

Errors in consumer judgments studied

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Research shows both experts and novices can make notoriously poor consumer judgments and U.S. scientists say they believe they've determined why that is.

The University of Iowa scientists studied the mental processes behind such flawed assessments -- a recurring issue in many areas of consumer research -- as well as in other areas of psychology and psychiatry.

Where the relationship between price and quality is concerned, Arul Mishra and Dhananjay Nayakankuppam argue a lack of consistency leads to poor judgments just as often other errors, such as using the wrong model, wrong cues or wrong weights.

When predicting the quality of a product from its price, consumers tend to switch between two models. The first correlates higher prices to higher quality, while the second correlates higher prices to lower quality, with consumers focusing on price gouging and corporate greed.

Mishra and Nayakankuppam propose errors arise when people make judgments using causal stories rather than observable patterns.

"Much of marketing relies upon inferences made by consumers so understanding these inferential processes can be crucial," the researchers reported.

The study is explained in the Journal of Consumer Research.

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