6.92	.584
Valid N (listwise)	269				

Table 19 - Having in mind the following sentences, evaluate them regarding your personality.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
I always look for being fashionable.	269	1	5	3.83	.919
I am very price sensitive.	269	1	5	3.86	.906
I search a lot before I purchase.	269	1	5	3.58	1.115
I have in mind my friends' opinions.	269	1	5	3.19	1.023
I like to feel unique.	269	1	5	3.72	.910
Social status is important for me.	269	1	5	3.13	1.096
I rather prefer to be the first to have a certain product.	269	1	5	3.04	1.265
I pretty much spend for today and let tomorrow bring what it will.	269	1	5	2.48	1.115
Valid N (listwise)	269				

It was run a regression to obtain the correlation between the perceptions /attitudes and feelings regarding El Corte Inglés:

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.669[a]	.447	.424	1.146	.447	18.916	11	257	.000	2.162

a. Predictors: (Constant), El Corte Inglés exceeds my expectations., Cheap vs Expensive, El Corte Inglés is a unique store., Limited Selection vs Extensive Selection, El Corte Inglés is a department store for all ages., El Corte Inglés values the consumer., Low-End vs High-End, El Corte Inglés offers a wide variety of products., Boring vs Exciting, Unfashionable vs Fashionable, El Corte Inglés gives an exciting shopping experience.
b. Dependent Variable: Not for me vs For me

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	273.325	11	24.848	18.916	.000[b]
	Residual	337.589	257	1.314		
	Total	610.914	268			

a. Dependent Variable: Not for me vs For me
b. Predictors: (Constant), El Corte Inglés exceeds my expectations., Cheap vs Expensive, El Corte Inglés is a unique store., Limited Selection vs Extensive Selection, El Corte Inglés is a department store for all ages., El Corte Inglés values the consumer., Low-End vs High-End, El Corte Inglés offers a wide variety of products., Boring vs Exciting, Unfashionable vs Fashionable, El Corte Inglés gives an exciting shopping experience.

Table 20 - Coefficients obtained from the regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.195	.602		.324	.746
	Cheap vs Expensive	-.209	.064	-.172	-3.255	.001
	Limited Selection vs Extensive Selection	.061	.075	.049	.814	.417
	Unfashionable vs Fashionable	.323	.076	.277	4.277	.000
	Low-End vs High-End	.106	.085	.079	1.250	.212
	Boring vs Exciting	.367	.083	.304	4.408	.000
	El Corte Inglés is a unique store.	-.163	.087	-.097	-1.877	.062
	El Corte Inglés values the consumer.	.209	.097	.116	2.151	.032
	El Corte Inglés offers a wide variety of products.	-.057	.123	-.028	-.460	.646
	El Corte Inglés gives an exciting shopping experience.	.033	.102	.022	.326	.745
	El Corte Inglés is a department store for all ages.	.062	.072	.045	.864	.388
	El Corte Inglés exceeds my expectations.	.221	.110	.126	2.015	.045

a. Dependent Variable: Not for me vs For me

Table 21 - Clusters' characteristics ("For Me" and "Not for me")

Final Cluster Centers

	Cluster	
	1	2
Cheap vs Expensive	6	5
Limited Selection vs Extensive Selection	6	5
Unfashionable vs Fashionable	6	4
Low-End vs High-End	6	5
Boring vs Exciting	5	4
Not for me vs For me	5	3

Table 22 - ANOVA Table on Clusters

ANOVA

	Cluster		Error			
	Mean Square	df	Mean Square	df	F	Sig.
Cheap vs Expensive	17.063	1	1.489	267	11.458	.001
Limited Selection vs Extensive Selection	78.426	1	1.155	267	67.890	.000
Unfashionable vs Fashionable	196.889	1	.944	267	208.650	.000
Low-End vs High-End	100.944	1	.889	267	113.552	.000
Boring vs Exciting	178.041	1	.900	267	197.823	.000
Not for me vs For me	272.338	1	1.268	267	214.764	.000

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

Number of Cases in each Cluster

Cluster	1	168.000
	2	101.000
Valid		269.000
Missing		.000

Table 23 - T-test results on Clusters valuing in-store shopping experience.

Group Statistics

	Segmentation For me vs Not for me	N	Mean	Std. Deviation	Std. Error Mean
Quality of Products	For me	168	.90	.302	.023
	Not for me	101	.79	.408	.041
Price	For me	168	.88	.332	.026
	Not for me	101	.91	.286	.028
Store Design and Atmosphere	For me	168	.26	.438	.034
	Not for me	101	.11	.313	.031
Customer Service	For me	168	.36	.482	.037
	Not for me	101	.21	.408	.041
Convenient Parking	For me	168	.08	.268	.021
	Not for me	101	.10	.300	.030
Variety of Products	For me	168	.36	.481	.037
	Not for me	101	.44	.498	.050
Knowledgeable Salesperson	For me	168	.05	.214	.016
	Not for me	101	.06	.238	.024
Others	For me	168	.01	.077	.006
	Not for me	101	.02	.140	.014

Table 24 - T-test significance on Clusters valuing in-store shopping experience.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Quality of Products	Equal variances assumed	23.791	.000	2.452	267	.015	.107	.044
	Equal variances not assumed			2.280	166.191	.024	.107	.047
Price	Equal variances assumed	3.377	.067	-.904	267	.367	-.036	.040
	Equal variances not assumed			-.937	234.904	.350	-.036	.038
Store Design and Atmosphere	Equal variances assumed	43.144	.000	2.952	267	.003	.147	.050
	Equal variances not assumed			3.200	258.969	.002	.147	.046
Customer Service	Equal variances assumed	34.757	.000	2.704	267	.007	.155	.057
	Equal variances not assumed			2.818	238.077	.005	.155	.055
Convenient Parking	Equal variances assumed	1.488	.224	-.612	267	.541	-.022	.035
	Equal variances not assumed			-.595	192.358	.552	-.022	.036
Variety of Products	Equal variances assumed	5.007	.026	-1.279	267	.202	-.079	.061
	Equal variances not assumed			-1.268	204.766	.206	-.079	.062
Knowledgeable Salesperson	Equal variances assumed	.703	.403	-.420	267	.675	-.012	.028
	Equal variances not assumed			-.409	193.459	.683	-.012	.029
Others	Equal variances assumed	4.414	.037	-1.046	267	.297	-.014	.013
	Equal variances not assumed			-.914	137.105	.362	-.014	.015

Table 25 - T-test results on Clusters valuing online shopping experience.

Group Statistics

	Segmentation For me vs Not for me	N	Mean	Std. Deviation	Std. Error Mean
Variety of Products	For me	168	.33	.471	.036
	Not for me	101	.33	.471	.047
Lower Prices	For me	168	.67	.471	.036
	Not for me	101	.70	.459	.046
Product Reviews	For me	168	.40	.492	.038
	Not for me	101	.35	.478	.048
Reliable/Trustworthy	For me	168	.51	.501	.039
	Not for me	101	.50	.502	.050
Easiness of Navigation of the Platform	For me	168	.22	.416	.032
	Not for me	101	.12	.325	.032
Fast Delivery	For me	168	.42	.495	.038
	Not for me	101	.34	.475	.047
Payment Options	For me	168	.26	.441	.034
	Not for me	101	.33	.471	.047
Online Assistance	For me	168	.04	.186	.014
	Not for me	101	.03	.171	.017
Others	For me	168	.02	.133	.010
	Not for me	101	.01	.100	.010

Table 26 – T-test significance on Clusters valuing in-store shopping experience.

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Variety of Products	Equal variances assumed	.000	.983	.011	267	.991	.001	.059	-.116	.117
	Equal variances not assumed			.011	210.519	.991	.001	.059	-.116	.118
Lower Prices	Equal variances assumed	1.110	.293	-.517	267	.606	-.030	.059	-.146	.085
	Equal variances not assumed			-.520	214.868	.604	-.030	.058	-.145	.085
Product Reviews	Equal variances assumed	3.899	.049	.949	267	.343	.058	.061	-.063	.179
	Equal variances not assumed			.956	215.606	.340	.058	.061	-.062	.178
Reliable/Trustworthy	Equal variances assumed	.035	.851	.110	267	.912	.007	.063	-.117	.131
	Equal variances not assumed			.110	210.396	.913	.007	.063	-.118	.132
Easiness of Navigation of the Platform	Equal variances assumed	19.946	.000	2.096	267	.037	.101	.048	.006	.197
	Equal variances not assumed			2.226	249.046	.027	.101	.046	.012	.191
Fast Delivery	Equal variances assumed	8.517	.004	1.400	267	.163	.086	.061	-.035	.207
	Equal variances not assumed			1.415	217.831	.159	.086	.061	-.034	.206
Payment Options	Equal variances assumed	4.776	.030	-1.138	267	.256	-.065	.057	-.177	.047
	Equal variances not assumed			-1.119	199.803	.265	-.065	.058	-.179	.049
Online Assistance	Equal variances assumed	.281	.596	.265	267	.792	.006	.023	-.039	.051
	Equal variances not assumed			.270	225.248	.787	.006	.022	-.038	.050