Consumer Confusion in Mobile Application Buying: The Moderating Role of Need for Cognition

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ABSTRACT

This study aims to examine effects of consumer confusion proneness on two consumer behavior variables, word of mouth and buying decision, in a confusion prone product market like smartphone and mobile applications (app). Additionally, the study examines the moderating influence of a personality trait variable pertinent to information processing – need for cognition, on the afore-mentioned relationships. Data were collected via a survey from 254 post-graduate students and analyzed with the help of structural equation modeling with a partial least square (PLS) approach using SmartPLS 2.0. Research findings indicate that the dimensions of consumer confusion proneness behave differently in terms of their linkages with consumer behavior. Further, as expected, consumers’ need for cognition also play a major moderating role which helps to fathom the concept of consume confusion in the context of mobile and smartphone applications. Academic and managerial implications as well as scope for future research are also discussed.

Keywords: Buying Decision, Consumer Confusion, Information Processing, Mobile Applications, Need for Cognition, Smartphone, Word of Mouth

INTRODUCTION

As companies strive to sustain in a hyper-competitive 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), own-label brands (Balabanis & Craven, 1997), travel and health insurance (Brierley, 1995), 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. Academic research has started to emerge recently in the consumption domain of mobile applications (e.g., Bhave, Jain & Roy, 2013; Bohmer, Hecht, Schoning, Kruger & Bauer, 2011; Cuadrado & Duenas, 2012; Maghnati & Ling, 2013) though none of them has systematically investigated the prevalence and outcome of consumer confusion. 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 an 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 that 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. Though few studies examine confusion in the mobile handset industry (Leek & Chansawatkit, 2006; Kasper, Bloemer & Driessen, 2010; Turnbull et al., 2000), little attention has been given to examine the nature, likelihood, and intensity of consumer confusion proneness while buying smartphone applications from an online store.

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 smartphone 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.

THEORETICAL FRAMEWORK

Mobile Applications

The use of mobile applications has drastically increased from essentially nothing to a propitious marketplace over the years. Consumers’, specifically young ones, close ties with their relationship partners and social contacts (friends, in comparison to family members) play a big role in this incremental adoption and usage behavior (Taylor, Voelker & Pentina, 2011) with communication applications like Facebook