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**Thursday, November 3, 2016**

***Where:*** 741 JMHH  
***When:*** 12:00 PM to 1:20 PM

# Known Unknowns in Consumer Judgment and Choice

*ABSTRACT*: In this talk I explore how inferences about missing information impact judgments and choices. Whereas most prior literature focuses on how consumers process known information, I show that the extent to which consumers are aware of the amount of information that is unknown to them affects overconfidence, product choices, memory for product features, and accuracy of investment forecasts. I show that consumers have a bias to under-appreciate unknowns. However, prompting greater consideration of “known unknowns” can succeed in de-biasing consumers by reducing confidence selectively, in situations where it is misplaced. I explore these questions using a variety of research methods including incentive-compatible laboratory experiments and content analysis of archival data containing over 350,000 professional analyst stock recommendations.