Consumer Power: Scale Development and Validation in Consumer – Firm Relationship

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Consumer Power: Scale Development and Validation

Structured Abstract

Purpose: This article reports the development and validation of a consumer power scale comprising a personal and social power dimension. Personal power refers to consumers' perceived ability to resist and ignore a firm's marketing efforts. Social power refers to consumers' perceived ability to influence a firm's actions.

Design/methodology/approach: Following established scale development procedures, the construct definition and item generation preceded five studies that establish the scale's dimensionality, psychometric properties, external, predictive, and nomological validity.

Findings: Consumer power was modeled as a reflective first-order, formative second-order latent construct. The consumer power scale is psychometrically sound and possesses external and discriminant validity with regard to other power-related measures. Consumer power mediates the relation between consumers' cognitive control and consumer satisfaction, and perceived choice and emotional responses.

Research limitations/implications: This research employs episodic recall tasks to elicit power perceptions in various contexts. Results suggest that the scale is useful in comparative and longitudinal tracking of consumers' perceptions of power in relation to a firm.

Originality/value: Building on a comprehensive literature review and rigorous scale development, this article introduces a scale of consumer power that comprises a personal and social power dimension. A critical analysis of and predictive validity test against existing power scales highlight the scale's unique contribution. The scale lends itself to further theory tests regarding antecedents, consequences, and moderators of consumer power.

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Introduction

Consumer power consists of a consumer's perceived ability to resist a firm's marketing efforts and influence a firm's actions (Akhavannasab, Dantas, & Senecal, 2018). Although consumers have always held a certain degree of power in relationships with firms, technological advances enhance their power. Stories regarding consumers taking revenge (e.g., "United Breaks Guitars"; Tripp and Grégoire 2011) are frequently reported (Bernof & Schadler, 2010; Cooperstein, Bernoff, Hayes, & Ryckewaert, 2013). More recently, brands such as Uncle Ben's and Aunt Jemima changed their decades-old names and visual identities following consumer pressure arising from the Black Lives Matter movement (Stone, 2020). Technology has also decreased the effort consumers need to expend to access a greater variety of products and services (Labrecque, vor dem Esche, Mathwick, Novak, & Hofacker, 2013) and facilitates product comparisons (Edelman & Singer, 2015). It has therefore never been easier for consumers to decline specific offers or leverage knowledge obtained from different sources to negotiate better deals, thus requiring firms to change existing offers (Deloitte, 2011). As a result, both industry reports and scholarly research suggest that consumer power is on the rise (e.g., Deloitte, 2011; Edelman & Singer, 2015; Labrecque *et al.*, 2013).

Access to information such as online reviews, and the ability to exert pressure on firms by sharing reviews online, increase consumer power in the pre-purchase and post-purchase phases of the decision-making process, although power also permeates the purchase phase. For instance, promotional codes and deals services (e.g., Offers.com, Couponcabin.com) or comparison-shopping services (e.g., Google Shopping, Popcart) provide consumers with useful information in the purchase stage. As a result of identifying more desirable, alternative offerings, consumers are able to ignore a specific firm's offerings, or actively resist by choosing a different provider.

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Although many sources of consumer power are third parties, a firm itself can enhance consumers' perceptions of power. For instance, Priceline.com allows consumers to bid for travel services (e.g., flights) and Lego.com offers a digital designer service so consumers can design their own models. In both cases, consumers change a market offer (i.e., price in the Priceline example; product in the Lego case), express resistance against existing offers, and make independent decisions. It is worth highlighting that—while consumer power is beneficial to consumers—it also benefits firms. For example, prior research points toward the positive impact of felt psychological power on consumers' willingness to pay (Kim & McGill, 2011) and loyalty (Fuchs, Prandelli, & Schreier, 2010).

Consumer power evolves over time and influences both consumer behavior and firm strategies. It is therefore important to assess its longitudinal trajectory as well as its consequences for consumers and the firm. The challenge lies in its measurement, as existing scales of power-related constructs have several drawbacks, including a lack of theoretical foundation or sound psychometric properties, do not measure the multiple dimensions of power, or are context-specific, which makes them inappropriate for application in consumer-firm relationship contexts (e.g., Brill, 1992; Tripp & Grégoire, 2011). A psychometrically sound consumer power scale would nonetheless be useful in the assessment of the degree of power consumers experience in their interaction with the firm. For instance, a retailer could evaluate how consumers' power perceptions evolve in responses to changes in marketing strategy (e.g., product co-creation, price negotiation) or customer relationship policies and processes (e.g., complaint handling, social media moderation) and how this affects consumer responses to the firm. To develop a theoretically and psychometrically sound measure of consumer power, this article builds on and extends previous conceptual work on consumer power (Akhavannasab *et al.*, 2018) proposing

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that consumer power comprises two dimensions: personal (i.e., ignoring or resisting a firm's persuasive efforts, independent decision-making) and social power (i.e., influencing a firm's response or offering).

This article contributes to the marketing literature in two ways. First, it develops a psychometrically sound, valid scale of consumer power in consumer-firm interactions, and empirically demonstrates that this scale outperforms existing measures of consumer power. Second, this article empirically examines previously untested nomological networks that integrate personal and social consumer power dimensions and demonstrates the theoretical contribution of consumer power in predicting relevant marketing outcomes such as consumer satisfaction, positive word of mouth and emotional responses, and in mediating the relation between important marketing constructs such as cognitive control and satisfaction or perceived choice and emotional responses.

This article is structured as follows. First, we review the consumer power literature and develop the scale based on existing conceptualizations of consumer power. Five studies then validate a reflective first-order, formative second-order latent consumer power construct across different contexts. This article concludes with a discussion of theoretical and managerial implications.

Theoretical Background

Consumer Power in the Marketing Literature

Several constructs related to consumer power emerge in the marketing literature. Table 1 summarizes construct definitions, measures, and their limitations.

Insert Table 1 about here

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A review of research related to consumer power suggests that, despite efforts directed at conceptualizing and measuring consumer power, existing scales have several limitations: First, existing scales are highly context-specific and their applicability is therefore limited (Brill, 1992; Pranić & Roehl, 2012). For example, Brill (1992) measured customer power as a general personality trait in the relationship between a customer and a salesperson. He proposes two dimensions of power: influence (i.e., the ability to control the behavior of another person within a given relationship or context) and resistance (i.e., the ability to deflect influence attempts perceived to be made by another person). The conceptualization of customer power as a personality trait can be challenged on the grounds that power is a contextual and dynamic concept (Barbalet, 1985) and varies according to the relationship in which it is experienced. In addition, context-specific items (e.g., "I hate haggling with a merchant") do not lend themselves to measuring consumer power in consumer-empowering contexts, such as value co-creation, online purchases, and pay-what-you-wish.

Second, the conceptual domain of consumer power in the literature is inconsistent. Existing definitions do not clarify the theoretical boundary between consumer empowerment and consumer power. For example, Pranić and Roehl (2012) developed a three-dimensional (i.e., information, competence, and influence), reflective measure of consumer empowerment in a service recovery context. Two of these dimensions (i.e., information and competence) could be considered antecedents rather than a manifestation of power. Focusing on a service recovery context, Grégoire, Laufer, and Tripp (2010) defined consumer power as a uni-dimensional construct, stating that power is a consumer's perceived ability to influence a firm when communicating directly with it. This definition is limited to consumer influence over the firm in the service recovery context (i.e., direct communication) and does not encompass personal power

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and the resistance aspect apparent in other conceptualizations (e.g., Brill, 1992; Akhavannasab *et al*., 2018).

Third, the development and validation of existing scales fall short of comprehensive scale development procedures. As a result, many scales possess poor psychometric properties. For example, Brill (1992) reports low item-to-total correlations (< .40). Table 1 summarizes the full range of limitations associated with existing scales related to consumer power.

To address the shortcomings of previous conceptualization and measurement, this article proceeds with the development of a consumer power scale that follows established guidelines (Diamantopoulos, Riefler, & Roth, 2008; Diamantopoulos & Winklhofer, 2001; Gilliam & Voss, 2013; Peter, 1981) to model consumer power as a reflective first-order, formative second-order latent construct.

Consumer Power: Conceptual Development

Power is often conceptualized as a psychological construct capturing an individual's subjective sense of power in a relationship at a single point in time (Anderson, John, & Keltner, 2012; Rucker, Hu, & Galinsky, 2014). This allows for a delineation and empirical examinations of antecedents and behavioral consequences of power. Consistent with this perspective, this article conceptualizes consumer power as consumers' subjective sense of power in the context of a specific consumer-firm relationship.

The social and cognitive psychology literature distinguishes two dimensions of power: personal and social power (Overbeck & Park, 2001). Personal power is defined as the perceived ability to ignore the influence of others and to make independent decisions, implying the ability to act with agency and independence (Lammers, Stoker, & Stapel, 2009). Social power, on the

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other hand, refers to an individual's perceived ability to influence others despite their resistance (Lammers *et al.*, 2009; Overbeck & Park, 2001; van Dijke & Poppe, 2006).

The marketing literature proposes a similar conceptualization of power that comprises personal and social power in a consumer-firm relationship (Akhavannasab *et al.*, 2018). Harrison *et al.* (2006) suggest that consumer power includes both autonomy perceptions (similar to personal power) and authority in a social setting (similar to social power). Similarly, Labrecque *et al.* (2013) describe consumer power as an asymmetric ability to control valued resources (similar to personal power) and to control people (similar to social power). Akhavannasab *et al.*'s (2018) conceptualization captures consumer power from a consumer perspective and includes personal and social power dimensions. This conceptualization builds on marketing relationship theory (Fournier, Dobscha, & Mick, 1998) and interactive experience theory (Bolton & Saxena-Iyer, 2009), such that consumer power is situated in a consumer-firm relationship context in which both the consumer and the firm come to the relationship purposefully, interact, exchange, and remain active in defining and affecting the relationship (Fournier *et al.*, 1998). Consistent with the discursive model of consumer power, which conceptualizes power as an outcome of the exchanges and interactions between free agents (i.e., consumers and firms) which eventually co-create value, Akhavannasab *et al.* (2018) propose that the personal and social dimensions of consumer power in a consumer-firm relationship arise from the exchange of resources and interactions in a particular consumer-firm relationship.

The following example illustrates this conceptualization of consumer power: Pandora is as fashion jewelry retailer that offers ready-make bracelets but also allows consumers to customize bracelets. In choosing to customize bracelets, consumers have the opportunity to express their own creativity and demonstrate resistance toward Pandora's ready-made (non-customized)

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market offerings; this increases perceived personal power. In assembling their own bracelet, consumers also have the opportunity to align the product's price with their budget, and thus actively influence the retailer's pricing. This gives rise to perceptions of social power.

Following Akhavannasab et al.'s (2018) conceptualization of consumer power, this article aims to develop a scale capturing consumers' perceptions of power in consumer-firm relationships arising from such interactions.

Construct Definition and Dimensionality

The definition of consumer power adopted in this research builds on the psychology literature and the conceptual work by Akhavannasab *et al.* (2018): Consumer power consists of consumers' perceived personal and social power in the consumer-firm relationship, with personal power capturing consumers' perceived ability to resist and ignore a firm's marketing efforts, and social power capturing consumers' perceived ability to influence a firm's actions.

Personal power. Personal power is the extent to which a consumer perceives being able to resist and ignore firms' persuasion efforts and to have control over the final decision (Akhavannasab *et al.*, 2018), and therefore considers consumers as free agents who can exit a relationship with a firm and switch to another firm (Harrison, Waite, & Hunter, 2006; Herrmann, 1993; Kucuk, 2012). Powerful consumers can make purchases that are more informed and independent (Niininen, Buhalis, & March, 2007), avoid goods and services they do not want, and choose what they want (Shipman, 2001). Personal power also arises in product customization and price negotiation (Pires, Stanton, & Rita, 2006; Rezabakhsh, Bornemann, Hansen, & Schrader, 2006), which allow consumers to disregard available product and price offers and express their own preferences.

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Social power. Social power is the extent to which a consumer believes that he or she can influence a firm's decisions, responses, and actions (Akhavannasab *et al*., 2018). Powerful consumers have the ability to change an existing service (Harrison *et al.*, 2006), change brand meaning through contributions to online communities (Cova & Pace, 2006), and influence a firm by complaining to consumer protection agencies (Kucuk & Krishnamurthy, 2007). Powerful consumers can campaign publicly against harmful and unethical corporate practices (Mainwaring, 2011) and change price offers by naming their own price (Rezabakhsh *et al.*, 2006). This conceptualization mirrors that of social power among marketing channel members. In a B2B context, El-Ansary and Stern (1972) defined power as the ability to control decision variables in the marketing strategy of another (distribution) channel member.

Consumer Power as a Reflective First-Order, Formative Second-Order Latent Construct

The theoretical underpinnings of the two-dimensional consumer power construct (Akhavannasab *et al.*, 2018) suggests that the reflective first-order personal and social dimensions of consumer power give rise to a formative second-order latent consumer power construct, because the following criteria for formative higher-order latent constructs (MacKenzie, Podsakoff, & Podsakoff, 2011) are met: First, the personal and social power dimensions are not conceptually interchangeable and do not present much thematic overlap, because personal power taps into the resistance aspect and the social power captures the influence aspect of consumer power (Akhavannasab *et al.*, 2018; Lammers *et al.*, 2009). The consumer power dimensions capture unique aspects of consumer power. Second, the two dimensions collectively explain the meaning of the construct, as personal and social power constitute different aspects of power (Overbeck and Park, 2001). Third, depending on context, correlation between personal and social power may be high or low. Some situations (e.g.,

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consumer choice among the available options at pre-purchase stage) activate personal power to a greater degree, leading to high personal power and low social power (Akhavannasab *et al.*, 2018). As a result, personal power and social power are not always highly correlated. In other cases (e.g., Pandora customization), consumers can resist ready-made products (personal power) and influence product design and pricing (social power), and both personal and social power arise. This results in high correlation between the first-order consumer power dimensions. Finally, antecedents and consequences of the personal and social power dimensions differ. For example, perceived choice is mainly an antecedent of personal power because it implies being able to resist and ignore a firm's offers (Harrison *et al.*, 2006; Herrmann, 1993; Kucuk, 2012). On the other hand, relational consequences, such as loyalty, positive WOM and public defense, are consequences of being able to influence or change a firm's actions (Fuchs *et al.*, 2010), and are thus outcomes of social power. Consumer power can therefore be appropriately modeled in terms of a reflective first-order, formative second-order latent construct resulting from consumers' perceptions of personal and social power in their interactions with firms.

Overview of the Scale Development Process

The development of a reflective first order, formative second-order measure of consumer power followed established scale development guidelines (Churchill & Gilbert, 1979; Diamantopoulos *et al.*, 2008; Diamantopoulos & Winklhofer, 2001; Gerbing & Anderson, 1988; Zaichkowsky, 1985) and scale development studies (Becker, Klein, & Wetzels, 2012; Bruhn, Georgi, & Hadwich, 2008; Kim, Laroche, & Tomiuk, 2001; Li, Edwards, & Lee, 2002; Ruiz, Gremler, Washburn, & Carrión, 2008; Thornton, Henneberg, & Naudé, 2014; Yi & Gong, 2013) and is illustrated in Figure 1. Item generation preceded scale purification and five studies that focused on initial scale validation (Study 1), scale validation and dimensionality of the reflective

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first-order personal and social power dimensions (Study 2), discriminant validity of the reflective first-order personal and social power dimensions (Study 3), predictive and external validity of the formative second-order consumer power construct (Studies 4a and 4b), and nomological validity of the formative second-order consumer power construct (Study 5).

Insert Figure 1 about here

Item Generation and Scale Purification

Based on domain sampling theory (Nunnally & Bernstein, 1994), the initial pool of 51 items capturing the personal and social dimensions of consumer power included items adapted from existing scales (e.g., sense of power, perceived impact, and outcome of consumer empowerment) and newly developed items based on the psychology and marketing literature (e.g., Rucker, Galinsky, & Dubois, 2012; Zimmerman, 1995). Ten marketing scholars judged the content validity of the scale (Zaichkowsky (1985). Based on the definition of the personal and social power dimensions, they indicated to what extent items represented each dimension of consumer power (1 = not at all representative, 2 = somewhat representative, 3 = clearly represents the construct). The judges were encouraged to comment or add suggestions. Nineteen items that were considered as not representative by at least one of the judges were dropped. Suggestions led to the addition of three items and the modification of five items. The resulting 35 items (i.e., 21 items measuring personal power [PP] and 14 items measuring social power [SP]) were retained for scale validation.

Study 1: Scale Validation

Study 1 validated the reflective first-order personal and social power dimensions.

Sample, Procedure, and Measures

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Because consumer power is a situationally activated concept (Kim & McGill, 2011), this study employed a scenario-based approach to measure the two dimensions of consumer power. The focal context consisted of negotiation in a telecommunication service encounter, due to high consumer familiarity and frequency of contact with such service providers. Participants recruited from an online consumer panel (Qualtrics) completed an episodic recall task regarding a negotiation experience with a telecommunication service provider. Appendix A shows instructions. Participants then completed the 35 personal and social power items adapted to the context of this study (see Table 3 for item wording), attention checks, and demographic questions. Table 2 describes sample characteristics for this and the remaining studies.

Insert Table 2 about here

Results

The analysis was based on 210 completed questionnaires. An iterative principal component exploratory factor analysis to purify the scale (Bearden, Netemeyer, & Teel, 1989) preceded a confirmatory factor analysis to validate the reflective first-order dimensions. The exploratory factor analysis was based on two factors with an Oblimin rotation. An iterative procedure and consideration of cross-loadings and poor loadings (i.e., below .60) in conjunction with item meaning led to the removal of 13 items. Table 3 shows factor loadings on each dimension based on the exploratory factor analysis. All item-to-total correlation exceeded .60 (Churchill & Gilbert, 1979) and variance extracted (VE) was .69.

Insert Table 3 about here

After confirmatory factor analysis (using covariance-based structural equation modelling; SPSS AMOS 25) to assess the model fit for the first-order two-dimensional reflective model of consumer power, items with both large standardized residuals (> .25) and factor loadings below

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.60 were deleted (Nunnally & Bernstein, 1994). This resulted in the elimination of 10 items. Table 4 shows the factor loadings of the remaining items.

Insert Table 4 about here

Data fit was adequate ($\chi^2(53) = 125.67$, $p < .05$). Because chi-square is sensitive to sample size (Byrne, 2001), other fit indices were assessed. Fit indices were satisfactory (Goodness-of-fit Index [GFI] = .90, Comparative Fit Index [CFI] = .96; root mean square error of approximation [RMSEA] = .081). Following Fornell and Larcker (1981) and Gerbing and Anderson (1988), we assessed the validity and reliability of the dimensions: Average variance extracted [AVE] for the two-dimensional model with 12 items (6 items per dimension) was .71, which exceeded .50, the threshold recommended by Fornell and Larcker (1981). The covariance between the two dimensions of consumer power was .67 ($p < .05$). Factor loadings were greater than .60 and exceeded twice their standard errors (all ps $< .05$), confirming convergent validity. Reliability of the dimensions was satisfactory ($\alpha_{PP} = .91$; $\alpha_{SP} = .91$). The composite reliability was .91 for personal power and .91 for social power. Study 1 thus resulted in a two-dimensional reflective first-order consumer power scale that included six personal power and six social power items.

Study 2: Scale Dimensionality

Study 2 further examined the psychometric properties of the two-dimensional first-order reflective consumer power scale by comparing a unidimensional with a two-dimensional reflective model of consumer power (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). A secondary objective of this study was a cross-cultural measurement invariance test, which is summarized in Appendix B.

Sample, Procedure, and Measures

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Study 2 sampled from an online consumer panel (Amazon's Mechanical Turk, hereinafter MTurk). Table 2 describes the sample characteristics. Cars served as the focal product category to examine the role of consumer power dimensions in a high-involvement context. Consumers who were screened for a recent negotiation for a car purchase completed an episodic recall task similar to that used in Study 1 (Appendix A), followed by consumer power and demographic measures. Table 4 reports item wording.

Results

The analysis was based on 281 usable responses (54.4% from the US, 55.6% from India). A confirmatory factor analysis (using covariance-based structural equation modelling; SPSS AMOS 25) to validate the reflective first-order scale of consumer power (Byrne, 2001) shows a satisfactory fit between the data and the hypothesized model (Table 4). Convergent validity was supported, as factor loadings were significant and greater than .60. The covariance between the personal and social dimensions of consumer power was .50.

In a Harman's single factor test for common method bias (Podsakoff *et al.*, 2003), the variance extracted for the one-factor model was .497. We further verified the single-factor model in a confirmatory factor analysis because the variance extracted was close to .50. The one-dimensional factor structure model resulted in a worse fit compared to the two-dimensional factor structure ($\chi^2(54) = 405.874$; $p = .000$; CFI = .798; RMSEA = .153; GFI = .733). Common method variance is therefore not a concern in this dataset.

Discriminant validity of the reflective first-order dimensions of consumer power was verified in several ways (Fornell & Larcker, 1981): In a comparison of the constrained model (i.e., covariance between the two dimensions = 1) with the unconstrained model, the constrained model showed significantly worse fit ($\Delta\chi^2(1) = 19.11$, $p < .001$), supporting discriminant

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validity. Second, the average variance extracted exceeded the squared correlations between the two dimensions (.63 > .43), in support of discriminant validity. Cronbach's alpha exceeded .84. Overall, Study 2 supports the hypothesized reflective first-order dimensions of consumer power.

Study 3: Discriminant Validity and Correlates of Personal and Social Power

Study 3 tested the discriminant validity of the personal and social power dimensions against scales measuring related constructs. It examined the correlations between the reflective personal and social consumer power dimensions and several theoretically relevant marketing constructs to identify unique correlates of the dimensions and to evaluate the appropriateness of a formative second-order specification of the consumer power construct.

Sample, Procedure, and Measures

In an online study (n = 121 MTurk participants; Table 2 summarizes sample characteristics), consumers who had recently negotiated the price of a product or service completed an episodic recall task (described in Appendix A), followed by measures of cognitive control (Faranda, 2001), consumer power dimensions, consumer knowledge (Park, Mothersbaugh, & Feick, 1994), perceived fairness (Grégoire *et al.*, 2010), self-esteem (Rosenberg, 1965), extraversion (Donahue, 1991), consumer confidence (Bearden, Money, & Nevins, 2006), brand attachment style (Mende, Bolton, & Bitner, 2013), positive WOM (Fuchs *et al.*, 2010), public defense (Fuchs *et al.*, 2010), loyalty and trust (Sirdeshmukh, Singh, & Sabol, 2002), and relational commitment (Grégoire *et al.*, 2010). These measures capture constructs that the marketing literature previously tested as antecedents or consequences of power.

Results

Discriminant validity. Using covariance-based structural equation modelling (SPSS AMOS 26), discriminant validity was examined in two ways (Fornell & Larcker, 1981). First, a

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comparison of the constrained model (constraining the covariance between each dimension of consumer power and each latent construct to be equal to 1) with the unconstrained model, indicated significantly worse fit of the constrained model (all χ^2-difference tests are significant), supporting discriminant validity. Second, the average variance extracted (AVE) exceeded the squared correlations between constructs for each pair of constructs, in support of discriminant validity. Table 5 summarizes the results.

Insert Table 5 about here

Correlations between personal and social power and related constructs. Correlations between the two dimensions of consumer power and related marketing constructs (Böttger, Rudolph, Evanschitzky, & Pfrang, 2017) demonstrate unique associations of the personal and social power dimensions. A Hotelling-William test (Steiger, 1980) assessed differences in the relative strength of correlations between the personal and social dimension of consumer power and related marketing constructs. Table 6 summarizes the results.

Insert Table 6 about here

Consistent with a formative second-order conceptualization of consumer power, some constructs only correlated with one of the first-order consumer power dimensions. Self-esteem was only associated with personal power (r = .216). The correlation between marketplace interface (i.e., a dimension of consumer self-confidence) and personal power was positive (r = .363), such that greater confidence in standing up for one's own rights positively related to personal power. In addition, there was a negative association between brand attachment anxiety and personal power (r = -.320), such that greater worry about brand attachment was associated with less personal power.

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Some constructs were only associated with social power. There was a significant positive relation between social power and extraversion (r = .189), which shows that more social and proactive consumers experience more influence over firms. A brand avoidant attachment style correlated negatively with social power perceptions (r = -.240), such that consumers' fear of depending on a brand decreases social power.

With regard to consequences, several attitudinal factors (i.e., relational commitment r = .355; loyalty r = .311) and proactive behaviors (i.e., positive WOM r = .376; verbal defense in public r = .244) only correlated with social power. The results suggest that social power and personal power may have different antecedents and consequences, and support specification of a formative second-order latent construct of consumer power on the basis of the reflective first-order social and personal power dimensions (MacKenzie, Podsakoff, & Jarvis, 2005).

Study 4a: External and Nomological Validity of the Formative Second-order Construct

In line with recommendations for developing and evaluating constructs with formative measures (MacKenzie *et al.*, 2005), Study 4a had three objectives: First, it examined the formative second-order model of consumer power using the repeated indicator measure approach (Becker *et al.*, 2012). Second, it evaluated the external validity of the second-order construct using a multiple indicators multiple causes (MIMIC) model (SmartPLS). Third, the study established nomological validity of the formative second-order consumer power scale in the prediction of customer satisfaction. Finally, the study tested whether the new measure performs better than existing scales of consumer power (i.e., Brill, 1992; Deloitte, 2011; Grégoire *et al.*, 2010) in predicting consumer satisfaction. Consumer satisfaction served as the criterion because the marketing literature has previously examined it as an outcome of consumer empowerment strategies (Hunter *et al.*, 2008; Pránic *et al.*, 2012). Research also indicates that consumers'

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perception of power increases satisfaction with a decision-making task (e.g., Araujo Pacheco, Lunardo, & dos Santos, 2013) and the firm (e.g., Chang, 2008; Hunter & Garnefeld, 2008).

Sample, Procedure, and Measures

In an online study, MTurk participants (sample characteristics are summarized in Table 2) completed an episodic recall task regarding a recent purchase in which you had power in your relationship with a company. Appendix A provides detailed instructions. Participants completed the consumer power scale (Table 4), consumer power metric (Deloitte, 2011), two customer power scales (one from Grégoire *et al.*, 2010 and one from Brill, 1992), and consumer satisfaction measure (Hunter *et al.*, 2008). After eliminating data from participants who did not follow the instructions, 133 usable responses were retained.

Results

Formative second-order construct. Given the satisfactory psychometric properties of the reflective first-order social and personal power dimensions, this study focused on the assessment of formative second-order construct. A repeated indicator measures approach (SmartPLS) was used to estimate the second-order reflective–formative measurement model (Figure 2). The variance inflation factor (VIF) associated with the reflective first-order dimensions was 1.418, below the threshold of 10 (Diamantopoulos & Winklhofer, 2001). This suggests that collinearity does not pose a problem for the formative second-order measurement model operationalization. The correlation of .543 (i.e., less than .700) between the reflective first-order dimensions also supports their discriminant validity (MacKenzie *et al.*, 2005).

Insert Figure 2 about here

External validity. Because internal consistency analysis is not appropriate for formative indicators, the external validity of the formative second-order construct was examined instead

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(Diamantopoulos & Winklhofer, 2001). Figure 3 illustrates the MIMIC model (SEM-SmartPLS) used to assess external validity. Four additional reflective indicators—developed for the purpose of this study and based on the conceptual definition of consumer power (see Appendix B, CP1 to CP4)—measured consumer power.

Insert Figure 3 about here

All standardized parameters (standard MIMIC model; see Table 7) for the personal and social dimension of consumer power were significant ($\lambda_{PP} = .382\ (T_{Statistics} = 5.776)$ *and* $\lambda_{SP} = .480\ (T_{Statistics} = 7.987)$).

Insert Table 7 about here

Nomological validity. To examine nomological validity—the extent to which a construct is related to theoretically relevant constructs—we related consumer power to consumer satisfaction (Hunter & Garnefeld, 2008). The literature suggests that perceived power in the achievement of a desired outcome increases perceived congruence between the outcome and consumer expectations and subsequent consumer satisfaction (Oliver, 1980). Consumer power should therefore relate positively to consumer satisfaction.

Based on the sequential latent variable scores approach (Becker *et al.*, 2012) used to test the structural model, the path relating consumer power to satisfaction was significant ($\gamma = .437$, $p = .000$) and consumer power explained a significant degree of variance in consumer satisfaction ($R^2 = .191$; $p = .04$). This supports nomological validity of the formative second-order consumer power construct.

Predictive performance relative to existing consumer-power related scales. The structural model relating the second-order reflective formative consumer power construct to consumer satisfaction was compared to models involving existing scales of consumer power (i.e., Brill,

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1992; Deloitte, 2011; Grégoire *et al.*, 2010), with the respective consumer power-related construct serving as the exogenous variable and consumer satisfaction as the endogenous variable. Results (summarized in Table 8) indicate that, compared to existing scales, the second-order reflective formative consumer power construct is a better predictor of consumer satisfaction.

Insert Table 8 about here

In the structural model including Gregoire *et al.*'s (2010) consumer power scale, the path coefficient was significant ($\gamma = .286$; $p = .005$), whereas variance explained in consumer satisfaction was not ($R^2 = .082$; $p = .144$). In the model including Brill's (1992) customer power scale, most items (2 items from influence dimension, 2 items from the resistance dimension) showed non-significant factor loadings. Consistent with the psychometric properties reported by Brill (1992), the influence dimension showed low reliability (Cronbach alpha = .59) and average variance extracted was low (.36). The path coefficient for the influence-satisfaction relationship was significant ($\gamma = .265$; $p = .018$), whereas the path coefficient between resistance and satisfaction was not ($\gamma = .066$; $p = .672$). The two dimensions explained a non-significant amount of variance in consumer satisfaction ($R^2 = .089$; $p = .079$). In the model involving the consumer power metric (Deloitte, 2011), one item (i.e., "There is not much cost associated with switching away from this brand.") showed a non-significant factor loading, and average variance extracted was low (.450). The path coefficient of the consumer power metric–consumer satisfaction relationship was significant ($\gamma = .417$; $p = .000$) and the consumer power metric explained a significant portion of variance in consumer satisfaction ($R^2 = .174$; $p = .042$). Appendix C presents factor loadings and average variance extracted (AVE) for existing scales of power-related constructs.

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Study 4b

The preceding studies examined contexts associated with high levels of both perceived personal and social power. Study 4b examines the performance of the second-order reflective formative consumer power construct against other consumer-power related measures in a context in which personal power is high and social power is low.

Sample, Procedure, and Measures

In an online study, MTurk participants (Table 2 describes sample characteristics) completed an episodic recall task involving a purchase in which they experienced high personal power and low social power in relation with a firm. Appendix A describes the instructions. Participants completed the consumer power scale, consumer power metric (Deloitte, 2011), two customer power scales, one by (Grégoire *et al.*, 2010), and the other by (Brill, 1992), and demographic measures. After eliminating data from participants who did not follow the instructions, 101 usable responses were retained.

Results

External validity. We first examined the external validity of the second-order reflective formative consumer power construct in the context of high personal power (*Mean* = 6.43, *SD* = .73) and low social power (*Mean* = 4.46, *SD* = 1.50; *t (df)* = 12.032 (100), $p < .001$), using the same procedure as in Study 4a. As expected, the standardized parameters (standard MIMIC model) for the two dimensions of consumer power were significant. ($\lambda_{PP} = .233$ $(T_{Statistic} = 2.292,\ p - value = .022)$ *and* $\lambda_{SP} = .603$ $(T_{Statistic} = 6.523, p - value = .000)$. Table 7 provides additional details.

Nomological validity. A structural model, which related the second-order reflective formative consumer power construct to consumer satisfaction supported nomological validity:

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The path coefficient for the consumer power-consumer satisfaction relation was significant (γ = .405; p = .000) and consumer power explained a significant amount of variance in consumer satisfaction (R^2 = .164; p = .005).

Predictive performance relative to existing consumer-power related scales. Nomological validity could not be established for Gregoire *et al.*'s (2010) consumer power scale. In the structural model, the path linking consumer power (Gregoire *et al.*, 2010) to consumer satisfaction (γ =.263; p = .200) and variance in consumer satisfaction explained by consumer power (R^2 = .069; p = .159) were not significant. Most of the items in Brill's (1992) customer power scale (i.e., 3 items from influence dimension and 2 items from the resistance dimension) showed non-significant factor loadings. The influence dimension was associated with low Cronbach's alpha (.52), average variance extracted (.35). This indicates poor reliability and convergent validity. The path coefficient between influence and satisfaction (γ =.220; p = .467) was not significant, whereas the path coefficient between resistance and satisfaction (γ =.267; p = .004) was significant. These two dimensions explained a significant amount of variance in satisfaction (R^2 = .16; p = .004). In the consumer power metric (Deloitte, 2011), one item (i.e., "There is not much cost associated with switching away from this brand.") had a non-significant factor loading, and average variance extracted was low (.37). The path coefficient between the consumer power metric and satisfaction (γ = .406; p = .000) and the variance in consumer satisfaction explained by the consumer metric (R^2 = .165; p = .013) were significant. Overall, the second-order reflective formative consumer power construct emerged as the best predictor of consumer satisfaction in a context with differential levels of perceived personal and social power.

Study 5: Predictive Validity

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Study 5 examined the predictive validity of second-order reflective formative consumer power construct by examining its mediating role in two nomological networks (Mowen & Voss, 2008). In the first model (A), cognitive control (Faranda, 2001) served as the exogenous variable, the latent construct of consumer power as mediator, and consumer satisfaction as the predicted outcome. In the second model (B), perceived choice (Reeve, Nix, & Hamm, 2003) served as the exogenous variable, the latent construct of consumer power as mediator, and consumer emotional responses (Pranić & Roehl, 2012) as the predicted outcome.

Conceptual Development

Model A examines the mediating role of consumer power in the relation between cognitive control and consumer satisfaction. Cognitive control is necessary for an individual to feel power in a relationship (Zimmerman, 1995). Cognitive control pertains to consumers' feelings of their decisions being informed and relatively independent of information provided by a firm (Newholm, Laing, & Hogg, 2006; Wathieu *et al.*, 2002), and should therefore relate positively to consumer power. Consumer power, in turn, is expected to relate positively to consumer satisfaction. This study seeks to replicate the finding that greater perception of power in the achievement of a desired outcome is associated with greater perceived congruence between the outcome and expectations, and enhances consumer satisfaction (Oliver, 1980). Research also indicates that consumers' perception of power increases satisfaction with a decision-making task (e.g., Araujo Pacheco, Lunardo, & dos Santos, 2013) and the firm (e.g., Chang, 2008; Hunter & Garnefeld, 2008). We therefore expect a positive relation between consumer power and consumer satisfaction. Figure 4 illustrates Model A.

Model B examines the mediating role of consumer power in the relation between perceived choice and consumers' emotional responses. Perceived choice, which refers to an individual's

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sense of having a choice in initiating and regulating actions (Deci, Connell, & Ryan, 1989) has been identified as an antecedent to power perceptions in the psychology (Zimmerman, Israel, Schulz, & Checkoway, 1992), management (Spreitzer, 1995), and marketing (Newholm *et al.*, 2006; Shaw, Newholm, & Dickinson, 2006) literature. In a consumer-firm relations, perceived choice in price negotiations or selection of desired alternatives likely enhances consumers' perception of power. Subjective power perceptions, in turn, have been linked to positive emotional responses (Fuchs *et al.*, 2010), such as amusement, desire, enthusiasm, happiness, and love (Anderson & Berdahl, 2002; Keltner, Gruenfeld, & Anderson, 2003), whereas perceptions of decreased power intensify negative emotions, such as embarrassment, fear, guilt, sadness, and shame (Anderson & Berdahl, 2002; Keltner *et al.*, 2003). Consumer power should therefore enhance positive emotional responses. Figure 5 illustrates Model B.

Sample, Procedure, and Measures

In an online study, MTurk participants (Table 2 summarizes sample characteristics) completed an episodic recall task related to considering a car purchase (i.e., pre-purchase scenario; Appendix A provides details), followed by measures of consumer power, perceived choice (Reeve *et al.*, 2003), cognitive control (Faranada, 2001), emotional responses (Pránic *et al.*, 2012), and consumer satisfaction (Hunter *et al.*, 2008). After eliminating data from participants who failed to follow the instructions, 331 usable responses were retained.

Results

To establish the mediation role of consumer power, four conditions had to be met (Baron & Kenny, 1986). First, the predictor (cognitive control in model A; perceived choice in model B) must affect the mediator (consumer power). Secondly, the predictor (cognitive control in model A; perceived choice in model B) must affect the criterion (consumer satisfaction in model A;

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emotional responses in model B). Third, the mediator must affect the criterion, and the relation between the predictor and the criterion should weaken when the mediator is included in the model. Finally, full mediation is established when the predictor no longer has a significant effect on the criterion when the mediator is included in the model. We therefore estimated four structural models (sequential latent variable score model in SmartPLS; Becker *et al.*, 2012) to test whether these mediation criteria (Baron and Kenny, 1986) were met.

Mediating role of consumer power in the cognitive control – consumer satisfaction relation (Model A). The first model estimated the direct effect of cognitive control on consumer power, and showed a positive relation between constructs (γ =.614, p = .000; $R^2 = .377$). The second model estimated the direct effect of cognitive control on satisfaction, and found a positive relation between constructs (γ = .598, p = .000; $R^2 = .357$). The third model estimated the direct effect of cognitive control on satisfaction and the direct effect of consumer power on satisfaction, and demonstrated that the relation between cognitive control and consumer satisfaction was mitigated when the mediator was included in the model (γ = .319, p = .000), whereas the relation between consumer power and satisfaction was positive and significant (γ = .455, p = .000). The fourth model estimated the direct effects of cognitive control on consumer power and satisfaction and the effects of consumer power on satisfaction. This model showed a weakened relation between cognitive control and consumer satisfaction (γ = .319 p = .000). Cognitive control was positively associated with consumer power (γ = .614, p = .000), and consumer power was positively associated with satisfaction (β = .455, p = .000). These results are illustrated in Figure 4, and support partial mediation of the relation between cognitive control and consumer satisfaction through consumer power construct, and the measure's predictive validity.

Insert Figure 4 about here

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Mediating role of consumer power in the perceived choice – emotional responses relation (Model B). The first model estimated the direct effect of perceived choice on consumer power and found a positive relation between perceived choice and consumer power (γ = .587, *p* = .000; $R^2 = .345$). The second model estimated the direct effect of perceived choice on emotional responses and showed a positive relation between perceived choice and emotional responses (γ = .413, *p* = .000; $R^2 = .117$). The third model estimated the direct effect of perceived choice on emotional responses and the direct effect of consumer power on emotional responses. The strength of association between perceived choice and emotional responses decreased after inclusion of the mediator (γ = .151, *p* = .055), whereas the relation between consumer power and emotional responses was positive and significant (γ = .446, *p* = .000). The fourth model estimated the direct effects of perceived choice on consumer power and emotional responses and the effects of consumer power on emotional responses, and showed a non-significant relation between perceived choice and emotional responses (γ = .151, *p* = .06). Perceived choice was positively associated with consumer power (γ = .587, *p* = .000), and consumer power related positively to emotional responses (β = .446, *p* = .000). These results (illustrated in Figure 5) support that the relationship between perceived choice and emotional responses is fully mediated by consumer power, and lend additional support to the measure's predictive validity.

Insert Figure 5 about here

General Discussion

This article presents the development and validation of a scale measuring consumer power. Per se, it constitutes an important methodological contribution. The scale development was based on a critical review of the literature on power in a consumer context, which suggested that existing scales of consumer-power related constructs were either context-dependent or showed

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limitations with regard to construct definition and corresponding operationalization of these measures. This research thus proposes a second-order reflective formative conceptualization of consumer power, comprising personal and social power in a consumer-firm context. Relative to existing scales related to consumer power (Brill, 1992; Deloitte, 2011; Grégoire *et al.*, 2010; Hunter & Garnefeld, 2008), the resulting conceptualization and operationalization of consumer power includes a personal dimension of consumer power, which was not captured by existing measures. Following standard scale development procedures (Becker *et al.*, 2012; Churchill & Gilbert, 1979; Diamantopoulos *et al.*, 2008; Diamantopoulos & Winklhofer, 2001; Gerbing & Anderson, 1988; Zaichkowsky, 1985), ten judges and 1177 consumers participated in the development and validation of the consumer power scale. Results of five studies that employed a variety of contexts suggest that the 12-item second-order reflective formative scale of consumer power is reliable and valid. Findings support the scale's predictive and discriminant validity with regard to other power-related scales in a consumer context. The substantive findings of this research also help elucidate the role of consumer power in consumer-firm relationships. Results show that consumer power relates positively to consumer satisfaction, and that it partially mediates the relation between cognitive control and consumer satisfaction in consumer-firm interactions. Results also support the mediation role of consumer power in the relation between perceived choice and emotional responses.

We implemented a thorough two-stage scale construction and validation process, based on a theoretical foundation that suggested consumer power consists of two first-order reflective dimensions (i.e., personal and social power), which cause the second-order formative construct of consumer power. The two-stage validation process was designed to purify the items and validate the measurement model at the first- and second-order levels, respectively. At the first-

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order level, the results suggest that the measurement model displays an excellent model fit, and that the reflective first-order dimensions are indeed distinct from each other (Studies 1-3). At the second-order level, the causal relationships of the two reflective first-order dimensions on the formative second-order construct were examined using a MIMIC model (Diamantopoulos & Winklhofer, 2001), which showed a very good model fit. The formative second-order consumer power construct also exhibited adequate external and predictive validity (Studies 4a and 4b).

Theoretical Contributions

This article makes several contributions to the literature on situational consumer power in consumer-firm interactions. This view of consumer power is consistent with a theoretical foundation of power rooted in the psychology literature, which conceives ~~of~~ power as a contextual variable (Barbalet, 1985). In much of the literature, power is considered in terms of an individual's general sense of power (e.g., based on a managerial versus employee role, asymmetric access to resources) as opposed to situational power in the context of consumer-firm relationships (Akhavannasab *et al.*, 2018). Situational consumer power in consumer-firm relationships is a critical domain of study because consumers are increasingly active, participative, and influential in their consumption behaviours (Cova & Pace, 2006), and this has implications for firms. The consumer power scale developed here facilitates investigations regarding the antecedents and consequences of consumers' perceptions of power vis-à-vis a firm, from a consumer or a firm perspective.

First, the scale development process we described allowed us to clear up the relationship between the two dimensions of consumer power (personal and social) and their relation to other constructs. More precisely, study 3 shows that the antecedents and consequences for each one of these dimensions are different. For instance, while attachment anxiety is highly associated with

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personal power, it presents no significant association to social power. On the other hand, positive WOM and loyalty are correlated to social power but not to personal power (please see Table 6 for further details). These results combined help us to have a better understanding of the mechanisms through which consumer power works.

This research also sheds light on the role of consumer power in its relation to important marketing outcomes such as satisfaction and emotional responses. More precisely, our research provides initial evidence of a positive impact of consumer power on relational consequences such as positive WOM and loyalty (Study 3), consumer satisfaction (Study 4a, 4b, and 5) and emotional responses (Study 5). It also suggests that consumer power mediates the relation between antecedents such as cognitive control and perceived choice, and outcomes such as consumer satisfaction and emotional responses, respectively (Study 5). From a conceptual standpoint, these findings open up new research avenues since they indicate that, contrary to what one might expect, empowering consumers would be beneficial to companies.

Research suggests that consumer power has increased over time (Akhavannasab *et al.*, 2018; Labrecque *et al.*, 2013). To move beyond anecdotal evidence of changes in consumer power, this article provides a tool that allows tracking of the longitudinal evolution of consumer power and its dimensions, which constitutes a sound methodological contribution.

Managerial Implications

Firms dedicate a considerable amount of resources to consumer empowerment strategies, such as customization (Niininen *et al.*, 2007) or consumer collaboration in new product development (Fuchs *et al.*, 2010). One of the goals of these strategies is to increase consumer power at different stages of the consumer decision-making process, and ultimately, to elicit more positive consumer responses to a firm's product and service offerings. The consumer power scale

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developed herein provides managers with a measure to assess the effectiveness of such strategies. Compared to existing scales, the consumer power scale is comprehensive in that it includes both the social and personal power dimensions that contribute to consumer power perceptions. This allows for the identification of differential roles of personal and social power in in consumers' response to offers (e.g., possibility of negotiation, pay-as-you-wish, product customization) and the possibility to target efforts toward increasing one or both of the first-order dimensions if necessary. The consumer power scale is also psychometrically sound, and consequently less prone to measurement error than existing scales. This should increase confidence in the observed relationships between consumer power and relevant marketing outcomes, such as consumer satisfaction, and in longitudinal assessments of consumer power to evaluate changes in market offerings or changes in competitive contexts. In sum, the scale facilitates the evaluation of whether empowerment strategies successfully generated the expected results in terms of consumer power perceptions.

Moreover, a firm can employ the consumer power scale in the segmentation of its customer base. Based on a measurement of consumer power, targeted communication or product offerings could be initiated in order to increase power perceptions among customers who reported low levels of perceived power (e.g., an "all reasonable offers accepted" pricing policy), and subsequently encourage positive consequences of perceived power, such as customer loyalty (Fuchs *et al.*, 2010). The consumer power scale is also useful in the identification of customers with greater power perception in order to pinpoint the effects of specific firm strategies or interactions (e.g., price negotiations) on such perceptions. This could be beneficial for the continuous adjustments and refinements of offers and policies.

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Furthermore, the consumer power scale can serve as a benchmarking tool for firms. A comparison of consumers' power perceptions relative to competing firms is useful in the analysis of firm performance and in identifying effective strategies and tactics competitors may have adopted to increase consumer power. In sum, a better understanding of consumer power in a consumer-firm relationship is conducive to the design of more effective empowering strategies that benefit both consumers and the firm.

Finally, the second-order formative construct of consumer power comprising the two dimensions of social power and personal power provides the opportunity to measure consumer power in various contexts. Measurement of consumer power is thus not be limited to situations where both personal and social power are high (e.g., negotiations, customization, value co-creation, pay what you wish). The formative second-order consumer power construct lends itself to application in situations characterized by a low correlation between personal and social power. For example, certain situations are associated with high personal and relatively low social power (e.g., pre-purchase stage when consumer considers available products and providers, but does not initiate a modification of offerings).

Limitations and Future Research Directions

This research applied the consumer power scale to several contexts and product categories. To further demonstrate the generalizability of the scale, it would nonetheless be important to employ the consumer power scale to contexts such as product customization, artificial intelligence interactions (e.g., chatbots), co-creation (e.g., product development), social media, and omni-channel marketing. For example, in the current omni-channel environment, consumers' experiences in one channel may affect their experiences in another. Does the distribution channel also affect consumer power? If so, which channel gives rise to greater power

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perceptions? The consumer power scale can be employed to answer these questions. Results could contribute to further developments of theory regarding consumer power and lead to a better understanding of the role and impact of consumer power across contexts.

We found that perceived choice and cognitive control increases feeling of consumer power, but one question may arise: Do the quality and quantity of the choices and information impact consumer power? We encourage further research to differentiate between the effects of resource quality and quantity on consumer power.

Another question is what if consumers' feeling of power have been changed during the time. We measured consumer power in recall-based episodes rather than in direct response to specific firm offerings. For a more nuanced understanding of consumer power, future research may be directed at the measurement of consumer power immediately following interactions between consumers and vendors.

Also, the current research found that consumer power mediates the relation between cognitive control and consumer satisfaction. This is likely only one of many ways in which consumer power is implicated in consumers' cognitive processes and responses to a firm. Empirical research is needed to test additional relationships involving consumer power. Several possible relationships have been proposed in the literature, but not empirically tested to date. For example, further research could test the mediating role of consumer power in the relation between a firm's benevolence and positive WOM (Akhavannasab *et al.*, 2018).

Another question may arise to see whether the product category impacts consumer motivation to exercise power and the importance of consumer power in a given consumer-firm interaction. Deloitte (2011) developed a consumer power index that supports this proposition in that the consumer power index is relatively higher in categories such as restaurants, hotels, and

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computers. Further studies could investigate how perceived consumer power differs among different product categories, and if this influences consumer responses to firm interactions in the category.

Moreover, the consumer power scale defined power from a micro and relational perspective. Undoubtedly, the dynamic nature of power relations implies the existence of resistance tactics on the part of firms as well. What if firms resist against the imposed power? We encourage researchers to utilize the consumer power scale to find out how the perception of consumer power changes when firms apply such tactics.

Furthermore, research could shed more light on a critical concern: Is consumer power always beneficial for consumers? Newholm *et al.* (2006) suggested that power requires taking and accepting risks and responsibilities, which also requires time and effort on consumers' part. For this reason, we believe that further studies on consequences of consumer power—particularly in terms of consumer well-being—would be promising.

Finally, it is possible that consumer power differs across cultural contexts and is to some extent influenced by cultural differences in terms of individualism and power distance (Triandis, 1993). We validated the scale across two cultures: India and USA (as described in Appendix D). Future research involving the validation of the scale across other cultural contexts and its use to explore the antecedents and consequences of consumer power in different cultural contexts could contribute to a better understanding of the nature and role of consumer power in different markets. The consumer power scale developed here thus opens a variety of avenues for future research.

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Figure 1: Scale Development Process

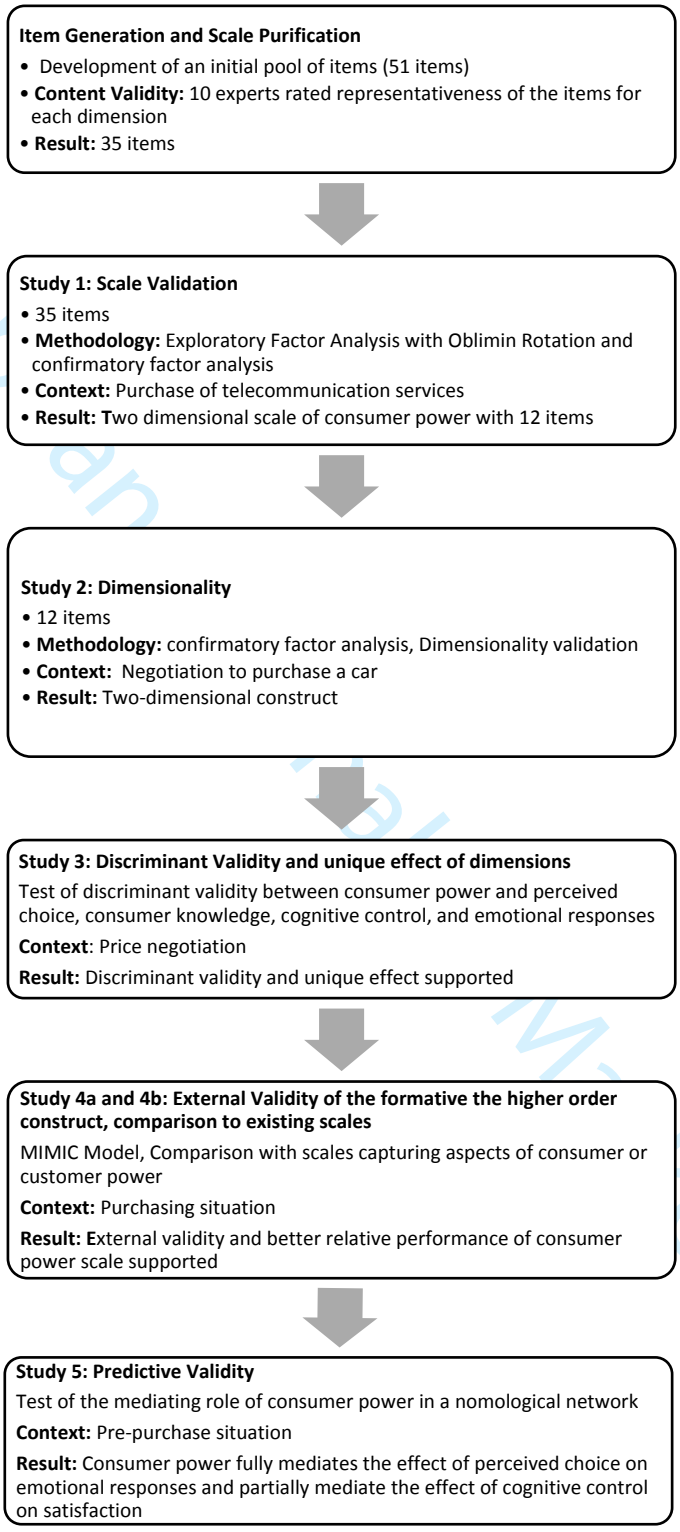

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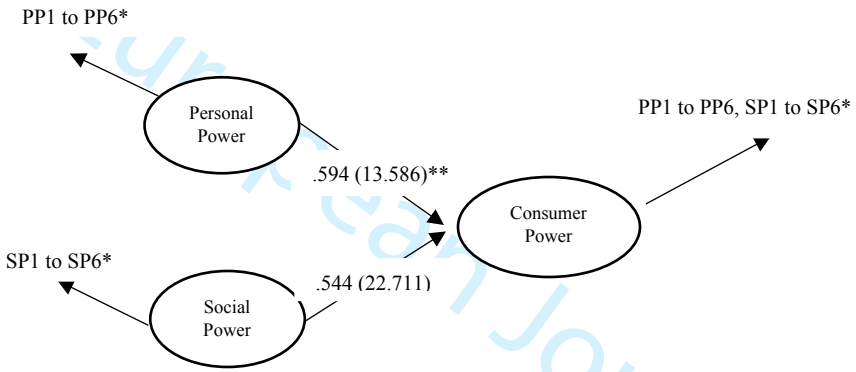
Figure 2: Second-order Formative Measurement Model (Repeated Indicator Measure Approach, Study 4a)



Notes: * Items are available in Table 3. ** Path coefficient (t-statistic)

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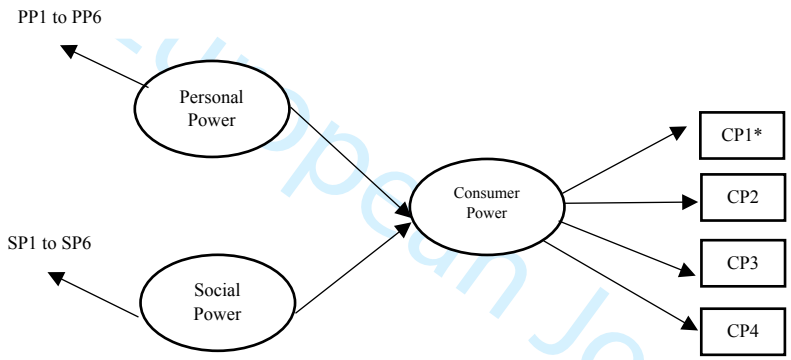
Figure 3: MIMIC Model (Study 4a)



Notes: * Items are available in Appendix B

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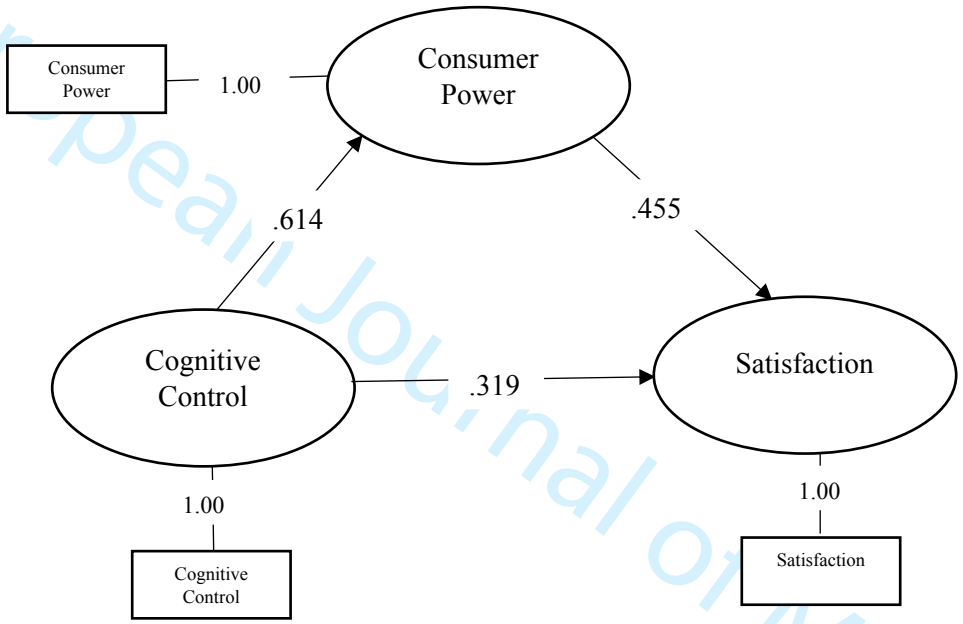
Figure 4: Predictive Validity – Model A (Study 5)



Note: All path coefficients are significant (p = .000)

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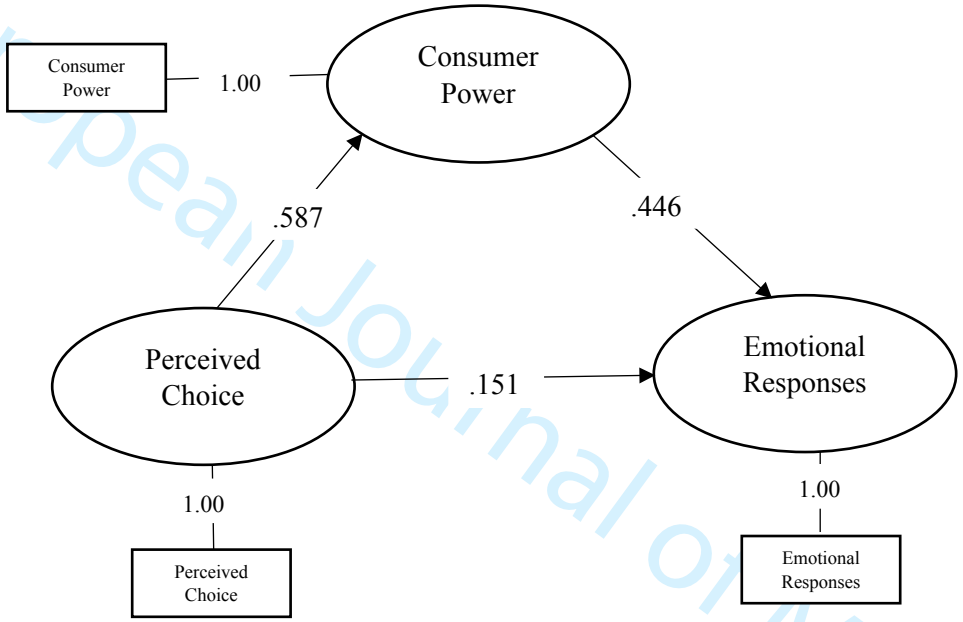
Figure 5: Predictive Validity – Model B (Study 5)



Note: All path coefficients are significant (p = .000), except for the relation between perceived choice and emotional responses.

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Table 1: Power Constructs in the Marketing Literature

Construct	Construct Definition and Limitations	Items
Customer Power (Brill, 1992)	Customer power is a personality trait with two dimensions: The perceived ability or potential to resist the salesperson's efforts (resistance). The perceived ability or potential of a consumer to influence or control the behavior of the salesperson (influence). **Limitations:** • Consumer power as a personality trait ignores contextual nature of consumer power. • Poor psychometric properties (e.g., variance extracted and item-to-total correlations). • Tested in a single context: customer-seller relations. • Reversed items loaded poorly on the related dimensions.	1. Merchants often seem as if they could care less about having my business. 2. When buying a car, I know how to negotiate a favorable price. 3. Salespeople who wait on me have to better listen to me if they want my business. 4. I hate haggling with the merchant. 5. When I shop, I generally get the salespeople to wait on me hand and foot. 6. When I go shopping, it seems like salespeople will do almost anything for me in hopes of making the sale. 7. I often feel that, as a customer, I am a pawn of big business. 8. I can honestly say that it has been ages since I have let a salesperson manipulate me into buying something I did not really want. 9. When I ask for help in choosing a product, I usually end up buying whatever the salesperson suggests. 10. When a salesperson and I do not agree about something, I am usually the one who ends up giving in. 11. I generally believe whatever a salesperson tells me about a product in which I am interested. 12. Sometimes I feel that a good salesperson could sell me the Brooklyn Bridge. 13. Salespeople have little ability to persuade me. 14. It often seems like salespeople know that I am a real pushover.
Consumer empowerment (Hunter *et al.*, 2008)	Consumer empowerment is the subjective experience of greater ability to intentionally produce desired outcomes and prevent undesired ones. **Limitations:** • Lack of scale development procedure	1. In my dealings with this company, I feel I am in control. 2. The ability to influence the goods and services of this company is beneficial to me. 3. I feel good because of my ability to influence the choice set offered to me by this company. 4. My influence over this company has increased relative to the past.

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	• Captures social aspect of power. • Items 2 and 3 refer to outcomes of feeling powerful.	
Customer Power (Grégoire *et al.,* 2010)	Customer power is the ability to influence a firm, in the recovery process, in a way that consumers will find advantageous. **Limitations:** • Lack of scale development procedure • Only covers social aspect of consumer power	1. I had the ability to influence the decisions made by the …. 2. I had leverage over the …. 3. The stronger my conviction, the more I was able to get my way with the …. 4. Because I had a strong conviction of being right, I was able to convince the firm.
Consumer Power Metric (Deloitte, 2011)	Degree to which consumers perceive they have choices, convenient access to and information about those choices, access to customized offerings, the ability to avoid marketing efforts, and minimal switching costs. **Limitations:** • Does not measure consumer power in a consumer-firm relations, but feeling of being empowered in a category. • Items (except item 4) represent drivers of consumer power. • Aggregate model of consumer empowerment. • Items do not capture the entire conceptual domain of consumer power. • Lack of scale development procedure.	1. There are a lot more choices now in this category than there used to be 2. I have convenient access to choices in this category 3. There is a lot of information about brands in this category 4. It is easy for me to avoid marketing efforts 5. I have access to customized offerings in this category 6. There is not much cost associated with switching away from this brand.
Consumer Empowerment (Pranic *et al.*, 2013)	Three dimensions of consumer empowerment: Information, competence and influence. **Limitations:**	1. I could influence the way my request was handled by the provider. 2. I had a greater amount of participation in the request resolution.

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	• Two dimensions (information and competence) are antecedents of consumer power. • Items are restricted to service recovery encounter.	3. I feel that I had input in the development of a solution to my request. 4. I could influence the request-related decisions taken by the provider. 5. I had significant influence over what happens after I made my request. 6. I felt very involved in the request handling process at the moment. 7. I had a great deal of control over what happens after I made my request.

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Table 2: Descriptive Statistics (Studies 1 – 5)

Study (Sample Size)	Social Power* M (SD)	Personal Power* M (SD)	Gender (Male)	Age (25-34 years old)	Education (Bachelor degree)	Location USA
Study 1 (n = 210)	4.31 (1.5)	5.51(1.28)	48.6%	15.0%	29.0%	100%
Study 2 (n = 281)	5.38 (.94)	5.74 (.99)	54.1%	43.8%	45.9%	54.4%
Study 3 (n = 121)	5.28 (1.02)	5.96 (.84)	41.3%	56.0%	45.5%	100%
Study 4a (n = 133)	5.69 (.97)	5.69 (1.11)	54.9%	37.6%	44.4%	100%
Study 4b (n = 101)	4.46 (1.50)	6.43 (.73)	41.6%	42.6%	40.6%	100%
Study 5 (n = 331)	4.96 (1.2)	5.99 (.90)	55.6%	48.0%	42.6%	58.6%

Notes: *Descriptive statistics are based on the final six items representing the personal and social power dimension.

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Table 3: Item Pool (Study 1)

	Items*	**Factor loadings**
PP1	**I was able to pick and choose the options I wanted.**	.655
PP2	I was dependent on a single provider as the only source for […]**.	-----
PP3	**I felt a relaxed sense of personal freedom to choose as I please.**	.822
PP4	**Between me and the provider, I was autonomous in my decision to purchase a** […]	.750
PP5	**I had the power to choose the provider from which to purchase the** […]	.639
PP6	**I could choose whatever I wanted to buy.**	.782
PP7	**I could choose the best desired available option.**	.776
PP8	at first glance, I was able to say "No" to any of the available […]s.	-----
PP9	I had many […]s to choose from.	------
PP10	**I was free to choose.**	.923
PP11	The providers' recommendations influenced me. [R]	----
PP12	I adapted my expectation to the providers' offers. [R]	----
PP13	I accepted whatever the provider offered. [R]	-----
PP14	**I felt independent of the provider's offers in my decision to purchase a** […].	.711
PP15	**Between me and the provider, I had significant autonomy to choose what I wanted.**	.821
PP16	I was easily persuaded by the provider I finally selected. [R]	----
PP17	**I was completely free to make up my mind about the providers' offers.**	.854
PP18	Providers' offers were irresistible. [R]	----
PP19	**between me and the provider, I was the one who made the final decision to purchase a** […]	.773
PP20	I was able to judge the quality of the […]s independent of the information provided by the providers.	-----
PP21	**Between me and the provider, I had control over my decision.**	.799
SP1	**I influenced the service provider's behavior.**	.922
SP2	**I affected the service provider's response.**	.817
SP3	**I got the service provider to consider my interests.**	.639
SP4	**I convinced the service provider to change its decision.**	.960
SP5	**I convinced the service provider to comply with my needs.**	.787
SP6	I had little influence over the service provider's decisions. [R]	-----
SP7	**I got the service provider to give me what I needed.**	.619
SP8	The service provider gave careful consideration to my opinions.	-----
SP9	The service provider considered my opinions seriously.	-----
SP10	**My opinion carried much weight with the service provider.**	.569
SP11	**I altered the service provider's response according to my needs.**	.902
SP12	**I felt I had power over the service provider.**	.684
SP13	The service provider ignored my opinions. [R]	-----
SP14	**I got the [service provider] to do what I wanted it to do.***	.740

Notes: * 35 items were retained after content validity analysis and validated in Study 1. Factor loadings in the third column are the result of exploratory factor analysis (Study 1). The 22 items in bold typeface were tested in confirmatory factor analyses for further validation. The results of the confirmatory factor analysis (after elimination of 10 items) are presented in Table 4.
**[…] represents the telecommunication service participants selected for the episodic recall task (i.e., phone plan, internet and broadband, cable or satellite TV); .
PP = Personal Power; SP=Social Power; R= reversed items

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Table 4: Reflective First-order Two-dimensional Model of Consumer Power: Confirmatory Factor Analyses, Item Loadings, and Fit Indices

	Study 1	Study 2	Study 3	Study 4a	Study 4b	Study 5
Personal Power (Cronbach alpha)	.910	.901	.879	.911	.943	.912
PP1: I was free to choose.	.85	.82	.82	.80	.88	.867
PP2: I felt independent of the […]*s' offers in my decision to purchase the […] **.	.80	.68	.67	.83	.81	.60
PP3: Between me and the […]*, I had significant autonomy to choose what I wanted.	.84	.75	.76	.76	.86	.86
PP4: I was completely free to make up my mind about the […]*s' offers.	.83	.79	.77	.78	.84	.88
PP5: Between me and the […]*, I was the one who made the final decision to purchase the […] **.	.66	.81	.70	.73	.86	.75
PP6: Between me and the […]*, I had control over my decision.	.79	.82	.78	.86	.92	.79
Social Power (Cronbach alpha)	.913	.844	.893	.897	.946	.890
SP1: I influenced the […]*'s behaviour.	.87	.73	.77	.74	.83	.79
SP2: I affected the […]*'s response.	.75	.66	.82	.68	.88	.80
SP3: I convinced the […]* to comply with my needs.	.85	.69	.69	.82	.85	.74
SP4: My opinion carried much weight with the […]*.	.77	.68	.78	.77	.88	.70
SP5: I altered the […]*'s response according to my needs.	.77	.78	.74	.75	.90	.77
SP6: I felt I had power over the […]*.	.79	.63	.80	.75	.85	.80
Fit Indices						
χ^2(df)	125.67(53)	155.19(53)	95.637(53)	131.74(53)	59.36(53)	122.54(53)
AVE	.71	.63	.65	.68	.79	.68
RMSEA	.081	.083	.082	.067	.035	.103
CFI	.958	.941	.944	.965	.994	.932
GFI	.903	.915	.886	.934	.914	.883

Notes: AVE= average variance extracted. All factor loadings and factor correlations are significant at $p < .001$.
[…]* represents the following: Study 1: service provider; study 2: car dealer; study 3: company; study 4: company; study 5: company
[…]** represents the following: Study 1: telecommunication service (i.e., phone plan, internet and broadband, cable or satellite TV); study 2: car; study 3: product (service); study 4: car; study 5: product (service)

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Table 5: Discriminant Validity (Study 3)

Constructs **Items**	**AVE**	**Cronbach Alpha**	**Discriminant Validity Test**	**Model Comparison**
Cognitive Control (Faranada, 2001) In the situation that I explained, I think I was ... Unaware…Aware Ignorant…Knowledgeable Unknowing…Mindful Uninformed…Educated Helpless…Capable Incapable…Competent Weak…Mighty	.62	.887	PP: $(\frac{.62+.64}{2}) > (.558)^2$ PP: .63 > .31 SP: $(\frac{.62+.65}{2}) > (.476)^2$ SP: .63 > .23	$\Delta\chi^2(\Delta df) = 42.165$ (2) $p < .00001$ Unconstrained Model: χ^2 (*df*) = 218.063 (149) Constrained Model: χ^2 (*df*) = 260.228 (151)
Perceived Choice (Reeve et al., 2003) I believe I had a choice over which product (service) to buy. I felt like it was my own choice as to which product (service) to buy. I felt I had control to decide which product (service) to buy.	.93	.965	PP: $(\frac{.93+.64}{2}) > (.776)^2$ PP: .78 > .60 SP: $(\frac{.93+.65}{2}) > (.359)^2$ SP: .79 > .13	$\Delta\chi^2(\Delta df) = 19.241$ (2) $p < .00001$ Unconstrained Model: χ^2 (*df*) = 171.855 (87) Constrained Model: χ^2 (*df*) = 191.096 (89)
Consumer Knowledge (Park, Mothersbaugh, & Feick, 1994) When you think about the product (service) that you negotiated on it,	.73	.808	PP: $(\frac{.73+.64}{2}) > (.314)^2$ PP: .68 > .09 SP: $(\frac{.73+.65}{2}) > (.417)^2$ SP: .69 > .17	$\Delta\chi^2(\Delta df) = 28.43$ (2) $p < .00001$ Unconstrained Model: χ^2 (*df*) = 135.154 (87) Constrained Model: χ^2 (*df*) = 163.587 (89)

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…how much do you know about the product (service) in general? …compared to friends and acquaintances, how much do you know about the product (service)? …compared to experts, how much do you know about the product (service)?				
Interactional Fairness (Grégoire *et al.*, 2010) This company treated me in a polite manner. This company gave me detailed explanations and relevant advice. This company treated me with respect. The company treated me with empathy.	.76	.892	PP: $(\frac{.76 + .64}{2}) > (.471)^2$ PP: .70 > .22 SP: $(\frac{.76 + .65}{2}) > (.274)^2$ SP: .70 > .07	$\Delta\chi^2(\Delta df) = 26.421\ (1)$ $p < .00001$ Unconstrained Model: $\chi^2\ (df) = 184.851\ (101)$ Constrained Model: $\chi^2\ (df) = 211.272\ (103)$

Note: AVE = average variance extracted.

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Table 6: Correlations with Related Marketing Constructs and Unique Effect of Consumer Power Dimensions (Study3)

Construct Type	Construct	Social Power		Personal Power
Antecedents: Psychological and Situational Factors	Self-esteem	.103		.216*
	Extraversion	.189*	>	-.029
	Marketplace Interface	-.106	<	.363**
	Attachment Anxiety	.088	<	-.320**
	Attachment Avoidance	-.240**		-.090
	Perceived Choice	.323**	<	.709**
Consequences: Relational Factors	Positive WOM	.376**	>	.166
	Public Defense	.244**		.079
	Loyalty	.311**	>	.024
	Relational Commitment	.355**	>	.083

Notes: **. Correlation is significant at the .01 level (2-tailed).
*. Correlation is significant at the .05 level (2-tailed).

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Table 7: MIMIC Model (Study 4a and 4b)

	Study 4a			Study 4b		
	MIMIC Model Adjusted R^2 = .574, t = 7.974, p = .000			MIMIC Model Adjusted R^2 =.434, t = 5.143, p = .000		
Items	Outer Loading	t	p	Outer Loading	t	p
Personal Power Component				Personal Power Component		
PP1	.880	30.241	.000	.896	5.346	.000
PP2	.687	8.276	.000	.855	5.54	.000
PP3	.874	36.682	.000	.877	5.093	.000
PP4	.879	34.373	.000	.882	5.348	.000
PP5	.832	15.206	.000	.866	5.115	.000
PP6	.854	19.064	.000	.920	5.448	.000
Social Power Component				Social Power Component		
SP1	.824	18.779	.000	.859	15.634	.000
SP2	.834	16.846	.000	.888	15.965	.000
SP3	.792	19.765	.000	.870	16.905	.000
SP4	.704	8.088	.000	.901	18.484	.000
SP5	.827	23.32	.000	.903	17.779	.000
SP6	.829	19.423	.000	.877	17.549	.000
Consumer Power Index				Consumer Power Index		
CP1	.860	35.245	.000	.655	4.888	.000
CP2	.712	10.091	.000	.825	13.526	.000
CP3	.811	15.701	.000	.822	13.213	.000
CP4	.773	13.209	.000	.728	8.007	.000

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Table 8: Predictive Validity – Prediction of Consumer Satisfaction (Studies 4a and 4b)

	Beta Coefficient (p)	R^2 (p)
Study 4a		
Reflective Formative Scale	.437 (.000)	19.1% (.037)
Consumer Power (Grégoire et al., 2010)	.289 (.005)	8.3% (.144)
Influence (Brill, 1992)	.265 (018)	8.9% (.079)
Resistance (Brill, 1992)	.066 (.672)	
Customer Power Metrics (Deloitte, 2011)	.417 (.000)	17.4% (.042)
Study 4b		
Reflective Formative Scale	.405 (.000)	16.4 % (.005)
Consumer Power (Grégoire et al., 2010)	.263 (.200)	6.9 % (.159)
Influence (Brill, 1992)	.220 (.467)	16.0% (.004)
Resistance (Brill, 1992)	.267 (.004)	
Customer Power Metrics (Deloitte, 2011)	.406 (.000)	16.5% (.013)

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Appendix A: Episodic Recall Task Instructions

Study	Scenario
Study 1	Think back to the most recent time that you were negotiating with a telecommunication service provider (phone plan, broadband and Internet services, or cable/satellite TV plan) in order to buy one of the offered services (phone, Internet or TV) for you or your family: It could refer to negotiation on price in order to purchase a used or a new plan from a service provider. It could refer to negotiation on the conditions of payment or the agreement period. It could refer to negotiation on adding or removing different options within the plan. Please answer the questions accordingly. First, how long ago did the purchase occur? Which type of service did you buy? (Choices: Phone plan, Internet and broadband, Cable or Satellite TV)
Study 2	Think back to the most recent time that you were negotiating with a car dealer in order to buy a car for you or your family: It could refer to negotiation on price in order to purchase a used or a new car from a car dealer. It could refer to negotiation on the conditions of buying, financing or leasing it. It could refer to negotiation on the conditions of guarantee or warranty of the car. It could refer to negotiation on adding or removing different options within the car.
Study 3	Think back to the most recent time that you negotiated on price with a company while you were buying a product (service). Please think more about your negotiation experience and briefly explain the situation with at least 100 characters. Which company was it? How did you start to negotiate? Did you win the negotiation? How responsive was the company to your request? Please write more details about the price negotiation experience you had.

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Study 4a	Please recall a purchasing experience in which you had power in your relationship with a company. You influenced and directed the company to do what you dictated. For example, you bargained and got a better deal, influenced the way a product or service was produced or delivered, or changed a company`s response after you made a complaint. In other words, you were able to determine what the company should do and how this interaction would benefit you. Please describe the situation in at least 200 characters in the following box: What product did you buy? How long ago did this experience occur? From which company did you make the purchase? How did you influence the company? What happened exactly? How did you feel?
Study 4b	Please recall a recent purchasing experience in which you personally had power in your relationship with a company. You were a free and independent decision-maker and had control over your decision-making. For example, you made your final purchase independent of the influence of, a salesperson's advice or any marketing activities (for example, a coupon, a special offer). You felt free to either ignore these efforts or leave the situation, if you chose to. This means you could fully determine what you yourself could do or get. Please describe the situation in approximately 10 lines (or at least 900 characters) in the following box: What product did you buy? How long ago did this experience occur? From which company did you make the purchase? What was the marketing offer and the advice you received? How did you ignore this marketing offer (or advice)? What happened exactly? How did you feel?
Study 5	Think back to the most recent time that you bought a car for you or your family from a car dealer (not from another person). It could refer to acquiring a used or a new car from a car dealer. You might have purchased it, financed it or even leased it. Please answer the questions accordingly. …how long ago did the purchase occur? …how did you acquire the car? Now, think more about your experience before you acquired the car and while you were making the decision, including the reason of your

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	purchase, the different dealers, websites, magazines, offers and options that you considered, the negotiation experience you had, and finally your final decision.

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Appendix B: Measurement Scales and Items (Studies 4 and 5)

Cognitive Control (Faranada, 2001)
In the situation that I explained, I think I was ...
Unaware…Aware
Ignorant…Knowledgeable
Unknowing…Mindful
Uninformed…Educated
Helpless…Capable
Incapable…Competent
Weak…Mighty
Consumer Satisfaction (Hunter *et al.*, 2008)
Altogether, I am satisfied with the goods and services of this company.
I am totally convinced of this company.
This company totally meets my expectations.
I have made especially good experiences with this company.
This company offers me exactly what I need.
Perceived Choice
I believe I had a choice over what to purchase.
I felt like it was my own choice as to what to purchase.
I felt that I had control to decide what to purchase.
Emotional Responses
Unhappy…Happy
Annoyed…Pleased
Very satisfied … Satisfied
Dispairing…Hopeful
Discontent…Content
Consumer Power Items (MIMIC Model)
CP1: Please indicate the extent to which you feel you had the ability to resist against the company and make the final decision independently. Not at all:Very much
CP2: Please indicate the extent to which you feel personally powerful in the relationship with the company. Not powerful at all:Very powerful
CP3: Please indicate the extent to which you feel you had the ability to influence the company. Not at all:Very much
CP4: Please indicate the extent to which you feel socially powerful in the relationship with the company. - Not powerful at all:Very powerful

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Table Appendix C: Factor Loadings and Average Variance Extracted (AVE) for Existing Scales (Study 4)

	Study 4a	**Study 4b**
Customer Power (Brill, 1992)		
Dimension 1: Influence **(Cronbach alpha)**	.59	.52
Dimension 2: Resistance **(Cronbach alpha)**	.80	.84
Factor Loadings -Confirmatory Factor Analysis		
Dimension 1: Influence **(AVE)**	36.53%	35.12%
Dimension 2: Resistance **(AVE)**	49.81%	50.82%
RES1: It often seems like salespeople know that I am a real pushover.	.89	.88
RES2: I can honestly say that it has been ages since I have let a salesperson manipulate me into buying something I did not really want.	-.10*	.40*
RES3: Salespeople have little ability to persuade me.	.05*	.21*
RES4: I often feel that, as a customer, I am a pawn of big business.	.53	.55
RES5: When a salesperson and I do not agree about something, I am usually the one who ends up giving in.	.88	.74
RES6: Sometimes I feel that a good salesperson could sell me the Brooklyn Bridge.	.82	.81
RES7: When I ask for help in choosing a product, I usually end up buying whatever the salesperson suggests.	.76	.81
RES8: I generally believe whatever a salesperson tells me about a product in which I am interested.	.70	.73
INF1: I hate haggling with the merchant.	.11	.18*
INF2: When I shop, I generally get the salespeople to wait on me hand and foot.	.41	.99
INF3: Salespeople who wait on me have to better listen to me if they want my business.	.48	.40
INF4: When I go shopping, it seems like salespeople will do almost anything for me in hopes of making the sale.	.76	.33*
INF5: Merchants often seem as if they could care less about having my business.	-.11*	-.31*
INF6: When buying a car, I know how to negotiate a favorable price.	.41	.51
Customer Power (Grégoire *et al.*, 2010) (Cronbach alpha)	.86	.92
Customer Power (Grégoire *et al.*, 2010) (AVE)	71.49%	80.10%
Factor Loadings -Confirmatory Factor Analysis		
I had the ability to influence the decisions made by the ….	.74	.85
I had leverage over the ….	.73	.83
The stronger my conviction, the more I was able to get my way with the ….	.84	.83
Because I had a strong conviction of being right, I was able to convince the firm.	.84	.92
Consumer Power Metric (Deloitte, 2011) (Cronbach alpha)	.72	.62
Consumer Power Metric (Deloitte, 2011) (AVE)	45.41%	37.73%
Factor Loadings -Confirmatory Factor Analysis		
There are a lot more choices now in this category than there used to be	.77	.76
I have convenient access to choices in this category	.66	.39
There is a lot of information about brands in this category	.42	.57
It is easy for me to avoid marketing efforts	.72	.54
I have access to customized offerings in this category	.66	.45
There is not much cost associated with switching away from this brand.	.17*	.24*

*. The factor loading is not significant. RES = Resistance Items; INF: Influence Items

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Appendix D: Cross-Cultural Measurement Equivalence

The scale's measurement invariance was examined across two countries (India, US) that differ on cultural dimensions of power distance (US 40 vs. India 77) and individualism (US 91 vs. India 48; (Merz et al., 2016)). Consumer tendency to participate in value creation is different in a culture with high power distance (e.g., Japan) from in a culture with low power distance (e.g., USA; (Merz et al., 2016)). Moreover, people in a collectivist culture (e.g., India) show more conformity to groups and others' opinions than members of an individualist culture (e.g., USA; (Triandis, 1993)). The exercise and experience of power in a consumption episode is therefore expected to differ across cultures varying in power distance and individualism. The verification of measurement invariance of the consumer power scale across two cultures with opposing levels of individualism and power distance is a necessary step in generalizing the scale and pave the way for cross-cultural comparisons.

A set of multi-group analyses examined whether the two-dimensional measurement model of consumer power was invariant across the Indian and US samples (Table 7). Results support full metric and factor covariance invariance, and partial error and factor variance invariance across the two samples. This analysis followed the guidelines of (Byrne, 2001).

First, in a test of the configural model, an unconstrained twelve-factor measurement model across the two groups (India and US) shows a good fit ($\chi^2 = 224.41$, df = 106, $\chi^2/df = 2.12$, RMSEA = .063, CFI = .93). Factor loadings for both groups are large (> .60) and significant ($p < .01$). The scale thus exhibits configural invariance with a similar pattern of factor loadings across the two samples, which indicates that the twelve consumer power items are conceptualized in the same way for both groups (Steenkamp et al., 1998)

Insert Table Appendix D about here

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Second, in a test of metric invariance, a model with the matrix of factor loadings constrained as invariant across the two groups shows a good fit (χ^2 = 238.31, df = 116, χ^2/df= 2.05; RMSEA = .061, CFI = .93). The results are invariant from the configural model ($\Delta\chi^2$ = 13.89, Δdf = 10, p > .1). Full metric invariance suggests that the items are suitable to measure the construct across countries.

Third, to check error variance equivalence, a model constrained the error variances to be equal across the two groups. There was partial error variance invariance, such that the equality constraints for error variances had to be relaxed for some of the items (items 1, 4 and 6 for PP, items 1, 2 and 3 for SP). After sequentially relaxing these constraints, the model shows a good fit (χ^2 =246.06, df = 122, χ^2/df = 2.01; RMSEA = .060, CFI = .929). The results were invariant from the configural model ($\Delta\chi^2$ = 21.65, Δdf = 16, p > .1) and the full metric invariance model ($\Delta\chi^2$ = 7.75, Δdf = 6, p > .1).

Fourth, in a factor variance equivalence model, there was partial factor variance invariance. Equality of factor variance for social power had to be relaxed. After relaxing the constraint on the factor variance for social power, the revised model shows a good fit (χ^2 = 247.23, df = 123, χ^2/df = 2.01, RMSEA = .060, SRMR = .068, CFI = .93). The results were invariant from the configural model ($\Delta\chi^2$ = 22.82, Δdf = 17, p > .1), the full metric invariance model ($\Delta\chi^2$ = 8.92, Δdf = 7, p > .1) and the partial error variance invariance model ($\Delta\chi^2$ = 1.17, Δdf = 1, p > .1).

Fifth, in a factor covariance equivalence model, there was full factor variance invariance. The model shows a good fit (χ^2 = 249.92, df= 124, χ^2/df = 2.01, RMSEA = .060, SRMR = .07, CFI = .93). The results were invariant from the configural model ($\Delta\chi^2$ = 25.51, Δdf = 18, p > .1), the full metric invariance model ($\Delta\chi^2$ = 11.61, Δdf = 8, p > .1), the partial error variance invariance

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model ($\Delta\chi^2 = 3.86$, $\Delta df = 2$, $p > .1$), and the partial factor variance invariance model ($\Delta\chi^2 = 2.69$, $\Delta df = 1$, $p > .1$).

Lack of full factor variance invariance is not a major problem because the primary objective of this study was not to compare standard measures of association (e.g., correlation coefficients) across different groups (Sharma, 2010, Steenkamp et al., 1998). In addition, scale reliabilities across the two groups were acceptable ($.74 < \alpha < .93$). Therefore, the lack of full error variance invariance was not considered problematic because measurement of the latent variables depends on the measurement errors (Steenkamp et al., 1998). Overall, the two-dimensional model showed full configural and full metric invariance. It is therefore appropriate for the measurement of consumer power across the two countries.

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Table Appendix D: Cross-Cultural Measurement Equivalence Tests

India (n = 128) and USA (n = 153)								
	χ^2	df	χ^2/df	RMSEA	SRMR	CFI	$\Delta\chi^2(\Delta df)$	p
Configural model	224.41	106	2.12	.063	.065	.932	----------	-----
Full metric invariance	238.31	116	2.05	.061	.074	.930	13.89(10)	> .10
Partial error variance invariance	246.06	122	2.02	.060	.070	.929	21.65(16) 7.751(6)	> .10 > .10
Partial factor variance invariance	247.23	123	2.01	.060	.069	.929	22.82(17) 8.92(7) 1.17 (1)	> .10 > .10 > .10
Full factor covariance invariance	249.92	124	2.01	.060	.073	.928	25.50(18) 11.60 (8) 3.85(2) 2.68(1)	> .10

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