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## The Senior Citizens Loyalty and Services Satisfaction on the Use of their IDs in Purchasing Consumer Products

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### Abstract

In this study, the loyalty and satisfaction of senior citizens was investigated to determine the criteria on their being loyal to the businesses that offer better satisfaction. Correlating the loyalty and services satisfaction they received from buying goods and services, pointed out the potential challenges for businesses to improve advertising and sales promotions in media. Consequently, the senior citizens who enjoy their second citizenship understand the circumstances of being elderly citizens as they reach the age of 60 years old. The many benefits they receive from monthly pensions are satisfaction from being senior citizens. The business owners, and other institutions are likewise delighted from the criteria these elderly judged as “loyalty indicators” for their business expansion.

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*Keywords:* Loyalty; services satisfaction; consumer products

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### 1. Introduction

It is said that a senior citizen is someone who reached the age of sixty (60) years old. (Karki, 2008). While this definition is somewhat arbitrary, it is associated many times that the elderly receives monthly pensions and other benefits (Whelan, 2006). The United Nations agreed the cutoff age of seniors is 60+ years to be referred to belong to the older population (Lyons, 2009). In the Philippines, a pensioner is called “Senior Citizen”. They automatically enjoy the benefits of an elderly when they turned 60 years old, applied for retirement, and purchased automatically

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enjoy the benefit of an elderly when they turned 60 years old, applied for retirement, and purchased their citizens ID. As a privilege of having the Identification Card for senior citizenship, he receives discounts from every goods purchased in many grocery stores nationwide. Special treatment to a senior citizen is always observed like those persons with disability. Usually, the two vacant front seats beside the conductor’s area in public buses are reserved for them. They are prioritized to seat in comfortable areas. They enjoyed 10% discount in fare and are first to be served for social welfare services. They are being picked up from streets when they ask for help. What more will the senior citizens asked for the good treatment they enjoy? (Gallaghe, 2008). They are happiest people to receive good vibrations (Anthony, 2010).

The loyalty and satisfaction of senior citizens in the use of their Identification Cards focus the discussion of the criteria that refer to loyalty indicators. The expression of loyalty extends after their enjoyment to the 5% discount on their purchases. The criteria on loyalty that elderly identified are essential to business for their fulfillment of satisfaction requirements (Mosahab, Osman, & Ramayah, 2010) assisting them in their media information campaigns for advertising and promotions.

This study has three objectives namely, briefly discuss the criteria on loyalty that the elderly consider when buying a product, identify the services satisfaction offered by the manufacturers and sellers to senior citizens that are worth indicators for better advertising and promotions, and point out the relationship between the loyalty and services satisfaction of the senior citizens as potential challenge for advertising and sales promotions in media.

**2. Analytical Framework of the study**

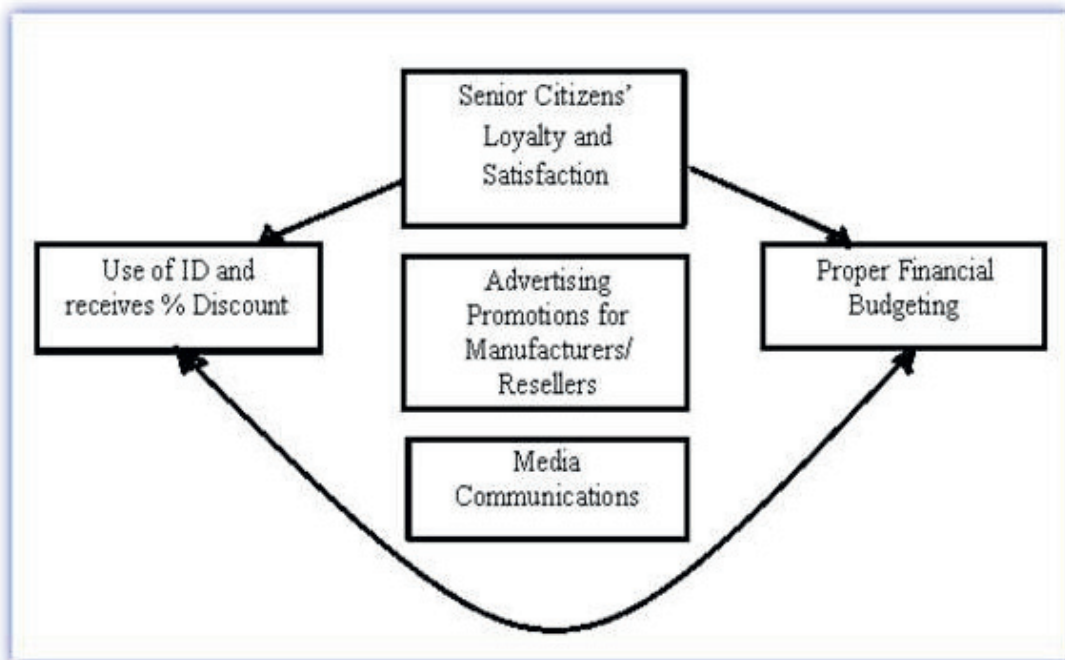


Fig. 1. The Paradigm

The criteria on loyalty of products and services satisfaction are the indicators of advertising and sales promotions for media communications. The elderly group market composed of senior citizens use their IDs in effective budgeting of their pensions. While they are considered weak with disability, their loyalty and satisfaction are very important as a group. They can motivate the younger ones with just their testimonies. They are considered aspects of media communications.

### 3. Methodology

The quantitative method of research was used in this study. Before the floating of the structured questionnaire, the researchers went to the Senior Citizens' Office and requested a list of senior citizens with their home addresses. The list was used in the draw lots of barangay groupings. From the 220 senior citizens listed, 15 were selected in a draw lots and used in computing the reliability of the items in the questionnaire using the split half test equal to  $r=0.68$ . A total population of 150 senior citizens was taken to answer the inventory questions while the other 39 senior citizens were interviewed. The Pearson  $r$  statistic was used in concluding the hypothetical question and mean and percentages were used in analyzing the description of the variables.

### 4. Results and Discussion

#### 4.1. Criteria on loyalty that the elderly consider

The most acceptable loyalty criteria by the senior citizens for them to develop loyalty in brands of products were: discounts, friendly seller, accommodating staff/ employee, caring and loving to elderly. Discounts are the amount of money deducted from the total selling price of any product or service bought them. In general, 5% discount is provided to purchases on basic commodities, such as groceries, medicines, and other goods bought from service providers in a single payment. In terms of transportation, a 10% discount on fare is accorded to them. They confirmed their loyalty due to the discounts they received with a mean of 2.6. On the other hand, they said that they are pleased from friendly sellers with a mean rating of 3.3 responses. Accommodating staff and employees were much considered with a mean of 2.7; caring and loving to elderly was rated with a mean of 2.6.

The lowest mean rating accorded by the senior citizens was observed in the durability of products they bought. They are not interested whether the product they buy is good quality or not as long as they receive discounts. They develop loyalty when the employees are friendly, accommodating, caring and loving.

Table 1. Criteria on Loyalty

| Criteria on Loyalty Elderly Considered | Mean | Qualitative Equiv | Rank |
|--|------|-------------------|------|
| Discounts                              | 2.6  | much              | 3.5  |
| Friendly                               | 3.3  | much              | 1    |
| Accommodating                          | 2.7  | much              | 2    |
| Caring and Loving                      | 2.6  | much              | 3.5  |
| Consideration                          | 2.3  | moderate          | 5    |
| Affordability                          | 2.2  | moderate          | 6    |
| Durability of Product                  | 2.0  | moderate          | 7    |

#### 4.2. Services satisfaction offered by manufacturers and sellers worthy of advertising and promotions

The services satisfaction that elderly considered worthy to discuss is the use word-of-mouth advertising. These include information that are viewed or heard from televisions and radio advertising with a mean of 2.7. Other services they liked are the warranties of product, the promotional activities, inventory sale, and others. The lowest rating in results was the "fast delivery of the products with a mean of 1.9. This disclosed the need to improve better

relations with the senior citizens group. The information from media was observed most essential advertising and promotions to reach out this market group.

Table 2. Services Satisfaction

| Services Satisfaction Offered & worthy | Mean | Qualitative Equiv | Rank |
|--|------|-------------------|------|
| Warranties                             | 2.5  | much              | 2.5  |
| Information from Media                 | 2.7  | much              | 1    |
| Promotional Activities                 | 2.5  | much              | 2.5  |
| Gifts and Coupons                      | 2.3  | much              | 3    |
| Attitudes of sellers                   | 2.2  | moderate          | 4    |
| Fast delivery of Goods bought          | 1.9  | moderate          | 5    |

#### 4.3. How senior citizens treasure their identification cards and in budgeting their money

The senior citizens treasure their Identification Cards as a means of pleasure. In general, they used their IDs in buying groceries, wear and tear goods, and specialty goods. The highest rating that they answered in their responses was “groceries” with a mean of 3.2. Other purchases they considered “much” were: wear and tear goods, farm products, fast food items; and the specialty goods like medicines, clothing and apparels, cosmetics and surgeries. It also appeared that they spend much in cosmetics and surgeries. Reed (2005) developed the integration of care for older people between health and social care, and between care and services. This specified that those stated were part in the criteria in budgeting of personal income or their money as was rated with higher evaluation on cosmetics products and surgeries. They desired to look younger, attractive and pleasing to others.

Table 3. Ratings on how senior citizens treasure their identification cards

| Senior Citizens Treasure the use of IDs | Mean | Qualitative Equiv | Rank |
|---|------|-------------------|------|
| Staple Goods                            | 2.4  | moderate          | 4    |
| Groceries                               | 3.2  | much              | 1    |
| Wear and Tear Goods                     | 2.9  | much              | 2    |
| Specialty Goods                         | 2.5  | much              | 3    |
| Shopping Goods                          | 1.8  | moderate          | 5    |
| Unsought Goods                          | 1.3  | slight            | 6    |
| Senior Citizens Budgeting               | Mean | Qualitative Equiv | Rank |
| Medicines                               | 2.3  | moderate          | 3.5  |
| Cosmetics                               | 2.7  | much              | 1    |
| Surgeries                               | 2.6  | much              | 2    |
| Eye Wear                                | 2.3  | moderate          | 3.5  |
| Transportation                          | 2.0  | moderate          | 5    |
| Hygiene                                 | 1.8  | moderate          | 6    |

#### 4.4. Relationship between loyalty and services satisfaction

There are relationships between the loyalty of Senior Citizens using their IDs and the services satisfaction they received from manufacturers and retailers. Their budgeting of money is related significantly to their loyalty. They are good sources of business profit as a group.

| Variables Correlated            | N   | df  | Computed r | Decision |
|---------------------------------|-----|-----|------------|----------|
| Loyalty & Services Satisfaction | 150 | 148 | 0.65       | Reject   |
| Loyalty & Use of IDs            | 150 | 148 | 0.42       | Reject   |
| Loyalty & Budget in money       | 150 | 148 | 0.196      | Reject   |

*Critical r Value @ .05 df= 0.194*

## 5. Conclusions

There are also potential challenges for the senior citizens as a cluster group motivators to other buyer groups. The manufacturer and resellers need to consider them as an essential group for media coverage. TV, radio advertising and sales promotions are the best media communications to be used in reaching out the senior group. The best unique selling proposition that can be used for them is about “the beauty of aging process”; while groceries, health and wellness goods are best indicators for media communications. Lastly, services dealing with cosmetics and surgeries are also good source of business tags to cater the senior group. The cosmetics and surgery business is viable business

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