Behavioral Economics and Consumer Decision Making

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Abstract. This article delves into the role of behavioral economics in understanding consumer decision-making processes. It examines how cognitive biases influence purchasing behavior and the effectiveness of different marketing strategies. The research highlights the importance of integrating psychological insights into economic models to better predict consumer behavior. It concludes that businesses can enhance their marketing approaches by considering behavioral economics principles.

Keywords: Behavioral Economics, Consumer Decision Making, Cognitive Biases, Marketing Strategies, Psychological Insights

Introduction

Behavioral economics provides valuable insights into consumer decision-making by examining how psychological factors influence economic choices. This article explores the impact of cognitive biases on purchasing behavior and the effectiveness of various marketing strategies. It emphasizes the importance of incorporating psychological insights into economic models to improve predictions of consumer behavior. By understanding the principles of behavioral economics, businesses can develop more effective marketing approaches and strategies that align with consumer preferences and behaviors. The research underscores the potential for behavioral economics to transform traditional economic theories and practices.

References

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