

## PRINCIPLES OF BEHAVIORAL ECONOMICS AND THE EFFECT OF ARTIFICIAL INTELLIGENCE

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### **Abstract**

*This article analyzes and concretizes several important principles of behavioral economics, such as "well-defined preferences", "goal proximity", "loss aversion" and the "endowment effect". The article provides examples of the application of these behavioral economic principles, emphasizing the complexity and diversity of factors that can influence preferences in the fields of management and marketing. Behavioral economics recognizes that human decisions are not always rational, and these subtle influences can significantly impact how individuals choose products, services, or adopt certain management aspects.*

*The implementation of artificial intelligence in the field of behavioral economics can bring significant benefits in personalizing experiences, increasing operational efficiency, and creating a stronger connection with customers and employees. Understanding these influences allows companies and creators to approach the target audience more effectively and better understand consumer or community motivations. The importance of ethical and privacy considerations in the implementation of these technologies is highlighted to ensure that preference influencing is done transparently and respects individual rights.*

*Behavioral economics and artificial intelligence (AI) represent two closely interconnected fields capable of collaborating to better understand and influence human behavior in the economic and social context. Through their collaboration, behavioral economics and AI aim to make significant improvements in understanding and shaping human behavior in various aspects of economic and social life.*

**Keywords:** behavioral economics, principles, inadequacy, artificial intelligence, management, marketing.

**JEL Classification:** A12, D91

### **1. Introduction**

Behavioral economics involves introducing a psychological dimension into the formalization and understanding of human behavior in economic decision-making. The affective and emotional components of decisions play a considerable role that has long been deliberately ignored.

Behavioral economics shows that rationality is not perfect, primarily contextual, and our preferences are not stable or always consistent. Behavioral economics demonstrates that emotions play a role in our economic decision-making. Some emotions help us make better decisions, while others hinder us from doing so.

Behavioral economics examines the issue of monetary incentives and their effectiveness. In reality, incentives do guide behavior, and everyone prefers to gain more rather than less. Defining which incentives should be implemented to guide the behavior of economic agents can result from a theoretical model. Behavioral economics reveals that there are situations where introducing financial incentives can have a counterproductive effect on performance. It helps better understand how monetary and non-monetary incentives interact. [1]

Behavioral economics also aids in understanding inappropriate behavior when facing gain or loss risks and how this influences strategies and investments. It intervenes in various fields: financial markets, politics, economics, and even consumer habits. In marketing, behavioral economics enriches the information available to the company to guide consumer decision-making.

Irrational decisions, by definition, are complex and more challenging to understand. However, it is possible to model recurring inconsistencies and leverage them to influence individual decisions. Behavioral economics has given rise to a new form of marketing: "nudge

marketing." This strategy aims to capitalize on anomalies in consumer behavior. Understanding reasoning distortions helps brands develop targeted marketing campaigns to guide potential customers in the direction initially planned by the company. It's a "nudge" to encourage consumers to make decisions for themselves but in the initially planned direction of the brand. [2]

The principles of behavioral economics demonstrate the influence of a number of biases related specifically to emotions, social factors, or the environment that generate anomalies in decision-making. These deviations from the decision-making process can be studied and modeled to provide a better understanding of possible actions for individuals. For a company, this information allows refining buyer profiles to then adapt sales techniques. The goal is to improve the customer experience by understanding their needs. [1]

## **2. Using Artificial Intelligence (AI) in Behavioral Economics**

The use of AI in behavioral economics has the potential to improve decision-making and support individuals in improving their behaviors, personalizing interventions, and innovating in this field. However, both the benefits and concerns related to privacy, bias, and the impact on individuals must be considered. Responsible AI implementation and appropriate regulations are essential to maximize the benefits and minimize the disadvantages of its use in behavioral economics. [3] Artificial intelligence brings a new and powerful dimension to behavioral economics, offering unprecedented customization, monitoring, and adaptation capabilities. With proper management, it can bring significant benefits in improving the consumer experience and developing effective business strategies.

### **2.1. Advantages of Using Artificial Intelligence**

The main advantages of using artificial intelligence in behavioral economics are [4]:

- a. Complex data analysis: Behavioral economics often involves analyzing complex and voluminous datasets. AI can process and analyze this data much faster and more accurately than humans, identifying subtle patterns and correlations that might go unnoticed otherwise.
- b. Personalization of behavioral interventions: AI can be used to develop and deliver personalized behavioral interventions. By collecting and analyzing data on individual behavior, AI can provide personalized recommendations and strategies for improving financial decisions, health, or other aspects.
- c. Predictiveness and prevention: AI can help anticipate human behaviors and decisions before they occur. This can be valuable in preventing financial issues or other negative behaviors.
- d. Automation and efficiency: The use of AI can lead to the automation of analysis processes and feedback delivery, making behavioral interventions more efficient and scalable.

### **2.2. Negative Aspects of AI Use in Behavioral Economics[4]**

Excessive use of AI in behavioral economics can contribute to dependence on technology and the loss of human decision-making skills. People may become too reliant on AI suggestions and may lose the ability to develop judgment and make autonomous decisions.

The main drawbacks of excessive AI use are as follows:

- a. Depersonalization and loss of humanity: Despite the benefits, excessive AI use can lead to depersonalization of human relationships and the loss of the human element in decision-making processes. This can affect interpersonal connections and trust in automated systems.

b. Increased inequality: AI can create larger inequalities if not everyone has access to the same resources and technologies. Those with access to sophisticated AI may have a significant advantage in decision-making and achieving positive outcomes.

### **3. Principles of Behavioral Economics Influenced by Artificial Intelligence in Management and Marketing**

The analyzed principles of behavioral economics are as follows: "well-defined preferences", "goal proximity", "loss aversion" and "endowment effect" [5].

**3.1. One of the crucial principles of behavioral economics is "well-defined preferences,"** referring to the influence of multiple factors on individual preferences, such as guilt, fairness, social comparison, and the desire for luxury. These factors can lead to decisions that are not strictly rational but strongly influenced by emotional and social aspects [5].

This principle provides a more detailed perspective on how people make decisions, highlighting the psychological, emotional, and social influences that can affect individual choices. Understanding well-defined preferences helps analyze the motives behind human behavior and decisions. For organizations, knowledge of individual preferences of employees and customers can enable personalized strategies. Applying the principle within organizations can contribute to increased satisfaction among employees and customers. Personalizing experiences and offers according to individual preferences can lead to greater engagement and loyalty.

The principle of well-defined preferences can stimulate innovation and creativity in organizations. When people work in line with their individual preferences, they are more likely to bring new ideas and contribute to improving processes and products.

*The use of the behavioral economics principle of "well-defined preferences" can be exemplified in management* through:

a. Personalized benefits and rewards: In motivating employees, managers can use the principle of well-defined preferences to customize benefits and rewards. By understanding individual preferences of employees (e.g., preferences for leisure time, professional development, or financial bonuses), managers can create a reward system that is more effective and encourages desired behaviors.

b. Effective communication: In team management, managers can use knowledge of the communication preferences of team members to ensure efficient communication. For example, some employees may prefer direct and concise feedback, while others may appreciate more detailed and constructive discussions. Adapting the communication style to individual preferences can enhance understanding and collaboration within the team.

c. Flexible work schedule structure: In establishing work schedules, managers can consider the well-defined preferences of employees regarding schedule flexibility. Some employees may prefer a standard 9-5 schedule, while others may be more productive having the option to work at different times of the day. A flexible schedule structure can contribute to employee satisfaction and performance improvement.

d. Managing organizational changes: In the process of implementing organizational changes, managers can anticipate and manage employee resistance by understanding their preferences. Identifying ways in which changes may affect individual preferences and addressing these aspects can facilitate a smoother transition and better adaptation to new conditions.

e. Facilitating personalized professional development: Managers can use the individual preferences of employees to establish personalized professional development plans. Understanding the goals and professional interests of employees can guide managerial decisions in providing training and development opportunities that align with individual needs.

*Applying in the field of marketing* can be exemplified by [6]:

- Guilt: Some marketing campaigns use approaches that emphasize the negative environmental impact of certain behaviors to stimulate guilt and encourage consumers to choose more eco-friendly options.

- Desire for luxury: Luxury brands often rely on creating a desire for exclusive products, highlighting prestige and social status aspects to influence consumer preferences.

- Desire for belonging: Marketing strategies that emphasize belonging to a select group can strongly influence consumer preferences. For example, promotions that emphasize "exclusive for members" or "only for a limited group" can stimulate the desire to belong.

- Emotional influence in advertising: Advertisements that evoke strong emotions, such as joy, nostalgia, or compassion, can significantly impact consumer preferences. The choice of a product or service can be strongly influenced by these emotional connections.

- Reciprocity: People can be influenced to make purchasing choices following gestures of reciprocity. Offers like "buy one and get the second at half price" or "receive a free gift with the purchase of a product" are examples of strategies that exploit this principle.

- Fear of loss: People are often more motivated to avoid losses than to gain equivalent rewards. Thus, marketing strategies that emphasize loss can influence consumer preferences. For example, "limited-time offer" can create a sense of urgency and fear of missing an opportunity.

These examples illustrate how behavioral economics permeates the fields of management and marketing, highlighting the complexity and diversity of influences that can shape individual preferences. Understanding these aspects can provide a more detailed perspective on how our decisions and choices are formed in various contexts.

*Artificial intelligence (AI) can influence the principle of "well-defined preferences" in management and marketing* through various mechanisms and technologies that can have a decisive impact [4]:

- a. Personalized recommendations: AI-based recommendation systems can suggest products, services, or personalized content based on individual preferences. In marketing, this can increase the relevance of offers and, implicitly, the chances of satisfying customer preferences.

- b. Chatbots and personalized interactions: The use of AI-based chatbots and virtual assistants can enable personalized interactions. These systems can learn from user behavior and adapt responses or offers to match individual preferences.

- c. Product and service development: In the innovation process, AI can contribute to the development of personalized products and services. Understanding customer preferences through data analysis can guide research and development efforts towards offerings that better meet individual needs.

- d. Personalized feedback: AI-based feedback systems can provide personalized evaluations to employees or customers based on their individual preferences and past performances. This can contribute to increased engagement and performance improvement.

- e. Adapting pricing strategies: In marketing, AI can assist in setting personalized prices, considering the preferences and shopping history of customers. This can contribute to maximizing revenue and customer satisfaction.

Using the principle of "well-defined preferences" in management and marketing, in collaboration with artificial intelligence, brings benefits to both organizations and users.

It is crucial to ensure that the collection and use of personal data adhere to privacy and ethical standards to maintain user trust and avoid potential legal issues.

**3.2. The "goal gradient principle"** is a key concept in behavioral economics that illustrates how people's motivation and behavior change as they approach a goal. [6] This principle is based on the idea that individuals have increased motivation as they get closer to achieving a goal or objective, but this motivation can vary or even decrease when the goal becomes closer to fulfillment.

For example, in the context of financial decision-making, this principle can be observed when a person is nearing the achievement of a financial goal, such as saving for a vacation. As their savings grow and approach the amount needed for the vacation, their motivation to save may increase because the goal becomes more real and tangible. However, there is also a risk that when very close to the goal, people may feel fatigue or perceive the goal as so close that they might abandon the extra effort.

In the business environment, this principle can be applied in marketing or sales strategies. For instance, offering incentives or progressive discounts as a customer approaches a certain level of purchases can increase their motivation to continue shopping to reap the respective benefits[7].

Essentially, this principle emphasizes the complexity of human motivation and the need for a differentiated approach based on the proximity to the goal. Companies can use this principle to create more effective strategies tailored to the stage consumers are in the process of achieving a specific goal.

***Application of the "goal gradient principle" in the fields of management and marketing Management*** [8]:

a. Team goal attainment: If a team has a goal to achieve, the manager can apply the "goal gradient principle" by providing recognition and rewards as the team approaches the final goal, thereby motivating team members to aim for goal achievement.

b. Implementation of gradual progress strategies: In the continuous improvement process, managers can apply this principle by setting intermediate stages to achieve the company's overall objectives. Employees will be more motivated to focus their efforts as they see progress being made.

c. Personal skills development: When addressing employees' personal development plans, managers can use the "goal gradient principle" by providing increasing support and resources as employees progress in developing their professional skills.

d. Complex project management: In complex projects, managers can break down tasks and provide recognition as team members complete different phases of the project. This motivates them to maintain a sustained pace throughout the entire project.

e. Individual motivation: In the context of individual motivation, managers can apply the principle by setting personalized goals and offering rewards or recognition as employees approach their achievement.

***Marketing*** [9]:

a. Retail loyalty program: The loyalty program can use the "goal gradient principle" by offering customers rewards or benefits as they make repeated purchases or reach certain spending levels.

b. Crowdfunding campaigns: Crowdfunding platforms can apply the principle by offering increasing rewards as funding approaches the final goal. Supporters will be more motivated to contribute as they see the campaign's progress.

c. Contingency marketing: In online sales, marketing strategies can use the "goal gradient principle" by displaying a limited quantity of available products or offering progressive discounts as stocks deplete.

d. Incentives for feedback: Companies can use this principle to encourage customers to provide feedback by offering increasing rewards as more customers participate in the evaluation process.

e. Early product launches: Through product launch strategies, marketers can anticipate and generate increasing interest by gradually revealing product features and offering exclusive rewards to those who pre-order or participate in launch events.

***Artificial Intelligence*** (AI) can influence the "goal gradient principle" in several ways, adding an additional dimension and a higher degree of personalization to the approach of strategies based on this principle. [4]. AI can have the following impact:

a. Personal data analysis: AI can process and analyze users' personal data to understand their behavior and preferences. By monitoring and understanding users' progress towards specific goals, AI can adapt and adjust strategies to remain relevant as users approach their goals.

b. Personalized recommendations: AI-powered recommendation systems can use accumulated data to provide personalized recommendations based on users' individual goals. For example, in the fitness domain, a virtual assistant can adjust the workout routine or dietary plan based on the progress made and the goals set.

c. Feedback and motivation: Applications or platforms integrating AI can offer personalized feedback and reward systems as users approach goal attainment. This may include recognizing individual achievements, providing tailored advice, and creating a virtual environment to keep motivation levels high as goals become more tangible.

d. Optimizing marketing campaigns: In the field of marketing, AI can optimize advertising campaigns by offering increasing incentives or progressive discounts as consumers approach the achievement of a goal, such as completing a purchase or participating in a loyalty program.

e. Continuous adaptation: AI can learn from users' previous behavior and continuously adapt strategies to remain relevant and motivating. This means that as a person approaches their goal, AI can adjust tactics to manage potential changes in motivation or preferences.

However, it is important to approach the use of AI carefully, especially concerning data privacy and ethics. It is crucial to ensure that personal data is used responsibly and that AI systems are transparent in how they make decisions and influence user behavior.

**3.3. The "Endowment Effect" principle** represents a behavioral tendency in behavioral economics, wherein people attribute higher value to objects or things they own, solely because they possess them. This phenomenon can have a significant impact on economic and social decisions [9]. Some key aspects related to the role of this principle:

a. Perception of increased value: People tend to attribute a higher value to goods or properties they own, even if these do not have a higher intrinsic value. For example, someone owning an old car may evaluate that car more highly than an objective observer would.

b. Effect on buying decisions: This effect can influence buying and selling decisions. Individuals who already own a certain product may be less willing to sell it at a lower price than the price for which they acquired it, as they assign a higher subjective value to it.

c. Increased ownership loyalty: The endowment effect can lead to an increased sense of attachment to owned goods, influencing decisions to keep them, even when they might no longer be as useful or necessary.

d. Impact on negotiation: In sales transactions or negotiations, this principle can have a significant impact. Individuals who already own a good may ask for a higher price to part with it, while those wishing to acquire the same good may underestimate its perceived value by the owner.

e. Marketing strategies: Companies can use this principle in marketing strategies, offering options such as free trial periods or free samples to create a sense of ownership and influence purchasing decisions. It is important to recognize and be aware of this principle in decision-making to minimize possible subjective distortions and make more informed choices, especially in financial and consumer decision contexts.

***Application of the "Endowment Effect" Principle*** in Management and Marketing (10):

***Management Domain:***

a. Employee motivation: Managers can use the endowment effect by providing recognition or rewards to employees for the projects or achievements they have accomplished. This can create a sense of ownership of success and motivate them to continue their efforts.

b. Employee skills development: In the process of staff training and development, managers can apply the endowment effect by offering resources, tools, or opportunities as employees

progress in acquiring new skills. This can create a sense of ownership and responsibility for the skills acquired.

c. Project management: In the context of project management, the project team may feel a sense of ownership of the results of their work. Through recognition and active involvement in the decision-making process, team members can develop an increased attachment to the project's success.

d. Team leadership: Managers can apply the endowment effect by involving team members in making important decisions for their projects or tasks. This can create a sense of responsibility and ownership of the team's direction and outcomes.

e. Career planning: In managing employees' careers, managers can use the endowment effect by offering advancement opportunities or open discussions about professional futures. This can develop a sense of ownership over their career path and stimulate long-term commitment.

**Marketing Domain:**

a. Limited sales strategies: Companies can apply the endowment effect in marketing by promoting products or services with limited quantities available. This limitation can create a sense of ownership and urgency in consumers' minds, encouraging them to make quick purchases.

b. Personalized offers: By providing personalized offers or discounts tailored to consumers' shopping history, companies can leverage the endowment effect. This creates a feeling that these offers are specific and specially created for them.

c. Loyalty program: Loyalty programs can use the endowment effect by granting rewards and benefits as customers make repeated purchases or reach certain levels of engagement. Consumers can develop a sense of ownership and loyalty to the brand.

d. Product launches: During product launches, companies can utilize the endowment effect by creating anticipation and interest around the product. Gradual disclosure of features and offering exclusive rewards to those participating in the launch event can create a sense of ownership of the product.

e. Exclusive experiences for loyal customers: Companies can apply the endowment effect by offering exclusive experiences, events, or personalized content only for loyal customers. This can create a sense of belonging and ownership of the special benefits of loyalty.

**Influence of AI on the "Endowment Effect" Principle in Management and Marketing:**

**Management Domain[11]:**

a. With the help of AI, managers can implement personalized performance evaluation systems, providing feedback and individual recognition as employees achieve goals. This process can create a sense of ownership and responsibility for individual outcomes.

b. AI can personalize learning and development processes by offering employees resources and training tailored to their needs and progress. This way, employees can experience an endowment effect, feeling their advancement in skills and knowledge as an integral part of their professional growth.

c. AI can contribute to the efficient management of projects by providing transparency and involving team members in decision-making processes. Through AI integration, team members can feel a sense of ownership of the project and be more motivated to contribute actively.

d. With the help of AI, managers can conduct advanced analyses of individual performance, highlighting the achievements and contributions of each employee. This can create a sense of ownership of individual successes and stimulate commitment.

e. AI systems can offer personalized suggestions for professional development and career advancement. Employees may feel an endowment effect, sensing guidance and support in their professional progress.

**Marketing Domain[11]:**

a. AI systems can analyze individual consumer buying behavior and preferences to provide personalized recommendations. This creates an endowment effect as consumers feel that the offers are specially created for them.

b. By using AI, companies can offer personalized advertising tailored to consumers' shopping history and preferences. This makes the advertising message more relevant and creates a sense of ownership of the presented products or services.

c. AI can manage loyalty programs, offering personalized rewards and benefits based on buying behavior. Consumers may feel an endowment effect, sensing that the rewards are personalized and tailored to their needs.

d. AI systems can adjust pricing strategies based on consumer preferences and shopping history. This can create a sense of ownership of products or services, as prices are adapted to individual needs.

e. With the help of AI, online stores can offer personalized experiences, from website navigation to the order completion process. This can create an endowment effect as consumers feel that the shopping experience is exclusively tailored for them.

### 3.4. "Loss Aversion" Principle:

The "loss aversion" principle in behavioral economics refers to people's tendency to assign a greater emotional weight to loss than to an equivalent gain. This aversion can influence how people make decisions in various economic and social contexts. Research in the field of behavioral economics, particularly the works of Daniel Kahneman and Amos Tversky [7], has highlighted this aspect and demonstrated that losses are perceived more strongly and emotionally than similar gains.

**Key aspects of loss aversion include** [12]:

a. Asymmetry in risk perception: People are willing to avoid risks when facing the possibility of a loss, even if the potential benefit is numerically equivalent to the loss. This asymmetry in risk perception can lead to conservative behaviors and less risky choices to avoid losses.

b. Emotional impact of loss: Losses are felt more intensely emotionally than similar gains. This emotional impact can influence decision-making processes, causing people to be more cautious or choose options that minimize the risk of loss.

c. Preference for the status quo: Loss aversion can lead to a preference for maintaining the status quo or the current situation. People may be reluctant to make changes or take risks to avoid potential losses associated with new decisions or changes in status.

d. Effects on investment decisions: In the field of investments, loss aversion can influence investor behavior. They may be less willing to take risks for potential gains, preferring more conservative investment strategies to minimize the risk of loss. [13]

e. Decisions in the context of previous losses: Past experiences of loss can strongly influence how people make future decisions. Individuals may reduce risk or avoid similar situations to prevent the unpleasant feeling associated with previous losses. [14]

Therefore, loss aversion reflects the fact that people are more motivated to avoid losses than to achieve equivalent gains, and the emotional impact of a loss is felt more strongly. This principle is crucial in understanding human behavior in the context of economic decision-making.

**Examples from the management and marketing fields regarding the loss aversion principle:**

**Management:**

a. Conservative strategic planning: In the development of organizational strategies, managers may exhibit loss aversion by adopting more conservative plans or avoiding significant risks. This may involve setting realistic goals and avoiding overly aggressive investments.

b. Risk management in projects: When managing complex projects, managers can apply the loss aversion principle by identifying and mitigating potential risks. The emphasis may be on avoiding losses rather than achieving significant gains.

c. Conservative human resources policies: Within human resources departments, managers may manifest loss aversion in decision-making processes related to hiring or promotions. They may adopt more cautious policies to minimize risks associated with personnel decisions.

d. Portfolio diversification strategies: In financial management, loss aversion can influence decisions regarding portfolio diversification. Managers may choose to distribute investments across multiple asset classes to reduce the impact of a significant loss in a particular area.

e. Communication in times of change: In organizational change situations, managers can apply the loss aversion principle by addressing communication in a way that alleviates employees' fears and resistance to change. They may emphasize the benefits of maintaining the status quo rather than the risks of change.

**Marketing:**

a. Premium product pricing strategies: In marketing, loss aversion can influence pricing strategies. Companies can promote premium products by highlighting the perceived loss associated with purchasing an inferior or cheaper product.

b. Loyalty programs with valuable rewards: Companies can apply the principle in loyalty program marketing by offering rewards or benefits as customers approach a certain level of purchases. This motivates customers to avoid "losing out" on rewards and encourages them to continue buying.

c. Favorable guarantees and return policies: Marketing strategies may include flexible return policies or extended warranties to reduce the perceived risk of loss associated with purchases. This can increase consumer confidence and encourage them to make purchases.

d. Fear-of-loss-based communication: Marketing campaigns can use the loss aversion principle by communicating messages that emphasize the risks associated with not using or participating in certain offers. This can create strong motivation based on the fear of loss.

e. Stock limitations in flash sales: In flash sales or limited-time offers, marketing can leverage loss aversion by creating a sense of urgency. Stock limitations and limited-time offers can prompt customers to act to avoid missing an opportunity.

***Influence of Artificial Intelligence (AI) on "the Loss Aversion Principle" [15]:***

a. Personalization of offers and suggestions: AI systems can analyze user data and previous behavior to better understand individual preferences. By personalizing offers and suggestions, AI can minimize the perceived risk of loss by providing products and services that better align with individual expectations and needs.

b. Portfolio investment management: In the financial sector, AI algorithms can quickly and efficiently analyze market trends and offer personalized recommendations for portfolio management. By identifying and managing risks associated with various investments, AI can help users avoid significant losses.

c. Personalized warning systems and notifications: Applications or platforms using AI can provide personalized notifications to warn users about imminent risks or potential losses. These systems can use historical data and predictive models to inform users and guide them in decision-making.

d. Continuous adaptation of offers: AI can dynamically adjust offers based on changes in user preferences and behavior. By quickly identifying trends and adjusting offers to avoid potential customer losses, AI can contribute to maintaining customer loyalty.

e. Personalized feedback and encouragement: In education or personal development, AI systems can offer personalized feedback and encouragement as users approach their goals. This can counteract loss aversion by supporting motivation and maintaining steady progress.

By applying artificial intelligence in these ways, risk management can be optimized, and users can benefit from more efficient decision support, thus minimizing loss aversion in various contexts.

#### 4. Conclusions

Irrational factors guide daily consumer choices. Reasoning alone is not the sole player in purchasing decisions. The principles of behavioral economics reveal a wide range of behaviors, from loss aversion to the endowment effect, all shedding light on the hidden corners of our financial decisions.

Overall, applying these principles in the economy can help develop more effective marketing strategies, product design, and financial decision-making that takes into account the behavioral and emotional aspects of consumers. This leads to a deeper understanding of how people make economic decisions and improves the decision-making process.

Our decisions are not strictly rational but are influenced by emotions such as guilt, social comparison, or the desire for luxury. In this regard, businesses can develop strategies that take these well-defined preferences into account, thus creating a deeper connection with consumers by understanding the subjective motives behind economic choices. Therefore, rather than being purely rational, people make decisions based on subjective and emotional preferences. This means that businesses can develop strategies and products that resonate with these preferences, creating a more profound and personalized experience for consumers.

The "goal-gradient principle" tells us that our motivation evolves as we approach the desired target. This means maintaining and increasing consumer motivation as they get closer to achieving a goal, eliminating obstacles that could hinder this objective.

The "loss aversion" principle reveals that people feel greater "pain" in the face of losses than the pleasure associated with an equivalent gain. Businesses can provide assurances or alternatives designed to reduce the perceived risk of loss, thereby opening doors to more secure and conscious decisions.

The "endowment effect" shows that people attribute higher value to objects they own. In the marketing context, this can be leveraged by offering trials or testing periods, creating a sense of ownership and influencing purchasing decisions.

Behavioral economics transforms the business world into an attractive domain where a subtle understanding of human behavior becomes the key to success. Mastering these principles can bring significant advantages, from personalized offers to efficient risk management and increased customer satisfaction. However, like any new endeavor, it is crucial to be aware of ethics and responsibility to create authentic and beneficial experiences for all involved.

Through this creative interpretation, behavioral economics becomes not just a set of principles but a guide where companies and consumers learn together, creating a harmonious and mutually beneficial experience.

The use of AI in decision-making has many positive aspects. AI can help people make more informed and faster decisions, eliminating or reducing human errors. This can lead to time and cost savings and contribute to better decision-making in various fields, such as financial investments or health. Additionally, the use of AI in behavioral economics can stimulate innovation and technological development. Over time, this can lead to the development of new approaches and technologies to improve human behavior. It should be noted that excessive use of AI in behavioral economics can contribute to technology dependence and the loss of decision-making skills in humans.

The examples in this work highlight how individual preferences in management and marketing can be shaped or guided by emotional and social factors, in line with the principles of behavioral economics influenced by AI.

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