

The Cluttered Online Marketplace: Dealing with Confusion of Mobile App Buyers

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INTRODUCTION

As companies strive to sustain in a hypercompetitive and cluttered market, they often bombard consumers with profuse product and brand information, which not only makes information processing a hectic cognitive exercise but also creates the risk of consumer confusion. The fact that consumers get confused while selecting a product among plethora of choices has been empirically reported in product markets such as detergent (Alarabi & Gronblad, 2012), eco-labeled brands (Brecard, 1997), healthcare services (Gebele, 2014), telecommunications (Turnbull, Leek & Ying, 2000), and financial services (Shukla, Banerjee & Adidam, 2010). Empirical studies also find that confused consumers are prone to make less rational buying decisions (Huffman & Kahn, 1998; Mitchell & Papavassiliou, 1999), exhibit less trust and satisfaction (Walsh & Mitchell, 2010), spread negative word of mouth (Turnbull et al., 2000), postpone buying decisions (Huffman & Kahn, 1998; Walsh, Hennig-Thurau & Mitchell, 2007), and display reduced brand loyalty (Walsh et al., 2007).

Undoubtedly, consumer confusion outcomes as mentioned above engender negative economic impacts on a business and seek salient remedial measures. Nonetheless, before one attempts to prescribe solutions for consumer confusion, what becomes even more fundamental is to unravel the consumer confusion process itself in multiple product settings and carefully re-examine the confusion-outcome links in the presence of moderating variables (Walsh et al, 2007). This is particularly suggestive given the fact that since Walsh et al (2007) defined and validated consumer confusion proneness as a multi-dimensional construct for the first time, very few studies have extended their research in other industries. The present study thus attempts to explore confusion-outcome relationship in a confusion prone product market and further investigate such an association in the light of a relevant moderating variable.

We identify mobile and smartphone applications (apps) as a product market which renders sufficient scope to capture consumer confusion and its effects on consumer behavior. According to a report by Portio Research (2013) approximately 1.2 billion people were using mobile phone apps by the end of 2012. This figure is expected to grow at a yearly rate of 29.8 percent to have 4.4 billion mobile app users worldwide by the end of 2017. Also, the cumulative number of Android1, iOS2, and Windows3 applications is close to a million (Bohmer et al., 2011), with Apple App Store and Google Play jointly having more than 800,000 apps a piece (Portio Research, 2013). These promising statistics may lead us to anticipate two marketing phenomena – first, heightening competition among application developers to gain consumers' share of pocket, and second, development of confusion among consumers as to which app to buy among several available and equally meaningful alternatives. Eventually, it becomes increasingly important for app developers and smartphone manufacturers to explore the prevalence of consumer confusion and its influence on consumer buying decisions regarding smartphone applications.

Thus, the objective of this research article is to explore the multi-dimensional construct of consumer confusion proneness and its influence on word of mouth behavior and buying decision regarding smart-

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phone applications by Indian consumers. If one really wants to prescribe to marketers the remedial measures of confusion, it becomes imperative to closely look into the nature of information processing by a confused consumer. A justification of such a mode of inquiry is evident as Mitchell and Papavassiliou (1999) observes “confusion (...) is a state of mind which affects information processing and decision making” (p. 327). This study examines the moderating impact of a personality trait variable pivotal to information processing, namely need for cognition, on the relationship between consumer confusion proneness, buying decision and word of mouth behavior.

BACKGROUND

Mobile Applications

The use of mobile applications has drastically increased from essentially nothing to a propitious marketplace over the years with approximate revenue of US\$50 billion in 2013 that is supposed to grow to \$150 billion in the next two years (Ghose & Han, 2014). Young consumers’ close ties with their relatives and social contacts play a big role in this incremental adoption and usage behavior (Taylor, Voelker & Pentina, 2011). Continued usage of a particular application is particularly based on vividness of information quality, overall quality, and hedonic value attached with the application (Chen, Meservy & Gillenson, 2012). Recent research suggests that the perceived hedonic quality of a mobile device also plays significant role in shaping consumers’ experiences regarding mobile apps (Raptis, Papachristos, Kjeldskov, Skov & Avouris, 2014). Specifically for paid apps, consumer-generated online reviews are found to affect consumers’ buying behavior (Oh, Baek & Hyunmi, 2015). In fact, one of the distinctive characteristics of the mobile app market is in terms of the nature of interaction among consumers as well as between consumers and the firms that influence the level of market performance and degree of mobile app innovation (Jang & Chung, 2015). It is further suggested that the business framework adopted by a particular app store has a significant and critical role to play on the overall success of the entire smart phones and mobile apps ecosystem (Cuadrado & Duenas, 2012). The bottom line is mobile applications have started proliferating in the consumption domain and successful branding of a specific mobile app among a plethora of other apps throws challenges and questions which need be encountered and solved by the marketer.

Consumer Confusion Proneness

Until recently, there remained no generally accepted definition of consumer confusion. However, it has been centrally linked with issues of trademark infringement (Ayer, 2007; Beebe, 2006; Jacoby & Morrin, 1998) and has been predominantly treated as an unconscious consumer phenomenon (Poiesz & Verhallen, 1989). Some authors attribute situation-specific confusion to information overload (Jacoby, Speller & Kohn 1974; Sproles & Kendal, 1986), while few others ascribe it to ambiguous, complex, or misleading information (Foxman, Muehling & Berger, 1990). Even further, a third group of scholars proclaim that consumer confusion is primarily caused due to concurrent existence of similar stimuli (Balabanis & Craven, 1997).

A more astute and sophisticated conception of the of consumer confusion that capture multi-dimensionality is first provided by Walsh et al (2007). By integrating disperse literary pieces these authors characterize confusion as a consumer trait variable; thus naming it as consumer confusion proneness.

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