DO GENERATIONAL MEMBERSHIP AND PSYCHOGRAPHIC CHARACTERISTICS INFLUENCE POSITIVE WORD OF MOUTH IN A UNIVERSITY CONTEXT?

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ABSTRACT

The specific question that this paper seeks to answer is: do psychographic culturally-anchored values act as antecedents to positive word of mouth intention independently of an individual's generational (Generation Y rather than Generation X) membership? This question has important implications for service-based industries like universities. Results suggest that positive word of mouth intention is influenced by psychographic characteristics. Generation Y's positive word of mouth antecedents were: high collectivism, high uncertainty avoidance, and high power distance. Generation X's had only one antecedent, high collectivism. This paper concludes by outlining the areas for future research of Generation Y and the implication of this research for university leaders tasked with enhancing positive word of mouth in current students and alumni.

Keywords: Generation Y, Generation X, culturally-anchored values, positive word of mouth, higher education service provision

INTRODUCTION

With each passing year the proportion of Generation Y students studying at universities is increasing. As this generational change is occurring many universities are also confronting a more connected global marketplace, where the attraction and retention of talented students is also becoming increasingly competitive. These changes have lead to an increased emphasis on the marketing of courses; positive word of mouth behaviour from alumni and existing students is also an important complementor to any university marketing programme (Twitchell, 2005).
It seems highly plausible that social media has increased the importance of positive word of mouth in students' course selection process though there is little extant research to support the contention. The ability for student opinions to connect via social media and be disseminated has been enriched dramatically in the last decade. Due to these changes in generational membership, globalisation of the university sector and competition for talented students it is important for university leaders and marketers involved in promoting universities to better understand how generational membership and psychographic characteristics shape positive word of mouth behaviour.

Word of mouth describes a person to person communication that is seen as a direct driver of brand choice (Uncles, East, & Lomax, 2010). Word of mouth can be either positive or negative and can be made face to face or online. Word of mouth can be defined as the "informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organisation, or a service" (Harrison-Walker, 2001, p. 63).

One of the goals of relationship marketing is to turn new customers into regularly purchasing clients. For universities though they are service organisations, they have the characteristics of a subscription brand (Samson, 2006), where one customer may use one service provider at a time, and have the added difficulty in purchase regeneration in that there may be long periods between an individual themselves repurchasing the service. Nevertheless, the importance of turning alumni into active and vocal advocates for a university and a source of referrals is increasingly important in a connected global marketplace.

The aim of this paper is to clarify, first, if there are any generational differences in positive word of mouth behaviour and, secondly, to explain if psychographic characteristics like culturally anchored values explain variation in positive word of mouth intention between the generations and if so, is this explanation different. Though this study is in a university context its findings has potential relevance to other service-oriented organisations.

THEORETICAL BACKGROUND

The Generation Y consumer segment has been most commonly identified in the literature as the birth years 1977 to 1994/1995 (see: Bartlett, 2004; Wolburg & Pokrywczynski, 2001); and Generation X is generally seen as comprising the years 1965 to 1976 (see, Huntley, 2006). In most advanced economies globally, Generation Y is the key consumer segment and equates to almost 26% of the USA population and 27% of Australia's population (Heaney & Gleeson, 2008). The extant English language literature (see: Bartlett, 2004; Sebor, 2006; Wood,
2004), not surprisingly, focuses on Anglo-Saxon societies (Hofstede, 1980; 2001) and the generational membership literature has rarely used insights provided by the cross-cultural differences literature. The generational membership literature has identified Generation Y as more difficult to market to and to generate loyalty in, than Generation X.

Members of Generation Y in comparison to Generation X have a tendency to be "team-oriented, optimistic, trusting of authority, technologically savvy, practical, community oriented, able to multi-task, achievement focused, goal oriented, etc." (Griffin, Jones, & Spann, 2008, p. 62). Heaney's (2007) Generation Y profile is consistent with Griffin et al. (2008), and adds that Generation Ys when compared to Generation Xs are more informed consumers. Heaney (2007, p. 199) also notes that "Generation Ys are notoriously fickle consumers who want to embrace fast changes but are at the same time brand and fashion conscious." The Generation Y population have also been identified as: requiring recognition for their achievements; and are somewhat less committed to their workplace when compared to Generation X (Busch, Venkitachalam, & Richards, 2008). These generational differences may also be exhibited by students within the globally competitive higher education sector. The student relationship with a university is a complex one and generational differences may add to this complexity in our understanding of positive word of mouth behaviour.

Generational differences within Australia's higher education sector also contain a change in the cultural mix of students, and the cross-cultural differences literature (see, Hofstede, 1980; 2001; Trompenaars, 1994), provides some insights into how cultural values might affect positive word of mouth behaviour. Australian universities students' multiculturalism has been enhanced by migration and the internationalisation of education. Cultural customs have been identified as an influence on both attitudes and behaviours (see, Hofstede, 1980; 2001; Trompenaars, 1994). One of the most commonly cited definitions of culture is that presented by Hofstede (1980, p. 260), "the collective programming of the mind which distinguishes the members of one group or category of people from another." Trompenaars (1993; 1994; 2003) conceptualises culture as how people develop knowledge and attitudes through context and how this is communicated and perpetuated. The application of cultural constructs identified by leading culture researchers like Hofstede (1980; 1985; 1991; 1993; 1994; 1998; 2001) and Trompenaars (1993; 1994; 2003) have been rarely applied (Robertson & Hoffman, 2000) within a higher education setting as a mechanism to understand differences in student populations. There is little research that has explored how culturally-anchored values may shape perceptions of positive word of mouth within the globally competitive higher education sector.
Robertson and Hoffman (2000) have applied Hofstede's (1991; 2001) four-dimensional cultural framework comprised of power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity within a university student population. Power distance is described as to what level a society expects and accepts the distribution of power is unequal. Uncertainty avoidance is the level of comfort a society has with ambiguous or unknown situations. The individualism/collectivism dimension presents polarised opposites whereby individualism represents distant relationships between individuals and collectivism represents strong cohesive relationships. The masculinity/femininity dimension, like the individualism/collectivism dimension, also presents polar opposites, where masculinity represents traditional gender stereotypes and femininity represents an overlap in gender roles. Many of Hofstede's (1991; 2001) cultural dimensions have been adopted by the Globe Study of 62 societies (see: House & Javidan, 2004). This study will use Hofstede's (1991; 2001) constructs, as operationalised by Robertson and Hoffman (2000), to provide a framework to measure culturally-anchored values. The link between culturally-anchored values and positive word of mouth is unexplored within the literature though numerous authors have noted that different marketing practices are needed in different cultures (Armstrong, Mok, Go, & Chan, 1997; Burton, 2009; Herbig, 1998). To engage in positive word of mouth involves some social risk taking.

How different culturally-anchored values may affect positive word of mouth intention has been rarely explored in the literature. Positive word of mouth intention can be considered an element of loyalty (Yoo & Donthu, 2001). The extant literature has a wide variety of definitions of loyalty, however, they can be categorically represented as either behavioural or attitude-behaviour combinations (see: East, Sinclair, & Gendall, 2000; Patterson, 2000). Yoo and Donthu (2001) provide the following definition which builds upon Aaker's (1991) widely used conceptualisation of loyalty: "... the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice" (Yoo & Donthu, 2001, p. 3). Aaker (1991) identified the concept of brand loyalty to be the central component of brand equity, where high brand equity entails consumers continuing to purchase the brand despite increasing competition and cheaper substitutes coming into the market. Not only will consumers with high loyalty be willing to repurchase a product they are also more likely to engage in positive word of mouth behaviours to encourage others to purchase it. From a relationship marketing perspective students who have brand loyalty are engaged in positive word of mouth behaviour and act as brand advocates.
METHODOLOGY

This study was a cross-sectional non-stratified sample comprising of 499 (301 Generation Y and 198 Generation X) postgraduate business students studying in an Australian university. Gender was approximately even within the sample with 46% being female and 54% male. The generational age membership of participants were 60% Generation Y (birth years of 1977 to 1995) and 40% Generation X (birth years of 1965 to 1976). This generational percentage is consistent with the current ratio of enrolments within the postgraduate business discipline at Australian universities. All participants were asked to respond to Robertson and Hoffman's (2000) cultural values scales derived from Hofstede's (1980; 2001) cultural dimensions, for example the uncertainty avoidance scale items are: It is important to have job requirements and instructions spelled out in detail so that employees always know what they are expected to do; managers expect employees to closely follow instructions and procedures; rules and regulations are important because they inform employees what the organisation expects of them; standard operating hours and procedures are helpful to employees on the job; instructions for operations are important for employees on the job; and a referentially modified version of Yoo and Donthu's (2001) overall brand equity scale (relabelled positive word of mouth intention in this study). Scale items are: I would take another course in my areas of interest if this university offered it; I would recommend to friends and others to take any course offered by this university if it was in their areas of interest; If a course with identical content was available at another university I would still prefer a course from this university; even if another university had courses as good as those from this university I would still choose this university. The Cronbach's alphas for the likert scales ranged from 0.80 to 0.90 (see the diagonal in Table 1). The specific hypotheses examined in this study are:

H1: Master of Business students' psychographic characteristics (high culturally anchored values of collectivism, uncertainty avoidance, masculinity and high power distance) are significantly correlated at the zero-order level with positive word of mouth intention and will be significant for both Generation X and Generation Y membership.

H2: Master of Business students' psychographic characteristics (high culturally anchored values of collectivism, uncertainty avoidance, masculinity and high power distance) will each uniquely explain variation in positive word of mouth intention and will not vary by Generation X or Generation Y membership.
RESULTS

The results are presented in two parts to test the hypotheses. Table 1 presents the correlations for both generational segments (Generation Y and Generation X). As outlined in Table 1, H1 was partially supported, as all Generation Y's psychographic culturally-anchored values were significant at a zero-order level with positive word of mouth intention, but only three out of four psychographic culturally-anchored values: high collectivism, high uncertainty avoidance, and high power distance for Generation X were significant. High masculinity was not significant for Generation X. Though the sample size of generational membership was different, on examination of the effect size shows that at 5.3% (0.230²) for Generation Y and 1.6% (0.125²) for Generation X, the significant difference is not due to the sample size above.

Table 1

Correlation matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>1. High collectivism</td>
<td>0.803 **</td>
<td>0.471 **</td>
<td>0.257 **</td>
<td>0.155 **</td>
<td>0.291 **</td>
</tr>
<tr>
<td>2. High uncertainty avoidance</td>
<td>0.347 **</td>
<td>0.844</td>
<td>-0.030</td>
<td>-0.167 **</td>
<td>0.213 **</td>
</tr>
<tr>
<td>3. High masculinity</td>
<td>0.284 **</td>
<td>-0.035</td>
<td>0.844</td>
<td>0.578 **</td>
<td>0.230 **</td>
</tr>
<tr>
<td>4. High power distance</td>
<td>0.277 **</td>
<td>-0.098</td>
<td>0.613 **</td>
<td>0.824</td>
<td>0.215 **</td>
</tr>
<tr>
<td>5. Positive word of mouth intention</td>
<td>0.249 **</td>
<td>0.180 *</td>
<td>0.125</td>
<td>0.144*</td>
<td>0.830</td>
</tr>
</tbody>
</table>

Note: Correlations for Generation Y are presented in the upper diagonal (N = 301). Correlations for Generation X (N = 198) are presented on the lower diagonal. *Correlation is significant at the 0.05 level (2-tailed); **Correlation is significant at the 0.01 level (2-tailed). Cronbach's alphas are on the diagonal, whereby the underlined Cronbach's alpha coefficients are for Generation Y.

The two OLS regressions used to test H2 are presented in Table 2. An OLS regression was conducted to test Generation Y Master of Business students' psychographic characteristics: high collectivism; high uncertainty avoidance; high masculinity; and high power distance on the dependent variable positive word of mouth intention. The multiple $R$ (0.374) for the regression was significantly different from zero, [$F(4, 296) = 12.024$, $p < 0.01$]. In total 14.0% (12.8% adjusted) of variation in positive word of mouth intention was accounted for by the variables ($R^2 = 0.140$, adj. $R^2 = 0.128$). Table 2 indicates that the standardised regression coefficient (Beta) for three variables: high collectivism, high uncertainty avoidance, and high power distance were significant. Of the
14% explained variance, the squared semi-partial correlations show that high uncertainty avoidance explained 2%, high collectivism explained 1.8%, and high power distance explained 1.6% of unique variance when all other variables in the equation are controlled for. Though high masculinity also had a significant zero-order level correlation with positive word of mouth intention, it was not significant when controlled for. A second OLS regression was conducted to test Generation X Master of Business students. The multiple $R (0.287)$ for the regression \([F(4,193) = 4.347, p < 0.01]\) was significant. In total 8.3% (6.4% adjusted) of variation in positive word of mouth intention was accounted for \([R^2 = 0.083, \text{adj. } R^2 = 0.064]\). Table 2 indicates the beta for high collectivism was significant. Of the 8.3% explained variance, the squared semi-partial correlation showed that high collectivism explained 2.2% of unique variance in positive word of mouth intention when all other variables in the equation are controlled for. Though high uncertainty avoidance and high power distance also had significant zero-order level correlations with positive word of mouth intention, they were not significant when controlled for.

Table 2

<table>
<thead>
<tr>
<th>Positive word of mouth intention OLS regressions</th>
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<tr>
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<table>
<thead>
<tr>
<th>Unstandardised coefficients</th>
<th>Standardised coefficients</th>
<th>Correlations</th>
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<tbody>
<tr>
<td>B</td>
<td>Std. error</td>
<td>Beta</td>
</tr>
<tr>
<td>Generation Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>1.093</td>
<td>0.488</td>
</tr>
<tr>
<td>High collectivism</td>
<td>0.203</td>
<td>0.081</td>
</tr>
<tr>
<td>High uncertainty avoidance</td>
<td>0.230</td>
<td>0.088</td>
</tr>
<tr>
<td>High masculinity</td>
<td>0.092</td>
<td>0.062</td>
</tr>
<tr>
<td>High power distance</td>
<td>0.168</td>
<td>0.071</td>
</tr>
<tr>
<td>Generation X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>2.185</td>
<td>0.590</td>
</tr>
<tr>
<td>High collectivism</td>
<td>0.210</td>
<td>0.097</td>
</tr>
<tr>
<td>High uncertainty avoidance</td>
<td>0.175</td>
<td>0.100</td>
</tr>
<tr>
<td>High masculinity</td>
<td>0.018</td>
<td>0.071</td>
</tr>
<tr>
<td>High power distance</td>
<td>0.100</td>
<td>0.093</td>
</tr>
</tbody>
</table>

Dependent variable: Positive word of mouth intention
These results indicate for this sample of Master of Business students the psychographic variables are not only significant but also meaningful predictors of positive word of mouth intention accounting for 12.8% and 6.4% of variation in positive word of mouth intention. Not only were all the correlations significant for Generation Y, six of the nine correlations were higher than Generation X. For Generation X, however, the variable high masculinity was not significant. As predictors of positive word of mouth intention in Generation Y high uncertainty avoidance, high collectivism and high power distance all enhanced the amount of explained variation in positive word of mouth intention. For Generation X students in this sample, only high collectivism enhanced the ability to predict variation in positive word of mouth intention. The four psychographic culturally-anchored values explained 12.8% in positive word of mouth intention in Generation Y but only 6.4% for Generation X.

H2 was only partially supported. For Generation Y, 14% of positive word of mouth variance was explained by the psychographic variables. However, only three of these provided significant unique variation, when other variables were controlled for. These three variables were: high uncertainty avoidance, high collectivism and high power distance. Partial support was also due to H2 predicting that all four psychographic variables would contribute significant unique variation. The support for the hypothesis was further decreased as only one of the four psychographic variables, high collectivism, had a significant beta for Generation X. The pattern of significance was therefore different between the two generations with the psychographic variables explaining 12.8% for Generation X and only half as much 6.4% for Generation Y. Both results however are highly significant (p < 0.01).

**DISCUSSION**

The aim of this paper was to clarify if psychographic culturally-anchored values act as antecedents to positive word of mouth intention independent of an individual's generational (Generation Y rather than Generation X) membership. The results from this study clarify that in a sample of postgraduate business university students positive word of mouth intention is influenced by an individual's psychographic characteristics, but that the influence of psychographic culturally-anchored values are different depending on generational membership.

This is an important finding as the influence of the psychographic factors on positive word of mouth behaviour, specifically loyalty, has not been previously identified in the extant literature. Though the $R^2$ was only 14%, the intent of the study was not to explain all antecedents to positive word of mouth within a
university context but to clarify if culturally anchored values explain positive word of mouth intention. Further research is needed to look at how these variables interact with other antecedents to positive word of mouth intention. As noted in the literature review the link between culturally anchored values and positive word of mouth has been previously unexplored. The findings from this study revealed that not only is there a significant link between culturally anchored values and positive word of mouth in Generation Y but the culturally anchored value pattern is one that is more commonly found in non-Anglo Saxon countries (Hofstede, 2001).

Many countries in southern Asia (Gupta & Hanges, 2004) have the cultural pattern of high power distance, uncertainty avoidance and collectivism that was found in this study. This finding suggests that Generation Y postgraduate business students with this culturally anchored pattern are more likely to engage in positive word of mouth behaviour than those students with a more Anglo Saxon (Gupta & Hanges, 2004) culturally anchored value pattern of low power distance, low uncertainty avoidance and low collectivism. Further research is needed to clarify if culturally-anchored values predispose Generation Y members to develop brand loyalty.

This study also found that differences between the antecedents to positive word of mouth intention between the two generational segments is that for Generation X only the high collectivism psychographic characteristic is important for management attention, whereas for Generation Y high collectivism, high uncertainty avoidance and high power distance all warrant management attention. The reasons for this difference are also an area worthy of further research. This research, however, adds evidence to the contention that as a market segment Generation Y is different to Generation X.

This study addressed the potential usefulness of using psychographic culturally-anchored values as predictors of positive word of mouth intention. This study has contributed to knowledge by identifying that these variables significantly correlate to positive word of mouth intention in Generation Y students in a university context. This also has relevance for the redesign of marketing strategies previously developed for Generation X students. Further research is needed to clarify if the constructs apply in other service oriented organisations. Research is also needed to look at how other psychographic characteristics like national citizenship and religious affiliation intensity, might explain positive word of mouth intention. The measures used in this study have the advantage of having high parsimony and reliability and may provide a means of accounting for additional variation in positive word of mouth intention than that explained by other non-cultural psychographic measures. Research also needs to be undertaken
in how psychographic characteristics might influence how social media is used for positive word of mouth communication.

The findings from this research is also useful to marketing professionals marketing universities as psychographic factors may influence the extent to which positive word of mouth behaviour complements their marketing campaign for Generation Y. These psychographic characteristics particularly: high uncertainty avoidance and high power distance did not act as significant antecedents for Generation X students. This suggests that different marketing strategies may not only be needed for Generation X and Generation Y (Heaney & Gleeson, 2008), and that cultural values behave differently on positive word of mouth behaviour between the different generational groups. An interesting area of research is the role student positive word of mouth behaviours (student endorsements) are more likely to shape decision choice in this southern Asian student cohort.

For university leaders tasked with the responsibility of enhancing positive word of mouth intention in a university context this study suggests that current students and alumni that are members of Generation Y with a high uncertainty avoidance, high collectivism and high power distance culturally-anchored psychographic profile are more likely to engage in positive word of mouth behaviours. This suggests that processes that diminish the level of felt uncertainty, that develops a sense of engagement with other students and that enhances higher education lecturers and administrators' awareness that suggestions maybe misinterpreted as decisions with no appeal, and therefore no chance of recovery, may be particularly important practices to enhance positive work of mouth intention.

Generation Y students seem to have different antecedents to positive word of mouth intention than Generation X students. This paper suggests that there are differences in positive word of mouth behaviour between Generation X and Y and that psychographic factors influence this difference. Further research is needed to not only replicate this research but to determine if this difference is found only in a university context or whether it is also prevalent in other service-oriented organisations.

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