The Interaction Effect of Generational Cohort on Customer Orientation and Customer Satisfaction Among Airline Passengers in Kenya

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Abstract

Organisations have improved customer satisfaction by being customer oriented in all levels. At the firm level, organisations seek to develop customer oriented organization by generating market intelligence regarding the needs of the customer and disseminating the intelligence across departments. At an individual level, organisations seek to recruit and train employees to exhibit a customer orientation behaviour using authentic emotions while focusing on customer needs during service encounters. This study focused on customer level by seeking to establish effect of generational cohort on the relationship between customer orientation and satisfaction. This study is based on data collected from 426 airline passengers at domestic terminals in Kenya. The data is analysed using a variety of statistical techniques. Principal component analysis is used to identify the main constructs of customer orientation and customer satisfaction. Regression analysis is used to find out the main effects of the relationship between customer orientation and customer satisfaction, while hierarchical regression analysis is used to probe into the moderating effect of generational cohort on the relationship between customer orientation and customer satisfaction. The study found a positive relationship between customer orientation and customer satisfaction and it shows that there is no moderation on the relationship by any of the three generational groups. The key findings of this study indicate that there is a positive relationship between customer orientation and customer satisfaction and that generational cohort do not change this relationship. The contribution of this study to the existing literature in services marketing and customer satisfaction is assessed.

Keywords: Customer satisfaction, customer orientation, generational cohort and airline passengers.
1. Introduction
A service requires a customer’s interaction with the production process through resources of the service firm. Although some part of the service may be prepared before the customer enters the process, evaluation of the service still lies at the point of interaction between the customer and the service provider. This highlights the importance of service organisations to focus their resources at the point of interaction in order to satisfy customers.

Prior research suggests that focusing on customer needs like customer orientation is important at firm level, individual level and customer level. At the firm level, organisations seek to develop a customer orientation that allows firms to acquire and assimilate the information necessary to design and execute marketing strategies that result in more favorable customer outcomes (Brady and Cronin, 2001). At an individual level, organisations seek to recruit and train employees to exhibit a customer orientation to influence outcomes (Harris et al., 2014) such as customer satisfaction (Boles et al., 2001). Satisfied customers have higher levels of support behaviors such as repurchase, recommendation, cross buying, positive word of mouth, lower price elasticity, and longer relationship duration (Pallas F., 2014; Mittal and Frennea, 2010). However, customer’s vision of satisfaction may vary from the organisation’s vision of a satisfactory service. Therefore, it is important for service providers to understand the customer’s vision of their service (Deng, 2010) at the customer level.

In order to better understand the customer’s vision and address their needs satisfactorily requires segmentation of the market. Generational cohort is a common tool for segmentation in marketing used to target different groups of customers (Arsenault, 2004). According to Parry and Urwin (2011) cohorts is based on birth years, whereas generations are determined by differences in values and attitudes that demarcate different birth groups. The influence of the social, political and cultural environments on individuals’ values and attitudes define period effects (Leuty and Hansen, 2014). Commonly experienced life events have a stronger, more enduring effect on the “coming of age” cohort group than on other cohort groups who also experienced the same events (Becton et al., 2014).

As a generation matures, it develops characteristics that differentiate it from previous generations (Bolton et al., 2013; Smola and Sutton, 2002) caused by shared experiences. Therefore, changing demographics and trends create a link between responses (Pourtois et al., 2013; Bocanegra and Zeelenberg, 2009, 2011; Brosch et al., 2010; Phelps et al., 2006), and each generation’s behavioral outcomes. Understanding the alignment between a customer’s perception and their respective generational identity is important to organisations that use generational cohorts for market segmentation (Gardiner et al., 2013).

A good service according to the service provider may not be so to the customer. Organisations should establish a clear common ground for what constitutes a good service both to the customer and to the service provider. This study attempts to address this disparity by investigating the influence of customer orientation on outcomes such as satisfaction in customer level.

Consequently, the impact of generational cohort on the relationship of customer orientation has not been investigated in relation to outcomes such as satisfaction at the customer level. Customer’s attitudes and values in this world of dynamism of organizational and customer needs requires a holistic interplay among the three levels of firm, individual and customer. Therefore, the purpose of this study is to establish the impact of generational cohort on the relationship between customer orientation and satisfaction, transposed to the following hypotheses

\(H_01\): There is no relationship between customer orientation and customer satisfaction.

\(H_02\): Generational cohort does not moderate the relationship between customer orientation and customer satisfaction.
2. Theoretical Review

This study takes on a marketing perspective concentrated on the relationship of customer orientation and customer satisfaction as an outcome, in the perspective of the customer whose attitudes, values and beliefs vary across generations.

Generational cohort have an affective experience which reflects an underlying attribution of causal agency to eliciting stimulus to the individual self, involve an assignment of causal agency neither to the stimulus nor the individual but instead to the situation (Westbrook, 1987; Smith and Ellsworth, 1985; Scherer, 1982; Izard, 1977). Recognizing that, models satisfaction process being expanded to consider the role of affect in the satisfaction response (Westbrook, 1987), since values and priorities of a particular generational cohort are unique relative to other cohorts and satisfaction varies with various services across generational cohorts (Jackson et al., 2011).

Customer satisfaction has developed extensively as a basic construct for monitoring and controlling activities in the marketing concept. Achieving customer satisfaction benefit firms (Kim, 2009) being the main source of customer retention and a way of attracting new ones. This research takes on the view that satisfaction is, in part, the totality of the purchase situation relative to expectations.

Customer orientation from a customer’s perspective is the extent to which customers believe that the service provider is committed to understanding and meeting their needs (Brach et al., 2013; Dean, 2007). Service employees’ customer orientation has been identified as a key driver of customer outcomes, such as satisfaction (Hennig-Thurau, 2004; Goff et al., 1997). Organisations should emphasize on being customer oriented even though employees do not behave exactly the same way every time there is an interaction, just as customers behave in different ways (Delcourt et al., 2013) in each interaction.

Generational cohort theory suggests that groups of people born during the same time period live and grow through the same experiences, come of age at approximately the same time, and will therefore exhibit similar values, attitudes and beliefs (Carpenter et al., 2012). Members of the same cohort generally experience similar moment defining events during their formative, coming of age years, often defined as approximately 17 to 23 years of age. These experiences then influence the cohort’s values, preferences, attitudes, and buying behaviors in ways that remain relatively unchanged over their entire lifetime (Schewe and Meredith, 1994). Members belonging to the same generational group respond to and react the same when approached by customer-oriented employees.

Being customer oriented allows firms to acquire and assimilate the information necessary to design and execute marketing strategies that result in more favorable customer outcomes (Brady and Cronin, 2001). Customer oriented organisations that use customers as an essential element of success focus their efforts by directing their resources towards meeting customer needs satisfactorily.

Customer satisfaction is a judgment made on the basis of a specific service encounter (Gures et al., 2014; Cronin and Taylor, 1992; Bolton and Drew, 1991). Affective processes may contribute to the explanation and prediction of customer satisfaction (Homburg and Giering, 2001; Oliver, 1997; Westbrook and Oliver, 1991; Fornell and Wernerfelt, 1987; Westbrook, 1987). For this reason, a concept for the evaluation of how successfully these services are fulfilling the needs and desires of customers (Grönroos, 1998), even with generational cohort. The emotional affective
experience and response by a customer, serves as a platform to which evaluation of the service is done within each group.

3. Conceptual Framework

The current study takes the perspective that customer orientation leads to customer satisfaction. The objective of this study is not to test the direct relationship between these constructs. Rather, to investigate whether generational cohort moderates the relationship between customer orientation and customer satisfaction.

![Conceptual Framework](image)

Figure 1: Conceptual Framework

4. Methodology

This study used an explanatory research design to establish the interaction effect of generational cohort on the relationship between customer orientation and customer satisfaction. This study was carried out at Jomo Kenyatta International Airport’s domestic terminal in Nairobi and Eldoret International Airport in Eldoret. The target population was airline customers of different generations (Baby Boomers, Generation X and Generation Y) who have previous experience of an airline service.

Systematic sampling was used which involved a passenger passing through the security check was selected randomly and then after every third interval. 426 questionnaires were collected and out of that 415 were usable.

5. Instrument and Procedure

Self-administered paper questionnaire was used. The passengers were asked to recall the most recent air travel experience with a service provider and evaluate following the service interaction. Error associated with this retrospective design was reduced by allowing respondents to select a service of their own choosing, asking for more recent service events and allowing respondents the time needed to complete the questionnaire.

6. Measures

Customer Satisfaction

Customer satisfaction was measured using a five-item unipolar adjective scale adapted from Westbrook and Oliver (1991). Since satisfaction is considered to be primarily an affective construct, the adjectives used were emotive in nature (Oliver, 1997). Respondents were asked to report the degree to which they were happy, pleased, and delighted.
Customer Orientation

Customer orientation scale in this study reflected on the degree of customer’s interest towards customer-oriented employee efforts. The items measuring customer orientation was adapted from Brown et al., (2002). Customer orientation was measured using five items on a five-point Likert scale ranging from the lowest being strongly disagree (1) to the highest being strongly agree (5). This scale was originally designed to measure customer orientation of sales personnel, so wording is slightly worded to reflect the customers.

Generational Cohort

Generational cohort was measured using items developed and utilized specifically for this study. The items are designed to place respondents to their generational groups through birth years.

7. Results

Principal Component Analysis was used to confirm validity and reliability of the instrument. Hierarchical regression analysis was used to test the hypotheses for moderation effect for two reasons. First, the relatively straightforward predicted relationships between dependent, independent, and moderator variables (Cohen et al., 2007). Second, numerous two-way moderating relationships were investigated in this study, with Kenny and Judd (1984) recommending the avoidance of structural equation modeling (SEM) in complicated moderating tests.

Statistical Analysis

Results of the analysis of the background characteristics are presented in Table 1.

<table>
<thead>
<tr>
<th>Table 1. Background Characteristics of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose of travel</td>
</tr>
<tr>
<td>Business</td>
</tr>
<tr>
<td>Leisure</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>258</td>
<td>62.2</td>
</tr>
<tr>
<td>Female</td>
<td>157</td>
<td>37.8</td>
</tr>
<tr>
<td>Total</td>
<td>415</td>
<td>100.0</td>
</tr>
</tbody>
</table>

When asked their purpose for using the airline, a majority (56.9%) indicated that they used the airline for business purposes and 43.1% used it for leisure. While for gender results showed that a majority (62.2%) of customers were male. Female customers accounted for only 37.8% of the entire sample of customers.

Customer Orientation

Customer orientation was examined using five items. Sampling adequacy was obtained using KMO statistics (see Table 2).

<table>
<thead>
<tr>
<th>Table 2. KMO and Bartlett's Test Results for Customer Orientation Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Reliability coefficient</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

The results of Kaiser-Meyer-Olkin measure of sampling adequacy test of 0.830 and the Bartlett’s test of sphericity ($\chi^2$ (45) =1465.119) to be 0.000 indicated that it was significant and acceptable.
The reliability of the five items measuring customer orientation was 0.742 using Cronbach’s Alpha reliability estimate, which exceeds the recommended reliability estimate of 0.7 (Nunnally, 1978).

Customer Satisfaction among Airline Passengers.

From the principal factor analysis results of Kaiser-Meyer-Olkin measure of sampling adequacy test of 0.868 and the Bartlett’s test of sphericity ($\chi^2(10) = 970.725$) to be 0.000 indicated that it was significant and acceptable see Table 3.

**Table 3. Principal Factor Analysis Results for Customer Satisfaction Variable**

<table>
<thead>
<tr>
<th>Variables and scales</th>
<th>Loading</th>
<th>Eigen values</th>
<th>Variance explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied with service</td>
<td>.791</td>
<td>3.33</td>
<td>66.67%</td>
</tr>
<tr>
<td>Happy with choice</td>
<td>.826</td>
<td>.510</td>
<td>10.21%</td>
</tr>
<tr>
<td>Pleased with decision</td>
<td>.842</td>
<td>.454</td>
<td>9.09%</td>
</tr>
<tr>
<td>For travel needs</td>
<td>.814</td>
<td>.380</td>
<td>7.61%</td>
</tr>
<tr>
<td>Overall evaluation</td>
<td>.809</td>
<td>.322</td>
<td>6.43%</td>
</tr>
</tbody>
</table>

Kaiser-Meyer-Olkin MSA 0.868
Bartlett’s test of sphericity ($\chi^2(10) = 970.725$) 0.000
* Reliability coefficient (Cronbach’s Alpha) 0.875

The results for customer satisfaction indicated that all the items could determine their satisfaction with 66.67 percent of the overall customer satisfaction could be explained (Table 3). The reliability of the five items measuring customer satisfaction was 0.875 using Cronbach’s Alpha reliability estimate, which exceeds the recommended reliability estimate of 0.7 (Nunnally, 1978). Therefore, the researcher concluded that customer satisfaction can be measured by the five items.

Hypotheses Testing

Regression analysis of the respondents’ perceptions of customer orientation and customer satisfaction revealed that customer orientation has a positive relationship with customer satisfaction. Customer orientation behaviour leads to satisfaction among airline passengers.

**Effect of Customer Orientation on Customer Satisfaction**

Hypothesis H0:1 stated that customer orientation is not positively related to customer satisfaction.

**Table 4. Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.070p</td>
<td>.005</td>
<td>-.002</td>
<td>3.29730</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>.515p</td>
<td>.265</td>
<td>.254</td>
<td>2.84392</td>
<td>1.872</td>
</tr>
</tbody>
</table>
a. Predictors: (Constant), Education
b. Predictors: (Constant), Gender, customer orientation
c. Dependent Variable: Customer satisfaction

The results obtained indicate that customer orientation has a positive relationship with customer satisfaction. Specifically; firstly, Durbin-Watson statistic was 1.872, this value lies between the recommended ranges and it shows un-correlation of the regression residuals. Secondly, adjusted
R-square value was 0.254 indicating that customer orientation explains 25.4% of the variation in customer satisfaction (see Table 4).

Finally, ANOVA output was examined to see whether the hypothesized linear regression model was statistically adequate. That is, to examine whether the regression coefficient was significantly different from zero. Consequently, a significant F-statistic would indicate a statistically adequate model.

**Table 5. ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>22.240</td>
<td>3</td>
<td>7.413</td>
<td>.682</td>
<td>.564a</td>
</tr>
<tr>
<td>Residual</td>
<td>4468.473</td>
<td>411</td>
<td>10.872</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4490.713</td>
<td>414</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>1190.853</td>
<td>6</td>
<td>198.475</td>
<td>24.540</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>3299.861</td>
<td>408</td>
<td>8.088</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4490.713</td>
<td>414</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Gender, Education, Purpose of travel
b. Predictors: (Constant), Gender, Education, Purpose of travel, Company commitment, customer commitment and customer experience;
c. Dependent Variable: Customer satisfaction

Results presented in Table 5 reveal that the F-value was significant at the 5% level ($F_{6, 408} = 24.540$, $p < 0.05$) indicating that the model was valid.

**Moderation Testing**

*Moderation of Generational Cohort on the Relationship between Customer Orientation and Customer Satisfaction*

Three groups of generational cohort, Baby Boomers, Generation X and Generation Y were hypothesized as having no moderating effect on the relationship between customer orientation and customer satisfaction. Before conducting the moderation analysis, it was first necessary to recode the generational cohorts into dummy variables, since dummy variable coding produces immediately interpretable contrasts with the comparison group (Aiken and West, 1991) and Baby Boomers was picked as the comparison group. The study therefore tested the interaction between customer orientation which was the independent variable and the dummy variable for generational cohort which was the moderating variable.

To test whether generational cohort moderates the relationship between customer orientation and customer satisfaction, the interaction between customer orientation and the proposed moderators were tested. Hierarchical regression analysis for moderating effect of the generational cohort on the relationship between customer orientation and customer satisfaction was done. The standardized values were used for the interaction variable so as to reduce threats of multicollinearity, by reducing the size of any high correlation of customer orientation or generational cohort with the new interaction variable. The change in $R^2$ value was then assessed. If $R^2$ increase was found to be significant, then the moderating effect was confirmed.
Table 6. Summary of Hierarchical Regression Analyses for Moderating Effect

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Controls</td>
<td>Direct Effects</td>
<td>Interact Dum 1</td>
<td>Interact Dum 2</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purpose of Travel</td>
<td>0.054</td>
<td>0.058</td>
<td>0.058</td>
<td>0.058</td>
</tr>
<tr>
<td>Gender</td>
<td>0.015</td>
<td>0.022</td>
<td>0.022</td>
<td>0.022</td>
</tr>
<tr>
<td>Main Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Orientation</td>
<td>0.510*</td>
<td>0.515*</td>
<td></td>
<td>0.375*</td>
</tr>
<tr>
<td>Dum 1</td>
<td>-0.059*</td>
<td>-0.058*</td>
<td>-0.078*</td>
<td>-0.035*</td>
</tr>
<tr>
<td>Dum 2</td>
<td>-0.015*</td>
<td>-0.015*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dum 1 X CO</td>
<td>-0.009</td>
<td></td>
<td>0.081</td>
<td></td>
</tr>
<tr>
<td>Dum 2 X CO</td>
<td></td>
<td></td>
<td>0.115</td>
<td></td>
</tr>
<tr>
<td>F Statistic</td>
<td>0.691</td>
<td>49.35*</td>
<td>24.78*</td>
<td>21.416*</td>
</tr>
<tr>
<td>R</td>
<td>0.058</td>
<td>0.515</td>
<td>0.517</td>
<td>0.519</td>
</tr>
<tr>
<td>R²</td>
<td>0.003</td>
<td>0.265</td>
<td>0.267</td>
<td>0.269</td>
</tr>
<tr>
<td>Adj R²</td>
<td>-0.001</td>
<td>0.259</td>
<td>0.258</td>
<td>0.257</td>
</tr>
<tr>
<td>ΔR²</td>
<td>0.003</td>
<td>0.261</td>
<td>0.002</td>
<td>0.002</td>
</tr>
<tr>
<td>Durbin Watson</td>
<td>1.569</td>
<td>1.866</td>
<td>1.862</td>
<td>1.864</td>
</tr>
<tr>
<td>N</td>
<td>415</td>
<td>415</td>
<td>415</td>
<td>415</td>
</tr>
</tbody>
</table>

Values of standardized regression coefficients, * p < 0.05;

Note: Dum=Dummy; Interact=Interaction; Adj=Adjusted

The results of hierarchical regression analyses (see Table 6) for moderating effects of generational cohort on the relationship between customer orientation and customer satisfaction. The first step involved the controls of the study which were purpose of travel and gender. Customer orientation and generation variables were entered in step 2, followed by the interaction terms were entered in the final step, permitting the significance of the interactions to be determined. The values of standardized coefficients were observed to evaluate the ability of the interaction terms to explain variance beyond that accounted for by the main effects. The direct effects results indicate that, customer orientation has a significant positive effect on customer satisfaction (β=0.510, p<.05). The next step was to add the interaction term into model two for direct effects. The results with the interaction accounted for a significant coefficient and a slight change in R square for customer orientation (ΔR² =0.002, p<.05), for Generation X with Baby Boomers and Generation Y with Baby Boomers also was significant (ΔR² =0.002, p<.05) which shows that there is no moderation effect. These results imply that generational cohort do not change the relationship between customer orientation and customer satisfaction.

8. Discussion

Based on the conceptual support in the literature that customer orientation and outcomes such as satisfaction were positively significant, supporting the relationships specified in the service literature (for example, Hennig-Thurau, 2004; Brady and Cronin, 2001; Cronin, Brady, and Hult, 2000; Fornell et al., 1996; Gotlieb, Grewal, and Brown, 1994).

Conventional marketing wisdom holds that customer orientation provides a firm with a better understanding of its customers, which subsequently leads to enhanced customer satisfaction (Brady and Cronin, 2001; Voss and Voss, 2000). The first research hypothesis defines direct link between customer orientation and customer satisfaction, this relationship was significantly
positive. This study has confirmed that customer orientation leads to satisfaction by customers making it an ever evolving behaviour. Frequent interaction between the customer and the service provider with the improved service becomes a norm for the customer. As the service is improved so does the expectations of the customer. An organisation with a concentration of customer orientation at the customer level aligns customer needs with what they are offering frequently and continuously.

**Moderating effect of Generational Cohort**

The strength of a relationship plays a role in determining the relationships to be weak, moderate or strong (Cohen, 1988), and a moderator affects the strength of the relation between an independent and a dependent variable (Baron & Kenny, 1986). Despite the prevalent beliefs about the existence of generational differences, empirical research has reported somewhat inconsistent results (Kowske, Rasch, and Wiley, 2010). Indeed, researchers are still striving to provide more concrete evidence about generational differences around varying constructs by employing more sound methodological approaches to rule out alternative explanations about the generational differences (Park and Gursoy, 2014).

Previous research has found disparate generational effects on behavioral measures. Twenge (2010) found that Generation Y is more satisfied than other generations. Contrary to the results of this study, where the findings show that Baby Boomers are more satisfied with the services than any other generational cohort. Although Kowske et al., (2010) found significantly different effect sizes for satisfaction between Generation Y and Generation X. This study found that generational cohort does not change the relationship between customer orientation and customer satisfaction. Generational differences demarcated by events are oblivious to organisations that are oriented towards specific customer needs as a group.

Given different generational characteristics found in previous research, it is possible that certain characteristics such as frequent human interaction may have a different impact on emotions of different generations, which also in turn may lead to different outcomes. The three generational groups’ different characteristics do not change how they perceive customer orientation to enable them to evaluate the service differently. This may be because these groups view the employees as part of the holistic process of service production. The findings are consistent with the results by Brosdahl and Carpenter, (2012) found no significant differences between the cohorts’ perceptions of the importance of people which suggests that no particular generational cohort expresses a stronger amount of loyalty than any other cohort group.

9. **Conclusion**

The study sought to find out if generational cohort changes the relationship between customer orientation and customer satisfaction. The theory informing this study is Generational Cohort Theory. The findings of this study confirm the relationship between customer orientation and customer satisfaction. The implication of this finding is that perception of a service hinges on an encounter with customer-oriented employees. Evaluation is made based on expectation and experience of the service. Generational Cohort Theory bases its members of generations to share similar feelings, ideas, values and beliefs that are acquired when coming of age together at a similar time period. Each group has different characteristics making them behave differently towards different situations. This study revealed that reaction towards customer orientation does not affect them differently in each group. Evaluation of a service interaction is independent of their generational groupings and its varied characteristics.

No generational cohort research and customer orientation research has empirically examined the moderating effects of the generational cohort on the relationship between customer orientation and customer satisfaction constructs. The findings of the study add some new understanding to the literature on customer orientation and customer satisfaction in the service sector. The findings
of this study deviate from the majority of existing generational differences research and focused on moderating effect of generational cohort on the relationship between customer orientation and customer satisfaction. The results can be instructive and have important implications for management and marketing practices.

**Managerial and Theoretical Implications**

Managers of organisations should be aware that customer orientation is important for the organisation. Therefore, it should be embraced at all levels within the organisation. An organisation shall gain a competitive advantage when customer orientation is applied in all sectors, not only providing necessary resources for the company to be oriented but also realize that the customer is also part of this process. Generational cohorts have different attitudes and values that should be addressed differently and separately.

**Recommendations**

Future research in this area could take several other approaches. This study used dummy variable for three groups of generational cohorts where one group was used as a reference group, further research can be done whereby each group can be assessed independently. The moderating effect of generational cohort could be studied in different industries. Future studies should explore whether there are other factors that influence generations among the customers perceptions. Further research can also be done on decision factors of customers when making choices. When customers are involved during development process of a product by employees does it change their perception towards a service?

**10. Acknowledgements**

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**References**


