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# Cognitive decline and emotional regulation of senior consumers



DongHee Kim<sup>a,1</sup>, SooCheong (Shawn) Jang<sup>b,\*</sup>

- <sup>a</sup> School of Hospitality and Tourism Management, Purdue University, Marriott Hall, 900 W. State Street, West Lafavette, IN 47907, USA
- b School of Hospitality and Tourism Management, Purdue University, Marriott Hall, Room 245, 900 W. State Street, West Lafayette, IN 47907, USA

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#### ABSTRACT

This study examines seniors' pre-decision information processing and post-recovery satisfaction in a casual restaurant context by focusing on age-related differences. This paper fills a research gap, outlined by several researchers in the senior consumer field, by identifying the age-related mechanisms that may transform seniors' decision-making behaviors when dining out at a restaurant. Specifically, this study focuses on the fact that as people age cognitive abilities decline while emotional self-regulation increases. Thus, we expected that age-related cognitive decline would lead senior consumers to revisit familiar restaurants and that seniors would possess superior emotional self-regulation in service failure and recovery situations. The sample was divided into a "senior" group (age 60 and older) of consumers and a "younger" group (age 39 and younger). We conducted Analysis of Variance (ANOVA) tests using a  $2 \times 2$ experimental design in order to examine whether there were statistically significant age differences in terms of consumers restaurant behaviors. The results suggest that senior consumers are attractive targets because they are likely to remain attached to familiar restaurants and consider fewer options compared with younger consumers. Furthermore, senior consumers show more emotional self-regulation and, thus, recover from negative emotions more quickly, which leads to higher post-recovery satisfaction compared with younger consumers. The findings provide practical guidance for restaurant companies to improve their current offerings and better target and satisfy the senior segment.

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#### 1. Introduction

The population of the world is aging. According to the U.S. Census Bureau, the senior population over 65 in the U.S. will increase to more than 25.2% of the population by 2020 and 31.5% by 2030 (US Census Bureau, 2007). Since most baby boomers are living longer than 60 years, this group has become the most affluent in marketing history (Rasmusson, 2000; Jang et al., 2009). Yet despite its size, growth potential, and affluence, researchers and practitioners have only recently begun to shed light on the senior consumer segment. Increasingly, many business sectors have become more interested in the senior segment and spend their marketing and advertising budgets on those over 50 as potential customers (Thompson and Thompson, 2009). Also, researchers recognize the growing size of the senior population and their economic power (Cole and Gaeth, 1990; Yoon et al., 2009). For example, senior consumers have been found to be an attractive target market in terms of their patronage

intentions and tendency to positively evaluate their choices (Lambert-Pandraud et al., 2005; Samanez-Larkin et al., 2009). Even though studying the senior market is potentially lucrative, only a few studies have examined seniors' dining behaviors (Sun and Morrison, 2007; Moschis et al., 2003; Lee and McCleary, 2013). Hence, the goal of this research is to advance our understanding of senior diners, who are also experiencing age-related biological, physiological and cognitive changes (Schewe and Balazs, 1992). As seniors age their consumption behaviors change (Lee et al., 2001; Moschis, 2007). Specifically, we examine how consumer behaviors in a casual restaurant context are influenced by age-related changes, specifically declines in cognitive capacity and an increasingly emotionally oriented mindset.

We delve into the topic of aging by examining its impact on pre-decision information processing and post-experience satisfaction in a casual restaurant context. The topic of senior consumers' restaurant behaviors is important because many restaurant researchers have shown that consumers prefer new menu selections (Lin and Mattila, 2006; Ha and Jang, 2013) and more options (Horovitz, 2004) to fulfill their variety seeking preferences, which are endorsed by a majority of young adult consumers. Thus, it is no surprise that restaurant practitioners invest heavily

<sup>\*</sup> Corresponding author. Tel.: +1 765 496 3610; fax: +1 765 494 0327.

E-mail addresses: kim1116@purdue.edu (D. Kim), jang12@purdue.edu (S. Jang).

<sup>&</sup>lt;sup>1</sup> Tel.: +1 765 413 6634.

to satisfy young consumers' appetites by offering new brands and new menu varieties. However, it could also be interpreted that young consumers may satiate quickly and switch to other brands as newer restaurants or menus are introduced (Lambert-Pandraud and Laurent, 2010). In an increasingly competitive hospitality industry, repeat patronage and positive evaluations are critical to the restaurant business (Jang and Namkung, 2009). Therefore, we try to provide solutions to this dilemma by providing evidence that restaurant practitioners should take the senior population seriously.

The contributions of our research are threefold. First, we examined how differences in age affect the pre-decision information search, such as the number of options considered and the likelihood to consider familiar options. Although there is evidence that seniors are more likely to remain loyal to a particular restaurant (Moschis et al., 2003; Sun and Morrison, 2007), it is not clear how senior consumption behaviors or decision making styles differ compared with younger consumers. Therefore, we investigated the patronage related decision-making process by age, including the number of restaurants considered and attachment to familiar options based on deteriorated cognitive information processing (Lambert-Pandraud et al., 2005).

Second, we explored whether seniors' tendencies to search for less information and remain with familiar options are related to an individual's preference for nostalgia. We distinguished between a high nostalgia group, individuals who evoke memories of the past or the "good old days," and a low nostalgia group (Holbrook and Schindler, 1996) and compared their revisit intentions toward the same restaurant

Third, our research sheds light on the mechanisms underlying aging associated with an increased focus on emotional information. Even though seniors often experience cognitive declines or physical health impairments, their emotional well-being remains stable or even improves as they age (Charles and Carstensen, 2010). This is referred to as the "aging paradox" (Mather, 2012). When seniors do experience a negative mood it is less likely to persist, suggesting that age is an advantage when it comes to reducing negative affect (Scheibe and Carstensen, 2010). Based on this notion, we compared the reactions of senior and younger consumers after a service failure and recovery. To better explain seniors' increased focus on emotions, our research investigated age differences in response to emotional recovery strategies versus monetary recovery strategies.

In summary, our study intends to examine whether cognitive decline and shifts in emotional orientation related to aging impact decision making in restaurant contexts. To understand these two mechanisms this study aims to achieve four main objectives:

- (1) To compare pre-decision information processing between age groups (e.g., senior group vs. younger group) to identify whether senior consumers have a tendency to consider fewer restaurant options for dining out and, accordingly, prefer familiar options due to declining cognitive abilities.
- (2) To investigate whether senior consumers' pre-decision information processing and variety seeking are impacted by their preference for nostalgia.
- (3) To observe whether senior consumers recover their emotional states more quickly after receiving a service recovery compared to younger consumers.
- (4) To further explore the extent to which service recovery can raise post-recovery satisfaction by comparing service recovery strategies with an emotional appeal versus a non-emotional appeal.

#### 2. Literature review and hypotheses

#### 2.1. Aging

Aging can be viewed as a phenomenon involving biological and physiological aging and cognitive capacity impairment (Schewe and Balazs, 1992; Yoon et al., 2009). As a result of age-related changes, consumers' consumption behaviors change throughout their lives (Lee et al., 2001; Moschis, 2007). Consumer researchers are largely interested in how senior consumers adapt their decision-making in order to come to a satisfactory solution (Barak et al., 2001; Yoon et al., 2009; McKay-Nesbitt et al., 2011).

Although there are several ways in which aging may impact decision-making, we were interested in limited cognitive ability and the shift toward emotional salience. First, cognitive declines may negatively impact seniors' pre-decision information search abilities, such as processing speed or working memory. Thus, they rely more on heuristic processing (Mata et al., 2007; Yoon et al., 2009). In addition, researchers pay growing attention to seniors' superior emotional self-regulation (Carstensen, 1995; Carstensen et al., 2000). Recent evidence based on 10 years of longitudinal data adds that emotional well-being is improved as people age (Carstensen et al., 2011). In later life, seniors express an increased preference for emotionally meaningful goals and this age-related motivational shift leads them to maintain stable emotion states.

Prior studies have mainly focused on describing senior consumers' behaviors, such as restaurant selection preferences (Knutson and Patton, 1993; Moschis et al., 2003; Shank and Nahhas, 1994; Yamanaka et al., 2003), dining-out motivations (Sun and Morrison, 2007), and service quality perceptions (Lee et al., 2012). However, there are still relatively few studies in hospitality fields identifying factors that cause senior consumers to have different decision-making styles compared with younger consumers. Thus, the current research examines age-related phenomena in the context of consumer behaviors, using pre-decision making and post-consumption satisfaction in a restaurant context.

In order to achieve our research objectives, we first had to consider the age at which a person is considered a "senior." As the average life expectancy of Americans increases, the current gerontology and psychology literature defines "older" consumers as older than age 60 or 65, which is near retirement age (Lambert-Pandraud et al., 2005). According to Chen and Shoemaker (2014), people ages 55–60 today should not be treated as senior citizen either mentally or physically. Therefore, we have followed previous studies' categorization of older consumers, distinguishing "senior consumers" (age 60 and older) from "younger consumers" (age 39 and younger) to better compare different age-related behaviors.

#### 2.2. Cognitive capacity and decision-making

Previous research has found that senior consumers prefer to seek less information when making decisions compared with younger consumers (Mather and Carstensen, 2005; Lambert-Pandraud et al., 2005). In daily decision-making regarding restaurants, senior consumers may not want to evaluate many options and instead prefer to choose from restaurants they have previously visited (MacPherson et al., 2002). As their cognitive capacity declines, the number of choices they consider is further reduced. For example, Reed et al. (2008) found that seniors prefer significantly less choices than young adults, which is consistent with the "choice paradox" (Reed et al., 2008). We applied this notion in the restaurant field and asked "Imagine that you plan to dine out this evening. How many restaurant options do you typically consider?"

In addition, a growing body of research is increasingly interested in consumers' novelty seeking or variety seeking behaviors

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