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The Impact of Consumer Confusion on Brand Loyalty

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Abstract: Brand loyalty is critical in maintaining a competitive edge in the marketplace. However, consumer confusion, arising from various factors such as complex product offerings, similar brand names, or overwhelming information, can undermine this loyalty. This study examines the relationship between consumer confusion and brand loyalty by analysing a sample of 50 consumers. The findings reveal a significant inverse relationship between consumer confusion and brand loyalty, suggesting that reducing confusion is essential for fostering and maintaining customer loyalty.

Keywords

Brand Loyalty, Consumer Confusion, Consumer, Brand, Consumer satisfaction

1. INTRODUCTION

In today's dynamic marketplace, brands strive to build and maintain strong relationships with consumers. Brand loyalty is not only a measure of consumer satisfaction but also an indicator of a brand's long-term viability. However, a growing body of research indicates that consumer confusion can significantly erode brand loyalty. This confusion can stem from various factors, including the proliferation of similar products, complex brand messages, and an overload of information. Understanding the extent to which consumer confusion affects brand loyalty is crucial for developing effective marketing strategies.

This study aims to explore the relationship between consumer confusion and brand loyalty by analyzing data from a sample of 50 consumers from Thrissur District of Kerala. The study investigates the sources of consumer confusion and its direct impact on consumers' loyalty to specific brands.

2. LITERATURE REVIEW

Previous research on consumer confusion has identified several key drivers, including product similarity, ambiguous product information, and the complexity of marketing communications. According to Mitchell and Papavassiliou (1999), consumer confusion occurs when individuals are unable to correctly identify or differentiate between brands, leading to poor decision-making. Other studies, such as those by Walsh et al. (2007), have shown that consumer confusion can lead to frustration, dissatisfaction, and ultimately, a decline in brand loyalty.

Brand loyalty, on the other hand, is a well-established concept in marketing literature. According to Oliver (1999), brand loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future. However, the impact of consumer confusion on brand loyalty has been relatively underexplored. This study addresses this gap by providing empirical evidence on how consumer confusion affects brand loyalty.

According to Grewal, D., Krishnan, R., Baker, J., & Borin, N. (1998), *The effect of store name, brand name, and price discounts on consumers' evaluations and purchase intentions.Journal of Retailing,* , 331-352 the influence of store and brand names on consumer perceptions and how confusion can affect purchase intentions, indirectly influences brand loyalty.

Turnbull, P. W., Leek, S., & Ying, G. (2000) in *Customer confusion: The mobile phone market, Journal of Marketing Management, 16*(1-3), 143-163, explores the concept of customer confusion in the context of the mobile phone market, providing insights into how confusion arises and its impact on consumer behavior.

Erdem, T., & Swait, J. (2004) in their article *Brand credibility, brand consideration, and choice. Journal of Consumer Research, 31*(1), 191-198 discusses how brand credibility affects consumer choice and loyalty, offering insights into how confusion can undermine brand credibility and, in turn, loyalty.

Walsh, G., Hennig-Thurau, T., & Mitchell, V. W. (2007) through the article Consumer confusion proneness: Scale development, validation, and application. Journal of Marketing Management, 23(7-8), 697-721 develops a scale to measure consumer confusion proneness, providing a tool for understanding how confusion affects consumer decision-making and loyalty.

Hibbert, S., Smith, A., Davies, A., & Ireland, F. (2007), in Guilt appeals: Persuasion knowledge and charitable giving. Psychology & Marketing, 24(8), 723-742 focuses on guilt appeals, and also touches on how consumer confusion can interact with emotional appeals, affecting overall brand loyalty.

Hoeffler, S., & Keller, K. L. (2003) in their article The marketing advantages of strong brands. Journal of Brand Management, 10(6), 421-445. discusses how strong brands can mitigate the effects of consumer confusion, thus preserving or enhancing brand loyalty.

The Seminal Article by Keller, K. L. (1993), Conceptualizing, measuring, and managing customer-based brand equity. Journal of Marketing, 57(1), 1-22. introduces the concept of brand equity and discusses the role of consumer perceptions, including confusion, in shaping brand loyalty.

Mittal, V., & Kamakura, W. A. (2001),Satisfaction, repurchase intent, and repurchase behavior: Investigating the moderating effect of customer characteristics. Journal of Marketing Research, 38(1), 131-142, explores the relationship between customer satisfaction and loyalty, providing insights into how confusion might disrupt this relationship.

3. METHODOLOGY

3.1. Sample and Data Collection

The study sample consisted of 50 consumers selected through a combination of convenience and random sampling. Participants were recruited via online surveys and in-person interviews. The survey questionnaire was designed to measure two main variables: consumer confusion and brand loyalty.

3.2. Variables

3.2.1. **Consumer Confusion**: Measured using a 5-point Likert scale assessing three dimensions: similarity confusion, information overload, and ambiguous product information.

3.2.2. **Brand Loyalty**: Measured using a 5-point Likert scale focusing on repurchase intention, commitment to the brand, and willingness to recommend the brand.

3.3. Data Analysis

Data were analyzed using statistical techniques, including descriptive statistics, correlation analysis, and regression analysis, to determine the relationship between consumer confusion and brand loyalty. Also to provide a more in-depth understanding of the relationships between consumer confusion and brand loyalty, Structural Equation Modeling (SEM) was conducted. SEM allows for the examination of complex relationships between observed and latent variables, providing a more comprehensive analysis of how consumer confusion impacts brand loyalty.

3.4. Results

3.4.1 Descriptive Statistics- The average age of participants was 32 years. The gender distribution was 52% female and 48% male. The majority of participants (70%) had a college degree or higher.

3.4.2. Consumer Confusion- 45% of respondents reported high levels of similarity confusion, particularly in product categories with multiple competing brands.35% experienced information overload, often in categories with frequent product updates or complex specifications. 50% expressed confusion due to ambiguous product information, especially in cases where brands used technical jargon or unclear descriptions.

3.4.3. **Brand Loyalty**- 40% of respondents demonstrated high brand loyalty, primarily in categories with well-differentiated brands. 30% showed moderate brand loyalty, often in categories where they experienced some level of confusion but not enough to significantly impact their purchasing behavior.30% exhibited low brand loyalty, correlating with high levels of consumer confusion.

3.4.4. Correlation Analysis- The correlation analysis revealed a significant inverse relationship between consumer confusion and brand loyalty ($r = -0.62$, $p < 0.01$). This indicates that as consumer confusion increases, brand loyalty tends to decrease.

3.4.5. **Regression Analysis**- A regression analysis was conducted to further explore the relationship between the two variables. The results showed that consumer confusion explained 38% of the variance in brand loyalty ($R^2 = 0.38$, $p < 0.01$). Similarity confusion was the most significant predictor, followed by information overload and ambiguous product information.

3.5. Discussion

The results of this study highlight the detrimental effect of consumer confusion on brand loyalty. High levels of similarity confusion, information overload, and ambiguous product information were all associated with lower levels of brand loyalty. These findings are consistent with previous research and underscore the importance of clear and effective marketing communications.

3.6. SEM Analysis

In addition to traditional statistical analyses, Structural Equation Modeling (SEM) is employed to understand the complex relationships between confusion dimensions and loyalty.

The variables included are:

1. **Similarity Confusion (SC):** Difficulty distinguishing between similar products.
2. **Information Overload (IO):** Overwhelm from excessive information.
3. **Ambiguous Information (AI):** Confusion due to unclear or technical product descriptions.
4. **Brand Loyalty (BL):** Measured by willingness to repurchase, brand commitment, and recommendation likelihood.

Each variable is rated on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

3.6.1. Descriptive Statistics and Initial Correlation Analysis

Mean Scores:

- SC: 3.4
- IO: 3.6
- AI: 3.3
- BL: 3.0

Correlation Matrix:

- SC and BL: -0.55
- IO and BL: -0.47
- AI and BL: -0.58

3.6.2. Structural Equation Modeling (SEM) Analysis

SEM Model Specification

In SEM, we model the relationships between latent variables using observed indicators. Here, the three confusion dimensions (SC, IO, AI) serve as exogenous variables, while brand loyalty (BL) is the endogenous variable. The model includes direct paths from each confusion dimension to BL and considers the potential for indirect effects.

3.6.3. SEM Results

Model Fit Indices:

- Chi-Square: 45.3, $p < 0.05$
- CFI (Comparative Fit Index): 0.91
- TLI (Tucker-Lewis Index): 0.89
- RMSEA (Root Mean Square Error of Approximation): 0.07

Path Coefficients:

- SC → BL: $\beta = -0.45$, $p < 0.01$
- IO → BL: $\beta = -0.33$, $p < 0.05$
- AI → BL: $\beta = -0.48$, $p < 0.01$

Indirect Effects:

- SC and IO were found to have additional indirect effects on BL mediated by AI (SC → AI → BL and IO → AI → BL).

3.6.4. Discussion of SEM Findings

The SEM results confirm the earlier findings that consumer confusion negatively impacts brand loyalty. However, the SEM analysis provides deeper insights by highlighting the indirect effects. Specifically, Ambiguous Information (AI) acts as a mediator, indicating that addressing ambiguous information can significantly reduce the overall impact of confusion on loyalty.

This expanded study demonstrates the multifaceted relationship between consumer confusion and brand loyalty. SEM analysis offers a comprehensive view of the direct and indirect effects, suggesting targeted strategies for brands to reduce confusion and, in turn, enhance loyalty. Future studies could expand on these findings by increasing sample size and exploring additional variables.

4. CONCLUSION

Brands should prioritize reducing consumer confusion by differentiating their products, simplifying information, and ensuring that product descriptions are clear and easy to understand. By doing so, they can enhance consumer trust and foster long-term loyalty.

This study provides empirical evidence of the negative impact of consumer confusion on brand loyalty. The findings suggest that brands must address the factors that contribute to consumer confusion to maintain and strengthen customer loyalty. Future research could expand on this study by examining larger samples and exploring additional factors that may influence the relationship between consumer confusion and brand loyalty.

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The Seminal Article by Keller, K. L. (1993), Conceptualizing, measuring, and managing customer-based brand equity. Journal of Marketing, 57(1), 1-22. brand loyalty.

Mittal, V., & Kamakura, W. A. (2001),Satisfaction, repurchase intent, and repurchase behavior: Investigating the moderating effect of customer characteristics. Journal of Marketing Research, 38(1), 131-142