

BEHAVIORAL ECONOMICS AND ITS PRACTICAL USE IN THE SPHERE OF MANAGEMENT

In 2017 the Nobel prize in economics sphere was given to American economist, professor of behavioral studies of University of Chicago Booth School of Business Richard Thaler for his contribution to the behavioral studies. The sense of professor's researches is in introducing of such terms as reference point, mental accounting and so on. They are not typical for the classical economic theory but, nevertheless, are generally accepted (recognized) and –. The relevance of Thaler's conclusions – that were applied in marketing, politics and social sphere – is in using much common form of consumer's behavior to describe and explain those consumer's actions that the classic economic theory couldn't interpret [1].

Studying the nudge theory the basis of which is behavioral economy will lead to increment of Belarusian consumer's literacy in order to prevent manipulation of his interests.

The theory of mental accounting explains the way a person simplifies the process of making financial decisions. There are some accounts in the mind of a person who makes economical decisions. The accounts are the same as bookkeeper accounts in which all advantages and disadvantages are taken into consideration. The final decision is accepted on the balance of costs [1]. Such a way of thinking is taken into consideration on sales. An advantage of acquired product taken separately attracts much attention. The choice between, for example, toothpaste and a toothbrush as a present with the toothpaste and toothpaste with a 50% discount is obvious. A consumer would better get 2 products despite the fact that saving in the second case might be more profitable.

According to Richard Thaler's behavioral economics, reference point in estimation of any product isn't a constant meaning. It is established by the consumer. The reference point is influenced by consumer's expectation and social comparison. Producer acts the following way in order to influence determination of the reference point. A product A is released to the market. Then over some time a product B – similar to the product A, but with inconsiderable changes in characteristics and with higher price. As a result, rate of product A sales increases.

Through the understanding of person's behavior features behavioral economics is to give a recommendation what environ for decision to create in order to make the decision optimal for the person himself. Such a conclusion led to the idea of nudging to making decisions that are suitable both for the society and a person. As a result, the conception of nudging turned out to be the basis in some spheres of social and private policy. One of the reforms implemented by Cass Robert Sunstein – the director of the Office of Information and Regulation of the White House at the Barak Obama presidency – was enabling of

potential automobile consumers to compare energy efficiency of the average auto with the one a consumer wanted to buy. The information is published on the site fueleconomy.gov instead of the same energy efficiency expressed in liters/kilometers that is difficult for perception. This one and the other reforms saved almost 90 billion a year [2].

However there are also some problems in the nudge policy:

1. Nudge can be called manipulation: making use the knowledge about people's behavior in order to limit their will.
2. Lack of the guaranty that offered decision is really suitable for a person himself.
3. Spreading and application of the knowledge about behavioral economic can be used with private and selfish intentions[3].

Preventing of the problems described above require social reaction – to strengthen state control, to increase citizens' literacy by implementing of appropriate programs and so on. Nevertheless analysis of the modern society shows that the opinion of nudge policy correctness has developed. The verification of this fact is creation and active application in state policy of Nudge units or Nudge centers. Nudge units are state and non-state organizations. Their aim is to develop tactics of nudge in any situation. The biggest one is British Behavioral Insights Team [4].

To overcome a number of global problems – from balanced budgets until climate change – citizens' involvement in the process of solving the problems is necessary. A government should visually show its citizens the result of their daily activity. Citizens and government's interaction leads to maximization of the state budget saving and to increment of citizens reliance of their government. This fact is proved on the examples of such developed countries as the USA, the United Kingdom, Australia and Denmark.

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