An Investigation of Consumer Power in the Process of Purchase Decisions

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ABSTRACT:

This study examines consumer power from the consumer’s perspective. Using a grounded theory approach, we develop a theoretical model delineating the process of consumer power acquisition in the context of making purchase decisions. Findings from in-depth interviews with consumers reveal that (1) purchase intentions influence consumers’ motivations to acquire power, and this influence may be stronger for more tangible, expensive, and higher involvement products; (2) consumers’ motivations to acquire power may further prompt their search for economic, social, sanction, expert, and safety-net knowledge; (3) perceptions of power make consumers feel well-informed and confident, resulting in consumer satisfaction with purchase decisions. The findings from this study suggest that business practitioners make efforts to provide information for consumers to fulfill the identified five knowledge categories. This strategy will aid consumers’ engagement in extensive information searching and knowledge building and help them achieve consumer power in the consumer purchasing process.

KEYWORDS:

Consumer Power, Grounded Theory, Purchase Intention, Purchase Decision, Satisfaction
With the arrival of the Internet and new technologies, the view that consumers are gaining power over firms has become relevant in the marketplace (e.g. Markillie 2005; Kucuk 2009; Rezabakhsh et al. 2006; Wang, Zhao, and Li 2013). Nowadays, consumers are often portrayed as knowledgeable persons with individual and collective power and legitimacy that are proactive in interacting with and influencing firms (Kerr et al. 2012; Kucuk and Krishnamurthy 2007). Power possessed by consumers has important implications for researchers and practitioners because consumer power may change the nature of how consumers make purchasing decisions.

Despite that as a phenomenon consumer power has been noted by researchers, there is a lack of a clear understanding of the concept per se in the literature (Harrison, Waite, and Hunter. 2006). Previous studies propose that consumers have gained seemingly unprecedented strength from the Internet, but, in general, these studies have not provided an agreed-upon definition of the concept of consumer power; neither have they examined the process of the acquisition of consumer power in the context of purchase decisions. Consequently, researchers call for further investigation of the concept in order to generate unique and timely insights into consumer behavior (see Wathieu et al. 2002; Harrison, Waite, and Hunter 2006). Therefore, the purpose of this study is to (1) understand the concept of consumer power from the consumer’s point of view and (2) develop a theoretical model delineating the process of the acquisition of consumer power in the context of purchase decision making.
We adopt a grounded theory approach in this study. Denegri-Knott, Zwich, and Schroeder (2006) suggest studying consumer power from a qualitative perspective because this approach can better detect and document the concept. Grounded theory is a qualitative methodology that allows for the generation of theory from data that has been systematically obtained and analyzed (Glaser and Strauss 1967). Compared to other qualitative methodologies, this approach can work with a wide range of data allowing researchers to move from “real world” experiences to definitions of concepts and the construction of causal relationships (Locke 2001). Grounded theory is appropriate when the topic of interest has been relatively ignored in the literature or has been given only superficial attention (Goulding 2002). As such, we deem that the adoption of grounded theory methodology fits well for the objectives of this study.

The following section provides an overview of the relevant literature on power and consumer power derived from social sciences and consumer behavior research. Based on data gathered through 23 interviews, a definition for consumer power is provided and a conceptual model, i.e. Consumer Power-Purchase Decision Satisfaction Model, is presented. Finally, the study concludes by discussing implications of the findings and future research.
Theoretical Background on Consumer Power

The acquisition and preservation of power is one of the most common processes that occur in societies. According to Dahl (1957), power in its simplest form is the ability of an actor to get another actor to do something he/she would not otherwise have done. Further, Thomas and Velthouse (1990) characterize power as authority, capacity, and energy. In other words, if one holds power, he/she holds authority and is capable and energized to perform an activity. To date, researchers in the social sciences have investigated power using French and Raven’s (1959) six bases of power – reward, coercive, legitimate, expert, referent, and informational. According to French and Raven (1959), reward power is the perceived ability to reward those who conform. Coercive power is defined as the perceived ability to punish those who do not conform. Legitimate power refers to having the right to influence others, whereas referent power is achieved through associating with those who possess power. Those who hold distinctive expertise and abilities may possess expert power. Lastly, informational power involves controlling the information others need.

Applying French and Raven’s (1959) power typology to the concept of consumer power, Rezabakhsh et al. (2006) explain power relations between consumers and a business firm and propose three types of power – sanction (e.g. exit or voice dissatisfaction), legitimate (e.g. a group of consumers directly influence a firm’s marketing efforts), and expert (e.g. consumers’ possession of information and expertise about a product or service) power. Further, Kucuk and Krishnamurthy (2007) view consumer power as protecting consumer rights such as the right to...
safety, to be informed, to choose, and to be heard, and they argue that the Internet’s accessibility and interactivity enhances consumer power. Based on case studies, Kucuk and Krishnamurthy (2007) propose economic power as a result of consumers’ ability to access more options and social power due to interactions among consumers of online communities. Similarly, from an empowerment standpoint, Kucuk (2009) proposes that consumers are empowered by beliefs in their own self-efficacy in three domains, i.e. economic, social, and legal.

In contrast, derived from the power shift hypothesis, Shipman (2001) argues that the ‘new’ Internet economy has brought a decisive shift of power, i.e., the “new consumer sovereignty”, from producer to consumer, which allows consumers to avoid goods and services they do not want, customize those they want, and search for the best price and quality. Following this line, Pires, Stanton and Rita (2006) propose that the Internet’s accessibility and interactivity enable consumers to organize into effective groups that share similar needs and practice countervailing power. Consumers can form groups that give them the power to demand regulation from firms and governments and negotiate buying conditions such as volume discounts (Wang, Zhao, and Li 2013). Similarly, Harrison, Waite, and Hunter (2006) equate consumer power with bargaining power and purport that access to the Internet grants an immense body of knowledge and information at low cost and provides consumers the potential to increase their bargaining power and to redress power imbalances.
In summary, the preceding literature reveals that researchers agree that the Internet’s characteristics have made consumers more powerful through increased access to information and choices from competition. However, despite the consensus of consumer power in prior studies, the definition of consumer power seems scattered and inconsistent and a conceptual framework of the concept within the context of purchase decision making is lacking (Denegri-Knott, Zwich, and Schroeder 2006). In the next section, in order to bridge this gap, we address our approach to defining consumer power and developing a theoretical framework to explain consumer power.

Methodology

Grounded theory (Glaser and Strauss 1967; Goulding 2002) was adopted in this study. Grounded theory is a method that aims to penetrate the phenomenon, by moving through various levels of theory building, from description through abstraction to conceptual categorization, in order to probe underlying conditions, consequences and actions (Glaser and Strauss 1967). We followed the strategy recommended by Glaser and Strauss (1967) for developing a grounded theory of the acquisition process of consumer power through interviews. In analyzing these interviews, concepts (i.e. categories) are generated from reality by the study of consumer purchase experience; and then theory emerges from raw data through a systematic, redundant, and a cumulative collection and categorization of data.
Sample

Theoretical sampling was performed in this study. Theoretical sampling is an ongoing part of the process of data collection and analysis that, in turn, directs the researcher to further samples (Glaser and Strauss 1967; Goulding 2002). We conducted and analyzed the first five interviews and then selected the subsequent subjects and conducted interviews based on the findings from the first five interviews. The aim of theoretical sampling is to focus and probe the salient concepts revealed in the first five interviews and to continue the development of emerging findings. For example, analysis from the first five interviews revealed that consumer motivation, purchase intention, and purchase decision were relevant to the concept of consumer power. Therefore, these probes were incorporated into the interview protocol for the next wave of interviews. Data collection and analysis ended when new interviews provided repetitive or marginal information with no influences on developed concepts (Glaser and Strauss 1967).

Subjects, residing in a Southwestern city in the United States, self-selected to participate in the study by responding to online study recruitment postings. To be qualified for the study, the participants were required to have access to the Internet and be 21 years of age or older. The age requirement was based on the assumption that these participants would have greater control, maturity, and independence with regard to their decision-making process compared to their younger counterparts. Participants received $15 as compensation for their participation.
Altogether, 23 persons (16 female and 7 male) participated in the study (see Appendix 1 for interviewee profiles). Participants ranged from 21 to 55 years of age with 43% of the sample between 21 to 28 years old and with some holding undergraduate to graduate education. Sixty-five percent of the subjects were Caucasian followed by 13% Hispanic. In addition, all participants had experience using the Internet as a search tool for seeking information prior to making a purchase via a variety of retail channels. Forty-three percent of participants indicated that they ‘frequently’ use the Internet as a source of information prior to purchase and 35% described their usage as ‘very frequently’.

Data Collection

Data were gathered through 23 face-to-face in-depth interviews, the point at which data saturation was achieved. Interviews, ranging from 45 to 60 minutes, were recorded on a digital audio tape recorder for immediate transcription. A semi-structured interview protocol was developed and pre-tested with three undergraduate students meeting the requirements for age and Internet usage of the main study. An interview began by asking, “Tell me about you as a consumer”. As the interview continued, participants’ responses prompted questions and probes from the interviewer (e.g. channel of purchase, motivations). Some of the questions were: How do you gather information? How does it make you feel to be a consumer? How do you know that you are ready to make a decision? To conclude the interview, a word association technique was used to capture thoughts specifically related to consumer power. After the interviews, memoing was implemented. The purpose of memoing was to record ideas, map out
emerging findings, and record identified concepts throughout the data collection stage (Goulding 2002).

Data Analysis

Data analysis was conducted on transcriptions of the interviews following Strauss and Corbin’s (1990) three coding stages—open coding, axial coding, and selective coding. Open coding commenced with full transcriptions of the interviews (Goulding 2002). The objective of open coding is to be immersed in the data and begin unrestricted coding to conceptualize data into global themes. As a result, 69 saturated categories were identified. In axial coding, the 69 emerging categories were subjected to a higher level of abstraction wherein relationships were recognized among categories, and, as a result, core categories were identified and further analyzed (Goulding 2002). This stage aimed to provide more specific and dense categories that were closely related and potentially could explain consumer power and its process (Creswell 2007). At this point, the word association was also analyzed. Lastly, selective coding was used to present a story line and conduct the final integration (Creswell 2007; Strauss and Corbin 1990). Core categories from axial coding were related directly or indirectly to the central phenomenon of consumer power to determine its antecedents and outcomes. Strauss and Corbin (1998) argue that this central category or focal core code has analytical power and the ability to pull the other codes together to explain a whole. To check reliability of the data analysis, two trained researchers independently conducted all three coding stages of the data.
The resulting models from the independent researchers replicated the original model, thus reliability was established.

**Findings**

Based on a thorough investigation of the qualitative data we collected, we define consumer power as *a state of mind in which consumers feel prepared, confident, and in control of a decision for an intended purchase*. This state of mind is the result of a knowledge acquisition process as detailed in the upcoming “Conceptual Model of Consumer Power-Purchase Decision Satisfaction” section. It is interesting to note that the concept of power was not studied with an actual “target” in mind – it was only studied in the context of consumers’ perceptions of power within the context of purchases of goods and/or services. However, from the findings, it is clear that consumer power relates to the power over the “purchase decision” as opposed to power over the retailer.

Our data resonates the concept of new consumer sovereignty (Shipman 2001) which argues that, because of the web-based economy, consumers hold sovereignty that allows them to avoid goods and services they do not want, customize those they want, and search for the best price and quality. This access makes consumers feel confident and in control of decisions they make for an intended purchase. In this state, consumers feel they have taken the necessary steps to make the final decision. They know with certainty the research they have...
undertaken is sufficient to move forward with the intended purchase. In other words, they feel they have achieved power over their decisions for intended purchases. Our definition is also somewhat related to the “self-efficacy” concept, i.e. consumers’ beliefs that challenging tasks can be achieved, purported by Kucuk’s (2009) consumer empowerment model. Several quotes illustrate this state of mind:

“I think I collect information and analyze it. I get it done. I have done my homework, now I can make a decision.” (Subject 20, Female)

“Very confident, I think before I place the order. I know exactly what I am getting, and I was 100% confident in the purchase even before receiving the product.” (Subject 19, Male)

Based on our data, we further developed a conceptual model to outline the acquisition process of consumer power including the antecedents and outcomes of consumer power (see Figure 1). Quotes from participants are included to provide support for the model’s components. The model is grounded on the study’s data to illustrate the process that consumers undergo to achieve power over their decisions for intended purchases. Specifically, consumers gain power through a process that commences with an intended purchase for a product or service that triggers motivation and search behavior for five different types of knowledge, i.e., economic, social, sanction, expert, and safety-net knowledge. This acquisition of knowledge from the five types of knowledge results in perceptions of power and, ultimately, satisfaction with purchase decisions. It is important to note that Internet access and consumer
skills are enablers implicit across the conceptual model. In order to fully acquire consumer power, access to the Internet and the ability to browse must be in place (Kucuk 2009; Peterson and Merino 2003; Markillie 2005). Details concerning the antecedents and consequences of consumer power are provided below.

*Model of Consumer Power-Purchase Decision Satisfaction*

*Purchase intention.* Purchase intention is viewed as the consumer’s willingness or state of desire to buy a product or a service in the future (Chen and Dubinksy 2003). This willingness appeared to prompt respondents’ motivations to achieve power because, although subjects were in the market for a specific type of product or service, they wanted to feel confident and prepared about the decision before making the purchase. When explaining their future or past purchase experiences, most of the subjects in the study began their “stories” by explaining the direction and, sometimes the intensity of, their intentions/plans to purchase a product or service.

“I am looking for mattresses (...)” (Subject 8, Female)

“I have the urge and need (...)” (Subject 1, Male)

“You make a purchase that you know that, something you have wanted for a while (...)” (Subject 2, Male)
Figure 1 Consumer Power-Purchase Decision Satisfaction Model

Purchase Intention → Motivation To Acquire Consumer Power

Contextual Variables
- Product Involvement
- Product Price
- Products vs. Services

Search for Consumer Power-Related Knowledge

- Economic Knowledge
  - Price comparison
  - Competitive analysis
  - Choice – Product and purchase channel

- Social Knowledge
  - C2C

- Sanction Knowledge
  - Negative
    - Voice, eWOM
    - Exit
    - Retaliation
  - Positive
    - Voice, eWOM
    - Loyalty
    - Repurchase

- Expert Knowledge
  - Information from expert sources

- Safety-Net Knowledge
  - Returns
  - Warranties

Consumer Power → Purchase Decision Satisfaction
Motivation to achieve consumer power

As mentioned, the study’s results suggest that consumers’ intentions to purchase a product or service elicited their motivations to achieve feelings of control and confidence about their eventual decisions. Motivation is largely referred to as a force that leads individuals to achieve a goal or to satisfy a need (MacInnis and Jaworski 1989; Solomon 2010). Our subjects assessed their intentions to purchase a product or service and the strength of these intentions appeared to encourage or discourage, i.e. motivate or demotivate, them to obtain the goal of achieving feelings of power over the decision (i.e. control and confidence about the decision about an intended purchase). For example, one respondent stated she felt the following when asked what she needed prior to making a decision on an intended purchase:

“(…) sense that I know what I am doing and not at the mercy of a salesperson (…)” (Subject 22, Female)

Contextual factors. From our interviews, contextual factors—factors that framed the specific context of purchase decisions—seemed to intensify or diminish the relationship between subjects’ purchase intentions and motivations to achieve consumer power. These factors included the consumer’s involvement with the product and product price. Product involvement refers to the consumer’s level of interest in a product or service (Solomon 2006). Participants discussed the extent to which the product or service was personally relevant (an indicator of involvement with the product) as well as its expected monetary price. The findings suggest that
the stronger the involvement with the product and the greater the monetary expenditure, the more motivated the consumer was to obtain control via acquisition of knowledge:

“Well, when something is a big purchase, something that I am saving my money for. (...) I also want to know about my product.” (Subject 15, Female)

“Typically, the more I will spend the more likely I am to go online and research it first.” (Subject 12, Male)

“(…) when it is something where I am investing more money in and I don’t buy frequently, there is more research involved.” (Subject 4, Female)

In addition, motivation to acquire consumer power seemed to be more relevant for products rather than for services due to the differences in tangibility (i.e. products tend to be more tangible than services). With services, because of the intangibility, information that may be accessed was viewed as more subjective; thus, the feasibility of obtaining power through knowledge was lessened in the mind of the consumer:

“(…) because everybody has such different taste anyway. I mean I am sure that there are restaurants that I love and other people hate, and that is fine. It doesn’t change my view on it.” (Subject 9, Female)
“I think for stuff like restaurants, I think the reviews on those, I haven’t found to be as helpful as with a product. (...) I don’t know if that is as accurate as somebody that has had a product for awhile and has used it more than once.” (Subject 21, Female)

Search for consumer power-related knowledge. Search for consumer power-related knowledge is the process in which the consumer seeks appropriate information about an intended purchase in order to feel confident and in control of the decision (Solomon 1994). In this study, the search occurred primarily through search engines as well as retailers’ and manufacturers’ websites:

“Well, I do a Google search, and then Google shopping. That pulls a lot of information, sometimes I would go directly to the sites that Google pulls up, Amazon, eBay, those are the main ones that I use.”(Subject 9, Female)

“So what I mean is that I do my research first.” (Subject 8, Female)

“If I am interested in something, I can research it online.” (Subject 10, Female)

Our subjects sought consumer power via information search consisting of five knowledge dimensions. The five dimensions were economic, social, sanction, expert, and safety-net knowledge, with the economic dimension being most frequently mentioned followed by social knowledge. Subjects collected relevant and specific knowledge to achieve consumer power.
The first dimension, economic knowledge, is defined as information relating to the best offer at the best possible price. The electronic marketplace has allowed consumers to carry out comparison shopping and to choose from a multitude of providers offering the same product. Almost all subjects interviewed conducted price comparisons as well as competitive analyses:

“It makes me feel good that I can look for the best price. I feel that I am in control.” (Subject 17, Female)

“Now with the Internet, you can just compare items from different sites, and you know and do your shipping and handling and everything and figure out ‘hey this is what I want to pay’. As far as comparing it is so much easier, if you know what you are looking for, you can actually make it work for you to your benefit” (Subject 2, Male)

The second dimension is social knowledge. We define social knowledge as consumer-to-consumer information gathering. This information was prominently found in the form of online consumer reviews. The majority of interviewees perceived this type of information as a good source to identify trends and patterns in certain products regarding performance, reliability, durability, and experience in usage. They also appreciated the sense of community related to interacting with others in order to gain their opinions.

“(…) what I would do is look at the ratings. If I see a bad rating, I will read it because I want to know what is bad about it and what this other person didn’t like about the product and
there is a good rating I will read it as well. I like to know why you didn’t like it, was it too
soft or not firm enough.” (Subject 8, Female)

“(…), if I see certain trends in people’s comments then that has more weight than individual
comments.”(Subject 6, Male)

While this type of information was determined to be helpful, it was not always deemed
influential. Some of our subjects showed a sense of disbelief towards consumers’ feedback and
referred to this disbelief as ‘taking it with a grain of salt’. This may be because consumers do
not know who posts the information or what role emotions play in their feedback. In this case,
the “knowledge” gleaned may not be perceived as particularly useful in aiding consumer
power:

“Yes and no, I mean you have to take it with a grain of salt. Some reviews are written and
someone doesn’t explain in a neutral tone what the problem really was. Sometimes they
write the review based on emotion when something negative happens, so you kind of have
to pick apart their issue and then their reaction to it, and then ‘does that apply to me?’ Is it
an emotional reaction that they are delivering? Or is it a valid write up of a company?”
(Subject 14, Female)

The third dimension is sanction knowledge. Sanction knowledge pertains to knowledge
about the existent outlets or ways in which a consumer can take actions to reward or punish
the retailer. Our subjects acknowledged that they had given thought to how a retailer might be
punished, in the case of a negative experience, prior to making a purchase decision. These outlets included online feedback platforms where consumers may engage in electronic word-of-mouth, consumer forums, exiting the business, etc. It is interesting to note that consumers also referred to information about how they might reward the business if the outcome was a positive one.

“I can retaliate now, whereas before you could treat a person horribly in a business transaction and there was very little retaliation except for withholding dollars. Now there is more retaliation I can do. (...) to me it is insane that anyone today will provide a poor service, especially a small business like this woman. What was she thinking? She knows that these tools exist for us, (...)” (Subject 14, Female)

“When I am dissatisfied, I am more likely to revert back to a kind of toddlerish selfish nature and say I want my money back and you take your stuff and let’s never do business again. I am not willing to spend my time and energy doing a negative review or writing them a letter. I just feel like that it is only going to be heard to a certain extent, so I just rather not ever buy there again and say it to other people.” (Subject 4, Female)

“Yep, by keeping in mind to go to them again, that’s the best thing you can do, (...)” (Subject 1, Male)

The fourth dimension is expert knowledge. Expert knowledge is information that the respondents gathered from individuals or entities that they perceived as experts. Subjects
indicated that while they were engaged in extensive search for information on quality and prices to reduce information asymmetry and lack of transparency, they were not interested in becoming experts themselves on the particular product they intended to purchase. They only sought to complement the information they had gathered with information from those they deemed as experts. This suggests that the extent of knowledge that consumers need in order to feel “powerful” may not be at the expert level. Among other sources, sales associates were viewed as experts due to their knowledge of the product and ability to ensue trust and confidence when interacting with consumers (Parasuraman, Zeithaml, and Berry 1988). Also, retail associates were expected to be more knowledgeable than consumers because of their job role.

“(…) so they might have a suggestion that will redirect me. They might know more than me. It is their job, they do it on a daily basis.” (Subject 6, Male)

“Well, that is not my job, so I am not going to say that I know more, because I do not do it on a daily basis. I am the buyer, your main focus is to keep your job. My main focus is to get my product.” (Subject 1, Male)

“I still ask them questions, because I want to know what their particular feeling is on the item, too. Depends on what it is, I will trust them. They are working with that product and they had information brought into them, so sometimes I will.” (Subject 17, Female)
Interestingly, similar to consumer feedback (i.e. social knowledge dimension), subjects sometimes expressed disbelief towards “experts” because they viewed them as self-interested, i.e. solely interested in selling the product or service.

“And I think sometimes as well I am not sure that I trust the retailer, it just depends, because they want to make a sale. You are never sure if they are looking out for your best interest or if they are making their sale. This is an inherent distrust.” (Subject 18, Female)

“(…) but you know they can enhance the details or leave out certain things.” (Subject 7, Female)

Lastly, the fifth dimension is safety-net knowledge. We define safety-net knowledge as information gathered, prior to the purchase decision, about how one might be protected against losses, e.g. financial losses, in case of a negative experience. In this case, respondents were careful to gather external information on potential “risk-reducers” such as return policies and product warranties prior to making the purchase decision. Lastly, in the word association exercise related to their perceptions of power, some respondents mentioned safety-net type words such as “boycotting,” “lobbyist,” and “ability to retaliate”.

“Yes, I make sure that there is something that I can do, like warranties, policies, returning, customer service. I make sure that I am going to have enough time to be happy with what I bought, especially if it is something that I invested a lot of money in it.” (Subject 8, Female)
“The only safeguard that I also research online about or use the Internet for is return policies and then manufacturer warranties; those are the two big things.” (Subject 12, Male)

After gaining knowledge from one or more of the five dimensions of knowledge, consumers expressed that they had felt in control and confident about their purchase decision for an intended purchase, i.e., consumer power, which, in turn, impacted their satisfaction with the purchase decision as discussed below.

**Purchase decision satisfaction.** Individuals are driven to satisfy their needs; satisfaction (or dissatisfaction) is the end-point of a motivational process (Parker and Mathews 2001). Our subjects viewed satisfaction as an outcome that could be experienced before purchasing or consuming the product because it related to satisfaction with the purchase decision. This satisfaction appeared to be the result of a state of mind characterized by control, preparedness, and confidence, i.e. consumer power. Subjects stated that the acquisition of knowledge made them feel certain and in control, and, thus, they were satisfied with their purchase decisions. The recurrent themes of emotions they expressed were those of comfort and happiness.

“Yes, pretty much always satisfied with the decisions I make, just because of the prior research I do before purchasing them.” (Subject 12, Male)

“I feel comfortable I made a good decision. I am happy about it. It is like when you are eating a cake you like and you feel that warmth and ‘aww it is good’, that type of feeling.” (Subject 8, Female)
“Yes. Part of that is probably because I put so much effort into it.” (Subject 4, Female)

“After all the research I did, I went looking for it. So, yeah, they (retailers) may had had the information before hand and all that kind of stuff, but I am satisfied with myself (...). (Subject 17, Female)

Discussion and Implications

The findings from this study suggest that consumers’ purchase intentions influence their motivation to achieve power, and the influence is stronger for tangible, more expensive products and products for which consumers hold higher product involvement. The motivation to achieve power appeared to prompt the respondents in the study to search for five types of knowledge: economic, social, sanction, expert, and safety-net knowledge. Academics have recently begun to focus on exit- and voice-based sources of power that are related to consumers’ sanction knowledge of reward and punishment in our study (Kucuk 2009; 2012). According to our findings, the knowledge accrued pertaining to potential sanctioning of retailers along with the other knowledge dimensions seems to elicit respondents’ feelings of having power; and achieving power results in consumers’ feelings of satisfaction with their purchase decisions. These findings have important theoretical and managerial implications.

Theoretical Implications
Although the notion of consumer power has recently become a popular topic, a literature review revealed that the concept is neither well defined nor well understood (Harrison, Waite, and Hunter 2006; Wathieu et al. 2002). Our study was intended to fill this gap by further clarifying the concept and contributing to extant knowledge of consumer empowerment and welfare. Based on our in-depth interviews, we defined consumer power as a state of mind in which consumers feel confident and in control of a decision related to an intended purchase. Contrary to the general definition of power—the ability of one to make another do something that he/she would not otherwise have done (Dahl 1957)—consumer power in the decision making process is not about holding power over firms. Consumer power in our study seems to concur with Menon and Bansal’s (2006) conceptualization of consumer power as control/certainty consumers experienced in a service context and Thomas and Velthouse’s (1990) view of power being capable. It is also in line with the ‘new consumer sovereignty’ perspective, proposed by Shipman (2001), which argues that consumers have an unprecedented sovereignty that allows them to avoid goods and services they do not want and to hold control by virtue of having access to widespread information.

Achieving consumer power through the consumer empowerment process

This study also finds that the process by which consumers achieve power is through knowledge acquisition in which consumers extensively search for information in each specific requisite area (i.e. economic, social, sanction, expert, and safety-net knowledge). This process of achieving consumer power identified in our study somewhat coincides with Kucuk’s (2009)
concept of consumer empowerment—a process that allows individuals to develop and practice certain skills to exert control over their own decision-making. The majority of the subjects in our study referenced economic and consumer-to-consumer information, making economic and social knowledge the most frequently mentioned, followed by sanction, expert, and safety-net knowledge. When consumers acquired the relevant knowledge, they knew where, when, what, how, and at what price to acquire the product or service. Further, against the backdrop of the traditional purchasing behavior models in consumer research, our study proposes consumer purchase intention as a trigger of the consumer empowerment process. The majority of consumer studies have focused on studying purchase intention as an outcome of the decision-making process. In our study, however, purchase intention may lead to consumer motivation to search for power, which is strengthened or diminished by contextual variables such as product involvement, price, and product type. Further, the motivation to acquire power elicits extensive searching for five consumer-related knowledge types which help consumers obtain a state of mind of feeling prepared, confident, and in control.

In addition to the differing placement of purchase intention in the consumer power process, the concept of information search has been conceptualized differently in the traditional consumer behavior models. Consumers’ rationale behind information search, as explained in these models, is usually to glean information about products in order to compare their characteristics (e.g. comparison of characteristics of Brand A vs. Brand B). This is typically called the “evaluation of alternatives” stage of the decision-making process which leads to a
decision to purchase a particular product (e.g. decision to purchase Brand A). However, our findings revealed that motivations for information search and acquisition of knowledge may move beyond the evaluation of product characteristics and a decision to purchase a particular product. Specifically, it is a means for consumers to achieve feelings of confidence and control over their purchase decisions—an essentially consumer empowerment process that may change the dynamics of the consumption market and consumer welfare (Kucuk 2009; 2012).

*The impact of consumer power on consumer welfare*

Extending the concept of purchase decision satisfaction, we view satisfaction as one type of consumer welfare resulting from perceived consumer power in our model. For some consumers (as some of the respondents revealed in the interviews), satisfaction can be experienced even before they make a purchase or receive the product/service. Therefore, this is a different concept than that of cognitive dissonance. The latter concept transpires after a purchase decision has been made and/or the product has been consumed. In our consumer power model, satisfaction is a pre-use, affective, and emotional status reflecting consumer welfare. It is the decision, not necessarily the purchase or the consumption of the product, which is satisfying. Our findings suggest that the consumer’s sense of satisfaction comes from perceptions of power gained in the knowledge-seeking process (i.e. the consumer empowerment process). Thus, this study implies that consumer behavior researchers should consider incorporating purchase decision satisfaction, in addition to its antecedents (e.g. consumer power), in traditional consumer behavior models in the future.
Managerial Implications

The findings from this study indicate that consumers are engaged in extensive information searching and knowledge building in order to achieve consumer power, not only to search for alternative products and services. Because retailers and manufacturers cannot restrict consumers’ search behavior or the endless choices available to them (Pires et al. 2006), it is recommended that retailers and manufacturers make efforts to provide as much information as possible for consumers to fulfill the five knowledge categories to promote consumer power perceived by the consumer. Retailers are the closest to the consumer in distribution channels; satisfying consumers’ information seeking will create opportunities for retailers to fulfill consumers’ needs for feelings of power.

Further, consumers who perceive they possess consumer power prior to purchase are more likely to be satisfied with their purchase decisions. This purchase decision satisfaction could lead these consumers to seek less redress, which, in turn, would prompt fewer complaints, less exits, and more positive word-of-mouth. Thus, companies should devise and implement strategies to avoid information asymmetry, to be transparent, and to provide the best customer service possible. Research undertaken to understand the specific amounts and combinations of knowledge that allow consumers to feel “powerful” would be quite helpful to business practitioners.

Conclusions and Future Research
Findings from this study emphasize the importance of understanding consumer power and contemporary consumer behavior (Markillie 2005). From this study, knowledge, from the consumer’s perspective, about what consumer power is, how it is achieved, and its outcome has been enhanced. Findings and the conceptual model developed from the qualitative data provide deep and meaningful insights to inform future research.

First, the construct of consumer power and the proposed model merit further research. We derived the definition of consumer power from the grounded theory method (Glaser and Strauss 1967). However, measurement development has yet to be done. Future studies may continue with developing the measure of consumer power and empirically testing the proposed model. Quantitative testing will also help validate the model of consumer power. Future studies may further explore the effects of purchase decision satisfaction on complaint behavior and customer loyalty. Second, it would be interesting to conduct this study in countries with differing cultural values (e.g. individualism versus collectivism) or economies (e.g. developed versus emerging) to compare if consumers’ perspectives are similar or different. Third, future studies may also seek to further refine the model. For example, within the model, the motivation to search for consumer power-related knowledge could be expanded with the inclusion of extrinsic and intrinsic motivations to determine whether hedonic or utilitarian values are in place. Although it was not identified in our study, Menon and Bansal (2007) found, despite a consumer’s level of knowledge, a consumer’s feeling of social power may be dependent on a particular event or setting. Social knowledge in our study took only the form of
consumer-to-consumer information sharing. This suggests that each of the consumer-related knowledge bases may be further explored. Lastly, the Consumer Power-Purchase Decision Satisfaction Model conceptualized in this paper indicates that the process through which consumer power is obtained is via a process commencing with intent to purchase. However, the role of consumer power is unknown in the cases of impulse or spontaneous purchases. Thus, further investigation into different types of decision-making (e.g. unplanned purchases) should be investigated.
References


Harrison, Tina, Kathryn Waite and Gary L. Hunter (2006), “The Internet, Information and


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## Appendix 1 Interviewees’ Profiles

<table>
<thead>
<tr>
<th>ID</th>
<th>Gender</th>
<th>Age Group</th>
<th>Frequency of Internet Usage to Seek Information Before a Purchase</th>
<th>Profiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>M</td>
<td>35 to 45</td>
<td>Very Frequently</td>
<td>Researches extensively. Main concern is Internet security issues.</td>
</tr>
<tr>
<td>2</td>
<td>M</td>
<td>35 to 45</td>
<td>Frequently</td>
<td>Primarily shops online, tech savvy, and extensive researcher. Willing to wait to make sure he is making the best decision.</td>
</tr>
<tr>
<td>3</td>
<td>F</td>
<td>46 to 55</td>
<td>Very Frequently</td>
<td>Comparative shopper and extensive researcher.</td>
</tr>
<tr>
<td>4</td>
<td>F</td>
<td>21 to 28</td>
<td>Frequently</td>
<td>Budget conscious and takes time to make a purchase. Comparative shopper. Heavily involved when investing a significant amount of money.</td>
</tr>
<tr>
<td>5</td>
<td>M</td>
<td>36 to 45</td>
<td>Frequently</td>
<td>Well-informed. Heavily researches for the cheapest, best product possible.</td>
</tr>
<tr>
<td>6</td>
<td>M</td>
<td>29 to 35</td>
<td>Frequently</td>
<td>Considers Internet mainly a tool for research. Uncomfortable shopping online. Knows what he is looking for and likes to compare prices.</td>
</tr>
<tr>
<td></td>
<td>Gender</td>
<td>Age Range</td>
<td>Frequency</td>
<td>Consumer Behavior</td>
</tr>
<tr>
<td>---</td>
<td>--------</td>
<td>-----------</td>
<td>------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>7</td>
<td>F</td>
<td>21 to 28</td>
<td>Very Frequently</td>
<td>Considers herself a savvy consumer. Uses online and store to research, specifically for large purchases.</td>
</tr>
<tr>
<td>8</td>
<td>F</td>
<td>46 to 55</td>
<td>Frequently</td>
<td>Very meticulous and careful. Conducts lots of research before a purchase.</td>
</tr>
<tr>
<td>9</td>
<td>F</td>
<td>35 to 45</td>
<td>Occasionally</td>
<td>Planner; shops based on needs.</td>
</tr>
<tr>
<td>10</td>
<td>F</td>
<td>29 to 35</td>
<td>Occasionally</td>
<td>Considers herself a picky consumer. Does not like to go to stores, rather look at things online.</td>
</tr>
<tr>
<td>11</td>
<td>M</td>
<td>46 to 55</td>
<td>Frequently</td>
<td>A cautious consumer. Does not own a credit card and has an arrangement with a friend to acquire products online.</td>
</tr>
<tr>
<td>12</td>
<td>M</td>
<td>21 to 28</td>
<td>Frequently</td>
<td>Educated consumer and extensive researcher. Considers Internet first step when planning to make a purchase.</td>
</tr>
<tr>
<td>13</td>
<td>F</td>
<td>21 to 28</td>
<td>Frequently</td>
<td>College student and money is a constant concern. Primarily shops for clothes. Focuses on quality and style.</td>
</tr>
<tr>
<td>14</td>
<td>F</td>
<td>35 to 45</td>
<td>Very Frequently</td>
<td>A budget conscious consumer who usually buys used products. For new products, does research online to get a better deal. Savvy and knows the resources she has as a consumer.</td>
</tr>
<tr>
<td>15</td>
<td>F</td>
<td>21 to 28</td>
<td>Rarely</td>
<td>Perceives herself as timid, especially when making big purchases. Does research to get the best deal. Wants to know what other consumers have to say.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th></th>
<th>Gender</th>
<th>Age Range</th>
<th>Frequency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>F</td>
<td>21 to 28</td>
<td>Very Frequently</td>
<td>Bargain hunter. Considers herself impulsive but well-informed. Tempted by sales. Gets involved with research for big purchases to compare between different stores.</td>
</tr>
<tr>
<td>17</td>
<td>F</td>
<td>46 to 55</td>
<td>Very Frequently</td>
<td>Frugal consumer. Intense comparative shopper and highly involved with research to ensure the best deal possible. Likes to be in control.</td>
</tr>
<tr>
<td>18</td>
<td>F</td>
<td>21 to 28</td>
<td>Very Frequently</td>
<td>Shops only for necessities. Conducts extensive search online and offline.</td>
</tr>
<tr>
<td>19</td>
<td>M</td>
<td>21 to 28</td>
<td>Occasionally</td>
<td>Spends money mostly on electronics and clothes. For clothes, shops at mall. For more expensive items, proceeds to the Internet to do some research first.</td>
</tr>
<tr>
<td>20</td>
<td>F</td>
<td>46 to 55</td>
<td>Frequently</td>
<td>Careful shopper and hates shopping. Does not consult other consumers’ opinions. But, does consult online to gather information from established expert sources.</td>
</tr>
<tr>
<td>21</td>
<td>F</td>
<td>21 to 28</td>
<td>Very Frequently</td>
<td>Just started grad school. Really likes to shop and purchase items.</td>
</tr>
<tr>
<td>22</td>
<td>F</td>
<td>46 to 55</td>
<td>Occasionally</td>
<td>Bases decisions on price. Heavily involved in conducting research. Makes decision, jointly with spouse, to buy big-ticket items.</td>
</tr>
<tr>
<td>23</td>
<td>F</td>
<td>21 to 28</td>
<td>Frequently</td>
<td>Shops online and at the store. Easily persuaded by advertisements. Conducts research online before making purchases, especially concerning unfamiliar products.</td>
</tr>
</tbody>
</table>

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