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# **Investigating the Role of Online Community Engagement and Consumer Online Collective Empowerment for Consumer Price Fairness Perception**

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A thesis submitted for the degree of Doctor of Philosophy of The  
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## **Partial fulfilment statement**

This thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, the University of Adelaide, South Australia, Australia



## **Declaration of Plagiarism**

I declare that this submission is my own work and does not involve plagiarism or collusion. I give permission for my assignment to be scanned for electronic checking of plagiarism.



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## **Abstract**

Never before have customers been more powerful in providing, acquiring, and discussing the offered price of service providers in online context. In particular, the emergence of online communities increases consumer exposure to various information about the targeted services including their pricing practices shared by like-minded consumers. While price is an important indicator for customers to make a purchase decision, there have been very few scholarly attempts to identify online community factors may influence consumers' price fairness perceptions. To address these gaps, the principal focus of this dissertation is to examine the extent to which online community factors namely community engagement and customer online collective empowerment shape consumer price fairness perception. Drawing on social identity, resource dependence theory and social capital theory, three studies are conducted and reported in this dissertation which examine the central role of community engagement, consumer online collective empowerment, and community norms in driving consumer price fairness perception. Further, the research tests the moderating effect of online savviness and customer price sensitivity.

Drawing from social information processing and social identity theories, the first study examined the effect of community engagement on customer price fairness perception indirectly via community norms and rule familiarity. It is found that online community engagement impacts customer price fairness perception. Moreover, we found the mediating effects of community norms and rule familiarity on that relationship. Engaged member interactions with like-minded customers in an online context strengthen the rule familiarity with regards to dynamic pricing policies that, in turn, shape their price fairness perception. Further, as online community citizens, engaged members are willing to adopt the community



norms concerning the pricing practice in the market place that lead to a positive fairness perception toward dynamic pricing. The findings also confirm the moderating effect of online savviness for the impact of community norms on customer price fairness perception.

The importance of the collective activities empowering customers capabilities and knowledge to deal with the targeted service providers emerged from the first study. Accordingly, the second study conceptualised and developed a measure of customer online community empowerment. Using samples from Australian frequent flyer community, we undertook a qualitative netnographic study, to explore the nature of customer online collective empowerment. The netnographic findings confirm that customer online collective empowerment consists of four dimensions namely: behaviour empowerment, cognitive empowerment, emotional empowerment, and relational empowerment. Subsequently, a four-dimensional customer online collective empowerment measure is developed and empirically validated through two quantitative surveys. The examinations of construct reliability, construct validity, and discriminant validity evaluated through AMOS 22 confirm that the measure is reliable, valid, and distinct from other relevant measures.

The final study empirically examines a novel model of key drivers of customer online collective empowerment namely community engagement, community norms, and community collective knowledge which, in turn, shape consumer fairness perception toward the dynamic price tactics from service providers. Drawing on resource dependence theory and social capital theory, the findings confirm that community engagement is significantly related to perceived customer collective empowerment. The relationship is also partially mediated by two key community factors, namely community collective knowledge and community norms. As a result, empowered members indicated a positive fairness perception toward the dynamic

pricing policy of service organisations. This study builds on the first study by introducing the role of customer online collective empowerment to fully explain the role of engaged online community member in influencing the price fairness perception of customer. This has managerial implications for brand and social media usage which are discussed in the conclusion chapter.

Overall, the thesis examines the interplay among several community constructs, which together provide greater insight into the mechanisms by which these community factors affect customer fairness perception toward the dynamic pricing.



## Statement of Publication

Works from this thesis have been published in the following articles and conference papers:

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