

BEYOND DEMOGRAPHIC BOUNDARY: DETERMINING GENERATIONAL VALUES BY COHORTS

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ABSTRACT

Generation and value have been key extensions of demographic and psychographic bases in market segmentation respectively. However, generation has always been regarded as a demographic factor. Little is done to understand generational values across cohorts in emerging market. Using the cohort research in Sarawak as the basis, the present study is aimed to assess personal values of four generational cohorts and how these values may be different by cohorts. List of Values (LOVs) was utilized to determine internal values, external values and interpersonal values of cohorts. A quantitative approach by means of self-administered questionnaire was adopted in data collection. Subsequently, 1,116 usable copies were collected and the data was tested using analysis of variance (ANOVA). The results show that there is significant difference in personal values across four generational cohorts. Specifically, Idealistic-strugglers (the oldest cohort) are found to be different from others in every aspect while Neoteric-inheritors (the youngest) only differ from the rest in their external values. Prospective-pursuers and Social-strivers are found to have similar values internally and externally. The findings validate heterogeneity of different segments by cohorts in a developing market and support this observation with their distinctive values. Implication on generational values is provided.

Keywords: Generational cohort, personal value, demographic, segmentation

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INTRODUCTION

Marketers today are more than often confronted with intricate tasks to serve diverse consumers in dynamic societies. It has been well recognized that effective segmentation strategy holds the key to profile customers and satisfy their needs and wants (Frochot & Morrison, 2001; Plummer, 1974). For many years several segmentation strategies such as those based on demographic and psychographic bases have been utilized (Kotler & Armstrong, 2011). However an innovative and highly successful profiling method utilizing generational cohort is emerging as prominent approach and becoming increasingly useful in tracking consumer behaviours (Meredith & Schewe, 2002). Despite being recognized as a demographic factor, generation unveils more than what a population trend does. Notably, Generation X and Generation Y, amongst others, are extensively appropriated to categorize and characterize consumers in marketplaces, not only in the West but also in the East. Despite originating from western sources, these labels along with their respective descriptions have also been adopted in Malaysia (Munusamy, Chelliah & Mun, 2010; Ting & de Run, 2012).

Despite the complexity in diverse societies, researchers have claimed that personal value is an evident reflection of human behaviours, including attitudes, consumption patterns, and actual actions (Kamakura & Novak; 1992; White, 2005). Personal value is described as individual belief about what is more preferable, and is thus related to inner desire (Solomon, 2011). While generational cohort is generally accepted as a demographic factor, personal value is regarded as a psychographic factor (Kotler & Armstrong, 2011). As a result, generational values in western sources are time and again generalized in other settings, including developing countries like Malaysia (Chuah, Marimuthu & Ramayah, 2014; Munusamy & Wong, 2007; Ramaprasad, 1994). The segregation of recognized cohorts is conveniently adopted to describe people's values and explain their behaviours without theoretical basis (de Run & Ting, 2013). Moreover, since generational cohort study in Malaysia is still at its infancy stage, differences of personal values across cohorts still remain largely unknown. Hence, the purpose of this study is to investigate personal values across generational cohorts by using List of Values (LOVs). Instead of using western cohorts, the recently established cohorts in Sarawak are adopted to determine generational values.

LITERATURE REVIEW

Generational Cohort

Labels of generational cohorts, such Veterans, Baby boomers, Generation X and Generation Y from the U.S sources, have been commonly used to classify consumers and understand their distinctive characteristics in marketing literature (Cennamo & Gardner, 2008; Munusamy *et al.*, 2010; Yu & Miller, 2003). A generational cohort is defined as an individual group, who shares about the same age, born during the same time period, and experiences similar major external events during the developmental stages (Edmunds & Tuner, 2005; Kupperschmidt, 2000; Ryder, 1965; Smola & Sutton, 2002). The theory of historical generations proposed by Rogler (2002) emphasizes that major societal events instill greater and more permanent marks on the coming-of-age group than on other age-groups who live through the same period. Their personal attachment to these events will consolidate in them permanent orientation, thus affecting them throughout their lives (Rogler, 2002). Hence, generational cohort starts with external events and their impact on individuals during late adolescent and adulthood years (Noble & Schewe, 2003). Moreover, it is asserted that once a society embarks on industrialization, fundamental changes in values will take place (Abramson & Inglehart, 1995; Inglehart & Pippa, 2003). It is therefore surmised that cohort labels from western sources and their respective characteristics, such as their values, should not and cannot be construed to other settings, including developing countries due to differences in major events and societal development.