



Full Length Article

The effect of customer empowerment on adherence to expert advice[☆]Nuno Camacho^{a,*}, Martijn De Jong^a, Stefan Stremersch^{a,b}^a Erasmus School of Economics, Erasmus University, Rotterdam, The Netherlands^b IESE Business School, University of Navarra, Spain

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ABSTRACT

Customers often receive expert advice related to their health, finances, taxes or legal procedures, to name just a few. A noble stance taken by some is that experts should empower customers to make their own decisions. In this article, we distinguish informational from decisional empowerment and study whether empowerment leads customers to adhere more or less to expert advice. We empirically test our model by using a unique dataset involving 11,735 respondents in 17 countries on four continents. In the context of consumer adherence to doctors' therapy advice (patient non-adherence to doctor advice may cost about \$564 billion globally to the pharmaceutical industry every year), we find that decisional empowerment lowers adherence to expert advice. The effect of informational empowerment varies predictably across cultures and is only universally beneficial when initiated by the customer. These findings have important implications for professional service providers.

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1. Introduction

Customers often rely on experts, such as accountants, consultants, lawyers and physicians to make complex decisions (Bove & Johnson, 2006). Expert advice decreases decision complexity (Brehmer & Hagafors, 1986) and may improve decision quality (Yaniv, 2004). There is a rich literature, in marketing and psychology, on customer–expert interactions. One stream of literature focuses on how experts use customers' input and feedback to update their beliefs and decisions (e.g. Camacho, Donkers, & Stremersch, 2011; Narayanan & Manchanda, 2009). For instance, Camacho et al. (2011) show that, when learning about a new drug, physicians place more emphasis on feedback from patients who switch to alternative treatments than on feedback from patients who continue their therapy. A second stream of literature focuses

on expert advice and customer adherence to such advice (Bonaccio & Dalal, 2006; Bowman, Heilman, & Seetharaman, 2004; Fitzsimons & Lehmann, 2004; Schwartz, Luce, & Ariely, 2011; Tost, Gino, & Larrick, 2012; Usta & Häubl, 2011). The present paper focuses on the effects of customer empowerment during an advising interaction on customer adherence to expert advice.

In a typical customer–expert interaction, a customer receives an advice from the expert and subsequently decides whether to adhere to such advice.¹ A robust finding from this literature is that people do not sufficiently adhere to expert advice (Bonaccio & Dalal, 2006). The traditional view of customer–expert interactions is that the expert should choose a particular course of action on behalf of the customer (e.g. “I would advise you to do X”, see Bonaccio & Dalal, 2006, p.128), a decision-making style we call “paternalistic” (e.g. Charles, Gafni, & Whelan, 1999). For example, a paternalistic lawyer–client interaction proceeds with a client exposing a legal problem to her lawyer who then recommends a particular course of action to the client (Macfarlane, 2008). The lawyer then expects the client to follow her advice to maximize chances of successful litigation.

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¹ We assume a setting where the customer seeks the advice of a single expert and that customer adherence to the expert's advice improves decision quality for the customer. This assumption builds upon the advice-taking literature (Bonaccio & Dalal, 2006; Yaniv, 2004; Yaniv & Kleinberger, 2000).

This traditional view of customer–expert decision-making stands in sharp contrast to the increasing influence or empowerment of the customer (Camacho, 2014; Camacho, Landsman, & Stremersch, 2010; Fuchs, Prandelli, & Schreier, 2010; Macfarlane, 2008; Rapp, Ahearne, Mathieu, & Schillewaert, 2006). *Empowerment* refers to strategies or mechanisms that equip people with sufficient knowledge and autonomy to allow them to exert control over a certain decision (Ozer & Bandura, 1990). Empowerment occurs when, instead of merely sharing *diagnostic information* – i.e. information that allows the expert to understand the customer's problem – the expert and the customer discuss additional *solution-relevant information*. That is, information about alternative courses of action (e.g. “there are two possible courses of action: option X and option Y”), their pros and cons (e.g. “the downside of option X is...” or their fit with the customer's own preferences (“I believe option Y may fit you well because...”). Finally, empowerment also occurs when instead of recommending a single course of action the expert concludes the interaction by leaving the final choice of a course of action in the hands of the customer (e.g. “we discussed options X and Y, please make your informed choice”).

Therefore, we distinguish between two different forms of customer empowerment. *Informational empowerment* occurs when the customer and the expert share solution-relevant information. *Decisional empowerment* occurs when the expert leaves the final decision to the customer.² We organize customer–expert decision-making models, according to these dimensions of empowerment, which is new to the literature.

Recent views suggest that customer empowerment leads to better outcomes because it satisfies customers' need for autonomy and self-esteem (Usta & Häubl, 2011). One of these accredited outcomes is increased customer adherence to expert advice (Loh, Leonhart, Wills, Simon, & Härter, 2007; Macfarlane, 2008). However, despite an increasing number of advocates of customer empowerment in customer–expert interactions (Epstein, Alper, & Quill, 2004; Macfarlane, 2008), there is limited empirical research on how customer empowerment influences customer adherence to expert advice.

The present paper develops theoretical expectations on the relationship between empowerment and adherence, grounded in two theoretical traditions: dual models of information processing (Chaiken, 1980; Petty & Cacioppo, 1986) and customer overconfidence (See, Morrison, Rothman, & Soll, 2011; Tost et al., 2012; Yaniv & Kleinberger, 2000). Connected to these two theoretical mechanisms, we distinguish between two different forms of non-adherence to expert advice, namely unintentional and reasoned non-adherence. Unintentional non-adherence occurs when a customer inadvertently fails to follow the expert's advice (e.g. due to forgetfulness or misunderstanding of the advice). Reasoned non-adherence occurs when a customer deliberately decides to deviate from the expert's advice.

We challenge the view that customer empowerment may only increase adherence to expert advice and provide rich empirical evidence in support of this view. We argue that empowerment may decrease, rather than increase, adherence for two reasons. First, informational empowerment, when not explicitly requested by the customer, may increase the cognitive and emotional burden for customers (Quill & Brody, 1996), and impair information processing, which results in higher unintentional non-adherence. Similarly, decisional empowerment may magnify the cognitive and emotional costs of the decision task (Botti & McGill, 2011), resulting in worse information processing and higher unintentional non-adherence.

Second, decisional empowerment, and to a lesser extent unrequested informational empowerment, may trigger customer overconfidence.

Customer overconfidence may increase both unintentional and reasoned non-adherence. On the one hand, overconfident customers tend to listen less carefully to expert advice (Tost et al., 2012), which increases unintentional non-adherence. On the other hand, overconfident customers tend to egocentrically discount the expert's advice (See et al., 2011; Yaniv, 2004), which increases reasoned non-adherence.

Using a multi-sample Bayesian structural equation model, we show that decisional empowerment is associated with higher unintentional and reasoned non-adherence to expert advice and that informational empowerment is only able to reduce unintentional and reasoned non-adherence when the customer explicitly requests the exchange of additional solution-relevant information. We empirically validate our expectations in the highly relevant domain of healthcare decisions. Consumer non-adherence to doctor advice contributes to disease progression and increased mortality rates, resulting in annual direct and indirect healthcare costs of at least \$290 billion in the U.S. alone (New England Healthcare Institute, 2009) and lost revenue for pharmaceutical firms of \$564 billion a year globally (Forissier & Firlik, 2012).³

Our sample includes 11,735 respondents in 17 countries on four continents. To the best of our knowledge, this is by far the largest and geographically most diverse test of the relationship between customer empowerment and adherence to date. Prior empirical research on the relationship between empowerment and adherence to expert advice has focused on the U.S. or a selected set of Western nations, while customers' reaction to empowerment may be vastly different across cultures (Botti, Orfali, & Iyengar, 2009; Charles, Gafni, Whelan, & O'Brien, 2006).

We build upon Schwartz's (1994) cultural values theory, to explain systematic cross-country differences in the relationship between customer empowerment and adherence to expert advice. Our analyses revealed that, in line with our expectations, culture matters. We find that culture moderates the effects of decisional empowerment and, to a lesser extent, of informational empowerment on non-adherence in systematic and predictable ways. These findings have important implications for marketers and policy makers.

2. Theoretical background: Customer empowerment and adherence to expert advice

The expert advice literature typically distinguishes between advice-giving and advice-taking (Bonaccio & Dalal, 2006; Yaniv, 2004). We first organize advice-giving styles according to customer empowerment. Next, we discuss advice-taking, which, in our context, is the customer's decision to adhere or deviate from the expert's advice.

2.1. Organizing advice-giving styles according to customer empowerment

Fig. 1 organizes different advice-giving styles, according to informational empowerment, through expert facilitation (x-axis) or customer initiative (y-axis), and decisional empowerment (the z-axis). *Expert facilitation of informational empowerment* happens when the expert proactively exchanges solution-relevant information with the customer (i.e. takes the initiative of sharing solution-relevant information even if it is not requested by the customer). *Customer-initiated informational empowerment* happens when the customer requests solution-relevant information from the expert. Under decisional empowerment, the customer retains autonomy over the decision, which is the opposite of decision delegation by the customer to the expert (see Usta & Häubl, 2011).

The advice-giving styles at the bottom of Fig. 1 are characterized by low decisional empowerment (i.e. choice delegation), while those at the top are characterized by high decisional empowerment (i.e. choice autonomy).

² In line with the advice-taking literature (see e.g. Bonaccio & Dalal, 2006), the expert advisor merely provides a recommendation, so effectively the final decision always lies with the customer. Even if the customer has the legal right and responsibility to make the final decision, the expert can still decide to advise a single course of action.

³ See <https://www.adherence564.com/>.

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