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Consumer Empowerment Profile in Rural and Urban Area

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Consumer Empowerment Profile in Rural and Urban Area

Megawati Simanjuntak*, Siti Amanah**, Herien Puspitawati***, and Pang S. Asngari****

The purpose of this research was to analyze the profile of consumer empowerment and the influence of demographic characteristics, socio-economic status and cosmopolitaness on consumer empowerment in rural and urban area. The research finding indicated a low consumer empowerment in urban and rural area. In general, most respondents who were not categorized as empowered consumer were aged >37 years old, working in rural areas, included in income category ranged IDR 397,874.57/capita/month both in rural and urban areas, family size of ≤ 4 persons in rural areas, length of education ≤9 years in rural areas and not cosmopolite in rural areas. Higher level of education and the more cosmopolite the respondents would increase consumer empowerment both in rural and urban area. One of the attempts in empowering consumers is by intensifying consumer education involving government, NGOs, and private sector.

Keywords: consumer empowerment, cosmopoliteness, demographics, socio-economic

Introduction

Nowadays, consumers are involving in an increasing complex market. The increasing changes and consumptions lead into a condition where consumers have more freedom to choose goods and services (Jarva, 2011). Along with the development of high accessibility to information, the unfair business practices increasingly happening. Consumers easily tend to become a victim of marketing promotion by dishonest businesses that do not provide correct information. Board of Food and Drug Monitoring (BPOM, 2013) in mid-2013, found about 1308 damaged food, 667 items or 11188 packages of expired food, 268 items or 119605 packages of food without distribution permission, and 160 items or 6809 packages of food with label problem (Wibowo, 2013).

Indonesia National Consumer Protection Board (or the Badan Perlindungan Konsumen Nasional /BPKN) data showed that only 38 percent of Indonesian consumers aware that they

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have rights and 11 percent of them acknowledge that these rights reserved by law. It means that there are approximately 62 percent of Indonesian people who do not know about consumer rights (LiputanBisnis, 2013).

Based on the above concerns, therefore it is necessary to have the efforts of empowering consumers so they have power, real choices, accurate information, market transparency, and confidence engaging from effective protection and solid rights (Commission of the European Communities, 2007). Apart from that, consumers are considered to be well-off if they have a sustainable option for their daily needs which are easily identified, trusted, and understandable, and applicable to current lifestyle without making any unreasonable demands on time, effort (including decision making), and money (Thøgersen, 2005). The essence of consumer empowerment is the idea that consumers should have tools to ensure the best outcome for them.

The purpose of this research are: (1) to describe the demographic, socio-economic characteristics and degree of cosmopoliteness of respondents; (2) to analyze the profile of consumer empowerment by demographic, socio-economic and cosmopoliteness perspective; and (3) to analyze the effect of demographic characteristics, socio-economic and cosmopoliteness level towards consumer empowerment.

**Literature Review**

The concept of consumer empowerment according to Wathieuet al., (2002), is a positive subjective state caused by increasing control. Furthermore, Hunter and Garnefeld (2008) state that consumer empowerment is about giving power or strength to an individual or group for a specific purpose. Commission Staff Working Paper Brussels (2011) states that consumer empowerment is a function of knowledge, skill and assertiveness of the consumer, and also protection, rules, and institutions designed in supporting the role of consumers.

Nardo et al., (2011) identify the following aspects as essential elements in defining empowerment: consumers must be aware of their decision in purchasing products (such as terms and conditions, price comparisons, and product labels); consumers must be able to obtain information about their rights; and consumers must have access to advocacy and resolution mechanisms. There are three dimensions to measure index of consumer empowerment, namely: (1) consumer skills; (2) consumer information level; and (3) consumer assertiveness.

The results of study by Chandrasekhar (2012), Agriculture and Agri-Food Canada (2010), Gholipour et al., (2010), Chaudhry and Nosheen (2009) and Collard et al., (2006) concluded that the empowerment is influenced by income. This is in line with the study of Nardo et al., (2011) who suggest that the intensity of low income decreases consumers’ empowerment in the entire European Union countries, particularly Bulgaria, Jerman, Polandia, Portugal, and Romania. Based on Consumer Empowerment Index econometric analysis, European Commission (2011) demonstrated that poverty level is the factor which contributes to the low empowerment. Kennedy et al., (2005) and Grunert, Wills and Celemin (2010) concluded that consumer knowledge as part of empowerment aspect is distinctive based economic status.

Age is inversely related to consumer empowerment in Europe, where the younger generation is more skilled, aware, and involved than the older generation (Nardo et al., 2011; Commission Staff Working Paper Brussels, 2011). The tendency that consumers are more powerless as they progress through age is also in line with the findings of Lyon, Kinney, and Colquhoun (2002) who stated that older consumers may have difficulty in the terms of access to information, choice, ease of purchasing, and problem resolution. Age also can determine the buying patterns and consumption behavior (Oumlil and Williams, 2000). Furthermore, the findings of European Commission (2011) based on Consumer Empowerment Index econometric and Ahmad (2002) analysis shows that individuals in young and old age were categorized as less empowered.

findings of European Commission (2011) based on Consumer Empowerment Index econometric analysis shows that low education level is the factor which contributes to the low empowerment. Dasipah et al., (2010) concluded that consumer with higher education prefers to buy products with guaranteed quality. Raquib et al., (2010) expressed that well-educated people have more knowledge, mature, and skillful.


The family size influences more on how skillful the consumer. The more family members in a family, the more source of information will be achieved. Family members can influence consumer’s behavior (Kotler and Armstrong 2008). In contrary, Resendez Quiz and Matshazi (2000) discovered no relation between empowerment and family size.

Geographical location influences empowerment according to Chanrasekhar (2012) and Agriculture and Agri-Food Canada (2010). Ekanemetal., (2006) suggests that geographical location of the consumers is an important variable in explaining the differences of information sources about product, in this term as part of consumer empowerment.

Study of Commission Staff Working Paper Brussels (2011) proves that consumer empowerment index was highly correlated with level of Internet usage. In this case consumer empowerment index is the construct result of consumer skills, knowledge about consumer rights, and consumer engagement. Communication experience with other people will make consumers have better hope to become more empowered (Hunter dan Garnefeld, 2008).

Based on empirical research on consumer empowerment presented in the previous discussion, it appears that the factors which influence consumer empowerment include age, profession, level of education, and level of Internet usage. The internet usage in this research was leveraged into cosmopolitan level. Cosmopolitan level is the openness toward information through the other visits in obtaining multiple information sources (Rogers and Shoemaker, 1971). This research was limited to an attempt in creating a profile of consumer empowerment which only gained from demographic characteristics (age, family size, occupation, geographical location), socio-economic (education level, income), and cosmopolitan level.

Moreover, the research hypotheses were:

H1: There was significant influence between demographics and socio-economic characteristics on consumer empowerment

H2: There was significant influence between cosmopolitan level on consumer empowerment

Research Method

Types of Research

This research used explanatory and descriptive research designs with survey method and cross sectional approach. Location of research was in Bogor Regency and Bogor City considering that Bogor Regency represents rural geographical locations with the largest population in West Java province, while Bogor City represents urban geographical location which is more cosmopilite than Bogor Regency.

Population and Sample

The determination of research sample was conducted with multistage sampling based on Black and Champion (1992) and Agresti dan Finlay (1997). In this sampling technique, combination of various sampling techniques were used, in this case geographical location treated as a cluster, each cluster in rural and urban areas were randomized using a random function in Microsoft Excel. Total sample as many as 320 families with 160 families from each location. The sample was housewives who were asked to sign informed consent as an agreement for participating in this research.

Data Types and Data Collection Techniques

Research data include: (1) demographic characteristics (age, family size, occupation, geographical location); (2) socio-economic
characteristics (education, income), and (3) cosmopoliteness level, and (4) consumer empowerment (consumer skills, consumer experience of unfair business practices and consumer rights fulfillment, and consumer’s assertiveness). Data were collected through interviews using structured questionnaire completed with show-card.

**Instrument and Scale**

Consumer empowerment instrument was developed by referring to Nardoetal’s study (2011), The Consumer Protection Act (Law Number 8 Year of 1999), and Law Number 7 Year of 1996 on Food. Consumer empowerment was measured using three dimensions, namely consumer skills, experience of unfair business practices and consumer rights fulfillment, and consumer assertiveness.

The first dimension of consumer skills includes three sub-dimensions which are basic skills (4 items), understanding of labels (4 items), and label reading skills (8 items). The second dimension, experience of unfair business practices and consumer right fulfillment includes two sub-dimensions which are experience of unfair business practices (23 items) and consumer rights fulfillment (7 items). The third dimension, consumer assertiveness, includes four sub-dimensions namely the product comparison (6 items), comprehension of the law and consumer protection agency (5 items), tendency to talk (3 items), and complaints and redress (4 items). The scale used the Likert and Guttman scales.

**Instrument Test**

Instrument test was carried to ensure the quality of research data. Trial test on instruments was conducted to 32 housewives who were not research samples. The test on “face validity” instrument was also conducted by asking suggestions from three expert practitioners (business practitioners and academics) who are competent in the field of consumer. The Cronbach’s Alpha value of cosmopoliteness level variable was 0.825 and consumer empowerment was ranging from 0.543 to 0.879.

**Data Analysis Methods**

Microsoft Excel 2010 and SPSS 18.0 for Windows were used for research data analysis. Data obtained was scored and transformed into a scale of 0 to 100. Statistical analysis used in this study was independent sample t-test and multiple regression analysis. Classic assumption verification is carried out by analyzing normality, multicollinearity, and heteroskedasticity test (Ghozali, 2009).

**Results and Discussion**

**Demographic Characteristics, Socio-Economic and Cosmopoliteness Level**

The results showed that age of respondents in rural and urban areas was in the range of 30-39 years old (early adult). The average family size in rural and urban areas was four persons. Most of respondents in rural and urban areas were unemployed. Education level of the majority respondents in rural areas was primary school/equivalent, whereas education level of the majority respondents in urban was high school graduate/equivalent. The average family income in the urban respondents (IDR 586,105.36/capita/month) was relatively higher than respondents in rural families (IDR 428,463.54/capita/month). Urban respondents were more cosmopolite than rural respondents, meaning that rural respondents still had limited capability to travel outside the region, to get new ideas from various media, to build mutual relation, to use information for self change, or they have not used internet optimally.

**Consumer Empowerment**

In this research, consumer empowerment can be seen from the aspect of the consumer’s skill, the experience of unfair business practices and consumer right fulfillment, and consumer’s assertiveness. The significant difference was found between the level respondent’s empowerment in urban and rural areas, with the average of higher consumer empowerment were demonstrated by urban respondents. This indicated that the level of respondents’ empowerment in urban areas in playing their role as ur-
ban consumers tends to be higher than the ones in rurals. Most of respondents were categorized as underpowered both in rural areas (90%) and urbans (78.1%) and significant difference (p=0.000) discovered between the level of respondents’ empowerment, with the higher average value of consumer empowerment belonged to the urban consumers (rural: mean=35.59; SD=10.22  and urban: mean=41.66; SD=8.98) (Table 1).

### Profile of Consumer Empowerment

**Demographic and Socio-economic Perspective.** Consumer empowerment includes three dimensions which are consumer skills, experience of unfair business practices and consumer rights fulfillment, and consumer assertiveness. Consumer skills describes the consumer accuracy before purchasing packaged foods by examining label. Experience of unfair business practices reflects the consumer sensitivity in dealing with the deemed trade practices phenomenon which can be disadvantaging consumers. Experience of unfair business practice and consumer rights fulfillment influenced by the length of education and cosmopolitanness’ level. The next aspect is consumer assertiveness which describes the attitude of consumers in criticizing the trade practices they have been dealing with and the courage in telling experience of consuming products they have been purchased.

The findings of this research indicated that in all dimensions of consumer empowerment, the most powerless group and different from other groups are those who have income in the range of ≤IDR397,874.57/capita/month, age in the range of ≤9years old, and those who were not cosmopolite. In general, there was no sig-

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**Table 1. Descriptive analysis and differential test of consumer empowerment and it’s dimensions**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Rural</th>
<th>Urban</th>
<th>Independent samples t-test (sig)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>SD</td>
<td>Mean</td>
<td>SD</td>
</tr>
<tr>
<td>1. Respondents’ skills</td>
<td>42.92</td>
<td>17.23</td>
<td>54.83</td>
</tr>
<tr>
<td>2. Experience of unfair business practices and consumer right fulfillment</td>
<td>39.65</td>
<td>11.51</td>
<td>45.36</td>
</tr>
<tr>
<td>Index of Consumer empowerment</td>
<td>35.59</td>
<td>10.22</td>
<td>41.66</td>
</tr>
</tbody>
</table>

Note: ** significant at p<0.01

---

**Table 2. The Average Score and Differential Test of Consumer Empowerment by Demographic, Socio-Economic, and Cosmopolitanness Perspectives**

<table>
<thead>
<tr>
<th>Demographic, Socio-Economic, Cosmopolitanness Categories</th>
<th>Consumer Skills</th>
<th>Experience of Unfair Business Practices and Consumer Rights Fulfilment</th>
<th>Consumer Assertiveness</th>
<th>Consumer Empowerment Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 37 years old</td>
<td>51.45(a)</td>
<td>41.78(a)</td>
<td>25.04(a)</td>
<td>38.57(a)</td>
</tr>
<tr>
<td>&gt; 37 years old</td>
<td>46.06(b)</td>
<td>43.30(b)</td>
<td>23.45(b)</td>
<td>38.68(b)</td>
</tr>
<tr>
<td>Employment Status</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployed</td>
<td>50.25(a)</td>
<td>43.19(a)</td>
<td>24.13(a)</td>
<td>39.17(a)</td>
</tr>
<tr>
<td>Employed</td>
<td>43.78(b)</td>
<td>39.98(b)</td>
<td>24.82(b)</td>
<td>36.61(b)</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ IDR 397,874.57</td>
<td>45.35(a)</td>
<td>41.42(a)</td>
<td>22.65(a)</td>
<td>37.18(a)</td>
</tr>
<tr>
<td>&gt; IDR 397,874.57</td>
<td>55.98(b)</td>
<td>44.69(b)</td>
<td>27.56(b)</td>
<td>41.54(b)</td>
</tr>
<tr>
<td>Family Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 4 persons</td>
<td>49.68(a)</td>
<td>42.64(a)</td>
<td>23.79(a)</td>
<td>38.66(a)</td>
</tr>
<tr>
<td>≤ 4 persons</td>
<td>48.45(b)</td>
<td>42.43(b)</td>
<td>24.53(b)</td>
<td>38.60(b)</td>
</tr>
<tr>
<td>Length of Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤ 9 years</td>
<td>42.53(a)</td>
<td>40.22(a)</td>
<td>21.67(a)</td>
<td>35.88(a)</td>
</tr>
<tr>
<td>&gt; 9 years</td>
<td>61.15(b)</td>
<td>46.93(b)</td>
<td>29.34(b)</td>
<td>43.94(b)</td>
</tr>
<tr>
<td>Cosmopolitanness’ level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Cosmopolite</td>
<td>44.15(a)</td>
<td>38.62(a)</td>
<td>19.54(a)</td>
<td>34.45(a)</td>
</tr>
<tr>
<td>Cosmopolite</td>
<td>54.09(b)</td>
<td>46.80(b)</td>
<td>29.51(b)</td>
<td>43.24(b)</td>
</tr>
</tbody>
</table>

Note: The different letter in parentheses (a) and (b) in column showed significant difference, as for the same latter in parentheses (a) and (a) in column showed not significant difference on consumer empowerment and it’s dimensions between inter demographic group, socio-economic, and cosmopolitanness.
significant difference for all dimensions of consumer empowerment based on categories of age, employment status, and family size, except for consumer skill, which was significantly different in the case of inter age groups (the lowest score of age group is >37 years old and the lowest score of employment status was working group). This finding is demonstrated in Table 2.

### Demographic and Socio-Economic Perspective by Geographic Location

Cross tabulation was used to identify the profile of consumer empowerment in rural and urban areas, as presented in Table 2. In general, the average score in urban areas was higher than rural areas, except on the dimensions of consumer skills and consumer assertiveness by income category, the average score was higher and significant in rural areas than in urban (except in consumer assertiveness by income category of > IDR 397,874.57/capita/month, there was no significant difference between the two locations). The other different findings was in consumer assertiveness dimension by length of education of over 9 years, the average score was higher in rural areas, although statistically it was not significantly. Based on age group, respondents’ aged ≤37 years old and living in rural areas were the most powerless to experience unfair business practice and consumer rights fulfillment dimension and consumer empowerment index dimension. In contrast to the dimension of consumer skills and consumer assertiveness, respondents in the age group of >37 years old and living in rural areas were the most powerless.

Profile of consumer empowerment by employment status, indicated that respondents who work and live in rural areas were the most powerless in the three dimensions of consumer empowerment and consumer empowerment index. Moreover, in the income categories, various trends were found that in terms of experience of unfair business practices and fulfillment of consumer rights dimension, respondents within income category of ≤ IDR 397,874.57/capita/month and living in rural areas were the most powerless. For the dimensions of consumer skills and consumer assertiveness, the most powerless respondents were in income category of ≤ IDR 397,874.57/capita/month and living in urban areas.
Based on family size, respondents who have family size of $\leq 4$ persons and live in rural areas are the most powerless by consumer skill dimensions, experience of unfair business practices and consumer rights fulfillment, and consumer empowerment index. On the other hand, for consumer assertiveness dimension, respondents who had family size of $>4$ persons and live in rural areas were the most powerless. Based on the length of education, respondents who pursue education $\leq 9$ years and live in rural areas were the most powerless group by the three dimensions of consumer empowerment and consumer empowerment index. The same condition was found in the consumer empowerment by cosmopolitaness’ level indicating that respondents who were not cosmopolite and not living in rural areas were the most powerless to all three dimensions of consumer empowerment and consumer empowerment index.

Thus, generally it can be concluded that the most powerless respondents by demography, socio-economic, and cosmopolitaness’ level perspective were aged $<37$ years in rural areas, working in rural areas, included in income category of $\leq$ IDR397,874.57/capita/month in rural and urban areas, included in family size of $\leq 4$ persons in rural areas, included in length of education $\leq 9$ years in rural areas, and not cosmopolite.

Factors Influence Consumer Empowerment

Multiple linear regression analysis was used to discover the influence of characteristic of demographic, socio-economic, and cosmopolitaness’ level perspective toward consumer empowerment. Classic assumption of the multiple linear regression had been fulfilled from the aspect of normality, homoskedasticity, non multicollinerity, and non autocorrelation. The result of classic analysis assumptions were as follows: (1) test results of Kolmogorov Smirnov related to normality of data shows error distribution due to Sig value. (2-tailed) larger than 0.05, this means the normality assumption was fulfilled; (2) scatterplot resulting from the regression analysis indicated that error distribution spreads at zero, therefore, it was concluded that the homoskedasticity was fulfilled; (3) results of assumption test of non multicollinearity indicates value VIF under 5 which means the model that has been fulfilled the assumption of non multicollinearity; and (4) Durbin Watson value approaches 2 showed that autocorrelation has free model (Table 4).

Simultaneously, independent variables had significant influence towards consumer empowerment with the level of confident of 99 percent or $p<0.01$. Regression analysis toward consumer empowerment result value of adjusted $R^2$ 0.352, this means 35.2 percent of consumer empowerment was explained by variables of this research, as for the rest was influenced by variables outside of the research. Another variables that can affect consumer empowerment was trust and self efficacy (Macdonald and Uncles 2007). Partially, consumer empowerment was significantly and positively influenced by the level of education ($\beta=0.369$, $p<0.01$) and cosmopolitaness’ level ($\beta=0.261$, $p<0.01$). Another researched variables as geographical location, age, family size, occupation status, and income did not influence consumer empowerment (Table 4).

Discussion

This research appeals a discussion on consumer empowerment profile which influenced by demographic and socio-economic characteristics as well as cosmopolitaness’ level. Theory or concept used in this research is empowerment. According to Hunter et al. (2006) and Iyengar and Mark (2000), consumer empowerment is about skills, competencies, rights and the ability of consumers, and with more easily making choice out of a wide range of alternative and to be more satisfied with the decision which has been made.

The result showed that respondents in urban areas were more empowered than in rural areas with better education, income, and cosmopolitaness’ level. Consumer empowerment profile by demographic and socio-economic perspective concluded that generally the most powerless respondents were those aged $>37$ years old, working in rural areas, in income category of $\leq$ IDR 397,874.57/capita/month, family size of $\leq 4$ persons in rural areas, length of education $\leq 9$ years in rural areas, and not cosmopolite in rural areas.
According to the findings of research, respondents who were less powerful was in rural areas, this case is in line with the study of Chandrasekhar (2012) in India that rural consumers still tend to have communication problems and low literacy so that they were not familiar with advertisement as well as able to understand the advertisement fully. In addition, consumers in rural areas prefer to buy cheaper products and they were easily influenced by retailers/sellers compared to urban consumers. Based on Agriculture and Agri-Food Canada (2010) presenting research results on urban consumers in China, product availabilities in urban areas were more diverse and urban consumers were more easy in accessing information so that these conditions allow consumers to consume more varied food both domestic and international products. Yet the research of Makela and Peters (2004) using student respondents was somewhat different from the findings of this research, In their study, there were more rural students who were correct in identifying consumer rights and less rural students who were correct in identifying consumer responsibilities compared to urban students. Furthermore, the study of Nardo et al. (2011) shows that consumer who were not actively working is less powerful than to those who work.

This research finding answered hypothesis 1 (H1), there was significant influence of demographics and socio-economic characteristics on consumer empowerment. But there was one socio-economic variable namely the level of education which influences consumer empowerment. Demographics variable and income did not give significant influence on consumer empowerment. Higher education as one of the important key to improve empowerment (Raquib et al., 2010; Gholipour et al., 2010, Collard et al., 2006; Suja, 2012; Chaudhry and Nosheen, 2009; Commission Staff Working Paper Brusels, 2011; European Commission, 2011; Vandyver, Jordan, Keopraseuth, and Yu (1995), Resendez, Quist, and Matshazi (2000), and Scheel and Rieckmann (1998).

This research finding answered hypothesis 2 (H2), there was significant influence of cosmopolitanism’ level variable on consumer empowerment. Respondents that succeeded to accomplish higher level of education will be more open-minded and has more knowledge on consumer’s concerns. In addition, respondents who were used to travel to regions outside their residence and make wider relationship with other people will have more potency of having the experience from the encounter with unfair business practices. Thus, the more cosmopolite the consumers, the more positive enhancement to consumer empowerment in both rural and urban areas. Suja (2012) reveals that mobility is one of the aspects which represent empowerment. The finding of Nardo et al., (2011) showed that consumer empowerment index is highly correlated to the level of internet usage which appealed to be one of the indicator of consumer cosmopolitanism. Consumer’s knowledge is increasingly broader as more information received. Information on consumer issues which they received is not only derived from

### Table 4. Analysis result of factors influenced consumer empowerment

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>13.242</td>
<td>3.342</td>
<td>0.001</td>
</tr>
<tr>
<td>Geographical location</td>
<td>2.412</td>
<td>0.088</td>
<td>1.738</td>
</tr>
<tr>
<td>Age (year)</td>
<td>-0.076</td>
<td>-0.060</td>
<td>-1.251</td>
</tr>
<tr>
<td>Family size (people)</td>
<td>0.688</td>
<td>0.057</td>
<td>1.209</td>
</tr>
<tr>
<td>Occupation status</td>
<td>-2.068</td>
<td>-0.061</td>
<td>-1.285</td>
</tr>
<tr>
<td>Length of education</td>
<td>1.501</td>
<td>0.059</td>
<td>1.269</td>
</tr>
<tr>
<td>Income (IDR/capita/month)</td>
<td>-4.34E-07</td>
<td>-0.010</td>
<td>-0.085</td>
</tr>
<tr>
<td>Cosmopolitaness</td>
<td>0.133</td>
<td>0.261</td>
<td>0.705</td>
</tr>
<tr>
<td>F (sig)</td>
<td>25.807 (0.000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Durbin-Watson</td>
<td>1.273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.352</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homoskedasticity</td>
<td></td>
<td></td>
<td>Distribution of error spreads and around zero</td>
</tr>
</tbody>
</table>

Note: **significant at p<0.01

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formal education, but also from other people in the nearby neighborhood. Experience of communicating with others would make consumers to have a better hope to become more empowered (Garnefeld and Hunter, 2008). Similarly, the finding of Chaudhry and Nosheen (2009) showed that access to media affects empowerment.

The research showed the weakness of consumer empowerment, thus consumers were demanded to make the best choice in the free market by understanding the available choices. Apart from that, it was worthwhile to make consumers know their rights, as well as to make them aware of practices that might lead to consumer’s loss, make them informed about the available efforts to complain and demand redress if they were deprived. Consumers need better expertise and knowledge than the previous experience to support their understanding on the trade practice of business doers. Next, consumers in rural areas were the powerless groups, therefore, the government, NGOs or private enterprises need to give priority on the activity of consumer empowerment. One of the efforts that can be carried out to empower consumers is by intensifying consumer’s education.

The limitation of this research was that some variables depended on recall, thus allowing the information given to be less valid due to reliance on respondent’s memory. Another weakness was that the new research instrument seemed to have more necessity to be further developed and tested in order to become valid instrument that can measure consumer empowerment.

Research on consumer empowerment was rarely conducted based on empirical study of the researcher, especially in Indonesia, meaning this research can become baseline data for further research. The previous research by Nardo et al (2011) only identified consumer’s empowerment which was linked to some respondents’ characteristics. Meanwhile, this research studied the influence of cosmopolitaness that indicates how consumers are informed from outside information. Second contribution is the more comprehensive and complete instrument of consumer empowerment compared to previous instrument developed by Nardo et al., (2011).

The consumer empowerment instrument in this research was developed by combining the instrument of consumer empowerment developed in Nardo et al’s study (2011), Law No 8 year 1999 (Consumer Protection Act), and Law No. 7 year 1996 (Food Act). Based on the reference search conducted by the researcher, development of instrument to measure consumer empowerment in Indonesia has never been conducted.

The implications of this research findings to managers/practitioners are:

1. The necessity of extending access towards consumer education in order to increase consumer empowerment. Consumer’s protection Institution and government are encouraged to improve intensity of education for consumers in several locations and use supporting media.

2. The necessity of having National Action Plan with the theme “The Movement of Indonesian Smart Consumers” that involves business doers, NGO, universities, schools, and the general public. This activity will be under the charge of Indonesia Ministry of Trade. This will be carried out thoroughly starts from macro level, mezzo to micro for sounding the importance of smart consumers

3. Enforcement of consumer protection function

4. The improvement of business doers’ role in protecting consumers

5. The enforcement of family instrumental function in realizing consumer’s independence in protecting themselves and their families.

Conclusions

This study finds that respondents in urban areas were relatively more empowered than in rural area. In addition, urban respondents seemed to demonstrate better education, income, and cosmopolitaness’ level, although the average of consumer empowerment in both locations is actually still very low. In general, the most powerless respondents by demographic socio-economic, and cosmopolitaness’ level perspective were aged > 37 years old, working in rural areas, in income category of less than
IDR 397,874.57/capita/month in rural and urban areas, having family size of less than four persons in rural areas, length of education less than nine years, and not cosmopolite. The higher level of education and the more cosmopolite the consumers, the more positive enhancement of consumer empowerment both in rural and urban areas.

The research finding indicated a low consumer empowerment so that consumers are increasingly required to make the best choice in the free market by understanding the options offered. Besides, it is the time that consumers acknowledge their rights, identify reasonable business practices, engage complaints when they are aggrieved, and demand compensation as possible. Consumers need better expertise and more knowledge than before to bridge their understanding of proper trade practices. Furthermore, consumers in rural areas were the powerless group so that the relevant stakeholders including government, NGOs, and private sector need to give major priority on consumer empowerment. One of the attempts in empowering consumers is intensify consumer education.

The results of research that shows the level education and cosmopoliteness influence towards consumer empowerment indicates the necessity for the government to encourage the people to have higher formal education, as well as the people intensively have the efforts to find information from outside source both through internet and other media.

The next research is expected to test the instrument of consumer empowerment that was developed in this study in order to get valid instrument. More research on consumer empowerment needs to be carried out either by focusing on one product/service or by extending the product class.

Future research also need to focus on the role of self concept, self efficacy, personality, lifestyle, or motivation in affecting consumer empowerment. Moreover, further research effort need to study consumer empowerment on the variety of consumer groups such as school-age children, teenagers, or college students.

References


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