

The Burden of Unconscious Expertise – How and When the Dunning-Kruger Effect Shapes Consumer Evaluations in Retail

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Abstract

Consumer evaluations of products and services nowadays are important in digital and non-digital marketplaces as consumers shape their opinions and decisions based on one's own and other's evaluations. However, these evaluations are often affected by consumer knowledge biases, subsequently affecting the ascribed expertise of products, brand representatives or retail staff. In this context, we investigate the so-called "Dunning-Kruger effect" (DKE) in which consumers unconsciously diverge in the assessment of their self-ascribed, subjective expertise compared to their actual objective expertise. Given that the DKE may cause consumers to be less forgiving regarding service failures or are unable to recognize expertise-related product features, this research empirically investigates the DKE in retail. Applying a flow of three studies based on different scenarios with 628 overall customers, we find that a DKE is always present, but distinctively shapes consumer evaluations.

Keywords: *Dunning-Kruger Effect; Consumer Knowledge Biases; Consumer Expertise*

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