

An Investigation of Consumer Power in the Process of Purchase Decisions

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With the arrival of the Internet and new technologies, the view that consumers are gaining power over firms has become relevant in the marketplace. Nowadays, consumers are often portrayed as knowledgeable persons with individual and collective power and legitimacy that are proactive in interacting with and influencing over firms (Kucuk and Krishnamurthy 2007). Despite that as a phenomenon consumer power has been noted by researchers, there is a lack of a clear understanding of the concept of consumer power. 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. 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 model delineating the process of the acquisition of consumer power in purchase decision making.

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, Consumer Power-Purchase Decision Satisfaction Model, is presented. Finally, the study concludes by discussing implications of the findings and future research.

Consumer Power

The acquisition and preservation of power is one of the most common processes that occur in societies. 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. 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.

Although researchers agree that the Internet's characteristics have made consumers more powerful through increased access to information and choices from competition, the definition of consumer power seems inconsistent and the understanding of how consumers acquire power is unclear. In order to bridge this gap, we develop a consumer power process model explaining consumer power in purchasing decisions through 23 interviews.

Conclusions

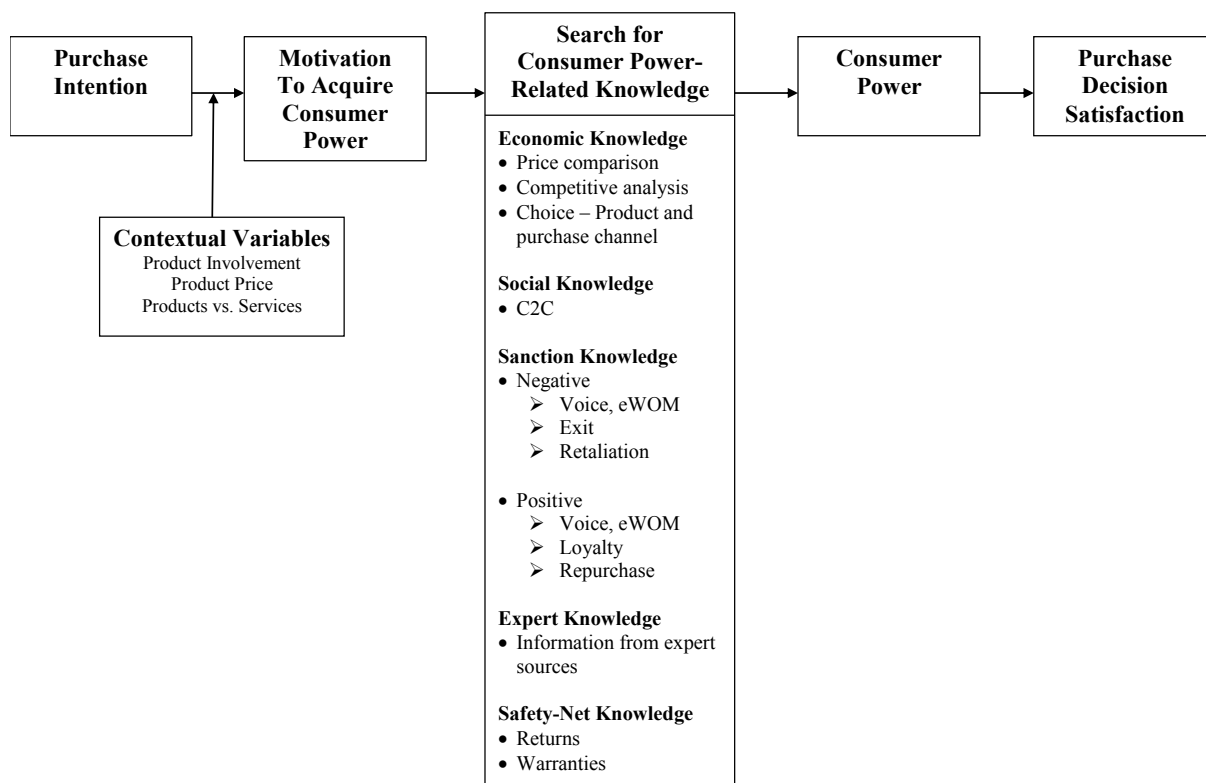
Findings from this study suggest that consumers' purchase intentions influence their motivation to achieve power, and the influence is stronger for tangible, more expensive products and products for which consumers hold higher product involvement. The motivation to achieve power appeared to prompt consumers to search for five types of knowledge: economic, social, sanction, expert, and safety-net knowledge. Based on our in-depth interviews, *we define 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 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.

Achieving consumer power through the consumer empowerment process

This study 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. This process of achieving consumer power identified in our study

somewhat coincides with Kucuk’s (2012) concept of consumer empowerment—a process that allows individuals to develop and practice certain skills to exert control over their own decision-making. When consumers acquired the relevant knowledge, they knew where, when, what, how, and at what price to acquire the product or service. Our study also proposes consumer purchase intention as a trigger of the consumer empowerment process. 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.

Figure 1: Consumer Power-Purchase Decision Satisfaction Model



The impact of consumer power on consumer welfare

We view satisfaction as one type of consumer welfare resulting from perceived consumer power in our model. For some consumers, satisfaction can be experienced even before they make a purchase or receive the product/service. Therefore, this is different from consumer satisfaction after a purchase decision has been made and/or the product has been consumed. In our model, satisfaction is a pre-use, affective, and emotional status reflecting consumer welfare. It is the decision that is satisfying, but not necessarily the purchase or the consumption of the product is. Our findings suggest that the consumer sense of satisfaction comes from perceived consumer power gained in the knowledge-seeking process (i.e. the consumer empowerment process).

Implications for companies

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, 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, for consumers who perceive they possess consumer power in the purchases, they are more likely to be satisfied with their purchase decisions. This purchase decision satisfaction could lead consumers to seek less redress, which, in turn, would prompt fewer complaints, less exits, and more positive word-of-mouth. Thus, companies should have strategies in place 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.

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