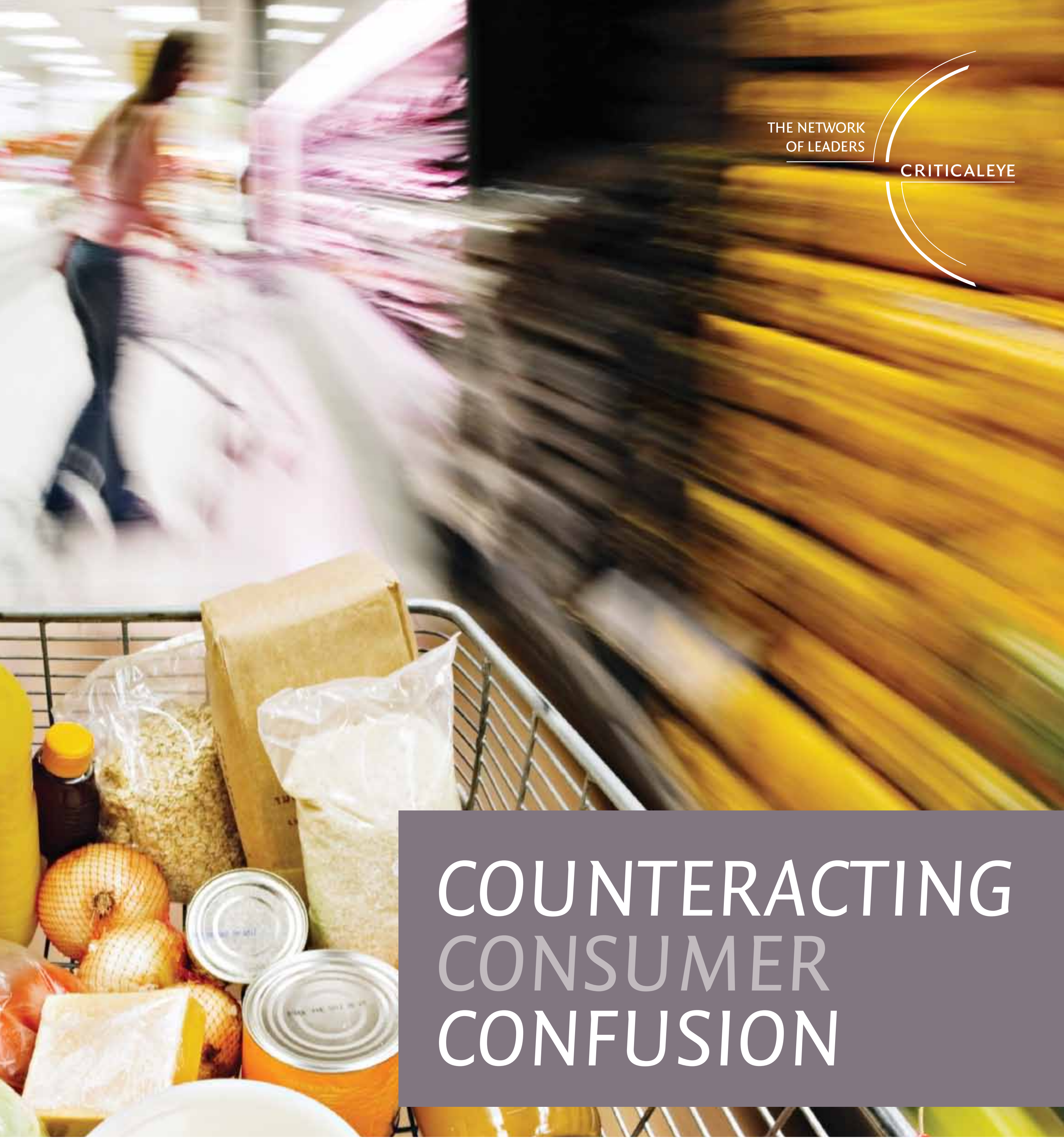

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# COUNTERACTING CONSUMER CONFUSION

*By Vincent-Wayne Mitchell and Alan Giles*

*Too many items for sale, too many shops in which to browse and too little time to buy it all. Consumers today are inundated with immeasurable information on more products sold through more channels and promoted in more ways than ever before. In this article for Criticaleye,* **Vincent-Wayne Mitchell** *of* **Cass Business School** *and* **Fat Face***'s* **Alan Giles** *look at what causes consumer confusion and how it can be reduced to make sales shopping less draining, giving retailers a greater share of the pie.*

## THE CAUSES OF CONSUMER CONFUSION

One obvious source of perplexity is the nature of the products themselves. Televisions, for example, are inherently more complicated than shampoos. Technically complex products, such as games consoles, mobile phones and PCs, present compatibility issues and dramatically increase the anxiety of purchasing. However, there are several other causes of confusion like marketplace complexity, time pressure, store layout, channels and pricing.

## MARKETPLACE COMPLEXITY

A current problem in many markets is their bewildering number of products, including many product-line extensions that present only minor emotional or rational differentiations to purchasers. This information overload is not only caused by a proliferation of brands, but also by an increase in the amount of `decision-relevant' information on the product and in the environment surrounding a product purchase. The greater the number of things to be considered, the more difficult the choice will be (or the more thinking cost incurred).

For retailers, the shopping environment relates to the **store layout**, variety of products on offer, arrangement of the merchandise, music, colours, lighting, etc. Many retailers change the positioning of product categories within the store during sales periods in order to get consumers to encounter and purchase products they would not usually pass by - potentially confusing consumers. Confusing layouts often arise from retailers taking into account non-consumer orientated factors such as margin mix operational convenience, sourcing arrangements (eg, when the supplier replenishes and displays stock direct), and even health and safety.

Additional **channels** to market, eg, online e-tailers, have broadened consumer choice and therefore added to the stress and confusion. The information overload is compounded by new sources of information and advice – shopbots, blogs, third-party and consumer reviews, etc. Ironically such innovations designed to help consumers have, in some instances, simply added to the confusion. Many consumers invest hours researching a relatively minor purchase online, losing sight of whether this investment in time could ever provide a return in terms of a better purchasing decision.

Finally, **pricing** can cause consumer confusion especially when factoring in the relative benefits of loyalty schemes, money-off, percentage off, three-for-two offers, etc. A myriad of short-term 'sales', and a nagging sense that there might be an even better deal to be had by waiting, adds to the stress and confusion.

## THE NEGATIVE CONSEQUENCES OF CONFUSION

We view confusion as a negative mental state, uncomfortable and unpleasant for consumers because it's linked with frustration, irritation, anxiety, or even anger. However confusion has also been associated with unfavourable consequences for companies such as, negative word-of-mouth, dissatisfaction, cognitive dissonance, decision postponement, shopping fatigue, reactance, decreased loyalty and trust and confusing other consumers. Furthermore, it can result in possible harmful outcomes (eg, product misuse that leads to physical harm). In addition, confused purchasers can experience a reduction in their own confidence (or ability) to make a judgment or evaluation regarding any facet of a product or service (cf Sainsbury's sleep shopping ad campaign).

*Confusion is also a major barrier for increasing market share*

The motivation for using, let alone for seeking, new information is lacking and much of the information in the choice environment will `bypass' the decision-maker, which is not a good outcome for companies. An important consequence is also on whom the purchaser's blame falls for their confusion. The more they attribute their confusion to the company, the greater the effect will be on company-related consequences. Importantly therefore, these negative emotions can be transferred to the retailer further damaging their ability to remain in the customer's portfolio of companies which they frequent or are on their preferred supplier lists.

Confusion is also a major barrier for increasing market share. This is because experienced purchasers, who normally buy from you, are less likely to compare the products they buy thoroughly and regularly, and are less likely to be confused than inexperienced ones.

This is partly because although they consider a greater number of information dimensions, heavy users look at fewer brand alternatives, and the knowledge that stems from experience facilitates information processing. Also, firmer product beliefs, accrued from experience, make purchasers selectively perceptive and reduce consumers' scope of search. This means that those purchasers on which companies should focus their attention and aim to help, are the prospective customers who either do not buy or only occasionally buy from them.

To give some other clues on how companies can help reduce confusion, we now look at how purchasers themselves mitigate the unpleasant feelings.

## CONFUSION REDUCTION STRATEGIES

**(1) Train sales people better**
Confused purchasers will initially suspend the decision-making process and become temporarily indecisive and *inactive*. This is when help is needed and needed quickly. Sales forces could be better trained to spot the signs of confusion, as purchasers who are helped in this phase will be very grateful.

**(2) Retail Editing: Narrow down the set of alternatives**
Purchasers often reduce the number of alternative stores, products and brands they consider in order to avoid confusion. Just as the editor of a newspaper determines what stories consumers will see and consume that day, so the retailer is a brand 'editor' in deciding what consumers will be able to buy conveniently.

Retailers then strive to make their stores (and stories) interesting to the reader/consumer and struggle to find the right mixture of offerings. They need to stock products that are highly valued and remove unhelpful/duplicate choices to leave 'useable' choice.

Good retailing has always been about skilful editing; offering enough choice to meet a spectrum of needs, but not so much as to confuse, all subject to a threshold of quality, value and taste. A retailer's ability to do this effectively comes down to trust – hard won, but easily lost. John Lewis is a good example of this. It stocks fewer electrical goods than other electrical retailers, but the stock carries their recommendation as representing true choice for their customers. In addition, putting key point of sale information in precisely the area where customers are likely to have queries or giving customers pagers to inform them of when an advisor will be available to help them are just some of the other ways retailers are attempting to help consumers from becoming confused.

Retailers must remember that the product is the hero of the store story and that point of sale information is there to support quick and confusion-free product selection. Some companies have made a virtue of appealing to purchasers who are time-constrained by appealing to their emotional state and consequently reducing their anxiety and meeting a genuine need. For example, Lastminute.com create a value platform of the best deals just when you need it from the comfort of your armchair, or Lands End clothing retailers who allow customers to return any faulty product at anytime. In doing this they will reduce the stress associated with finding and purchasing the products purchasers want.

**(3) Share/delegate the purchase decision**
Confused purchasers can often involve other people in the purchasing decision by asking a friend, colleague etc. to accompany them to help them comprehend the choice environment whilst shopping. Alternatively, they may delegate the task completely. However, these people can give opinions, which contrast with the buyer's opinion, convey inaccurate or unclear information about a product and/or store and actually further confusion. Other strategies purchasers employ is to ask other more competent people to assist them. This helps explain the rise of personal shoppers in many department stores and the rise in the professionalism and power of many purchasing departments within companies. This presents a huge opportunity for retailers.

Retailers have the power to reduce purchasers' confusion by using their staff more effectively and having enough informed and well-trained staff to cope with demand. For example, B&Q recognises that a high percentage of power tools are bought by women at Christmas and therefore employ ex-tradesmen and experts as well as over 50 DIY enthusiasts to advise credibly and with whom the consumer can share the final decision.



**(4) Encourage brand loyalty**
As brand loyalty reflects habitual purchasing and requires less decision-making, information seeking and brand evaluation, the prospect of having to do less information processing and comparison is useful in reducing confusion. However, in order to stimulate this strategy in purchasers, both manufacturer brands sold by retailers and retailers' own-brands need to have strong points of difference. The greater the brand differentiation, the greater the loyalty and the easier it is to shop in a confusing environment. Therefore, loyalty can be viewed as a strategic (conscious or non-conscious) reaction to overload. For example, Crate and Barrel in the US have a very clear positioning and point of difference in the home fashion space in consumers' minds based upon fashion colours.

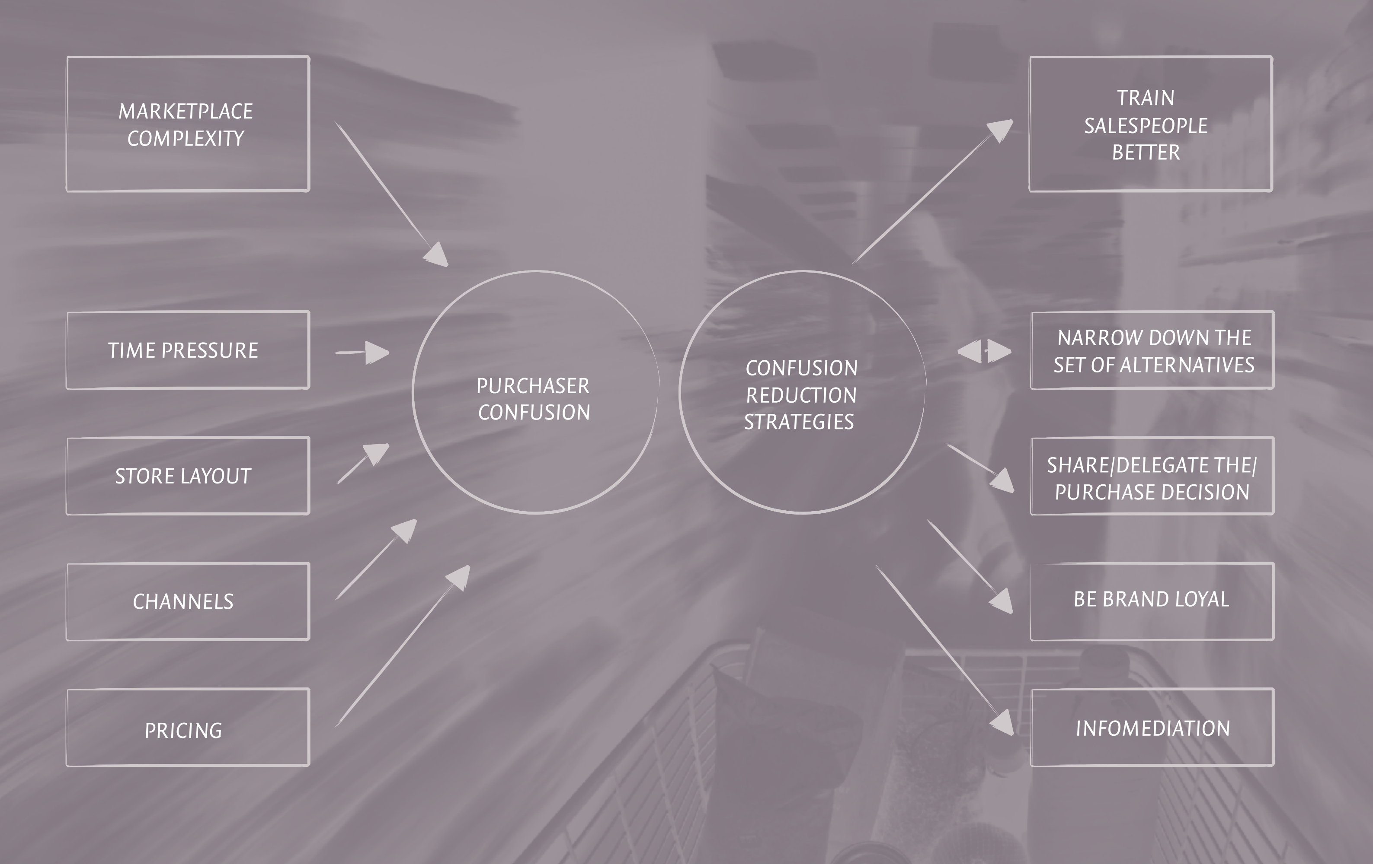
**(5) Create 'info-mediaries'**
When there is confusion in the marketplace, there is a role for 'info-mediaries'. These are people, processes or organisations, which can reduce the confusion by 'translating' the information into more meaningful and manageable chunks on which a decision can be made.

Companies can help in encouraging info-mediation in complex markets by doing several things. First, they can lobby government to set up some form of info-mediation. For example, the standard representation of ingredients on food labels or the way energy efficiency of appliances is measured and presented to customers. Other forms of info-mediation supported by the government are bodies such as the Citizens Advice Bureau.

Private companies can help to reduce confusion too by effective personal sales agents or setting themselves up as independent advisors. Finally, consumers can help other consumers as we have seen happen in the past with product category opinion leaders and now with the burgeoning use of social networking sites. These three types of info-mediators can help reduce confusion in three main ways. First, via web-based systems which help consumers navigate through the complexity such as, Confused.com. Second, via people-based advice services such as the Citizens Advice Bureau and third, via organisational endorsements such as Which? Best buys.

| | Web based Expert Systems | People Based Advice | Organisational Endorsements |
|---|---|---|---|
| Government & NGOs | NHS Direct | Tax Helplines<br>Consumer Direct | BSA, Which?<br>kite marks, Sustainability marks |
| Private Companies | Carphone Warehouse<br>Confused.com | Independent Financial Advisors | Amazon |
| Individuals | Martin Lewis<br>Moneysavingexpert.com | Peer to Peer<br>Social Network Sites | Minister for Health |

FIGURE 1:




## CONCLUSION

Confusion is akin to (a reverse) `hygiene' factor when shopping; its presence causes dissatisfaction, but its absence does not motivate purchasers to purchase or lead to satisfaction. Companies with a reputation for generating customer confusion will lead to lower levels of purchaser brand choice and frequency of visits, while companies with a reputation for clarity and ease of shopping are likely to enjoy greater levels of purchaser trust and reputation and result in increased visiting frequency and duration. This is because confusion can be unpleasant, the eventual *outcome or consequences* flowing from it can be negative, eg, buying the wrong thing, not fully utilising products and the danger of misunderstanding or misusing products, which might result in physical harm. In particular, confusion can seriously undermine the four pillars of consumers rights, namely the rights to be informed (understand the information), to choose (and not be overloaded with choice), to safety (and not be confused by complicated manuals and instruction), and to be heard (and not be unable to work out how to complain).

Companies should do a confusion audit to find out which consumers are most confused in order to rectify it. As part of the audit they also need to check where confusion can occur; from their positioning strategy, what do you stand for? For retailers, having a confusing retail layout through which consumers have to navigate can be troublesome. For other companies, having a product mix, display or packaging/ instructions that are confusing might be the problem. In fact companies should do a confusion audit and check all the points of confusion that typical purchasers face from entering to leaving. The 'supermarket sweep' test should be applied whereby mystery shoppers do 'test' the shopping environment and product display, help etc. by shopping under time constraints.



**Vincent-Wayne Mitchell**
*Professor of Consumer Marketing, Cass Business School*

*Vincent has done extensive research into marketing and consumer behaviour with particular focus on consumer decision-making, complaining behaviour and risk-taking. He sits on the editorial boards of six international journals, is associate editor of the International Journal of Management Reviews and is an Expert Adviser for the Office of Fair Trading and Head of Marketing at Cass. He teaches Marketing to MBAs and EMBAs and has been teaching postgraduate marketing for 17 years.*

**Alan Giles**
*Chairman, Fat Face Ltd.*

*Alan has many years experience in retail businesses. He is currently Chairman of Fat Face Limited and a Non-executive director of Rentokil Initial plc and Wilson Bowden plc. Alan also serves on the board of the Office of Fair Trading. Alan joined HMV Group as Chief Executive in March 1998 following its leveraged buy-out and led the Group through its LSE flotation in May 2002. He left the Group at the end of 2006 to develop a portfolio of non-executive and teaching roles.*

*Contact the authors through www.criticaleye.net*