Evaluation Overconfidence: When Uncertainty in Attribute Understanding Produces Less Extreme Product Evaluations

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Encouraging consumers to reflect on their attribute knowledge tends to reduce their confidence, which leads to more moderate (less extreme) product evaluations and influences consumer choice. The authors derive an explanation for this phenomenon by drawing on research on folk science and the illusion of explanatory depth.

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Evaluation Overconfidence: When Uncertainty in Attribute Under Produces Less Extreme Product Evaluations

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EXTENDED ABSTRACT

Consumers’ ability to translate common product attributes (watts, calories, megapixels) into subjective evaluations (perceived energy efficiency, perceived healthiness, perceived picture quality) is fundamental to theories of consumer choice. One factor that might affect these evaluations is consumers’ confidence in their understanding of these commonly encountered attributes. This research proposes that consumers are often overconfident in assessing their own understanding. We show that simple interventions that encourage consumers to reflect on the level of their knowledge (e.g., estimating an attribute level, explaining an attribute, making relative attribute judgments) can make consumers less confident in their attribute knowledge. This reduced confidence leads to more moderate (less extreme) product evaluations and affects the options consumers choose. The authors derive an explanation for this phenomenon by drawing on research on folk science and the illusion of explanatory depth.

Previous research in the domain of consumer confidence is diverse in scope, but has generally focused on confidence in the outcome of some judgment or evaluation (Brenner et al. 1996; Griffin and Tversky 1992; Karmarkar and Tormala 2010). This paper investigates a novel type of confidence: the implicit confidence consumers feel in their understanding of common product attributes. The ability to translate objective attribute information into subjective evaluations is fundamental to theories of consumer choice (Helson 1964; Janiszewski and Lichtenstein 1999; Kahneman and Tversky 1979; Sharif and Hovland 1961), but consumers’ confidence in their understanding of the attributes they use to make these evaluations has not been investigated. We draw on insights from the literature in cognitive psychology on folk science and the illusion of explanatory depth (Keil 2003; Rozenblit and Keil 2002; Sloman and Fernbach 2016) to make the prediction that a variety of cognitive tasks—likely to be common during typical consumer decisions—can reduce consumers’ confidence in their own ability to make evaluations. As we show, this leads to more moderate (less extreme) product evaluations and can affect choice.

We suggest that consumers are often more confident in their ability to evaluate common product attributes than is justified by their actual knowledge. We further suggest that this implicit confidence may be easily shaken by a number of simple interventions that invite consumers to consider the depth of their knowledge of a given attribute. We propose that the effect of these knowledge probes is to reduce consumers’ confidence in their own ability to evaluate attributes, leading to less extreme evaluations of that attribute, relative to an otherwise equivalent consumer with unshaken confidence.

A series of six experiments demonstrate that knowledge probes related to common product attributes can influence subsequent product evaluations. Specifically, participants’ subjective evaluations of attributes like gigabytes, watts, and calories, were less extreme following a knowledge probe than were evaluations made without one. The experimental evidence suggests that a knowledge probe related to an attribute reduces consumers’ confidence in their ability to evaluate that attribute. This account was supported by a mediation analysis (Experiment 3), as well as by theoretically derived moderators. Specifically, when participants had a high level of attribute knowledge, such that their confidence was well founded, the knowledge probe did not lead to less extreme evaluations (Experiment 4).

This phenomenon is robust across various manipulations of knowledge probes, including explaining an attribute (Pilot Experiment), making relative estimation (Experiment 1), estimating the focal option’s attribute level (Experiments 2-4), and estimating the attribute level of unrelated options (Experiment 5). Taken together, the effect is consistent: a knowledge probe, regardless of the type, caused less extreme product evaluations.

This research provides several important contributions to theories of consumer judgment and decision-making. For one, it highlights the importance of a kind of confidence that has not previously been studied, namely, confidence in one’s own understanding of common product attributes. This research demonstrates that changes in this kind of confidence can change consumers’ product evaluations.

This research also demonstrates the counterintuitive finding that several common consumer activities frequently involved in making decisions—making estimates, making relative comparisons, explaining an attribute—are not inert, but can change the subsequent evaluations and decisions the consumer makes. This research suggests that anything in the decision-making process that encourages consumers to reflect on their attribute understanding could lead to less extreme product evaluations and thereby affect choice.

Although previous research has examined related issues such as how uncertainty can lead to purchase delay (Dhar 1997; Dhar and Simonson 2003) and how familiarity and confidence can facilitate judgments (Karmarkar and Tormala 2010; Park and Lessig 1981), it has not specified how the process of evaluating commonly encountered information such as product attributes can lead to more biased judgments. We contribute to the literature by specifying and testing a theoretical account based on overconfidence and uncertainty, which predicts that when consumers are prompted to re-assess their knowledge of a product attribute, they often become less certain of that knowledge.

REFERENCES


