The Discrimination Heuristic: the Role of Variance in Judgements of Expertise

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This research proposes that people use the variance in a critic’s ratings, i.e. discrimination, as a heuristic for expertise. Importantly, people often apply this heuristic inappropriately, ignoring other expertise-diagnostic information even when that information contradicts the discrimination cue. Implications for consumers and writers of product reviews are discussed.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1020293/volumes/v43/NA-43

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EXTENDED ABSTRACT

This research proposes that people use the variance in critics’ ratings as a heuristic (referred to as the discrimination heuristic) for judging expertise, perceiving a critic whose ratings exhibit higher variance as more knowledgeable. Importantly, we propose that people rely on this heuristic even in the presence of expertise-diagnostic information that contradicts the discrimination cue.

It has been argued that discrimination is a critical feature of expertise (Hammond 1996; Shanteau et al. 2002). Studies across different domains show that experts, relative to novices, are able to make finer distinctions between members of a category (Gauthier et al. 2000; Roy and Kravitz 1969; Tervaniemi et al. 2005). In a consumer context, similarly, expertise results in an increased ability to identify fine differences among members of a product category and to categorize products below the basic level with greater reliability (Alba and Hutchinson 1987; Mitchel and Dacin 1996).

However, whereas expertise involves an enhanced discriminating ability, discrimination by itself does not necessarily imply expertise. Critics may discriminate on attributes that are non-diagnostic or irrelevant (Gaeth and Shanteau 1984; Yates, McDaniel, and Brown 1991) or they may be inconsistent in their judgements (Einhorn 1974; Kinney 2009; Weiss and Shanteau 2003; Weiss et al. 2006). Thus, whereas expertise implies discrimination, discrimination does not necessarily imply expertise.

We argue that even though the relationship between discrimination and expertise is conditional, people treat it as bi-directional, i.e., they rely on discrimination as a heuristic for expertise. More importantly, we propose and show that people rely on discrimination at the expense of other expertise-diagnostic information, even when that other information contradicts the discrimination cue. We propose that the reliance on discrimination is particularly likely to be observed in contexts in which there is a bigger perceived gap between the lay consumer and the expert in terms of knowledge (such as financial or technical expertise) and there are fewer objective criteria on which to base product evaluations (as in experiential products like wine, books, or art).

Studies

Study 1 tests the discrimination heuristic in the context of wine evaluations. Participants were presented with three wines that were randomly selected from a large database, and were also given baseline information about the distribution of wines in the database (percentage of 4, 5, and 6-star wines in the database). The base-rate information clearly indicated that the three wines were more likely to be of the same quality (all 5-star wines), rather than different quality (4, 5, and 6 star wines). Participants were then randomly allocated to an expertise or a control condition. Those in the control condition were asked to judge the likelihood of the three wines being of the same vs. different quality. Participants in the expertise condition were shown the ratings given by two reviewers to the three wines. One reviewer had given the same 5-star rating to all three wines, whereas the other had given 4, 5, and 6 star ratings. Participants were asked to judge which of the two reviewers was more of an expert.

Results were consistent with a discrimination heuristic. When choices were presented in terms of possible outcomes, respondents correctly judged that the no-variance outcome was more likely. However, when the information was presented in terms of critic ratings, there was a marked reversal in preferences and participants overwhelmingly judged the discriminating critic to be more of an expert.

Study 2 explored the discrimination heuristic in the context of book reviews. Participants in this study judged the relative expertise of two book critics based on the variance in the critic ratings and consistency of their ratings with expert opinion. Results revealed that in the absence of discrimination information participants judged a reviewer who was more consistent with expert opinion to be more knowledgeable, but in the presence of discrimination information they completely ignored the consistency with expert opinion criterion and overwhelmingly judged the discriminating reviewer to be more knowledgeable.

Study 3 provided additional support for the discrimination heuristic in a different context – financial advising, and using a consequential design in which participants had real financial incentive to make the right choice. Results showed that in the absence of discrimination information, participants judged a financial adviser whose forecasts were closer to actual market performance to be more knowledgeable and preferred him over a less calibrated one in a subsequent choice task. In the presence of discrimination information, however, preference for the better calibrated adviser decreased substantially and participants became, on the average, indifferent between the discriminating (but less accurate) and the non-discriminating (but more accurate) advisor.

Finally, Study 4 showed that reliance on the discrimination heuristic is mitigated if participants are explicitly prompted to consider other the available expertise-diagnostic information.

In sum, four studies provide support for the use of a discrimination heuristic in judgements of expertise and that they judge a discriminating critic to be more knowledgeable than a non-discriminating critic even in the presence of expertise-diagnostic information suggesting that the non-discriminating critic is better calibrated. The effect is mitigated only when participants are explicitly asked to consider calibration.

These findings suggest that use of the discrimination heuristic may lead to suboptimal choices, whereby consumers rely more on the opinion of critics who are in fact less knowledgeable. It is important to note that we do not suggest that reliance on discrimination is always unreasonable – it may in fact be a good judgement criterion in the absence of other expertise-diagnostic information. However, we propose and show that people often ignore completely other expertise-diagnostic information and base their judgements exclusively on the discrimination cue. When the ignored diagnostic information contradicts the discrimination cue, this bias leads to suboptimal judgements.

REFERENCES:


