The Case for Giving Consumers a Nudge: Behavioral Economics in Consumer Science

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INTRODUCTION

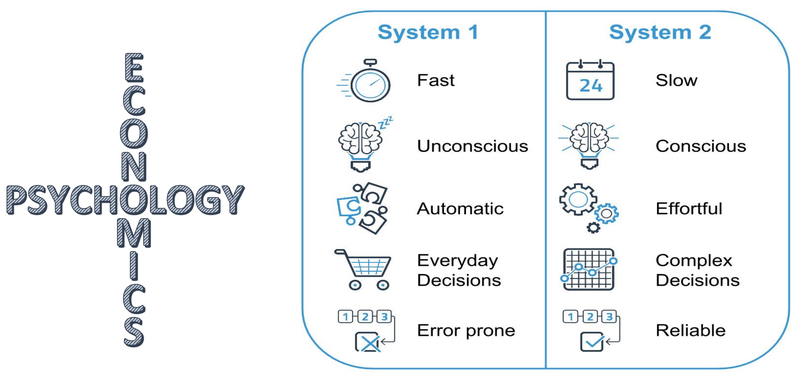
Behavioral economics, the intersection of psychology and economics, is broadly gaining ground in consumer research. But what is behavioral economics and why is it important.

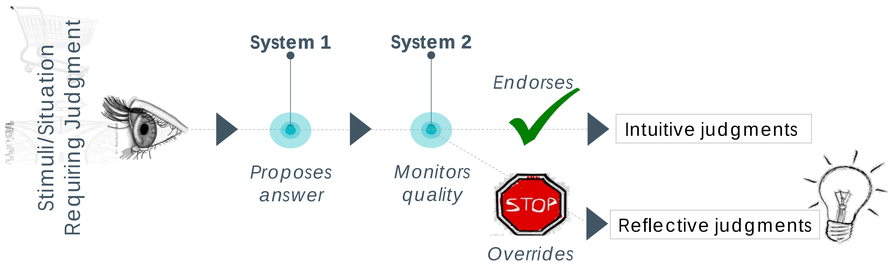
Behavioral economics can be leveraged in consumer research to understand how to influence the consumer experience. Leveraging the principles of neuroscience, consumer psychology and behavioral economics can mean the difference between mediocre marketing results and successful campaigns.

Understanding how humans process information, how they decide to buy something (or not), and how they interact with products has massive implications for marketing ROI. Many consumer product companies are beginning to invest in and use a myriad of existing and emerging technologies to better understand, connect with, and engage with consumers.

While this approach can create compelling new opportunities for makers of consumer goods and communications, they should not be applied as merely bells and whistles. Brands can make smart choices about where and how to implement these innovative methods by understanding core principals from behavioral economics.

What is Behavioral Economics?





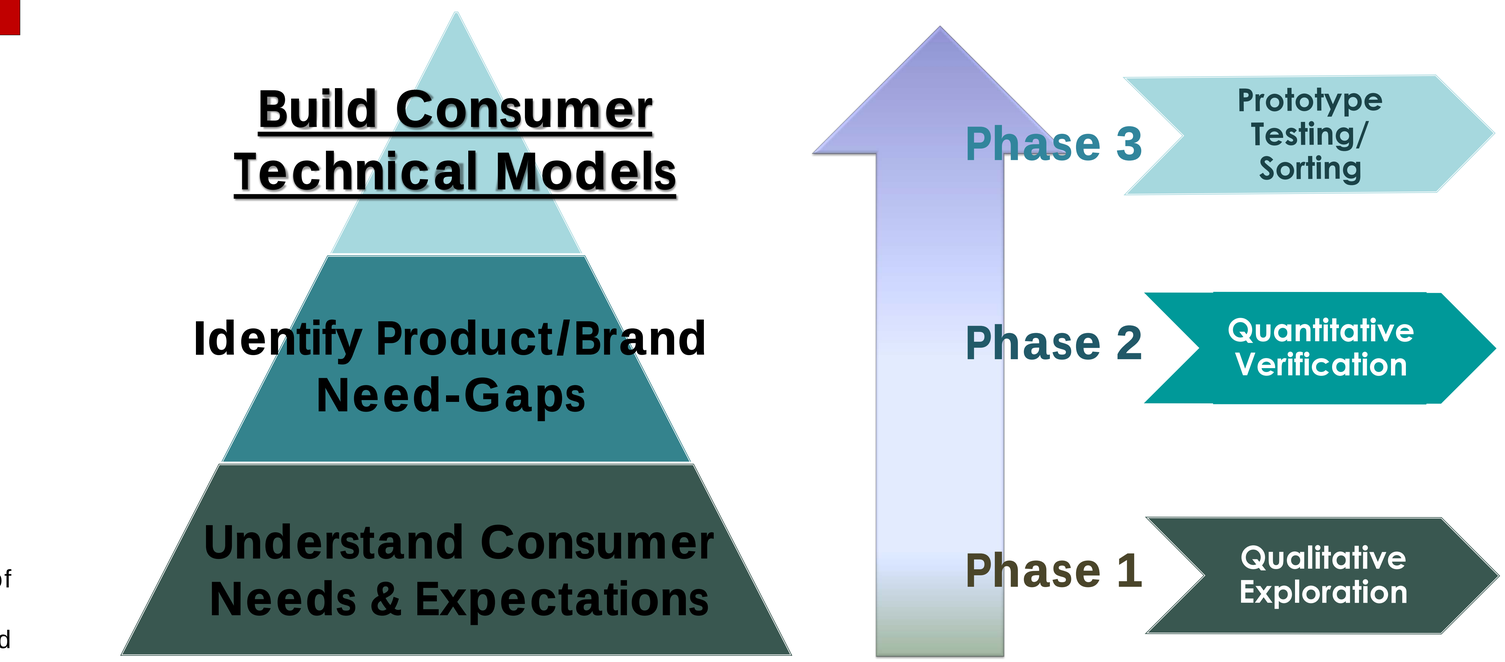
Psychological biases lead to suboptimal consumer behavior

...in terms of deciding between options





...and following through on those decisions.





Applied Consumer Neuroscience



Using a combination of methods, we are able to examine and study how the consumer is perceiving, evaluating and responding to stimuli.