
When does Consumer Empowerment Lead to Satisfied Customers? Some Mediating and Moderating Effects of the Empowerment-Satisfaction Link

AUTHOR(S): Gary L. Hunter and Ina Garnefeld

ABSTRACT

Technological advances increasingly provide marketers with the opportunity to empower consumers. Consumer empowerment is a positive subjective state evoked by consumer perceptions of increasing control. As a positive state, increasing consumer empowerment should be associated with increasing consumer satisfaction. If such a relationship exists, it may be influenced by a number of contextual variables. Knowing in what contexts empowerment has a greater impact on satisfaction would help marketers decide when they could more effectively use such a strategy. This study has two purposes: 1) to investigate the relationship between consumer empowerment and satisfaction and 2) to investigate a set of potential influences on that relationship. Marketers will be in a better position to decide when to empower consumers if they have guidance on the relationships between these variables.

ARTICLE

While there is some evidence as to when consumer empowerment is beneficial for the consumer (e.g., Goldsmith 2005; Henry 2005; Pitt et al. 2002), less well known is when giving control to consumers offers potential benefits to marketers. This is surprising given that marketers often hold the key to giving consumers a greater amount of control. For example, in the U.S. marketers decide how much access cell phone customers can have to product information. Cell phone service providers generally keep the codes allowing use of the phone with competing carriers secret from consumers. Access to those codes would give consumers the ability to switch carriers when it was cost effective. While intuitively it seems necessary for marketers to keep those codes secret, perhaps empowering consumers would enhance consumer satisfaction with the marketer. An important piece of the consumer empowerment puzzle is the rationale for when empowering consumers is a beneficial strategy to marketers.

This study focuses on the positive state produced by increasing control. It assumes that the marketer's empowerment strategy has been successful and that the consumer is experiencing empowerment. Consumer empowerment is defined as a positive subjective state evoked by increasing control (Wathieu et al. 2002). It should be noted that empowerment is defined as the positive state which results from increasing control; it is not defined as control. This study does not examine whether the state of consumer empowerment will or will not be experienced, but examines the relationship of this state to consumer satisfaction with the empowering firm. Moreover, while consumers can be empowered through different sources, including governmental regulations and consumer education, the focus of this paper is consumer empowerment by a firm as part of its business strategy.

The purpose of this study is to examine the relationship between consumer empowerment and consumer satisfaction. Specifically we seek to determine if such a relationship exists and, if so, how is it influenced by consumer involvement, responsiveness to customers, and face to face contact between the employee and customer. Investigating these relationships, we form five hypotheses which are listed below.

Hypotheses

- H1: Consumer empowerment will be positively related to consumer satisfaction.
- H2: Consumer empowerment will be positively related to involvement.
- H3: Involvement will be positively related to consumer satisfaction.
- H4: The relationship between consumer empowerment and satisfaction will be positively moderated by a firm's responsiveness to consumers.
- H5: The relationship between consumer empowerment and satisfaction will be positively moderated by a firm's use of face to face contact.

Empirical Study

Design

The study is based on surveys among consumers in a medium sized city in Germany. The surveys were conducted in German by trained interviewers. Consumers were approached in two shopping areas and asked if they were willing to take part in a consumer survey. In total, we obtained 838 usable questionnaires. Respondent ages ranged from 14 to 83, with an average age of 35. Slightly less than 54 percent of respondents were female.

To generate more general results of the satisfaction-empowerment link, seven versions of the questionnaire were created, each covering a different industry. Each respondent was queried regarding only one industry and responses were aggregated for this study. Consumers were asked to state their level of satisfaction and empowerment with their service provider in one of the following industries: railway, travel package provider, airline, health insurance, banking, supermarket, and mobile service. The questionnaire for the industries with contractual settings (e.g., mobile service) concretely started with the question "What is your current ... provider?", while in industries with non-contractual settings, consumers were asked which service provider they last used (e.g., airline). Consumers were next asked to state their level of satisfaction and empowerment regarding this service provider. The satisfaction construct was measured based on the scale used by Gustafsson, Johnson, and Roos (2005). As we could not locate a scale measuring consumer empowerment, we developed a four item scale following established scale development procedures (DeVellis 2003; Netemeyer, Bearden, and Sharma 2003). Next, respondents were queried regarding their involvement with the product category and their perception of levels of firm responsiveness and face to face contact. Involvement was measured with four items that were taken from Mittal (1995) and adapted to the context of our study. Three items from a scale to measure responsiveness to consumers were taken from Parasuraman, Berry, and Zeithaml (1991) and adapted to the characteristics of each industry. To measure the degree of face to face contact the consumer experiences, we developed a two item scale.

Discussion and Implications

Results offer evidence that consumer empowerment leads directly to consumer satisfaction and indirectly influences satisfaction by increasing consumer involvement. The findings also suggest that the direct relationship is not influenced by two potential moderators, responsiveness to consumers and face to face contact with consumers.

These findings suggest that empowerment can be a source of competitive advantage because of a direct positive link to satisfaction. Activities which empower customers can lead to increased satisfaction. Satisfaction has been linked to important outcomes such as positive word of mouth (Anderson and Sullivan 1993; Wangenheim and Bayón 2007), loyalty (Fornell et al. 1996; Olsen 2002), willingness to pay more (e.g., Fornell et al. 1996; Homburg, Koschate, and Hoyer 2005), and a firm's financial performance (Anderson et al. 1997). Successful empowering activities increase satisfaction and lead to positive firm outcomes.

Our results suggest that empowerment can be used to increase consumer involvement. Empowering consumers during the process of purchasing may be used as a means to make a firm and its products more relevant to consumers. Thus empowerment can be added to the toolbox of methods for increasing consumer involvement.

The mediating role of consumer involvement suggests that firms choosing an empowerment strategy should also increase involvement. Increases in consumer involvement should enhance the effect of consumer empowerment. Marketers who fail to increase involvement and empowerment will have a less effective empowerment strategy.

Moreover, the relationship between empowerment and satisfaction seems to hold in a variety of contexts; at least firm responsiveness to consumers and face to face contact do not seem to alter the relationship. Such findings suggest that firms could use a strategy of consumer empowerment in a variety of contexts involving these two variables.

Establishing a relationship between consumer empowerment and satisfaction should help expand firm efforts to empower consumers. This study offers evidence of the benefits of consumer empowerment to marketers. As such, it should serve as a call for increased empowerment. However, consumers should be wary as some researchers suggest that the positive state of empowerment can overshadow other important issues in the buying process (e.g., Wathieu et al. 2002).

Conclusion

This paper presents an empirical model which offers evidence for two relationships. First, that the experience of consumer empowerment is positively related to satisfaction. Second, that consumer involvement mediates the relationship between consumer empowerment and consumer satisfaction. These findings are important because they suggest that consumer empowerment will have a stronger impact on consumers' satisfaction with the empowering firm depending on the context. At a specific level, one of the contextual factors that are proposed to affect this relationship is identified.

We hope that the paper will serve two immediate purposes - helping guide firms as they consider the benefits of empowering consumers and spurring research into the consumer empowerment construct. Empowerment has been shown to offer some benefits to consumers (Henry 2005), and more constructs which benefit both consumers and firms would seem to be fruitful avenues for exploration.

References

- Anderson, Eugene W. and Mary W. Sullivan (1993), "The Antecedents and Consequences of Satisfaction for Firms," *Marketing Science*, 12 (2), 125-43.
- Anderson, Eugene W., Claes Fornell, and Roland T. Rust (1997), "Customer Satisfaction, Productivity, and Profitability: Differences between Goods and Services," *Marketing Science*, 16 (2), 129-45.
- DeVellis, Robert F. (2003), *Scale Development: Theory and Applications, 2nd Edition*, Thousand Oaks, CA: Sage Publications.
- Fornell, Claes, Michael D. Johnson, Eugene W. Anderson, Jaesung Cha, and Barbara Everitt Bryant (1996), "The American Customer Satisfaction Index: Nature, Purpose, and Findings," *Journal of Marketing*, 60 (4), 7-18.
- Goldsmith, Elizabeth B. (2005), "Consumer Empowerment: Public Policy and Insurance Regulation," *International Journal of Consumer Studies*, 29 (January), 86-92.
- Gustafsson, Anders, Michael D. Johnson, and Inger Roos (2005), "The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention," *Journal of Marketing*, 69 (4), 210-18.
- Henry, Paul C. (2005), "Social Class, Market Situation, and Consumers' Metaphors of (Dis)Empowerment," *Journal of Consumer Research*, 31 (4), 766-778.
- Homburg, Christian, Nicole Koschate, and Wayne D. Hoyer (2005), "Do Satisfied Customers Really Pay More? A Study of the Relationship Between Customer Satisfaction and Willingness to Pay," *Journal of Marketing*, 69 (April), 84-96.
- Mittal, Banwari (1995), "A Comparative Analysis of Four Scales of Consumer Involvement," *Psychology & Marketing*, 12 (7), 663-82.
- Netemeyer, Richard G., William O. Bearden, and Subhash Sharma (2003), *Scaling Procedures: Issues and Applications*, Thousand Oaks, CA: Sage Publications.
- Olsen, Svein Ottar (2002), "Comparative Evaluation and the Relationship between Quality, Satisfaction, and Repurchase Loyalty," *Journal of the Academy of Marketing Science*, 30 (3), 240-49.
- Parasuraman, A., Valerie A. Zeithaml, and Leonard L. Berry (1988), "SERVQUAL: a multi-item scale for measuring consumer perceptions of the service quality", *Journal of Retailing*, Vol. 64 No.1, pp.12-40.
- Pitt, Leyland F., Pierre R. Berthon, Richard T. Watson, and George M. Zinkhan (2002), "The Internet and the birth of real consumer power," *Business Horizons*, (July/August), 7-14.
- Wangenheim, Florian v. and Tomás Bayón (2007), "The Chain from Customer Satisfaction Via Word-of-Mouth Referrals to New Customer Acquisition," *Journal of the Academy of Marketing Science*, 35 (2), 233-49.
- Wathieu, Luc, Lyle Brenner, Ziv Carmon, Amitava Chattopahyay, Klaus Wetenbroch, Aimee Drolet, John Gourville, A. V. Muthukrishnan, Nathan Novemsky, Rebecca K. Ratner, and George Wu (2002), "Consumer Control and Empowerment: A Primer," *Marketing Letters*, 13 (3), 297-305.