

Taxonomy of Consumer Confusion and Word of Mouth

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Abstract

The current study aims to investigate the consumer confusion proneness with decision postponement and word of mouth. The population of study is mobile phone consumers of Pakistan and sample of the study is DG-Khan and Rajan Pur district consumers. And the data is collected through brief questionnaire. The study hypothesized the consumer confusion, decision postponement and word of mouth under theory of risk behavior and prospect theory. The study revealed the results that ambiguity confusion is found significant with decision postponement under moderating effect of word of mouth. Hence, the similarity confusion and overload confusion is rejected and ambiguity confusion hypothesis is accepted.

Keywords: Consumer Confusion Proneness, DG-Khan, Rajan Pur, Prospect theory, Theory of Risk Behavior.

1. INTRODUCTION

In today's mass information society and consumer's markets various consumers' decisions are prone to be postponed. Consumer confusion is becoming more problematic as consumers are provided sheer volume of decision related information through different touch points in their purchasing environment. In many markets confusion has been reported as a trouble e.g., telecommunications (e.g., Turnbull, Leek, and Ying 2000), life, health and travel insurance (Roberts 1995), and veal products (West et al. 2002). The increasing number of products and decreasing inter-brand differences can overload the consumers.

Even though researchers link the situation specific confusion to information overload, ambiguous and misleading but the most studies on consumer confusion have emphasized on stimulus similarity and predominantly concerned with question whether one brand alike another and are revolving around the trademark infringement issues. Studies on brand confusion "fail to capture the multidimensionality of consumer confusion". (Walsh, Hennig-Thurau and Mitchell, 2006)

Despite importance of consumer confusion, no consistent approach has been taken to defining and measuring it and can result in frustration, stress then consequently lead to consumer dissatisfaction, reduced repeat sales, increased product returned rate, poor brand image, reduced brand loyalty, negative word of mouth and decision postponement. (Walsh, Hennig-Thurau and Mitchell, 2006). The Word of mouth (WOM) is informal way of passing the information among the different consumers has much powerful influence on the people thoughts, views and beliefs that can that encourage or discourage the brand purchase and marketers have less control on it.

It has become more devastating in high involvement and complex purchases where customers have to devote more effort and time together and to process the information. Among the outcomes of consumer confusion, decision postponement is also most crucial one that has the important implications for practitioners and marketers and has caused the researchers to emphasize the importance and relevance of increasing awareness of the concept for successful marketing. (Cremer, 2007).

The objective of study is to identify how three facets of consumer confusion affect decision postponement with moderating effect of word of mouth. Moreover the Significance of current research is theoretical as well of practical nature because unfortunately consumer confusion is not considered as an issue and consumer is not protected against it.

Therefore it is more very imperative for the companies to give the clear idea to consumers not only to overcome the confusion but also help the consumers to make choice decisions unambiguous. (Mitchell and Papavassiliou, 1999). Furthermore this study will of managerial use that how the word of mouth impact the purchase decision. Moreover, as theoretical background theory of risk behavior and prospect theory (Kahenamen & Tversky, 1979) are incorporated.

Hence, the part one of the study elaborates study objective, problem statement and study significance, part two of the study clarifies the study literature, hypothesis and study model. The third part of current investigation clarifies methodological framework, fourth part tabulates the study results by acquired from study data by using econometrical techniques. And the last part of study concludes study findings, managerial implications and future directions.

2. LITRATURE REVIEW

2.1 (Consumer confusion)

In the extant of consumer behavior literature few formal definitions of consumer confusion have been proposed. According to (Carolin, 2007) confusion is described as a situation in which the people exactly don't know what to do and what action to take. People that experience confusion encounter a loss of orientation and loss their normal

way of comprehending and behaving. In confused situation individuals fail to develop correct interpretation of product or service while processing the information for decision making.

Confusion is a state of mind that influences the information processing and it is more than subconscious mistake therefore the consumer may be aware or unaware of it. New insights have been provided regarding the confusion that it is an attitude therefore it has the affective, cognitive and behavioral facets. Consumer confusion can be considered as hygiene factor that implies that if it is present then creates the dissatisfaction as a negative consequence otherwise its absence don't create the motivation for individuals to make a purchase and don't lead to the satisfaction.

Consumer confusion is the consumer's inability to develop a correct interpretation on the variety of aspects of products/ service during the information processing procedure hence result in confusion and misunderstanding. Consumer confusion is a condition that can occur in the pre or post purchase situation. (Matzler, 2005). Consumer confusion resulting from error in information processing comprising of three dimensional constructs i.e. Similarity confusion, Overload confusion, Ambiguity confusion respectively.

2.2 (Similarity confusion)

Similarity confusion is defined as "a lack of understanding and potential alteration of a consumer's choice on the incorrect evaluation of brand due to perceived similarity of physical attributes of products or services. Brand similarity evoked similarity confusion when the brand is imitated by the competitors or when the different attributes of product of alternative brands are similar or considered to be similar. (Matzler, 2005).

According to the (Thesis, 2012) increase in similarity confusion consequently decrease the decision postponement. This assumption based on the reasoning that when the products of different brands are considered to be similar and are regarded as substitutable then there is no reason to postpone the decision. The simpler the product is, the harder it will be for consumers to distinguish between different brands, which might result in a quick decision making, however with lower decision accuracy.

It is also plausible that consumers are often unwilling to defer the purchase and consider it reasonable for the different brands as substitutable, comparable and similar in many ways. So they don't see any reason to delay their decision. Challenging to the original view of similarity confusion is that when consumers are more aware that there is at least a possibility that they are about to buy a brand then they are intended to search more information and want to take more time to find out whether the available alternatives are actually similar or not. Another reason to abandon the decision can be that two equally enviable choices create the conflict and result in postponement of decision.

2.3 (Overload confusion)

Among the dimensions of consumer confusion, overload confusion has also considerable implications. Before making the purchase decision consumers seek the variety of information and homogenous product choices and at same time they also experience the time constrains. Consumers being member of multi option culture, face overwhelming product choice and rich information thus resulting in overload confusion.

Information overload based on the reality that number of product alternatives and the decision relevant information on these alternatives is rising and thus increasing the complexity for decision making. (Matzler, 2005). So it seems that when consumers have lot of information than required then they might feel less confident for their own choice, they need more time for the extensive research to evaluate the available options and to assess the attributes of different brands and therefore postpone their decisions for the particular purchase.

2.4 (Ambiguity confusion)

Ambiguity confusion may emerge when the customers are enforced to reassess or reevaluate the existing beliefs and attitude about the purchasing environment or product itself. Ambiguity confusion is based on the cognitive psychological phenomenon that relates to the quality aspect of information not on the quantity dimension. Based on the concept of bounded rationality customers don't search all the relevant information while making the decision and thus tend to be confused (Matzler, 2005).

In ambiguity confusion consumers are more inclined to compare the two or more complex products in order to overcome the confusion and find the more information to clarify the choice and try to make it more credible. Consumer will postpone their decision when they are more likely to made more comparison and want to express more thoughts. Accordingly we can hypothesize that (Walsh et al, 2007).

2.5 (Decision postponement)

Generally the consumers rely on the internal and external sources for the decision making process. However if consumers find the internal source to be insufficient to make a purchase decision then the external sources are utilized like advertising and other media messages but nowadays advertising messages create the clutter for the consumers by providing too many and too complex information and this lead to decrease in recall rate

(Devasenathipathi and Saravanan, 2012).

Decision postponement is defined as when consumers tend to decide to do something later that has been planned for particular point in time. It originates from the overload, ambiguity and similarity when the consumers get more than one meaning of received information and will suffer from miscomprehension and uncertainty (Devasenathipathi and Saravanan, 2012).

To get rid of ambiguity consumers prefer to search more information, compare alternatives and evaluate the gathered information in order to make their purchase goals more clear. Based on dissonance mechanisms when the consumer postpone a particular purchase they tend to lessen the importance of getting this purchase and prefer to acquire the product from the category with which they are more comfortable and aware (Vincent-Wayne Mitchell, Vassilios Papavassiliou, 1999).

2.6 (Word of Mouth)

Word of mouth (WOM) is generally very quick, interactive and is one of the most significant ways of distributing the information. It has the powerful influence on the brand choice and can be categorized as PWOM and NWOM that encourage or discourage the brand purchase respectively. Commercial bias is lacking in WOM but it can strongly influence the people thoughts, views and beliefs about the brand and ultimately their decisions.

It could be used to market the product or service and it has the power to create the strong image in the consumer's mind if it is utilized accurately. (Robert East, Kathy Hammond, Wendy Lomax, 2008). WOM is not considered as shill marketing where someone who act as shill and try to persuade others that product is worthy. WOM is also not forged online marketing where the different companies post the fake information and views on the social media sites. It is the part of social communication where people share their ideas, experiences and beliefs among each other and it also create the strong perception in consumer mind. (Ahmad et al., 2014).

2.7 Hypothesis of Study

On the bases of above literature current study concluded following hypothesis of the study,

2.7.1 (Main Hypothesis)

H1: There is significant impact of consumer confusion with decision postponement.

H2: There is significant moderating impact of word of mouth between consumer confusion and decision postponement.

2.7.2 (Sub Hypothesis)

H1: There is significant impact of similarity confusion on decision postponement.

H2: There is significant impact of overload confusion on decision postponement.

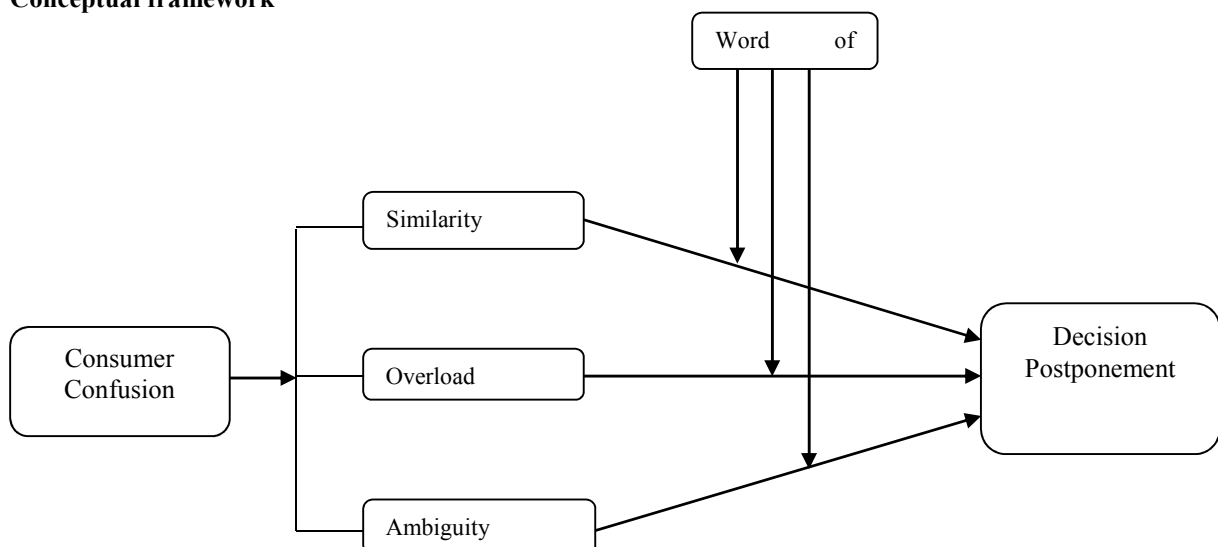
H3: There is significant impact of ambiguity confusion on decision postponement.

H4: There is significant moderating impact of word of mouth between similarity confusion and decision postponement.

H5: There is significant moderating impact of word of mouth between overload confusion and decision postponement.

H6: There is significant moderating impact of word of mouth between ambiguity confusion and decision postponement.

Conceptual framework



3. METHODOLOGY

For instrumentation the questionnaires are selected from (Alarabi & Gronblad, 2012, Walsh; Thurau & Mitchell, 2010, Laroche; Begeron & Goutaland, 2003) papers. Similarity confusion and overload confusion and word of mouth have 3 items scale while ambiguity confusion has 5 items scale and decision postponement adopted 4 items scale. Five point likert scale has been used in all items with representation of “01” strongly agree and “05 strongly disagree.

The target of population of this study was mobile phone users. Sample composed of mobile phone consumers related to different filed of life and data has been collected from active consumers of mobile phones. Originally 100 questionnaires were circulated and received back. 10 questionnaires were incomplete that’s why eliminated in analysis and 90 questionnaires have been used in this study that represent the response rate of 90%. For secrecy concern and to get the reliable information respondents were asked not to disclose their name on questionnaire.

The initial testing is performed by testing descriptive statistics; few variables are selected as control variables i-e age, gender, qualification, monthly income and family status. Such variables are found insignificant because of underdeveloped nature of Pakistani context. Hence, the insignificant nature of demographics pursuit to be selected as control variables.

4. RESULTS

Table 4.1 Descriptive Statistics

	N	Mean	Std. Deviation
SC	90	2.3148	.77951
OC	90	2.2148	.86015
AC	90	2.4900	.64338
WOM	90	2.0815	.73831
DP	90	2.1907	.78106

The table 4.1 explains the descriptive results of all variables mean and standard deviations with number of acquired data sample i-e 90. Thus, the mean value of similarity confusion (SC) is 2.3148, overload confusion (OC) is 2.2148, ambiguity confusion (AC) is 2.4900, word of mouth (WOM) is 2.0815 and decision postponement (DP) is 2.1907 respectively. While, the standard deviation value of similarity confusion (SC) is 0.77951, overload confusion (OC) is 0.86015, ambiguity confusion (AC) value is 0.64338, word of mouth (WOM) is 0.73831 and decision postponement (DP) is 0.78106.

Table 4.2 Data Normality

	N	Skewness	Kurtosis
	Statistic	Statistic	Statistic
SC	90	1.006	1.693
OC	90	.601	-.195
AC	90	-.210	.182
WOM	90	.610	-.222
DP	90	1.431	3.860

In table 4.2 data normality results are tabulated where the similarity Skewness value is 1.006 and kurtosis value is 1.693. Overload confusion Skewness value is 0.601 and kurtosis value is -0.195. Ambiguity confusion Skewness value is -0.210 and kurtosis value is 0.182. The Skewness of word of mouth is 0.610 and kurtosis is -0.222. While, decision postponement Skewness value is 1.431 and kurtosis value is 3.860. in above table data is found normal statistically because kurtosis value lies in range of +02 to -02 except decision postponement. Decision postponement kurtosis value is more than acceptance range because the scale instruments are less than standard level. Regarding any variable questionnaire at least 06 questions are required but decision postponement has only 03 questions to measure that lead data is more skewed than normal

Table 4.3 Correlations

Control Variables			SC	OC	AC	WOM	DP
Gender & Age & Qualification & Occupation	SC	Correlation	1.000	.261	.332	.093	.085
		Significance (2-tailed)	.	.015	.002	.395	.438
		Df	0	84	84	84	84
	OC	Correlation	.261	1.000	.175	-.041	.020
		Significance (2-tailed)	.015	.	.107	.708	.858
		Df	84	0	84	84	84
	AC	Correlation	.332	.175	1.000	.062	.208
		Significance (2-tailed)	.002	.107	.	.568	.055
		Df	84	84	0	84	84
	WOM	Correlation	.093	-.041	.062	1.000	.319
		Significance (2-tailed)	.395	.708	.568	.	.003
		Df	84	84	84	0	84
	DP	Correlation	.085	.020	.208	.319	1.000
		Significance (2-tailed)	.438	.858	.055	.003	.
		Df	84	84	84	84	0

The current study tabulated age, qualifications and occupation as control variables and revealed results of correlation analysis. Thus, similarity confusion is found significant with overload confusion 0.261 ($p < 0.05$). Overload confusion is also found correlated as 0.332 ($p < 0.05$), 0.175 ($p < 0.05$) and 0.062 ($p < 0.05$). Ambiguity confusion is also found significant as 0.093 ($p < 0.05$), -0.041 ($p < 0.05$) and 0.062 ($p < 0.05$). Word of mouth is found correlated as 0.395 ($p < 0.05$), 0.708 ($p < 0.05$), 0.208 ($p < 0.05$) and 0.319 ($p < 0.05$). While, decision postponement is also found significant as 0.438 ($p < 0.05$), 0.858 ($p < 0.05$), 0.055 ($p < 0.05$) and 0.003 ($p < 0.05$) respectively.

Table 4.4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.391 ^a	.153	.143	.72302	2.086

The table 4.4 explains the model summary about current study model. Thus, the value of R is 0.391 and r-square value is 0.153 and the value of Durbin Watson value is 2.086 that is acceptable for study fitness.

Table 4.5 ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8.293	1	8.293	15.864	.000 ^b
Residual	46.002	88	.523		
Total	54.295	89			

The table number 4.5 elaborates the ANOVA results and the study f-stats is 15.864 and the model is found fitted because the significance value of the p is less than 0.05 respectively.

Table 4.6 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.530	.183		8.380	.000
ACWOM	.127	.032	.391	3.983	.000

Table 4.7 Excluded Variables

Model	Beta In	T	Sig.	Partial Correlation
1 SCWOM	-.097 ^b	-.683	.496	-.073
OCWOM	-.017 ^b	-.145	.885	-.016

In above table 4.6 moderating results of word of mouth with similarity confusion, overload confusion and ambiguity confusion are tabulated towards decision postponement. In above table the results are found significant on constant level and word of mouth impact between decision postponement and consumer confusion facets is also found significant because results predicted its significance as p-value less than 0.05. Moreover, the table 4.7 explains the results of moderating impact of word of mouth between similarity confusion and ambiguity confusion

with decision postponement, where similarity confusion and overload confusion variable are excluded and have revealed insignificant impact. It conform's lack of similarity confusion and overload confusion in presence of word of mouth that shows lack of decision postponement. While, ambiguity confusion is found significant.

5. CONCLUSION

The current study aimed to investigate the impact of consumer confusion i-e similarity confusion, overload confusion and ambiguity confusion impact on decision postponement with moderating impact of word of mouth communication. The current study results negated the past study results and findings and has concluded that in Pakistani consumer market consumer are found less confused regarding similarity of options and informational perspective. The consumers are found decision executers with word of mouth. But such consumers are prone ambiguous and postpones the decisions regarding product purchasing. Thus, the hypothesis of similarity confusion and overload confusion are rejected with word of mouth and the hypothesis of ambiguity confusion with word of mouth, towards decision postponement are accepted.

5.1 (Study Limitations)

The current study is executed and investigated with few limitations as time and cost limitations. Consumer psychology is found is big hurdle because current study consumers are found as less rational regarding their post purchase decisions.

5.2 (Managerial Implications)

The corporate sector of mobile phones should launch the schemes to clear the ambiguity of consumer cognition and pinch their mood in positive way towards decision execution. While, current study revealed wonderful results by investigating word of mouth. Such lack of ambiguity regarding consumer's cognition will enhance psychological satisfaction of consumers, customer life time value and corporate profitability as well. Hence, managers should launch successful plans regarding it.

5.3 (Future Research Directions)

The future investigation can be investigated by adopting following gaps,

- 1) Word of mouth has two sub streams i-e negative word of mouth and positive word of mouth. The future investigations would reveal sound results by investigating both paradigms in consumer confusion proneness model.
- 2) Consumer psychological framework is less investigated with consumer confusion proneness. This would reveal wonderful results on the bases of current study that what is the main psychological reason that consumers are still ambiguous where they have product, product informational and word of mouth clarity.
- 3) The future research can be conducted by investigating consumer confusion on global level by adapting theory of diversity and country of origin effect.

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