You Are Not As Smart As You Think You Are: Effects of Self-Perceived Knowledge on Consumer Information Processing and Decision Making

Ruomeng Wu, University of Cincinnati, USA
Brianna Escoe, University of Cincinnati, USA
Frank Kardes, University of Cincinnati, USA

Product knowledge is highly crucial to understand consumer information processing and decision-making. We propose that greater self-perceived knowledge increases consumers’ susceptibility to omission neglect, resulting in more attitude extremity and increased purchase likelihood. Implications of the results for understanding self-perceived knowledge and omission neglect are discussed.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1024151/volumes/v45/NA-45

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Ruomeng Wu, University of Cincinnati, USA
Bianna Escoe, University of Cincinnati, USA
Frank R. Kardes, University of Cincinnati, USA

EXTENDED ABSTRACT

It is well established that product knowledge affects information processing and decision-making. For this reason, it has received extensive attention from marketers (Bettman and Park 1980; Brucks 1985; Johnson and Russo 1984; Moorman, Diehl, Brinberg, and Kidwell 2004).

There are two distinguishable types of knowledge that affect how consumers process knowledge and make decisions: actual knowledge (i.e. objective knowledge) and consumers’ assessments of their knowledge (i.e. subjective knowledge) (Bearden, Hardesty, and Rose 2001; Moorman, Diehl, Brinberg, and Kidwell 2004). The two types of knowledge uniquely influence information search and choice behavior (Radecki and Jaccard 1995).

In this article, we focus on self-perceived knowledge. Specifically, we investigate how self-perceived knowledge affects purchasing behavior and decision-making through omission neglect, ignorance of missing information.

Detecting absent information is surprisingly difficult (Sanbonmatsu, Kardes, Houghton, Ho, and Posavac 2003; Sanbonmatsu, Kardes, Posavac, and Houghton 1997; Sanbonmatsu,Kardes, and Sansone 1991). Consumers often rely heavily on the given information and ignore the possibility of missing information or underestimate its importance even when they are aware it is missing. The failure to detect the absence of relevant information can encourage consumers to form more extreme judgments because the importance of the presented information is overestimated (Sanbonmatsu et al. 2003; Unkelbach, Fiedler, and Freytag 2007). Overlooking important omissions often leads to extreme judgments and poor decisions, which hinder the consumer. These decisions are often biased to the presented information. Because omission neglect is consequential, it is crucial to discover its antecedents. However, limited research has investigated the antecedents of omission neglect.

Prior research has demonstrated that objective knowledge reduces omission neglect (Hernandez, Han, and Kardes 2014). In contrast, we propose that self-perceived knowledge increases attitude extremity and purchase likelihood by enhancing consumers’ susceptibility to omission neglect. For instance, when evaluating a bottle of wine, if consumers are confident in their knowledge of wine, they are more likely to focus on given information at the expense of absent information. They believe that the given information is sufficient, form a highly favorable judgment, and decide to purchase the wine based solely on the positive description given in an advertisement.

This research sheds light on the following questions: Does self-perceived knowledge affect omission neglect differently from and more strongly than objective knowledge? How do these differences shape judgments and decisions? Can we manipulate self-perceived knowledge in order to change how consumers process information?

We argue that consumers who perceive themselves as highly knowledgeable form more extreme attitudes and are more likely to purchase the product based on favorable product stimuli. This happens because self-perceived knowledge increases consumers’ vulnerability to omission neglect. Whereas consumers high in objective knowledge process information more cautiously and are more apt to identify a lack of information, consumers high in self-perceived knowledge process information less cautiously and are less apt to identify a lack of information. However, when consumers are high in both actual and self-perceived knowledge, the impact of self-perceived knowledge is greater because of our general tendency to ignore missing information. Finally, self-perceived knowledge is susceptible to change through manipulation.

To test these hypotheses, five studies were conducted. In Study 1, we examined the impact of self-perceived knowledge on choice behavior. 136 participants viewed an advertisement of a bottle of wine. We found that given that the advertisement was favorable, regardless of objective knowledge, as self-perceived knowledge increased, participants chose to purchase the wine more often ($p < .05$; $1 = Yes, 2 = No$).

In Study 2, we investigated the mediating role of omission neglect in attitude extremity and purchase intention. 102 participants were invited to evaluate a bottle of wine based on an advertisement. Regression analysis of self-perceived knowledge showed that participants with higher self-perceived knowledge had more extreme attitudes ($p < .01$), had higher purchase intentions ($p < .0001$), and perceived the information more sufficient ($p = .001$). Mediation analysis (Hayes, 2012; Model 4; Bootstrap: 5000) showed that perceived information sufficiency mediated the path from self-perceived knowledge to attitude extremity ($95\%$: CI: .0275 to .1395) and to purchase intention ($95\%$: CI: .0720 to .3040).

In Studies 3a and 3b, we changed participants’ vulnerability to omission neglect by manipulating participants’ self-perceived knowledge. Study 3a worked as the preliminary test for Study 3b. In Study 3a, 83 participants viewed information about a camera, and we found that participants who reported that they knew more about cameras perceived the information as more sufficient ($p < .0001$) and held more extreme evaluations ($p < .0001$).

In Study 3b self-perceived knowledge was manipulated rather than measured. 153 participants were randomly divided into either a high or low self-perceived knowledge condition. Participants in the low self-perceived knowledge condition were asked if they were professional photographers. We expected most participants would report that they were not professional photographers. Next, participants reported how much they knew about cameras on a scale biased to induce them to believe that they had a limited amount of knowledge about cameras ($1 = very little, 5 = some$).

Participants in the high self-perceived knowledge condition were asked if they had taken pictures using a camera. We expected most participants to have taken pictures using a camera. Participants then reported how much they knew about cameras on a scale biased to induce them to believe that they had high knowledge of cameras ($1 = some, 5 = very much$).

Participants in the high (vs. low) self-perceived knowledge condition perceived the information as more sufficient ($p < .05$) and held more extreme evaluations ($p = .05$).

In Study 4, a response latency task testing memory for previously presented (vs. absent) attribute information of a camera was used to show the direct effects of self-perceived knowledge on omission neglect. Out of 35 participants, those with greater self-perceived knowledge were more vulnerable to omission neglect. We see this because they recognized previously present attributes much faster than absent attributes ($p < .05$).
In this research, we offer a new, theoretical account of how self-perceived knowledge affects consumer information processing and decision-making through omission neglect.

**REFERENCE**


