

## **CHAPTER II**

### **THEORETICAL BACKGROUND**

#### **2.1 Introduction**

This chapter studies the earlier research related to the definition of consumer confusion, low-involvement context, the importance of understanding consumer confusion and former studies of consumer confusion. The information was collected from several sources such as journals, books, and other trustworthy source from the internet. Dimensions that cause consumer confusion (i.e., similarity, overload, and ambiguity), moderator and mediator variables as the influence factors of confusion would be studied here.

#### **2.2 Defining Consumer Confusion**

Consumer confusion existed in the market as the result of huge waves of choice and information. Walsh *et al.* (2007) defined consumer confusion as a huge number of choice, a surge of marketing communications, decreasing inter-brand differences, increasing complexity of information and its sources which increase search costs, it is no wonder that some consumers find information processing for some tasks are confusing. It is not only huge amount of choices that could make consumers confuse, the sources of information could influence consumer confusion.

Italian researchers, Casini *et al.* (2008) believed that consumers are exposed to an increasing amount of information, traditional mass-media channels, word-of-mouth and promotion strategies tend to stress consumer confusion. Previously, Mitchell *et al.* (2005) stated that consumers are provided with ever-increasing amounts of information from more products sold through more channels and promoted in more ways, the idea of confusion is becoming increasingly important and has been reported as a problem in many markets such as telecommunications (Turnbull *et al.* 2000), veal products (West *et al.*, 2002), wine market (Casini *et al.*, 2008) and personal computer market (Leek and Kun, 2006). Mitchell *et al.* (2004) stated that consumer confusion derived from three main sources:

1. Over-choice of products

They defined over-choice confusion as a lack of understanding caused by the consumers being confronted with too much information or even not enough information and huge number of brands or products that available on the market

2. Similarity of products

Brand similarity confusion is a lack of understanding and potential alteration of a consumers' choice or an incorrect brand or products evaluation due to consumers perceived its similarity one to another.

### 3. Unclarity confusion

They defined unclarity confusion as a lack of understanding during which consumers are forced to re-evaluate and revise current beliefs which may arise from a number of factors such as technological complexity, ambiguous information, conflicting information and incorrect interpretation.

All of the dimensions stated by Mitchell *et al.* (2004) may be potentially applicable in low-involvement context as shown in Table 2.2. Over-choice might be a problem considering there are a lot of brands with various types available in the market. With various types of product available, there might be a chance that un-clarity confusion could arise during the purchasing process, the product information may not be easily comparable one to another, and all of these factors may influence consumer purchase decision.

**Table 2.1 Conscious and Unconscious Consumer Confusion**

	<b>Conscious</b>	<b>Unconscious</b>
<b>Perceived stimulus Similarity</b>	<ul style="list-style-type: none"><li>• It happens just before making purchase decision, when consumers realize similarity on a product characteristic</li><li>• For example, “Sainsbury introduced its own brand of `Classic Cola' in 1994 which many consumers confused with Coke's visual identity and caused them to feel uncertain about whether the two brands were the same in all product characteristics (e.g., quality,source of origin).”</li></ul>	<ul style="list-style-type: none"><li>• It happens just before making purchase decision</li><li>• The consumer perceives different alternatives (e.g., Blackberry versus Blueberry in Indonesia) as exactly the same and possibly buys the wrong one without knowing that it is actually different.</li></ul>

<p><b>Perceived stimulus Overload</b></p>	<ul style="list-style-type: none"> <li>• It can occur during the process but mostly occur before making purchase decision</li> <li>• It happened when consumers can't narrow down the alternatives due to small or high number of information and choices.</li> <li>• For example when consumers have to buy mobile phone or laptop</li> </ul>	<ul style="list-style-type: none"> <li>• This confusion mostly occur before making purchase decision.</li> <li>• Consumers overload and confuse themselves by overloading their capacity to processing information.</li> <li>• For example, when a person do shopping just for the fun and this person do not have any intentions to make a purchase, which increases the information overload</li> </ul>
<p><b>Perceived stimulus Unclarity</b></p>	<ul style="list-style-type: none"> <li>• This confusion will occur in both before and after making purchase decision.</li> <li>• Consumers are aware because of aambiguous information that make them difficult to assess alternatives</li> <li>• When consumers do not understand the complexity of computer</li> </ul>	<ul style="list-style-type: none"> <li>• This confusion will occur before making purchase decision and during usage</li> <li>• Consumers will not notice that ambiguous and contradictory information are the cause for their confusion</li> <li>• For example, when consumers bought a cell phone that they think has a low radiation level, but in fact it does not</li> </ul>

**Source:** Mitchell *et al.* (2004)

Table 2.1 discusses about the different between conscious and unconscious consumer confusion in terms of similarity, overload and unclarity confusion. It shows that most of the confusion occurs before consumers made a purchase decision. The way how consumers organize their stimulus or information is very important in here. It seems that when consumers already narrowed down the alternatives that met their criteria, they might not face any types of confusion.

Walsh and Mitchell (2008) stated that consumers who are struggle with similarity confusion are more likely to have negative experiences with the product which leads to dissatisfaction. The confusion felt by seeing no significance

difference amongst brand and advantage, can result in buying a product which might not meet their needs.

### **2.3 Moderator and Mediator Variables of Consumer Confusion**

Furthermore, studies on consumer confusion mainly focused on antecedents and consequences without understanding its moderator and mediator, it is very important to understanding both variables since some moderator and mediator may be reducing or increasing consumers' level of confusion. Mitchell *et al.* (2004) stated that there are 9 confusion moderator variables listed as follows:

1. **Individual Characteristics.** It considered as an influence factor because individual characteristics are often related with consumers ability to process and recognizing other factors or information.
2. **Age.** It may be a factor that reduces confusion through experiences or increase confusion as their personal ability to processing and recognizing information or stimuli decreases due to ageing process. Elderly are more likely to misinterpret information and more likely to face confusion rather than younger people.
3. **Gender.** Differences might be a factor that related with the personal experiences. Females tend to have a better experience in some product categories than man (e.g., toiletries products and cosmetics).

4. ***Ambiguity.*** It related to doubtful information and unclear product information that make consumers uncertain with their purchase decision and need to re-assess their decision.
5. ***Reflexive or impulse.*** It described the consumer tendency to pause and consider the alternatives on offer when uncertainty is involved. Reflective individuals spend more time to search for information and narrow down their criteria, which might make them more prone to overload, but less prone to unclarity confusion, whereas, impulsive consumers are much quicker and are expected to make more inaccurate purchases. Impulsive shoppers may be more likely struggle with unclarity confusion because they tend to avoid searching for alternatives and narrowing down their criteria.
6. ***Cognitive Styles.*** It classified into two types which are *sharpeners* and *levelers*. *Sharpeners* tend to look for information intensively and narrow down alternatives that far away from their criteria to eliminate ambiguity. Meanwhile, *levelers* tend to avoid details and they thought that by buying a relatively new product means that they got new experiences.
7. ***Field independent.*** The ability to processing information makes field independent consumers are less likely to experience overload and unclarity confusion.
8. ***Equivalence range.*** A narrow equivalence range results in a more accurate comparison of the information and this information will be perceived as

different unless it was exactly similar, it is more like a differentiation skill. Broad equivalence consumers are more likely to become similarity confused, consumers with high differentiation skill are less likely to become similarity confused.

9. **Learning Styles.** Defined as the way how consumers absorb or interpret information and skills that they got.

The moderating factors were founded by Sproles and Kendall (1986). The authors also identified several decision-making factors which have links with confusion, namely:

1. **Perfectionism.** The perfectionistic consumer usually tries to buy the best products that available in the market, they will narrow down the alternatives to get the best products that meet their criteria, this type of consumer will do a systematic search and comparing few alternatives before making a purchase decision, since they have already narrowed down the alternatives, they will rarely face overload confusion.
2. **Brand Consciousness.** This type of consumers thought that if they buy more expensive products means that they will get a better product. Unclarity confusion might occur when this type of consumers misinterpret the information that they got.
3. **Novelty-Fashion Consciousness.** This type of consumer tends to follow the trend. They will seek for information from mass media or social media such

as Twitter or Facebook. Finally, they will eliminate out of date products and replaced them with the latest trends regularly. Since they already narrowed down the alternatives or out of date products, it seems that they will rarely face overload confusion.

4. ***Price-Value Consciousness.*** This type of consumers prefer the best value for money, they tend to have clear purchasing criteria, usually they already narrowed down the alternatives through systematic and efficient search, they will rarely face unclarity and similarity confusion. On the other hand, they may be face overload confusion since they desire to find the best value for money that leads them to intensive information search.
5. ***Impulsiveness.*** This type of consumer is a spontaneous shopper. Overload confusion will not play any important roles here. Impulsive consumer do not plan for their shopping, they also do not make any systematic or intensive information search before making a purchase decision. It seems that they do not care with how much money they spend and items they bought.
6. ***Recreational and Hedonistic Shopping.*** Recreational and hedonistic shoppers do not have any intentions to make a purchase, they only enjoy hunting for information and may engage in intensive information search which increase the chance of becoming confused through overload.
7. ***Confused by Over-Choice Consumer.*** This type of consumer did not narrow down their criteria or alternatives. They have to face many brands and stores



and have a difficulty to choose. So it is quite clear that this type of consumers have to face overload information and choice.

8. **Habitual or Brand Loyal Consumer.** Since brand loyalty is high, this type of consumer might not face over-choice of products. This type of consumer has their own favorite brand and it is already a habit to choose one specific brand. Similarity confusion could arise during pre-purchase process.

Moreover, after defining 9 moderators and 8 consumer decision making styles as listed above, Mitchell *et al.* (2004) defined confusion mediator variables that can be classified as:

1. **Situational variables**, for example shopping under time constraints or with time limitation, can lead to rushed decision making, shortened information processing that lead to inaccurate product recognition which may increase probability to face similarity confusion. Time constraints or time limitation might increase and decrease overload confusion because there is lack of time to processing information, but on the other hand due to time limitation, consumers will narrow their criteria which is reducing overload confusion.
2. **Shopping environment** relates to the store layout, variety of products on offer, arrangement of the merchandise, music, colors, lighting. Many retailers now periodically change the positioning of product categories within the store in order to get consumers to encounter, and purchase, products they would not usually pass by or perhaps products that potentially confusing consumers.

3. ***The social environment.*** It refers to the presence of others and their interactions with the consumers. Others' opinions could add too much information and create overload confusion or could be in conflict with existing beliefs and create unclarity confusion.
4. ***Mood.*** Consumers who are in a ***good mood*** are more likely to make a better purchase decision, quicker information processing time, it is very contradictory with consumers who are in a bad mood, they tend to make a false buying decision due to their ability to process information is decreasing. Quicker buying decisions are likely to increase similarity confusion because consumers fail to recognize differences between the imitator and the original brand. With a low-involvement purchase, overload confusion is less likely to occur because less information search and processing takes place.
5. ***Pre-purchase evaluation and expectations.*** Considered as a factor that might influence consumer decision making. If consumers felt that the information may be misleading, then they are likely to search for more information intensively. This situation might be decreasing the chance to face similarity and unclarity confusion. On the other hand, due to the consumers intensively search for information, they may provoke with overload confusion.
6. ***Experience*** can be a factor that may decrease or increase consumer confusion. As consumers gain brand experience their knowledge base expands, choice alternatives and evaluative attributes become fewer and they should become less susceptible to all three types of confusion.

## 2.4 Consumer Confusion and Product Involvement Relationship

As mentioned earlier, consumer confusion has a strong relationship with product involvement either high-involvement products or low-involvement products.

**Table 2.2 Consumer Confusions' Relationship to Involvement**

	<b>Stimulus Similarity</b>	<b>Stimulus Overload</b>	<b>Stimulus Un-clarity</b>
<b>High-Involvement products</b>	<ul style="list-style-type: none"> <li>• In regards with appearance, consumers are more likely to recognize differences</li> <li>• Consumers are less likely to experience confusion.</li> </ul>	<ul style="list-style-type: none"> <li>• Highly involved consumer tends to search as much information as possible to convince themselves</li> <li>• It seems that highly involved consumers are time pressed &amp; unable to process the available information.</li> </ul>	<ul style="list-style-type: none"> <li>• Consumers will identify ambiguous and contradictory information, unless there is too little time.</li> </ul>
<b>Low-Involvement products</b>	<ul style="list-style-type: none"> <li>• Consumers may be unable to detect differences between products because they have little product experience.</li> </ul>	<ul style="list-style-type: none"> <li>• Less involved consumers typically do not attempt to process a great amount of information that can overload and confuse themselves.</li> </ul>	<ul style="list-style-type: none"> <li>• Even when consumers only have limited time to identify a product, if consumers recognize ambiguous or contradictory information, it can generate confusion.</li> </ul>

**Source:** Mitchell *et al.* (2004)

In high-involvement context, consumers will put greater effort to look for information and alternative products considering the monetary risk they will face. However, according to Mitchell *et al.* (2004) greater effort is only likely to reduce

the incidence of confusion if two conditions hold, namely, 1) that the information is available and comprehensible, and 2) that the consumer has the processing ability to analyze the information. If either of these two conditions are not met, consumers could easily become more confused as they increase the purchase evaluation effort.

On the other hand consumers in low-involvement context will put less effort to look for information and alternatives, especially for daily products, experience, brand familiarity and brand loyalty might be important factors in this case. According to Radder and Huang (2008) especially in low-involvement situations, familiarity has a greater effect on the quality perception of a brand than its physical characteristics.

According to Boyd *et al.* (2006) there are two low-involvement buying decisions, (1) Inertia happened when consumers either buy brands at random or buy the same brand repetitively to avoid making a choice. This type of buying decision is different with brand loyalty; (2) Impulse buying happens when consumers impulsively decide to buy a different brand from their customary choice or some new variety of products. Their motivation for switching usually is not dissatisfaction but a desire for change and variety.

However, they also stated that it is clearly indicate that consumers show different reaction towards decision making process and may be influenced by different psychological, social, and situational factors, depending on their level of

involvement with the product or service they are buying. Next table will show us the differences between high-involvement consumer behavior and low-involvement consumer behavior.

**Table 2.3 High-involvement vs. Low-involvement Consumer Behavior**

No.	High-involvement consumer behavior	Low-involvement consumer behavior
1.	Consumers are information processors.	Consumers learn information at random
2.	Consumers are information seekers.	Consumers are information gatherers.
3.	Consumers represent an active audience of advertising.	Consumers represent a passive audience of advertising.
4.	Consumers evaluate brands before buying.	Consumers buy first. If they do evaluate brands, it is done after the purchase.
5.	Consumers seek to maximize expected satisfaction. They compare brands to see which provides the most benefits related to their needs and buy based on a multi-attribute comparison of brands.	Consumers seek an acceptable level of satisfaction. Consumers buy the brand that least likely to give them problems and buy based on a few attributes. Familiarity is the key.
6.	Personality and lifestyle characteristics are related to consumer behavior because the product is closely tied to the person's self-identity and belief system.	Personality and lifestyle characteristics are not related to consumer behavior because the product is not closely tied to the person's self-identity and belief system.
7.	Reference groups influence consumer behavior because of the importance of the products to group norms and values.	Reference groups exert little influence on consumer behavior because products are not strongly related to their norms and values.

Source: Boyd *et al.* (2008)

## 2.5 Confusion Reduction Strategies

Coping strategies according to Kasper *et al.* (2010) refer to the strategies consumers use to avoid the negative effects of confusion. At the core of this concept is the fundamental assumption that consumers are actively responsive to forces that confusion upon them. When confusion reaches an unacceptable level

consumers will employ various strategies to reduce or eliminate it. Mitchell and Papavassiliou (1999) proposed a number of generic strategies:

1. ***Postpone or abandon the purchase.*** If the level of confusion is too great consumers may postpone the purchase or abandon it altogether.
2. ***Clarification of goals.*** Clarification of goals may lead to a reduction in the consumers' level of confusion. This is achieved when the consumer narrows down the options available by setting one or more criteria which have to be satisfied.
3. ***Involve family and friends.*** Consumers may involve their family or friends to either share or actually make the purchase decision.
4. ***Seek additional information.*** One of the most common strategies for reducing confusion is for the consumer to seek additional information.

Mitchell *et al.* (2005) also proposed number of strategies that almost similar with Mitchell and Papavassiliou's strategies, they also stated that the reduction of confusion caused by similarity and ambiguity critically depends on the content of the information received, since additional information which is conflicting will not reduce similarity antecedents and can provoke ambiguity.

Confused consumers can often involve other people (i.e., spouse, family member and friend) in the purchasing decision by asking a person to accompany them whilst shopping to help them comprehend the choice environment. Alternatively, they may delegating decision-making to third parties or even doing

nothing at all. An important prerequisite for the use of confusion reduction strategies (CRS) is that the consumer is aware of the confusion involved in the decision.

Leek and Kun (2006) found that word of mouth is the most important source for Chinese consumers to reducing their confusion. In situation when consumers are unsure of their best option they turn to family and friends who will readily provide credible and reliable information. As a collectivist society, it was not surprising if Chinese consumers considered family and friends as their most important source to reducing their confusion. Consumer reports were found to be an important source of information to consumers. Unfortunately, manufacturers do not have control over how consumers rate their products' performance in a consumer report.

Manufacturers and retailers need to differentiate themselves from their competitors. They can reduce consumer confusion by trying to address the confusion that consumers might experience, provide general information of their products and explain what consumers need to consider before buying the product.