



The impact of media richness on consumer information search and choice

Moutusy Maity^a, Mayukh Dass^{b,*}, Piyush Kumar^c

^a Indian Institute of Management Lucknow, 1309 Faculty Block, B1, Sector 62, Noida, UP 201307, India

^b Rawls College of Business, Texas Tech University, MS 2101 Lubbock, TX, USA

^c Department of Marketing, Terry College of Business, University of Georgia, 130 Brooks Hall, Athens, GA 30602, USA.

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ABSTRACT

Consumers' make decisions based on information gathered from sources that vary in the richness of the medium. Some media are rich, and include video and audio components, while others are lean and consist solely of text. This paper examines whether consumer's information search and the number of options that they consider when making choices depend on the richness of the medium from which consumers gather information. A series of experimental studies shows that an improvement in media richness reduces the cost of information search and increases the number of options that consumers consider when making choices. These studies also show that consumers tend to rely more on stimulus-based information when media richness is high and more on memory-based information when media richness is low. An investigation of the underlying process shows that perceived cost mediates the relationship between media richness and information search.

1. Introduction

Consumers' base their decisions on information gathered from diverse sources and different forms of media. Some media provide information in rich environments that include audio and video components presented in large user interfaces. Other media provide information in lean environments that consist purely of text in small user interfaces. The richness of the medium is likely to increase further as marketers adopt augmented reality and virtual reality to engage with customers. While prior research on media characteristics and communication processes suggests that richness lowers the equivocality of a medium (Daft, Lengel, & Trevino, 1987), it is unclear whether the variation in media richness affects consumer's search processes and their decisions.

A consumer makes decisions using a combination of information that is stored in his or her memory and information that is available from current external cues that relate to the options that are under consideration (e.g., Biehal & Chakravarti, 1982, 1983). The sources of previously encoded information in the memory and current information may vary in terms of the richness of the medium. For example, consumers who make online purchases tend to seek information from websites on computer screens or from applications on handheld devices (Chou, Shen, Chiu, & Chou, 2016). They may also remember relevant information that they have gathered from similar media or different media such as newspapers. But, does the number of options about which consumers seek information depend on the richness of the

medium of information exchange? Furthermore, does consumers' reliance on information stored in the memory rather than information that is available from the current stimuli depend on the richness of the medium?

In this paper, we investigate the impact of media richness on consumer information search and choice. Prior to the electronic age, media richness was defined in terms of the “ability of information to change understanding within a time frame” (Daft & Lengel, 1986, p. 560). More recently, it was conceptualized as a “set of objective characteristics such as feedback and communication capability, language variety, and personal focus, which determine a medium's ability to communicate richness of information” (McGrath & Hollingshead, 1994). Richer media, such as those that have the ability to transmit audio and video or enable two-way communication, tend to convey a greater sense of presence than less rich media do (Schmitz & Fulk, 1991). The richness of the medium decreases the equivocality of a message, and experience with the medium improves the ease with which users communicate and comprehend messages (Carlson & Zmud, 1999, p. 155).

Drawing upon the media richness literature and the accessibility-diagnostics framework (Feldman & Lynch, 1988), we investigate whether media richness influences the relative impact of memory- and stimulus-based information search and choice (Kardes, 1986; Menon, Raghuram, & Schwarz, 1995). We report results from three studies in which we manipulated media richness and product type to assess their effect on search and choice behavior. The collective findings from these studies suggest that consumers are more likely to engage in memory-

* Corresponding author.

E-mail addresses: mmaity@iiml.ac.in (M. Maity), mayukh.dass@ttu.edu (M. Dass), pkumar@uga.edu (P. Kumar).

based processing at low levels of media richness and in stimulus-based processing at high levels of media richness. Furthermore, search cost mediates the relationship between media richness and search and choice behavior, and product type partially moderates this effect.

This paper attempts to make several contributions to the literature. First, to the best of our knowledge, this is the first paper to demonstrate the relationship between media richness and consumer information search and choice. Second, this paper provides evidence that the perceived cost of information processing explains the observed consumer response to variations in media richness. Third, this paper partially answers the question of whether marketers should always chase richer media to communicate with their customers as they migrate from web-based e-commerce to app-based m-commerce and potentially to virtual reality-based v-commerce.

The rest of the paper is organized as follows. Section 2 discusses the literature on media richness and presents our hypotheses. Section 3 reports the findings from our three studies. Section 4 discusses these findings and presents the theoretical and managerial implications of our research as well as some directions for future research.

2. Literature review and hypotheses

2.1. Effect of media richness on information search and choice

According to channel expansion theory, the length of time that consumers spend using a medium of information exchange and the depth of presentation through the medium shape consumer perceptions of media richness (Carlson & Zmud, 1999). Over time and with experience of a medium of information, consumers develop a knowledge base that they use to encode and decode the messages that they receive through the medium (Cortinas, Chocarro, & Villanueva, 2010). The information they receive through richer media tends to be easier to interpret and assimilate and involves lower cognitive costs (Suh, 1999).

According to the cognitive cost perspective in behavioral decision theory (e.g., Punj & Moore, 2007), consumers have limited cognitive capacity (Payne, Bettman, & Johnson, 1988). Consumers therefore make cost-benefit tradeoffs during decision-making tasks (Todd & Benbasat, 1992). The associated cost-benefit framework suggests that, holding cognitive resources constant, a reduction in the cognitive cost of information processing enables customers to evaluate a larger number of alternatives. The high processing costs in environments where media richness is low will tend to reduce the number of options that consumers can evaluate given their cognitive constraints. Conversely, the ease of processing information in rich media environments involves lower cognitive costs and will enable consumers to evaluate more alternatives. Because of the negative correlation between media richness and cognitive costs of processing information, we hypothesize the following:

H_{1a}. : Consumers process information on more alternatives when the richness of the medium is high than when the richness of the medium is low.

H_{1b}. : Perceived cost mediates the effect of media richness on the number of alternatives about which consumers' process information during a choice task.

However, information on previous choices tends to be accessible in the consumer's memory, and this information often influences subsequent choices (Biehal & Chakravarti, 1983). According to the accessibility-diagnostics framework, "an earlier response is used as an input to a subsequent response if the former is accessible and if it is perceived to be more diagnostic than other accessible inputs" (Feldman & Lynch, 1988, p. 431). This framework defines accessibility as the ease of retrieving an input from memory and diagnostics as the sufficiency of the retrieved input to complete a judgment task.

When consumers receive similar content through different media,

they are likely to experience different levels of cognitive costs depending on the richness of the medium. The cost of processing information tends to be low when consumers encode information that they receive from rich media. However, because of low processing costs and effort, the information from richer media is less likely to be deeply encoded in the memory, and retention and accessibility are likely to be low. Therefore, if consumers are faced with a subsequent choice task within the same product category or consumption context, they are less likely to rely on previously stored information than on currently available information. Current information in media-rich environments is also likely to be easier to process, so we expect consumers to undertake more stimulus- and less memory-based information processing in such environments.

Conversely, because greater effort is required to process information in environments with low media richness, consumers are more likely to deeply encode and remember information. The accessibility and diagnosticity of this information is likely to reduce consumers' subsequent reliance on fresh information from a new stimulus, especially if it is again presented in a format with low media richness. Therefore, consumers are more willing to process new stimuli in the high media richness condition because the cost of processing new information is lower in such a medium. Hence, we expect consumers to engage in more memory-based processing than stimulus-based processing in low media richness environments. Accordingly, we hypothesize the following:

H_{2a}. : Consumers rely on stimulus- or memory-based information search when the richness of the medium is high or low, respectively.

H_{2b}. : Perceived cost mediates the effect of media richness on memory-versus stimulus-based information processing.

2.2. The impact of product type

The extent of information search during a choice task may depend not only on the richness of the medium, but also on the characteristics of the product category. Search versus experience products is one of the most frequently used product classifications (e.g., Huang, Lurie, & Mitra, 2009). The distinction between the two relates to whether consumers can assess the quality of the product before experiencing it (Nelson, 1970). Because consumers can fully judge experience products only after consuming them, the risk or uncertainty of the choice process is higher than for search products. According to risk theory (Dowling & Staelin, 1994), consumers undertake greater information search when the choice context is associated with higher perceived risk. Consequently, information processing involves lower cognitive costs for search products than for experience products (Huang et al., 2009). Therefore, we expect the effect of media richness on information search and choice to depend on the product category: The effect of differences in media richness should be stronger for experience products because their evaluations require greater cognitive effort. Therefore, we hypothesize the following:

H_{3a}. : The difference in the number of alternatives that consumers evaluate in conditions of high or low media richness is greater for experience products than for search products.

H_{3b}. : The difference in stimulus- or memory-based information search in high or low media richness conditions is greater for experience products than for search products.

Fig. 1 illustrates our hypotheses in a conceptual model. The model suggests that media richness affects consumer information search. This effect is mediated by the perceived cost of the search and is moderated by product type. We tested our hypotheses using a series of experimental studies.

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