

THE EVOLUTION OF CONSUMER EMPOWERMENT IN THE SOCIAL MEDIA ERA: A CRITICAL REVIEW

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ABSTRACT

This paper provides a framework for examining the intersection of consumer behavior and social media to set the agenda for future research. Through the lens of consumer empowerment, we offer an understanding of value creation through participation in social media. Using this framework, a review of the literature reveals three broad themes of particular interest for future research: the power/disempowerment paradox, the impact of social media on consumer behavior, and the consumer's ability to create, co-create or destroy value.

We argue that consumer empowerment and value creation are contingent on the type and level of participation in the network. Therefore, both the (1) *breadth* (i.e., consumption, creation, and distribution activities) and (2) *intensity* (volume, quality, and frequency) of consumer participation play key roles in the development of value creation and consumer empowerment. In terms of the balance of power between the firm (e.g., network owners, marketers) and participants, power is dependent upon the firms' reliance on consumer-produced value in terms of volume and quality. This value can be produced through consumption, co-creation, and distribution activities.

Technology characteristics also impact the empowerment process and affect how consumers create and receive value and also how this power is distributed among participating companies, and the network owners themselves. These include *technical affordances*, such as the availability and restrictions on data types as well as the amounts and directionality of interaction capabilities and connectivity, varying *level of openness*, which determine how the message is broadcast, how the network relationships are structured, and who is able to influence interaction structures, and *governance systems*, which concerns establishing and enforcing the network's etiquette, incentives, and sanctions.

The increasingly rapid evolution of social technologies has led to a parallel evolution of consumer empowerment. We propose and identify five dimensions in the evolution of consumer empowerment beginning with three individual power sources (demand, information, voice), which then leads to two network-based sources (social and community). We use this framework to organize the marketing literature on Internet-enabled consumer empowerment and to show how the empowerment process – especially consumers' value creation – and technology characteristics intertwine.

References Available Upon Request.