

EFFECT OF DEMOGRAPHIC VARIABLES ON SELF CONCEPT OF POSITIVE AND NEGATIVE WORD-OF-MOUTH

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ABSTRACT

The purpose of the study was to investigate the ability of demographic variables including sex, education, household income, personal income and age to predict consumers' self-concept of positive (complimenting) word-of-mouth and negative (complaining) word-of-mouth (WOM). The sample was 757 consumers who responded to a national mailed questionnaire to 4,000 households. Demographic variables had an effect on consumers' self-concept of their typical complaining and complementing behavior of the consumers surveyed. However, demographic variables effected complaining and complementing behavior differently. Sex, educational level, and age were found to be effective in predicting positive WOM (complimenting), and household income and age were found to be effective in predicting negative WOM (complaining).

INTRODUCTION

Postpurchase behavior is a series of steps taken by consumers to compare perceived performance to expectations. Gilly and Gelb (1982) described post purchase behavior as the comparison of expectations to the perceived reality of a purchase of a good or service, resulting in either satisfaction or dissatisfaction. They stated "each [person]... views satisfaction/dissatisfaction as a function of the degree of discrepancy between expectations and actual results" (Gilly & Gelb, 1982, p. 323). Similarly, Woodruff, Clemons, Schumann, Gardial, and Burns (1991, p. 104) postulated that "Consumer[s] ...compare perceived experience with the standard, noting whether there is a difference." Woodruff et al., therefore defined consumer satisfaction/dissatisfaction as "... the evaluative reaction to that difference perception and can be cognitive (e.g., good or bad for me) and/or emotional (e.g., pleasing, happy, disgusting to me)."

Self-concept has been used to help explain consumer behavior. Sirgy (1982) reviewed the literature of self-concept in consumer behavior and

concluded that self-concept was useful and contributed to consumer attitude modeling and consumer decision-making research. Self-concept along with attitude research can help predict social behavior (Sirgy, 1982). No literature was found that specifically addressed self-concept in relation to positive or negative WOM. Therefore, the literature review will present several conceptual models and empirical studies of WOM behavior.

Several theories and models have been used to help understand and explain consumer complaint behavior. Hirschman provided a framework to help understand and explain the postpurchase consumer process. According to Ping's (1993) interpretation of Hirschman, consumers have "...three options when responding to organizational 'lapses' in performance (problems): they could exit the relationship, they could use voice, or they could do nothing and remain loyal"(p. 323). Exit was defined by Hirschman (1970) as not purchasing a particular product again or shopping at a particular store or business. In the case of exit, dissatisfied consumers do not complain. Instead they silently vow to never purchase the product or shop at the firm again and take their business elsewhere (Blodgett, Granbois & Walters, 1993). Voice was defined by Hirschman (1970) as expressing dissatisfaction directly to a company or to friends, family or anyone who will listen. Loyalty refers to continuing to purchase a product or continuing to frequent a business regardless of satisfaction/dissatisfaction (Hirschman, 1970). Ping (1993) described loyal behavior as including suffering in silence, thinking and hoping that the situation would improve. However, Hirschman's definition of loyalty does not incorporate the total meaning of loyalty which includes being faithful or devoted (Huefner & Hunt, 1994).

Word-of-mouth (WOM) is a component of voice in Hirschman's (1970) work. However, according to Hirschman WOM only encompasses telling friends and family and does not include seeking redress from the firm. According to Tax, Chandrashekar and Christiansen (1993) WOM is a primary source of information consumers use to

determine prepurchase decisions and a "way to express satisfaction or dissatisfaction with a product [or] experience" (Tax et al., 1993, p. 74). Negative WOM has been found to be used more frequently if consumers feel satisfaction will not be gained by complaining to the firm (Bearden & Oliver 1985). Blodgett et al., (1993) stated that dissatisfied customers who complain to a firm will not engage in negative WOM unless they are dissatisfied with the response or action of the firm following their complaint.

Bearden and Oliver (1985) hypothesized that personal characteristics influenced complaint behavior and satisfaction or dissatisfaction. Prakash (1991) postulated that overall attitude toward complaining (negative WOM) had an effect on consumer complaint behavior. However, this has not been supported by research. Bearden and Oliver (1985) did not find propensity to complain to be an important factor in predicting complaining behavior. Similarly, Blodgett (1994) found attitude toward complaining had no effect on negative WOM behavior. Demographic variables of income and sex have been studied to determine if complaint behavior and positive or negative WOM are related to these variables. In Bearden and Oliver's (1985) study income was found to be only modestly related to public complaining and not to negative WOM. The findings were not significant enough to use income as a predictor of who was more likely to complain. In a study by Parker, Funkhouser, and Chatterjee (1993), men were found to have a higher propensity to complain than women. This finding was unexpected because other studies generally found a weak relationship between sex and response of satisfaction or dissatisfaction or complaint behavior. Dabholkar and Thorpe (1994) studied the relationship between consumer satisfaction and postpurchase intentions relating to positive WOM. They found a strong positive relationship between satisfaction and postpurchase intentions.

To explain WOM in the context of postpurchase behavior Bearden and Oliver (1985) developed an abbreviated model of postpurchase consumer process. Bearden and Oliver (1985) extended Hirschman's (1970) work by adapting ideas from previous models developed by other researchers (see Bearden & Oliver, 1985 for specifics) to help explain consumer postpurchase

behavior. In Bearden and Oliver's (1985) model, after a problem has been identified by the consumer he/she has two choices: either to "take some action" or "take no action." Consumers who decide to take some action can express themselves either publicly or privately. Bearden and Oliver's (1985) model focuses on the public or private complaint action and how this effects resolution satisfaction. It also separates complaining privately or using negative WOM from complaining publicly to seek redress from the firm.

In Bearden and Oliver's (1985) model taking public action includes seeking redress directly from the firm. Hirschman (1970) included this behavior as part of voice. Bearden and Oliver (1985) made a distinction between public action and private action. Bearden and Oliver (1985) reported findings that supported the hypothesis that public complaining as opposed to private complaining was more likely if consumers felt that their complaints would be resolved. Public action not only includes seeking redress directly from the firm, but also extending the complaint action to include taking legal action or complaining to a private or government agency. Private action includes either not shopping at a particular store again or not purchasing a particular product and warning others about a product or store. Hirschman (1970) used the term exit to describe consumers who decided to stop shopping at a particular store and voice to describe consumers who warned others about a store or product. The consumers who warned others about a store or brand have been further studied as negative WOM behavior. The Bearden and Oliver (1985) model helps explain the actions taken by consumers after a problem was identified.

In past research, most attention has been on complaining behavior which includes negative WOM and has excluded complimenting which includes positive WOM behavior (Hunt, 1993). The next step is to study how self-concept of typical complimenting or complaining relates to behavior and whether this leads to why consumers use positive WOM (compliment) or use negative WOM (complain). The purpose of this study was to investigate the ability of demographic variables including sex, education, household income, personal income and age to predict consumers'

self-concept of positive (complimenting) and negative (complaining) WOM.

METHOD

The data were collected as part of a larger survey, conducted by a team of researchers from a major western university. A probability sample of 4000 was drawn from U. S. household heads. The names and home mailing addresses for male- and female-heads of household were obtained from a professional mailing list company (Compilers Plus 1993).

The questionnaire included questions on shopping mall activity (visits, purchases, dollar amount spent, and travel time), personal lifestyle descriptors (35 items), strategies for problem-resolution in shopping (29 items), use of household services (10 items), multiple item list of values (MILOV) scale (49 items), list of values (LOV) scale (9 items), and demographics. It was pretested by a number of consumers identified by the researchers to determine if there were any problems with readability and understanding of the questions. The consumers who participated in the pretest were assumed to be representative of consumers in general.

The data were collected by mail during the first week of September, 1994. Questionnaires were mailed to the home addresses of household heads. The sample was evenly divided between male- and female-heads of household. The initial mailing included a cover letter, a four-page questionnaire, and a prepaid self-addressed business-return envelope. Ten days later, all household heads included in the initial sample were sent a reminder postcard. Two weeks later, a third mailing which contained a second copy of the questionnaire, a reminder letter, and a new business-return envelope went to everyone in the sample. The incentive given was a promise of a copy of summarized results for respondents who wrote their mailing address on the return envelope. The data were derived from 757 usable responses, for a usable rate-of-return of 18.9 percent.

The dependent variables were two measures of self-concept of generalized complaining/complimenting behavior. Consumers were asked to indicate how descriptive of them complaining and complimenting was on a Likert type scale with

the qualifiers ranging from Extremely (1) to Not at All (5) descriptive. In Sirgy's (1982) review of self-concept in consumer behavior research, he concluded that knowledge gained from self-concept research can add to consumer attitude modeling and consumer decision making research. He further stated it was valid to study consumer attitudes by having self reports and the knowledge gained will help social science research.

In the present study consumers' self-concept of their typical positive WOM behavior (complimenting) was measured by a single item: When I have a good shopping experience I tell my friends about it. Consumers' self-concept of their typical negative WOM (complaining) was also measured by a single item: If I have a bad shopping experience, I tell my friends not to shop there. Demographic variables were analyzed in relation to consumers' self-concept of positive WOM (complimenting) and negative WOM (complaining) using SPSS multiple stepwise regression. Two separate regressions were done on the positive WOM and the negative WOM. Paired *t*-tests were also conducted to compare consumers' means for self-concept of complaining and complimenting.

RESULTS

Of the 757 consumers who responded to the survey, 71 percent were female, 27 percent were male, and 2 percent did not specify sex. In regard to education, 25 percent of the respondents were high school graduates, 26 percent attended some college, 18 percent were college graduates, and 10 percent received a post-graduate degree. About 9 percent of the respondents reported household incomes under \$10,000 and 11 percent from \$10,000 to \$19,999. About one-third had incomes between \$20,000 and \$39,999. Twelve percent reported household incomes between \$40,000 and \$49,999. Almost one-third had incomes of over \$50,000. The frequency distribution of personal income appeared to be somewhat different from household income. About 5 percent of respondents reported no personal income and almost 15 percent of the respondents had personal incomes of less than \$10,000. Nineteen percent reported personal income between \$10,000 and \$19,999. Over one-third had personal income

between \$20,000 and \$30,999. About 8 percent of the respondents had personal income between \$40,000 and \$49,999. Twelve percent of the respondents had personal income over \$50,000. In terms of age almost 35 percent of the respondents were between 31 and 45 years old, about 30 percent were between 46 and 65 years old, and 19 percent of the respondents were over 65 years of age.

Table 1
Sex of Respondents

Sex	N	%
Male	207	27.3
Female	536	70.8

Table 2
Educational Level of Respondents

Years of Schooling	N	%
Grade school	12	1.6
Some high school	43	5.6
High school graduate	187	24.7
Some college	195	25.8
Technical school	51	6.7
College graduate	133	17.6
Some graduate school	56	7.4
Post-graduate degree	78	10.3

Table 3
Household Income of Respondents

Income Categories	N	%
No income	8	1.1
Under \$10,000	63	8.3
\$10,000 - \$19,999	82	10.8
\$20,000 - \$29,999	120	15.9
\$30,000 - \$39,999	134	17.7
\$40,000 - \$49,999	89	11.8
\$50,000 - \$74,999	129	17.0
\$75,000 - \$99,999	55	7.3
\$100,000 - \$150,000	28	3.7
Over \$150,000	8	1.1
Not reported	41	5.4

Stepwise multiple regression analysis was used to examine the ability of sex, educational level, household income, personal income, and age to predict self-concept of positive WOM

Table 4
Personal Income of Respondents

Income Categories	N	%
No income	40	5.3
Under \$10,000	119	15.7
\$10,000 - \$19,999	144	19.0
\$20,000 - \$29,999	159	21.0
\$30,000 - \$39,999	104	13.7
\$40,000 - \$49,999	61	8.1
\$50,000 - \$74,999	62	8.2
\$75,000 - \$99,999	13	1.7
\$100,000 - \$150,000	13	1.7
Over \$150,000	3	.4
Not reported	39	5.2

Table 5
Age of the Respondents

Age	N	%
Under 18	4	.5
18 to 25	54	7.1
26 to 30	73	9.6
31 to 35	81	10.7
36 to 40	98	12.9
41 to 45	84	11.1
46 to 50	56	7.4
51 to 55	67	8.9
56 to 60	39	5.2
61 to 65	60	7.9
66 to 70	54	7.1
Over 70	83	11.0

(complementing) and negative WOM (complaining).

Complimenting

Stepwise regression analysis using SPSS was conducted with the dependent variable being consumer responses to the statement: When I have a good shopping experience I tell my friends about it. Sex (dummy variable), educational level, household income, personal income and age were the independent variables. Sex was the first variable to be entered in the model with a significance level of .0001. Women were more likely to see themselves as complimenters than men. After adjusting the model to account for sex, educational level was included as the next

variable with a significance level of .0015. As educational level increased consumers were less likely to view themselves as complimenters. After adjusting the model for sex and educational level, age was included in the model with a significance level of .0030. As age increased consumers were more likely to view themselves as complimenters. Personal income and household income were not significant predictors of complimenting and were not included in the final model. By observing the betas, sex was the most important variable included in the model (beta = .25). Educational level (beta = .12) and age (beta = -.11) were much less important predictors of self-concept of complimenting. The adjusted r squared for the final model for complimenting was .09 indicating that about 9 percent of the total variance of complimenting was accounted by sex, educational level and age.

Table 6
Stepwise Regression of Word-of-Mouth on
Demographic Variables

<u>DEPENDENT VARIABLE</u>				
<u>Independent Variables</u>	<u>B</u>	<u>Beta</u>	<u>t</u>	<u>p</u>
POSITIVE WORD-OF-MOUTH (COMPLIMENTING)				
Sex	.65	.25	6.80	.0001
Educational level	.08	.12	3.19	.0015
Age	-.04	-.11	-2.98	.0030
Constant	2.02	--	12.78	.0001
r squared adj = .09				
NEGATIVE WORD-OF-MOUTH (COMPLAINING)				
Household income	-.10	-.15	-4.03	.0001
Age	.06	.13	3.36	.0008
Constant	2.91	--	16.71	.0001
r squared adj = .04				

Complaining

A second stepwise regression analysis using SPSS was conducted with the dependent variable being consumer responses to the statement: When I have a bad shopping experience, I tell my friends not to shop there. Sex (dummy variable), educational level, household income, personal

income and age were the independent variables. Household income was the first variable to be entered in the model with a significance level of .0001. As household income increased consumers were more likely to tell their friends about a bad shopping experience. After adjusting the model to account for household income, age was included as the next variable with a significance level of .0008. The older the consumer, the less likely they were to tell their friends about a bad shopping experience. Sex, educational level and personal income were not significant predictors of complaining and were not in the final model. By observing the betas household income (beta = -.15) and age (beta = .13) were of about equal importance in predicting self-concept of complaining. The adjusted r squared for complaining was .04 indicating that about 4 percent of the total variance of complaining was accounted by household income and age.

It was decided to conduct a paired t-test to determine if an individual was likely to perceive him/herself as a complimenter and as a complainer. Results, ($t [736] = -10.51, p = .001$) revealed a significant difference indicating that respondents more frequently perceived themselves as complainers ($M = 2.86, SD = 1.36$) than as complimenters ($M = 2.27, SD = 1.17$). That is, the mean for complaining was higher than the mean for complimenting. Apparently, consumers do not just talk about their shopping experiences, both positively and negatively, but they react differently to positive and negative experiences.

The two regression equations also seem to support the t-test that consumers who compliment are different than consumers who complain, because different variables were included as predictors of self-concept of complaining/complimenting. Further, age was the only variable included in both models and the signs of its coefficient were different in each equation, one being positive (complimenting) and one being negative (complaining).

CONCLUSIONS AND SUMMARY

The purpose of the study was investigate the ability of demographic variables including, sex, education, personal income, household income, and age to predict self-concept of positive

(complimenting) and negative (complaining) word-of-mouth. The sample was 757 consumers who responded to a national mailed questionnaire of 4,000 households.

Overall, demographic variables analyzed in this study were found to be useful predictors of self-concept of complaining and complementing behavior of the consumers surveyed. However, demographic variables included in the models were different for complaining and complementing except for age. Age was a significant predictor of both, although the sign of its coefficient was different in each equation, one being positive (complimenting) and one being negative (complaining).

The present findings were inconsistent with past research. Bearden and Oliver (1985) hypothesized that income would be positively related to satisfaction with complaint resolution. They predicted that consumers with higher incomes would complain more frequently because they would gain satisfaction to their complaints. However, this was not supported by Bearden and Oliver's (1985) results. Unlike the present study, their study was based on individuals that had reported some complaining behavior during the six months between mailings. The current study on the other hand, asked respondents to describe how characteristic a behavior was of them, or to "average" their experiences. Some respondents may not have complained in the past six months and these factors may account for the difference in findings. Two income variables were used in each equation and household income was only included in the model for complimenting. As income increased consumers were more likely to tell their friends not to shop at a particular store.

In this study sex did not have a significant effect on complaining behavior. This was contrary to past research by Parker et al. (1993) who reported a significant relationship between sex and propensity to complain, with men having a higher propensity to complain than women. However, in the present study, sex was found to have a significant effect on complimenting. Women characterized themselves more as complimenters than did men. Perhaps since women shop more than men, they may also tell their friends more about shopping experiences than do men.

Age had a significant effect on both

complimenting and on complaining. As age increased consumers were more likely to view themselves as complimenting. Conversely as age increased consumers were less likely to complain. These findings are consistent. Perhaps as people age they are more accepting and not as quick to be dissatisfied or complain.

Educational level was identified as a predictor of complimenting behavior. As educational level increased consumers were less likely to view themselves as complimenters. Perhaps as educational level increases perhaps consumers have higher expectations for their shopping experiences. This would help explain why they are less likely to compliment.

Results from the paired t-test indicated different consumers complained than complimented. This showed that consumers in this study did not just talk about their shopping experiences, both positive and negative, but that different consumers talk about their negative experiences and their positive experiences. Marketers might want to know who the complimenters and complainers are so they could target these separate people and meet the needs of both groups.

Further research could be done using more items in the scales to measure complainers and complimenters instead of relying on a single item measure. Survey responses over time and asking generalized behavior patterns may produce different results than asking consumers to provide generalized self-concept responses based on recall of an actual experience or episode. Investigating the effects of the other variables such as product importance, propensity to complain, or emotions as suggested by Hunt (1993) and Prakash (1991) on complaining and complimenting behavior could further increase the understanding in this area.

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