

## Seniors, satisfaction, and customer loyalty in the social housing sector

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*P.J.C. Dogge, J.J.A.M. Smeets, Seniors, satisfaction, and customer loyalty in the social housing sector, Gerontechnology 1(2): 122 - 124.* Housing satisfaction and customer loyalty among seniors in the social rented housing sector is the subject of this study. A questionnaire survey was performed among about 6000 tenants, half of them being 55+ years of age. Older tenants showed both a higher % of satisfied households (92%), and more loyalty towards their landlord (80%) as compared to younger households that lived satisfactory. Offering sheltered or assistive housing to older tenants would further induce the tenants' loyalty to their current landlord, a housing association.

**Keywords:** satisfaction, loyalty, social housing, seniors

Seniors are the most important customer group for Dutch housing associations. Seniors (55+ years of age) constitute as much as 50% of the tenant population. Prognoses indicate an increase with another 25% during the next 25 years<sup>1</sup>. As a result, seniors form an asset to the housing firms. A major challenge for the Dutch housing associations is retaining and increasing the satisfaction and loyalty of seniors through offering suitable dwellings, living environments, and, in particular, care and services<sup>2</sup>. The aim of this study is to elucidate satisfaction and loyalty among older Dutch tenants.

### METHODOLOGY

There are several methods to incorporate the user into the strategy of an organisation<sup>3</sup>. One of them is the survey. An advantage of the survey as a method is the possibility of customer segmentation. In this particular research the survey was performed among

the tenants of the housing association Wooninc in Eindhoven and Geldrop, two cities in the Southeast of the Netherlands. Wooninc counts 3015 senior households among their 6285 tenants. 46% of the tenants participated in this survey<sup>4</sup>.

Satisfaction rates were taken from questionnaire surveys including a large number of quality aspects on a five-point ordinal scale<sup>5</sup>. Each aspect was measured separately. Measured aspects were clustered into a small number of characteristics (maintenance conditions, size and equipment, facilities, inconveniences in the neighbourhood). Satisfaction about each characteristic in each scale level (private, semi-public, or public), as well as in the total situation was expressed by a grade running from 1 to 10.

Loyalty was measured by asking whether the tenants had the tendency to (a) move imme-

diately, (b) move within 2 years, (c) move within the next 5 years, or (d) were planning to stay in their current dwelling. Tenants who wanted to move immediately or within the next 2-5 years were classified as disloyal. Both loyal and disloyal tenants were asked for their reasons to move as well as for aspects of the current housing situation that needed improvement.

Differences in loyalty and satisfaction between older and younger tenants were tested with Pearson chi-square at a confidence level of 5%. Only significance differences are presented and discussed.

## RESULTS

As expected satisfied tenants are more loyal to their landlord than dissatisfied ones. Among the dissatisfied tenants of Wooninc 56% appeared disloyal, whereas only 24% of the satisfied tenants wanted to move. To elucidate the relationship between satisfaction and loyalty, two customer groups were compared: One-person and 2-person households with occupants younger than 55 years of age (n=676), and seniors aged 55 years and older (n=1385).

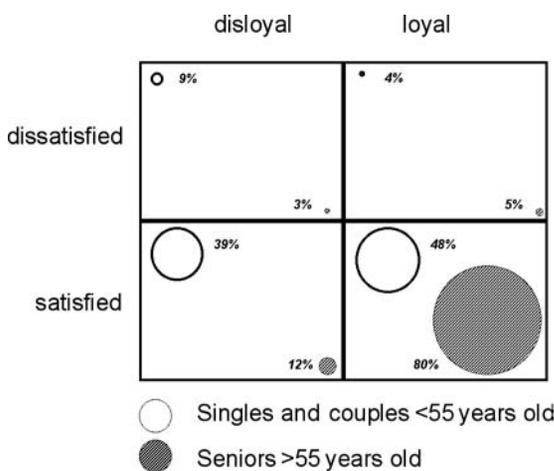


Figure 1. The relationship between satisfaction and loyalty at Wooninc Housing Association.

At Wooninc 92% of the seniors are satisfied with their housing situation (Figure 1). About 80% of the households are both satisfied and loyal, but 12% are satisfied and still disloyal. Among singles and couples < 55 years of age 87% appeared satisfied. Satisfaction combined with loyalty was seen in 48% of the households only, and no less than 39% of households were satisfied but still disloyal in this younger age group.

The difference between seniors and their younger counterparts lies in the loyalty among satisfied tenants. This shows that loyalty or disloyalty is not directly connected with satisfaction or dissatisfaction. Seniors are less willing to move than members of younger households. About 15% of seniors intend to move, whereas as much as 41% of the younger counterparts want to change dwelling. The main motive for the 8% older dissatisfied tenants to move is 'noise produced by the neighbours' (16%). Declining health is a second argument (11%). The satisfied-disloyals over 55 years of age give declining health as the main motive for moving (25%). The wish to live in sheltered accommodations (16%) is related to the health motive.

## DISCUSSION

When simplified, satisfaction is defined as the well being of a person with regard to a certain aspect of his or her life. Satisfaction is a subjective experience. It reflects an individual perception of reality. It is often assumed that satisfaction immediately leads to loyalty. Our results show that this is not the case. Tenants may indeed be satisfied and remain loyal to their landlords. However, in other cases satisfied tenants still move to other lodgings. Often tenants are satisfied with their current housing situation but have the aspiration to be a house owner, especially in the younger categories. Still other tenants would like to move because of dissatisfaction, but they are stuck with their landlord due to financial or social circumstances. Finally, there are consumers neither satisfied nor loyal to the firm's offering<sup>4</sup>.

In this study we showed that the relation between 'satisfaction' and 'loyalty' also depends on the age of the tenants. According to the expectation-disconfirmation-paradigm<sup>6</sup>, the rate of satisfaction is the result of the gap between actual performance and expectations. A high satisfaction, however does not always lead to loyalty. Younger households move out in spite of a high satisfaction. Elderly households on the contrary, are loyal because of a lack of supply of other suitable dwellings<sup>1</sup>. If a housing association would offer a suitable alternative, for example sheltered or assisted housing, even satisfied elderly tenants have a tendency to move, without leaving their housing association.

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## Clean indoor air increases physical independence. A pilot study

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