

Behavioral Economics: Insights into Consumer Decision Making

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Abstract. This article delves into the principles of behavioral economics to explain consumer decision-making processes. By exploring psychological factors and biases, it aims to provide a comprehensive understanding of how consumers make choices in various economic contexts.

Keywords: behavioral economics, consumer decision making, psychology, biases, marketing

Introduction

Behavioral economics offers valuable insights into the decision-making processes of consumers by integrating psychological factors with traditional economic theories. This paper explores the key principles of behavioral economics, such as heuristics, biases, and framing effects, and their influence on consumer behavior. By examining empirical evidence from diverse economic contexts, the study provides a nuanced understanding of how consumers make choices and the implications for marketing strategies and policy-making. The findings emphasize the importance of considering psychological elements in economic analyses to better predict consumer behavior.

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