

# MARKETING COLLOQUIA

SPRING 2016

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**Thursday, January 21, 2016**

**Where:** 741 JMHH

**When:** 12:00 PM to 1:20 PM

## **DOES COMMON KNOWLEDGE LEVEL THE PLAYING FIELD?**

*ABSTRACT:* Consumers often rely on expert advice to make decisions, but that advice can be compromised by experts' conflicts of interest. Such conflicts can be brought on by an array of common marketplace activities that tie industry to experts, ranging from token gifts to cash payments. We examine the influence of different types of activities on both advice giving and taking in a series of studies with real behavior. We find that while different activities are equally influential with regard to biasing advice, only some activities are perceived to be influential when they are disclosed. These perceptions exist among both advisors (who seem unaware of how some incentives operate) and advisees (who show less discounting with the disclosure of some activities relative to others). We discuss the theoretical and policy implications of stakeholders' inability to perceive or acknowledge bias even with common knowledge.