Why Do Older Consumers Tell Us They Are More Satisfied?

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Introduction

A common consumer complaint is that “they don’t make things the way they used to” (e.g., Moore, 2005). From appliances to furniture and cars, products presumably were sturdier and more reliable in the past. Combined with older people’s general tendency to reminisce about the “good old days” (Bohlmeijer, Roemer, Cuijpers, & Smit, 2007), this complaint might lead one to believe that older consumers are less satisfied with what the marketplace has to offer than younger consumers, who presumably do not know any better. Nothing could be more misleading. Empirically, older consumers reliably report higher customer satisfaction levels than younger consumers, irrespective of demographic characteristics or business sector (Fornell et al., 2005). Moreover, this finding is robust and holds across different countries and cultures (e.g., United States, Sweden, China) and different response modes (e.g., self-report questionnaire, telephone interviewing).

The first section of this chapter illustrates this “older-and-more-satisfied” effect with cross-sectional data, drawing on the American Customer Satisfaction Index (ACSI). The general phenomenon of older consumers’ higher customer satisfaction has received little attention, and viable explanations are missing. The bulk of the chapter begins to fill this gap by reviewing a host of different processes that may plausibly contribute to the older-and-more-satisfied effect. Few of these processes are mutually exclusive, and the available data do not allow us to evaluate their empirical merit and relative contribution. Accordingly, we focus on
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offering plausible hypotheses and discuss what would be needed to test them. We hope that our conjectures will set the stage for the systematic investigation of a fascinating question: Why do older consumers report higher customer satisfaction? On the theoretical side, addressing this question promises new insights into core issues of consumer behavior, from consumers’ perception of changes in the marketplace to changes in customers’ expectations over time, and from the role of accumulating expertise in the consumption domain to the role of age-related changes in the judgment process. On the applied side, the sheer fact that one of every five Americans will be age 65 or older by 2030 renders an understanding of age and cohort differences in customer satisfaction of utmost importance for marketers.

Older and More Satisfied: Findings From the American Customer Satisfaction Index

The ACSI, established in 1994, consists of cross-sectional data representing customer satisfaction with products and services of over 200 companies in 45 industries, as well as government agencies (see Fornell, Johnson, Anderson, Cha, & Bryant, 1996, for a detailed description of the ACSI). ACSI data are collected every year from individual customers via telephone. Potential customer respondents are selected from probability samples by screening for a randomly chosen adult (age 18 and over) in each telephone household. Respondents are asked questions about the purchase and use of specific products and services, and those who qualify as respondents are then asked specific questions related to customer satisfaction, expectations of overall quality, and complaint behavior, among other variables, for a specific company. The ASCI is based on interviews with more than 75,000 customers annually.

Analysis of 15 years (1994 to 2008) of cross-sectional ACSI data, across all industries, show an overall positive relationship between age and satisfaction for a broad variety of products and services: As consumers age, they report, as a cohort, being more satisfied. Figure 10.1a shows mean ASCI ratings (based on a response scale of 1 to 10) as a function of customers’ age in 2008. Overall, satisfaction scores were higher by 0.8 points, or almost 10%, from the youngest (18–49) to the oldest (over 79) cohort. Figure 10.1b shows the mean ASCI ratings in 2008 as a function of customers’ age for three selected industries—automobiles, hospitals, and electric service utilities—with satisfaction scores following a similar increasing trend with age.
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Assessing the degree to which age ties into satisfaction is complicated by the noisiness of individual-level satisfaction data. This can be largely overcome by examining the average satisfaction score for each age level represented in the sample, from 18 to 97, that is, 80 ages in all. Correlation can then be assessed by performing a weighted least-squares regression, with weights proportional to group size (e.g., there were 930 thirty-year-olds, 2,244 sixty-year-olds, but only 86 ninety-year-olds in the year 2008 data set used). The overall (group-size weighted) correlation between age and average satisfaction score was .90, suggesting a very strong positive association. The coefficient on age was 0.0153, meaning each 10-year increase in age roughly translated—when all other variable effects were averaged out—into a 0.15 increase in mean satisfaction score, a nontrivial difference given the “grand mean” satisfaction score of 8.31.

Further analyses of the ACSI data were conducted, testing the relationship between age and satisfaction scores for 45 industries, while controlling for education, income, and gender. The strength of the relationship between age and customer satisfaction across different industries is reported in Table 10.1. The rightmost column of the table indicates the percentage of years (for all the years for which data are available for a given industry) for which there was a significant positive effect of age on customer satisfaction (at $p < .10$). “Strong” effects of age were indicated in 33 of 45 (73%) industries (using a cutoff of 2/3 of all the years showing significance), and more moderate effects (at least 25% of the years showing...
significance) were observed in an additional 9 of 45 (20%) industries. Interestingly, satisfaction did not appear to increase with age in three industries, all related to the media: newspaper publishing, TV broadcasting, and motion pictures.

As shown in Figure 10.2, the overall trend primarily seemed to be driven by an age-related increase in the likelihood of endorsing a value of 10, indicative of very high satisfaction: The older the age group, the greater the proportion of ACSI respondents within that group reporting very high satisfaction scores. This effect held uniformly at the aggregate level.

**FIGURE 10.1 (continued)**
(b) Mean customer satisfaction scores, by age group, for three specific industries in 2008.
### TABLE 10.1
Number of Years With Significant Effects of Age on Customer Satisfaction Scores Across ACSI Industries, Controlling for Education, Income, and Gender (Sorted Alphabetically by Industries, Within Each Set of Industries With Strong, Moderate, or Weak Effects)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Years of ACSI Data (1994–2008)</th>
<th>Percentage of Years with Significant Effects of Age (at $p &lt; .10$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airlines, scheduled</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Apparel</td>
<td>15</td>
<td>67</td>
</tr>
<tr>
<td>Automobiles</td>
<td>15</td>
<td>93</td>
</tr>
<tr>
<td>Banks</td>
<td>15</td>
<td>93</td>
</tr>
<tr>
<td>Beverages, beer</td>
<td>15</td>
<td>73</td>
</tr>
<tr>
<td>Cellular phone manufacturers</td>
<td>6</td>
<td>100</td>
</tr>
<tr>
<td>Cellular phone service providers</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Department and discount stores</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>E-business travel service</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Electronic auction</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Electronic financial services</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Electronic retail services</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Food processing</td>
<td>15</td>
<td>93</td>
</tr>
<tr>
<td>Garbage pickup, city</td>
<td>11</td>
<td>100</td>
</tr>
<tr>
<td>Garbage pickup, suburban</td>
<td>9</td>
<td>89</td>
</tr>
<tr>
<td>Gas service stations</td>
<td>15</td>
<td>93</td>
</tr>
<tr>
<td>Health care insurance</td>
<td>6</td>
<td>83</td>
</tr>
<tr>
<td>Hospitals</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Hotels</td>
<td>15</td>
<td>67</td>
</tr>
<tr>
<td>life insurance</td>
<td>15</td>
<td>80</td>
</tr>
<tr>
<td>Parcel delivery, express mail</td>
<td>15</td>
<td>67</td>
</tr>
<tr>
<td>Personal care products</td>
<td>15</td>
<td>93</td>
</tr>
<tr>
<td>Personal computers</td>
<td>15</td>
<td>87</td>
</tr>
<tr>
<td>Personal property insurance</td>
<td>15</td>
<td>87</td>
</tr>
<tr>
<td>Police, city</td>
<td>11</td>
<td>91</td>
</tr>
<tr>
<td>Police, suburban</td>
<td>9</td>
<td>100</td>
</tr>
<tr>
<td>Restaurants, limited service</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>Specialty stores</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Telecommunications, cable television</td>
<td>7</td>
<td>71</td>
</tr>
<tr>
<td>Telecommunications, local</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>Telecommunications, long distance</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>Utilities, electric service</td>
<td>12</td>
<td>100</td>
</tr>
</tbody>
</table>

*continued*
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A noteworthy exception occurred in the same three media industries (newspaper publishing, TV broadcasting, motion pictures), which did not reveal a positive relationship between age and satisfaction scores; the tendency to report customer satisfaction ratings of 10 did not hold in any of the 15 years.

A parallel age trend has been observed in the literature on general life satisfaction (e.g., Diener, Suh, Lucas, & Smith, 1990; Ehrlich & Isaacowitz, 2002; Yang, 2008). As is the case for customer satisfaction, life satisfaction increased with age, except for the final years of terminal decline. While these parallel trends may reflect similar processes, they also suggest a conceptual distinction: whether a specific individual is more satisfied overall or is more easily satisfied by a specific experience. The former could well refer to an "omnibus test" of life (or consumer) satisfaction: Do things seem better in one's life now, perhaps compared with how they used to be? The latter refers instead to one's "reservation level," that is, one's expectations for new things and situations encountered, even if those things are familiar (e.g., how well one expects to be treated by salespeople or to like a product one has bought many times before.). The latter is what most closely aligns with standard definitions of customer satisfaction and with our focus in the present chapter.

Studies of customer complaint behavior appear to accord with greater customer satisfaction as people age. Lee and Soberon-Ferrer (1999), in a survey using telephone interviews conducted on a national sample, found lower reports of dissatisfying experiences among older consumers (age 65 and over) compared to their younger counterparts (age 18–64). Analysis of the ACSI data appeared to support these prior findings; to the extent there was a significant effect of age on complaint behavior, older consumers complained less than younger consumers. Also consistent with the older-and-more-satisfied phenomenon are findings regarding brand preference and choice by older consumers. For example, older buyers of cars tend to favor longer-established brands (Furse, Punj, & Stewart, 1984; Lambert-Pandraud, Laurent, & Lapersonne, 2005). Accordingly, older consumers are more likely to exhibit repeat purchase behavior, buying the same car brand as their previous one (Lambert-Pandraud et al., 2005).

Importantly, the nature of the ACSI dictates that all findings are based on cross-sectional data, which imposes limits on the feasible comparisons and interpretations. What the data show is merely that, at a given point in time, older consumers report higher satisfaction than younger consumers. This may reflect an effect of individual aging or a cohort difference. On the one hand, satisfaction may increase with age, such that a given person becomes more satisfied over the life course; if so, the currently young can also be expected to be increasingly satisfied as they age. On the other hand, older cohorts differ from younger cohorts in their lifetime of consumption experiences and expectations. These historic differences may give rise to the older-and-more-satisfied phenomenon.

### TABLE 10.1 (continued)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Years of ACSI Data (1994–2008)</th>
<th>Percentage of Years with Significant Effects of Age (at p &lt; .10)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Moderate Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Athletic shoes</td>
<td>14</td>
<td>29</td>
</tr>
<tr>
<td>Beverages, soft drinks</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>Consumer electronics, TV/VCR/DVD player</td>
<td>15</td>
<td>60</td>
</tr>
<tr>
<td>E-business news and information</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>Health and personal care stores</td>
<td>7</td>
<td>57</td>
</tr>
<tr>
<td>Household appliances</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>Pet foods</td>
<td>12</td>
<td>42</td>
</tr>
<tr>
<td>Tobacco, cigarettes</td>
<td>15</td>
<td>33</td>
</tr>
<tr>
<td>U.S. Postal Service</td>
<td>15</td>
<td>27</td>
</tr>
<tr>
<td><strong>Weak Effects</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motion pictures</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Newspaper publishing</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>TV broadcasting</td>
<td>15</td>
<td>0</td>
</tr>
</tbody>
</table>

*Note: For expository purposes, the cutoff for “strong” was set at 2/3 of the years for which data were available, while that for “moderate” was 25%.*

![Figure 10.2](image)

**FIGURE 10.2**

Percentage of responses, by rating, for each age group. *Note: Total sample size for each age group appears in parentheses. Ratings of 1 through 5 were roughly equivalent across age groups and are not shown in this figure.*
for each of the 15 years. A noteworthy exception occurred in the same three media industries (newspaper publishing, TV broadcasting, motion pictures), which did not reveal a positive relationship between age and satisfaction scores; the tendency to report customer satisfaction ratings of 10 did not hold in any of the 15 years.

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to differential satisfaction with current consumption, suggesting that the currently young may not become more satisfied as they age. While our data did not lend themselves to a conclusive test of these possibilities, we gauged their likely plausibility by comparing the satisfaction levels of the same birth cohort at different ages. Figure 10.3 (leftmost set of bars) does so for respondents born 1938 to 1944, who were aged 55 to 59 in 1994 and aged 70 to 74 in 2008 (Comparison 1). The middle set of bars compares groups aged 55–59 and 70–74 in 2008 (Comparison 2), and the rightmost set of bars compares groups aged 55–59 and 70–74 in 1994 (Comparison 3). As shown, the same birth cohort provided higher satisfaction scores in 2008 than in 1994; further, the other comparisons showed that the older cohort (aged 70 to 74) was more satisfied in both 1994 and 2008. This pattern of findings across comparisons thus favors an aging account, rather than a cohort account, of age differences in customer satisfaction.

Next, we turn to possible explanations for the older-and-more-satisfied phenomenon. They can be broadly classified into explanations based on (a) historical changes in the economy or society over time (i.e., external factors) and individual changes of consumers over the life course that affect either (b) consumers’ behavior, decision making, and judgment or (c) the process of answering satisfaction questions. Moreover, (d) the available findings are open to methodological accounts in terms of heterogeneity.
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among consumers, covariate effects, and various interactions. We discuss these explanations, delineate possible underlying processes, and note the types of studies needed to test them. We hope that our discussion stimulates researchers in economics, marketing, psychology, and sociology to take interest in the phenomenon of higher satisfaction among the elderly and to consider how the expertise and data of their disciplines can be brought to bear on its explanation.

Explanations Based on Changes in External Factors

Long-Term Differences in Product Quality and Need Satisfaction

One possible explanation of the older-and-more-satisfied effect is illustrated by a variant of the complaint that “they don’t make things they way they used to”: “They don’t, thank goodness. They make them so much better!” (Graphically Speaking, 2009). From this perspective, older consumers have experienced many improvements in the way in which products satisfy basic consumer needs. For example, the advent of antibiotics, plastics, transistor-based electronics, and consumer aviation provided, respectively, relief from bacterial infections, durable packaging, compact/portable entertainment, and practical long-distance transportation. In many cases, the specific products and technologies are new, but the consumer needs for which they provide solutions are not (Levitt, 1960), allowing for meaningful comparisons of need satisfaction over time. This account treats the observed cross-sectional differences as a cohort effect. Identifying such cohort effects in the domain of subjective well-being, Elder (1974) reported that the “children of the great depression” were more likely to report high life satisfaction the more they had to suffer under adverse economic conditions when they were adolescents. The accumulation of early negative experiences presumably established a baseline against which subsequent events could only be seen as an improvement.

From this perspective, the older-and-more-satisfied effect is a function of actual improvements in the extent to which consumers’ needs are met. Hence, the size of the older-and-more-satisfied effect should be predicted by objective improvements in a consumption domain. Conversely, older consumers should be less satisfied than younger consumers in domains in which need satisfaction has deteriorated over time, although our data do not include any domain in which older consumers reported significantly lower satisfaction. Assuming that suitable indicators of changes in objective product quality over time can be identified, these issues lend
themselves to statistical modeling and provide a promising avenue for systematic testing.

However, in stark contrast to the optimistic assumption that the marketplace offers ever-higher need satisfaction, older consumers often lament what they perceive as declines when comparing specific products. Anecdotes suggested that perhaps the most common such complaint involves durability since few products other than housing are built to last decades any longer (e.g., furniture, electronics) (Bayus, 1998; Cooper, 2004). Technology- and labor-driven market forces are progressively pushing “high-quality” items and “high-service” firms to the periphery of a cost-driven global market, reducing the number of repairable items and service people capable of repairing them (Nevius, 2005). Balancing the contrasting effects of increases in certain aspects of quality (e.g., new features on phones) and decreases in other aspects (e.g., durability) can be particularly subtle for older consumers. Research teasing out and assessing these effects could take many forms. Among these is having older consumers compare various dimensions of “quality” and “satisfaction” with a representative sample of products currently on the market versus matched samples (e.g., telephones) of those available from their young adulthood. This would provide the critical benefit of covarying out temporal and cohort effects, provided there were suitable age variation within the older sample. For example, if perceptions of quality and satisfaction were primarily effects of aging, per se—as opposed to unique “shocks” based on rapid progress in certain consumer goods categories over a period of decades—this would manifest as differences in levels of satisfaction in comparisons of older and younger demographically matched samples.

**Long-Term Differences in Variety**

As production, transportation and other technological costs have diminished, product *variety* has increased. Just between 1980 and 1999, the average number of products (according to universal product codes, UPCs) carried by U.S. supermarkets increased by nearly 250%, from 14,145 to 49,225 (Food Marketing Institute, 2004). It is therefore more likely that today, compared with the past, there is something precisely suited to one’s needs. However, the likely contribution of increased variety to need satisfaction is to some extent counterbalanced by the burden of increased choice, which can impair satisfaction (Botti & Iyengar, 2006; Iyengar & Lepper, 2000). Moreover, this “paradox of choice” (Schwartz, 2004) may be exacerbated by older consumers’ relatively diminished memory and cognitive resources, which increase the burden involved in the choice process. Complicating things further, the relative inability of older consumers to inhibit information and their susceptibility to memory interference (Hasher & Zacks, 1988) could also lead to their dwelling more on
foregone choices. Finally, it is possible that, even with ever-greater product variety, the specific brands recalled—and explicitly preferred—by older consumers are increasingly phased out of the market due to obsolescence or the disappearance of their core buyer base. Each of these effects would, ceteris paribus, lead to lower satisfaction among older consumers, despite the seemingly increased presence and benefits of “variety.” However, the simple main effect of there being more product variants to choose from (relative to the past) may overwhelm these potential moderators, such that older consumers report higher levels of satisfaction. By contrast, younger consumers, lacking this long-past basis for comparison, would be, all else equal, less satisfied overall.

Intensification of Consumer Marketing

Over the past several decades, consumer marketing has intensified dramatically. For example, the U.S. Census Bureau’s “Service Annual Surveys” show that, over a 25-year period, advertising expenditure increased from $27.9 billion (1.7% of gross domestic product [GDP]) in 1975 to $247.5 billion (2.5% of GDP) in 2000, a nearly 10-fold increase (and over 3-fold, inflation adjusted). As mentioned, the number of products available in the typical supermarket increased at approximately the same threefold clip. Consequently, younger consumers expect to have companies cater to their needs and will differentially notice when they are not being met. Older consumers were brought up at a time when product choice was limited, markets were more mass oriented, one-to-one marketing literally did not exist, and needs-based segmentation was relatively primitive. They may also be more willing to accept products and services that do not precisely mesh with their needs because the bulk of modern products and services were designed for younger consumers, who are perceived by marketers to be a more lucrative segment. Marketing has trained younger consumers to expect that their desires will generate products to match; older consumers may not have learned marketers’ lessons to the same degree. When a product does match their needs, older consumers may feel lucky or especially satisfied, while younger people may not see this as particularly noteworthy.

Implications

These diverse considerations converge on suggesting profound cohort differences in the standards against which older and younger consumers evaluate consumption experiences. Whereas younger consumers may expect that their needs are met by a large variety of products tailored to their desires, older consumers may be less likely to take this for granted. Moreover, older consumers may compare the current offerings to previous
versions that younger consumers never experienced. Accordingly, the size of the older-and-more-satisfied effect should vary as a function of actual improvements in the quality and variety of products offered in a specific consumption domain, and the effect should reverse for domains in which need satisfaction deteriorated.

Explanations Based on Age-Related Changes in the Evaluation Process

The preceding discussion treated the older-and-more-satisfied phenomenon primarily as a cohort effect that reflects changes in the marketplace over time and corresponding changes in consumers’ expectations and the extent to which they are met. Next, we turn to possible explanations that treat the phenomenon as a function of individual aging. Normal human aging is associated with an increasing accumulation of expertise in many domains of life as well as with profound changes in cognitive functioning and social behavior (for reviews, see Park & Schwarz, 2000; Chapter 1, this volume; Chapter 4, this volume). Both of these types of changes can affect consumers’ consumption decisions and satisfaction judgments.

Wiser Choices?

Simply by dint of having lived longer, an older consumer will have accumulated considerable expertise with many classes of products and services as well as with their own habits and preferences. Hence, older consumers may know themselves better, may have a better grasp of budgets, and may be less likely to try new and “unproven” products that could lead to bitter disappointment. This possibility is consistent with the general observation that older adults have greater self-knowledge (Lachman, Röcke, Rosnick, & Ryff, 2008). If so, older consumers may make wiser consumption choices, selecting familiar products that are more likely to meet their (better understood) needs. Older consumers’ preference for familiar products is further enhanced by their increased cost of information search.

Both of these factors are also likely to contribute to a tendency to more accustomed to terminating search when a suitable option has been identified. Future experiments may fruitfully address this question and more accustomed to terminating search when a suitable option has been identified. Normal human aging is associated with an increasing accumulation of expertise in many domains of life as well as with profound changes in cognitive functioning and social behavior (for reviews, see Park & Schwarz, 2000; Chapter 1, this volume; Chapter 4, this volume). Both of these types of changes can affect consumers’ consumption decisions and satisfaction judgments.

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are robust and hold even when brand loyalty (Cole & Balasubramanian, 1993) or satisfaction with the last purchase (Lambert-Pandraud et al., 2005) are controlled. Hence, older consumers’ increased reliance on familiar choices may reflect both increased self-knowledge and experience as well as increased cost of information search.

Both of these factors are also likely to contribute to a tendency to choose products that are “good enough” instead of chasing the best possible option. As experimental research demonstrated (Schwartz, 2004), attempts to maximize utility by finding the best possible product are often associated with lower satisfaction than attempts to “satisfice” by finding a product that simply meets one’s needs. To explore this possibility, we administered the Maximization Scale (Schwartz et al., 2002) to 35 younger (mean age = 18.5) and 31 older (mean age = 71.8) adults at the University of Michigan. As expected, younger adults showed a preference for maximizing (mean \( M = 4.54 \), standard deviation \( SD = .81 \)), whereas older adults were more likely to satisfice (\( M = 3.68, SD = .84; F(1, 62) = 16.21, p < .0001 \)). No gender effects were observed. Note, however, that age-related changes as well as cohort differences may contribute to this finding. On the one hand, older adults’ higher experience and lower cognitive resources may limit their need or ability to chase a better option; on the other hand, older cohorts grew up at a time when information was dramatically more costly (in terms of time, energy, and actual funds) to gather and hence may be more accustomed to terminating search when a suitable option has been identified. Future experiments may fruitfully address this question and may explore to which extent age-related differences in satisficing contribute to the older-and-more-satisfied phenomenon.

**Accessibility of Comparison Products**

Younger and older consumers may further differ in the comparison standards that come to mind when they evaluate a product. As numerous studies in the domain of life satisfaction demonstrated, people can draw on a wide variety of different standards in evaluating their current situation, from what they expected to what they previously had or what others have. Which one they use depends on which one is most accessible at the time of judgment (for a review, see Schwarz & Strack, 1999). In some consumer domains, such as high-tech products, younger consumers may know more about the “latest and greatest”, or currently standard, offerings available, compared with older consumers, and may also have speedier replacement cycles. For example, older consumers may choose to replace their computers infrequently (e.g., because they place fewer demands on them or do not require state-of-the-art capabilities) and so compare their present computer to an old and strongly superseded one, resulting in differential satisfaction; younger consumers, by contrast, may compare their.

**Provide Schwartz et al., 2002.**

\( F(1, 62) = 16.21, p < .0001 \)
own computer to the best of what their friends have or to what is readily available online. If so, satisfaction should depend on one’s type of expertise: The more one knows about the current offerings in the product class, the less one is satisfied with a given, slightly outdated exemplar, but the more experience one has with previous offerings in the product class, the more satisfied one is with the same exemplar. This possibility lends itself to experimental investigation.

In actual field data, however, the assumed dynamics may be confounded with the differentially greater ability of older consumers to afford superior goods: An older consumer with substantial income and savings may be able to achieve satisfaction more easily than a younger consumer on a tight budget. But, it may also be confounded by a lower willingness to pay for advanced technology. These sorts of “endogeneity” issues are now being examined in detail by empirical modelers in marketing, but dedicated experiments would seem more expedient in separating out satisfaction, choice effects, knowledge, and both ability and willingness to pay across multiple product and service classes.

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**Explanations Based on Age-Related Changes in the Response Process**

We now turn to explanations that trace the older-and-more-satisfied phenomenon to age-related changes in cognitive functioning and social behavior that may affect the survey response process (for a review, see Schwarz & Knäuper, 2000). From this perspective, the phenomenon may, at least in part, reflect artifacts of the measurement process rather than actual age or cohort differences in customer satisfaction.

**Scale Use**

A smattering of evidence suggests that older respondents use ratings scales in surveys in a less-granular way: Targets are broadly classified as good, bad, or neutral, resulting in less-differentiated ratings (e.g., Knäuper & Seibt, 1999; Schwarz & Knäuper, 2000). Given that most consumers are reasonably satisfied, this lack of differentiation would lead older consumers’ responses to cluster near the highest scale point. This effect is most pronounced for the oldest old (Knäuper & Seibt, 1999), and the data shown in Figure 10.2 are compatible with this possibility (as with many others). If so, the obtained pattern may simply reflect that younger consumers report more fine-grained differentiations of customer satisfaction,
whereas older consumers tend to report very high satisfaction once a threshold is passed. However, an inspection of the distribution of satisfaction ratings for the three media industries in which we did not observe a relationship between the ratings and age (newspaper publishing, TV broadcasting, motion pictures) casts some doubt on this account: Ratings of these industries showed no increased endorsement of 10 by the oldest age groups. Moreover, the parallels between survey reports of customer satisfaction and complaint behavior (Lee and Soberon-Ferrer, 1999) suggest that the older-and-more-satisfied phenomenon goes beyond an artifact of scale use. This issue can be further addressed through systematic experimentation and formal modeling.

Specifically, models of scale usage heterogeneity (Rossi, Gilula, & Allenby, 2001) could be used to determine which covariates—including age itself—drive what sorts of changes in how respondents use scales, over and above any product attribute effects. Three a priori hypotheses present themselves about older consumers’ use of rating scales: (a) “lumping” toward the midpoint (or away from it); (b) “compression” to the midpoint (either of the scale itself or of the product’s mean satisfaction level, the latter being a “variance reduction,” and not a mean shifting, effect); and (c) a simple right skew, as suggested by the raw ACSI data. In principle, any of these could lead to higher means among older consumers, but they would each entail a different distribution. Experiments could help determine whether these potential distributional artifacts might be reduced via detailed directions on scale usage, practice using the scale, variations in scale format.

Social Desirability and Self-Presentation

Previous research also indicates that older people score higher on social desirability scales (e.g., Gove & Geerken, 1977; Lewinsohn, Rohde, Seeley, & Fischer, 1993), suggesting that socially desirable response behavior may increase with age. If so, older respondents may be more hesitant than younger respondents to express negative evaluations of a product or service, a difference that may be exacerbated when the product or service is perceived as popular. However, two observations suggest that socially desirable responding is not a major driver of the older-and-more-satisfied effect. First, socially desirable responding primarily predicts an avoidance of undesirable answers in the form of dissatisfaction reports; it does not necessarily entail a need to report very high, instead of merely high, satisfaction. Empirically, however, it is older consumers’ tendency to report very high satisfaction that drives the effect, whereas reports of dissatisfaction show no age differences. Unfortunately, such reports are rare in all age groups, primarily because dissatisfied customers tend not to make repeat purchases and hence would more likely fall out of the sample of current
customers that forms the basis of the ASCI ratings. Second, socially desirable responding decreases with increasing anonymity of the research situation; it is more pronounced in face-to-face interviews than in telephone interviews and least pronounced under self-administered questionnaire conditions (DeMaio, 1984). However, the older-and-more-satisfied effect has been observed with different modes of administration—telephone interviews and online surveys (ACSI Methodology Report, 2008) as well as mail surveys (Chow, Lau, Lo, & Yun, 2007)—although comparisons of the relative effect size are fraught with uncertainty, due to sample differences. Finally, social desirability effects are content sensitive: it is more acceptable to express negative opinions in some domains than in others. In contrast, the older-and-more-satisfied effect is relatively robust across consumption domains, and the observed domain differences (shown in Table 10.1) do not easily lend themselves to an interpretation in terms of differential social desirability; why, for example, would media industries be the only ones for which an enthusiastic response is not called for?

Differential Self-Selection

Research indicated that happy people enjoy higher health and longevity and may outlive their less-happy cohort mates by 8 to 10 years (for a meta-analysis, see Veenhoven, 2008). It is therefore conceivable that general happiness and an upbeat temperament (which is a major predictor of happiness; see Diener & Lucas, 1999) contribute to older consumers’ likelihood of entering the ASCI database because they are more able and willing to participate in research, to try new products, and to seek out products that meet their needs well. Such differential self-selection and survivor effects may contribute to the observation that the oldest consumers are particularly likely to report very high customer satisfaction.

Interactions, Heterogeneity, Person and Product Covariates

Unfortunately, the various possibilities discussed in the preceding sections are not mutually exclusive. Instead, many of them may operate in concert, reinforcing or attenuating one another and giving rise to complex interaction effects. Moreover, the variables involved in all possible influences discussed are themselves subject to change over time: Over a period of decades, the consumer environment changed, individuals aged and amassed more consumer experience, and so on. Hence, despite conceptual independence, the types of explanations we discussed are necessarily
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(temporally) correlated, which raises serious methodological challenges for isolating their relative influence.

Moreover, we have discussed “satisfaction” as if it were a univariate construct—ranging from very low to very high—but an increasing body of research suggests a more nuanced view (Bearden & Teel, 1983; Spreng, MacKenzie, & Olshavsky, 1996; Westbrook & Oliver, 1991). Satisfaction can comprise multiple dimensions, and consumers can be heterogeneous in terms of what they especially value. Simply put, some older consumers may be more satisfied for one reason (“The product lasted longer than I expected”) and some for another (“It was inexpensive for how good it was”). This heterogeneity is partly explicable by individual difference variables, like demographics or behavior. For example, consumers who were gadget enthusiasts or ham radio devotees 50 years ago would be delighted in today’s digital playground; other older consumers may find the high-tech product world an incomprehensible nightmare, yet be glad that modern anti-inflammatory drugs ease arthritis. Both groups might report high satisfaction with “technology” but grossly different aspects of it. Researchers will need to take note of the fact that various product classes offer multiple, differential benefits, and moreover that different older consumers may express high satisfaction with a specific class or product within it for substantively distinct reasons. Marketers have become highly adept at deploying hierarchical Bayes models for this purpose (Rossi & Allenby, 2003), but even the most sophisticated model will fail in the absence of appropriate covariate data, in this case pertaining to product classes, to specific products within them, and to individuals.

We have also not addressed within-group demographic variation and how it might play into differences in self-reported satisfaction. To take one extreme example, data from the 2000 U.S. Census suggested that boys outnumber girls through early adulthood, but that among those 85 and over, there were approximately 2.5 women for every man. So, if women reported higher satisfaction than men in general, much or all of the older-and-more-satisfied phenomenon might be attributable to between-age-group gender differences. Fortunately, many data collection efforts, including the ACSI, avoid this obvious confound by appropriate stratification and oversampling. But, it is notoriously difficult to “correct” for other such differences, especially so across age groups. Younger consumers today are, in general, more educated, taller and heavier, far more adept at technology, media savvy, and ecologically conscious, among dozens of other differences. Ostensive between-age-group comparisons will therefore invariably involve systematic differences in other characteristics, on average, as well.

Finally, the quest for a unified account of what drives the older-and-more-satisfied phenomenon may be overly ambitious. Different explanations may hold in different categories and situations. Decades of research...
in marketing have documented profound differences in evaluation and choice processes among durables, frequently purchased goods, and services, not to mention similarly vast differences in how they are advertised, promoted, distributed, stored, and featured by retailers. It may be that a final resolution of the older-and-more-satisfied phenomenon may arise only from the isolated studies of various effects and interactions, many of which we propose in this chapter. Based on these studies, researchers may then be able to determine the conditions in which different explanations most reliably hold. In any case, systematic explorations of the processes underlying the older-and-more-satisfied phenomenon will illuminate the influence of age- and cohort-related variables on consumer judgment and may provide managerially useful information about a rapidly aging population.

References


