

ASPECTS REGARDING THE MANIFESTATION OF INAPPROPRIATE HUMAN BEHAVIOR IN THE ECONOMIC AND SOCIOLOGICAL FIELDS

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ABSTRACT: THIS ARTICLE PRESENTS SOCIOLOGICAL ASPECTS REGARDING THE INAPPROPRIATE BEHAVIOR OF BUYERS. THE EXAMPLES IN THIS ARTICLE ARE BASED ON A SERIES OF EXPERIMENTS THAT DEMONSTRATE HOW INDIVIDUAL AND COLLECTIVE PERCEPTIONS AND DECISIONS ARE AFFECTED IN VARIOUS DOMAINS OF THE ECONOMY AND SOCIETY. UNDERSTANDING THIS PHENOMENON CAN AID IN THE DEVELOPMENT OF COMMUNICATION AND DECISION-MAKING STRATEGIES THAT TAKE INTO ACCOUNT THE STRONG INFLUENCE OF THESE ASPECTS ON HUMAN THINKING PROCESSES. EXPERIMENTS PLAY AN IMPORTANT ROLE IN SOCIOLOGICAL RESEARCH RELATED TO THE INAPPROPRIATE BEHAVIOR OF BUYERS, AS THEY PROVIDE A CONTROLLED AND SYSTEMATIC METHOD FOR INVESTIGATING THE CAUSES AND CONSEQUENCES OF THIS BEHAVIOR, AS WELL AS FOR DEVELOPING AND TESTING THEORIES.

KEYWORDS: SOCIOLOGY, INAPPROPRIATE BEHAVIOR, BEHAVIORAL ECONOMICS, PRINCIPLES, ANALYSIS.

Introduction

Experiments play a significant role in sociological research, providing a controlled and systematic method for testing hypotheses and understanding the causes and effects of different social variables. Although experiments can take place in a controlled and sometimes artificial environment, the results obtained can be applied more broadly in real social contexts.

Experiments are important in sociological research as they offer a robust and rigorous framework for testing theories, identifying causality, and generating empirical data relevant to the understanding of social phenomena.

However, it is essential to carefully approach the design and execution of experiments to ensure the validity and relevance of the results obtained. Sociological experiments can provide valuable data, but it is important to consider certain ethical and methodological aspects.

Sociological experiments can make significant contributions to understanding society and the development of sociological theory.

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Experiments can be valuable tools in researching the inappropriate behavior of buyers, offering a controlled path to investigate and understand this issue.

Inadequate behavior profoundly impacts the sociological field, influencing interpersonal relationships, communities, and society as a whole². Addressing this behavior requires a multidisciplinary approach involving sociology, psychology, social services, and many other fields to comprehend and address the complexity of this phenomenon.

Experiments are based on the principles of behavioral economics and are analyzed through the lens of sociology, including principles such as the reference point, perceived fairness, hedonistic motivation, the principle of fit, and the regret of the lottery.

Applications of behavioral economics principles in the economic and sociological fields.

A first example is related to **the reference point**, which refers to people's willingness to pay different prices for the same product or service, even if it is consumed under identical conditions, depending on the context or references presented. This phenomenon can have significant implications in the fields of economics and sociology. A few specific examples from the economic and sociological domains illustrating the concept of the reference point and relevant to this endeavor:

Economy:

1.Pricing strategies: Companies can use reference points to set the prices of their products. For example, a store can display a product with an initially high price and later sell it at a "reduced price" to create the impression of a favorable offer. Even if the final price could be higher than that of other similar products, buyers can be influenced by this anchor in their price evaluation.

2.Menu effect: In the restaurant industry, menus can include options with very high or "luxury" prices, which act as reference points. Even though people might later choose more affordable options, the presence of these expensive choices can make other dishes seem more attractive and accessible.

3.Public Utility Tariffs and Prices: Utility companies or service providers can use reference points to justify tariff or price increases. By presenting previous decreases or alternative higher prices, they can create the impression that current prices are reasonable.

4.Auctions and Reserve Prices: Within auctions, reference points can influence the behavior of participants. An auction participant may be willing to pay more for an item if they have a certain amount in mind as a reserve price or reference point they are willing to spend.

² R.H. Frank, *Microeconomics and Behavior*, McGraw-Hill Irwin, New York, 2006, p.28.

5.Promotions and Sales Offers: Stores can use reference points like "buy one, get one at half price" to influence customers' buying decisions. Even if the price of the second product may be higher than that of other similar products, the special offer can create the illusion of significant savings.

6.Losses and Gains in Investments: Investors can use reference points to assess the performance of their portfolios. They may perceive a loss as more significant if their portfolio falls below a certain reference value, even if it is still positive or higher than their initial investment.

Sociology:

1. Residence and Housing Costs: In the real estate market, buyers and renters may be willing to pay higher prices for homes if they are presented as "luxurious" or "exclusive." Reference points related to how homes are described can influence decisions regarding purchase or rental.

2. Private Education and School Prices: Private schools can use reference points to justify higher fees. Presenting educational services as superior or offering exclusive opportunities can influence parents' decisions when choosing a private school.

3. Luxury Products and Fashion: In the fashion industry, presenting products as "branded" or "designer" can serve as reference points to justify high prices. Consumers may be willing to pay more for clothing or accessories perceived as of superior or luxurious quality.

4. Prestige and Social Ranking: People can evaluate prestige and social ranking based on reference points such as employment, income, or material possessions. These references can influence how individuals perceive their own social status and that of others.

5. Well-being and Happiness Assessment: People can use reference points, such as financial goals or their health status, to assess their level of well-being or happiness. This can influence their personal satisfaction and expectations for the future.

6. Culture and Stereotypes: Cultures and stereotypes can act as reference points for evaluating individual behavior and actions. People may perceive actions or traits based on the cultural norms, values, or stereotypes of their community.³

These examples illustrate how reference points can play a significant role in decision-making processes and people's perception of value, prestige, or well-being in different economic and social contexts. Understanding this phenomenon is important for developing communication and decision-making strategies that take into account the strong influence of reference points on perceptions and behavior.

Perceived Fairness

Perceived fairness - people are strongly influenced by a sense of fairness or unfairness.

³ D. Kahneman, A. Tversky, *Prospect theory: An analysis of decision under risk*, in *Econometrica*, 47(2), 1979, pp. 264-278

The concept of "perceived fairness" shows that people are strongly influenced by what they perceive as fair or unfair in the decision-making process and in their behavior⁴. This concept is important in behavioral economics and sociology because it illustrates how norms, ethics, and justice can influence human behavior. Concrete examples illustrating the concept of perceived fairness in economics and sociology:

Economics:

1. Taxes and Tax Evasion: The perception of fairness can influence decisions regarding tax payments. When people perceive the tax system as fair and that everyone contributes fairly, they are more likely to voluntarily pay their taxes. On the other hand, a perception of unfairness or tax evasion can lead to non-payment.

2. Salary and Bonus Distribution: In organizations, how salaries and bonuses are distributed can influence the perception of fairness. People may react negatively if they perceive that some employees receive unjustified rewards or that salary distribution is unfair.

3. Advertising and Ethics in Marketing: People may react to advertisements and marketing campaigns based on their perception of fairness. Advertising using inaccurate information, manipulation, or exaggeration may be perceived as inappropriate and can affect consumer trust in brands or products.

4. Contracts and Hidden Clauses: In business transactions, the perception of fairness can influence how people view contractual clauses. Hidden or ambiguous clauses may be considered dishonest and can lead to conflicts or legal disputes.

5. Anticompetitive Practices and Monopolies: In economics, anticompetitive practices such as monopolies can be perceived as unfair and may have legal consequences. People may react negatively to these practices and may support regulations to promote fair competition.

Sociology:

1. Social Justice and Discrimination: The perception of fairness is related to social justice. When people perceive that a group is discriminated against or that there are inequalities in society, they may be motivated to fight for changes and to address these issues.

2. Compliance with Social Rules and Norms: The perception of fairness can influence behavior in accordance with social norms and rules. People may choose to obey or violate rules based on how they perceive the fairness of these rules.

3. Support for Social Causes: People may decide to get involved in volunteer activities or support social causes when they perceive these causes as fair and necessary for society.

⁴ Richard H Thaler., *Misbehaving: The Making of Behavioral Economics*, Publica Publishing, Bucharest, 2015, pp 215-218.

4. Human Rights and Social Activism: The perception of fairness plays a crucial role in the fight for human rights and social activism. People can mobilize for causes such as gender equality, LGBTQ+ rights, minority rights, and others based on the belief that these causes are just and necessary.

5. Relationships and Interpersonal Conflicts: The perception of fairness plays a role in interpersonal relationships and conflict resolution. People may react to behaviors they consider unfair, such as lying, injustice, or disrespect, and may seek to assert their rights or resolve conflicts in a fair manner⁵.

These examples highlight how the perception of fairness can influence decision-making and behavior in areas such as taxation, employment, social justice, and civic engagement. Understanding this concept is important for the development of public policies, organizational practices, and social actions that take into account the strong influence of fairness in society.

Hedonistic Motivation

Hedonistic motivation - hedonic (luxurious) rewards are more motivating than equivalent cash or other material rewards.

The concept of "hedonistic motivation" refers to the fact that people are often more motivated by pleasurable and luxurious rewards or experiences than by equivalent cash or other material rewards⁶. This concept is important in behavioral economics and the understanding of human motivation. Concrete examples illustrating the concept of hedonistic motivation in economics and sociology:

Economics:

1. Workplace Rewards: Companies can use hedonic rewards to motivate employees. For example, instead of offering a financial bonus, they can provide an exotic trip or a luxurious vacation experience as a reward for high performance.

2. Loyalty Programs and Customer Rewards: Companies can use hedonic rewards to attract and retain customers. Loyalty programs can offer customers the chance to win trips, tickets to special events, or other luxurious experiences in exchange for frequent purchases.

3. Advertising and Aspiration for a Luxurious Lifestyle: Advertising can use the concept of hedonistic motivation to attract consumers to products and services. Presenting a product or brand as associated with a luxurious and pleasurable lifestyle can motivate people to make purchases.

4. Luxury Consumption and Prestigious Goods: People are often motivated to purchase luxury goods and services to experience the pleasure and satisfaction they offer. For example,

⁵ Sînziana Cristescu, *Contributions of behaviorism to the theory of economic crises*, published in the Collection of Postdoctoral Advanced Research in Economic Sciences, ASE Publishing House, Bucharest, 2015, p. 60.

⁶ Richard H Thaler., Op. cit. pp 219-222.

buying a luxury car or an expensive watch may be motivated by the desire to experience the pleasure associated with these items.

5.Culinary Tastes and Dining Experience: Consuming gourmet food and dining experiences can be motivated by the pleasure of savoring refined tastes and experiencing exceptional culinary experiences.

Sociology:

1.Social Events and Festivities: Hedonistic motivation can play a role in participating in social events and festivities. People may be motivated to attend parties, travel, or special events to experience the pleasure and joy offered by such experiences.

2.Tourism and Travel: People may be motivated to travel to exotic destinations and experience luxury and comfort during their travels. This type of motivation can influence the choice of holiday and travel destinations.

3.Cultural and Artistic Experiences: Participation in cultural events, such as concerts, art exhibitions, or theaters, can be motivated by the desire to experience the joy and pleasure brought by such events.

4.Entertainment and Recreation Events: Participation in entertainment events, such as music festivals, major sporting events, or amusement parks, can be motivated by the pleasure and joy of living such unforgettable experiences.

5.Interpersonal Relationships and Social Life: People may be motivated to invest time and resources in social relationships and social life to experience joy, happiness, and satisfaction brought by interaction with others.

6.Adventure Tourism: Adventure travel and extreme experiences can be motivated by the pursuit of pleasure and strong sensations. Excursions to exotic locations, extreme sports, and outdoor adventures are examples of such hedonistic motivations.

These examples highlight the importance of hedonistic motivation in decision-making and behavior in economic and social domains. People may be more motivated to act or make choices based on pleasure and luxury rather than material rewards, and understanding this dynamic can be essential for the development of marketing strategies, human resources policies, and loyalty programs.

The Principle of Fit

The Principle of Fit, also known as the "Fit Effect," suggests that people are more motivated when they feel they have a unique advantage in a program or when a program is tailored specifically to them. This principle is related to the concepts of personalization and relevance and

can influence decision-making and behavior in various contexts⁷. Concrete examples illustrating the Principle of Fit in economics and sociology:

Economics:

1. Personalized Offers and Promotions: Companies can use the Principle of Fit to motivate customers to make purchases. For instance, customers may receive personalized offers based on their shopping history or preferences. This alignment between the offer and the customer's preferences can increase their motivation to buy.

2. Personalized Loyalty Programs and Rewards: Companies can customize loyalty programs to match the individual habits and preferences of customers. Customers who feel they receive tailored rewards may be more motivated to return and remain loyal to a brand or company.

3. Personalized Credit and Loans: Financial institutions can use the Principle of Fit to attract customers interested in credit and loans. Personalized offers, taking into account the needs and financial history of each customer, can increase their motivation to access such services.

4. Personalized Affiliate Programs: Companies can implement personalized affiliate programs where partners receive commissions or rewards based on the preferences and needs of their customers. This can increase the motivation of partners to promote the respective products or services.

Sociology:

Personalized Education: In the field of education, the Principle of Fit can be applied by offering personalized educational programs for students. When students feel they have access to resources and approaches tailored to their individual needs, they are more motivated to learn and reach their full potential.

1. Personalized Social Support Networks: Within community organizations or support groups, people may be more motivated to participate and engage when they feel they receive support tailored to their personal situation or needs.

2. Personalized Counseling and Therapy: In the field of mental health, therapists and counselors can use personalized approaches to match the individual needs of patients. This can increase the motivation of patients to participate in therapy and improve their mental health.

3. Personalized Rehabilitation and Social Reintegration Programs: For individuals returning to society after a period of detention or therapy, personalized rehabilitation programs can increase their motivation to reintegrate and avoid recidivism.

4. Family Counseling Programs: In family therapy, counselors can use the Principle of Fit to address the specific issues of each family. This personalized approach can encourage family members to actively engage in the counseling process.

5. Job Training Programs: For individuals looking to improve their skills and secure employment, personalized training can increase motivation to pursue their career goals.

⁷ Richard H Thaler., Op. cit. pp 228-229.

These examples underscore the importance of personalization and fit to increase motivation and engagement in various domains, from economics to education and mental health. When people feel a personal connection or relevance to a program or offer, they are more likely to take action and actively engage.

The Regret Lottery Principle

The Regret Lottery Principle, also known as the "Near-Miss Regret," refers to the tendency of people to feel more pain or regret when they were close to avoiding a loss compared to when they had little chance of gaining a win⁸. This concept is relevant in behavioral economics and understanding how people perceive and react to risks and financial decisions. Here are some concrete examples illustrating the Regret Lottery Principle in economics and sociology:

Economics:

Investments and the Stock Market: An investor who was very close to selling a stock just before its price dropped may feel greater regret than an investor who had a low chance of predicting the price drop. This can influence trading decisions and investment strategies.

Risk Assessment in Insurance: When people purchase insurance to protect against unwanted events like fires or accidents, they may feel greater regret if these events were very close to happening but were avoided, compared to when the risk was minimal.

Savings and Credit Decisions: An individual who was on the verge of paying off a debt in full or saving for a financial goal but missed it may experience greater regret than someone who had little chance of achieving that goal.

Business Decisions and Missed Opportunities: Entrepreneurs and business managers can experience intense regret when they were very close to capitalizing on a business opportunity but chose not to. This proximity to potential gain can lead to deep feelings of financial loss and regret.

Financial Planning and Investments: When people consult with financial planners or investment advisors, they may experience regret when they realize they were very close to avoiding losses or achieving higher gains but didn't follow the advice given.

Credit and Debt-Related Decisions: Consumers who were close to avoiding substantial debts or improving their financial management but didn't take that step may feel strong regret when facing the consequences of their financial decisions.

These examples highlight how the Regret Lottery Principle can influence financial decisions and reactions to economic risks and opportunities. Being close to avoiding a loss or gaining a win can bring about deep feelings of regret or satisfaction, depending on the final decision made.

Sociology:

Interpersonal Relationships and Missed Romantic Opportunities: People can experience profound regret when they feel they were very close to having a romantic relationship with someone and, for various reasons, it didn't materialize. This regret can be felt more intensely than if the relationship was never an opportunity in the first place.

⁸ George Niculecu, Applications of behavioral economics in university life, in *Annals of the "Constantin Brâncuși" University of Târgu Jiu, Economy Series, Special Issue, Volume I / 2017 "Academica Brâncuși" Publisher*

Education and Career: When young individuals make decisions related to education and careers, such as choosing a college or field of study, they may experience regret when they believe they were very close to pursuing a different path or exploring other opportunities. Regret can arise when they feel they missed the chance to reach their potential in a different field.

Migration and Relocation: People contemplating migration or relocating to another country or region may feel greater regret if they were very close to making that decision and then withdrew. This regret can be intensified by the sense of being close to experiencing a new life and opportunities but ultimately giving it up.

Political Participation and Elections: In a political context, people may experience intense regret if they believe they were very close to influencing an electoral outcome or making a significant difference through their vote but chose not to vote or actively engage in the political process.

Religion and Beliefs: Individuals considering converting to another religion or changing their beliefs may feel strong regret if they abandon that opportunity. Regret can be related to the desire to explore other faiths or spiritual teachings.

Adoption and Families: Parents who considered adoption and were very close to adopting a child but ultimately chose not to may experience intense regret about their decision. The proximity to bringing a child into the family and then giving it up can evoke deep feelings of loss and regret.

These examples highlight how the Regret Lottery Principle can affect life choices and emotional reactions in sociological contexts. Being close to a decision or opportunity can add complexity to decision-making and influence how people perceive and respond to events in their lives.

Conclusions

The application of principles from behavioral economics in sociological and economic domains can yield significant insights into understanding and influencing human behavior. Here are some potential conclusions for each of these principles:

Reference Point: Identifying and using reference points can help in understanding how people evaluate and make decisions. In sociology, this may relate to how people assess well-being and satisfaction in various social contexts, such as family, work, or community. In economics, knowledge of reference points can influence how individuals make financial decisions, such as saving and investing.

Perceived Fairness: In the sociological context, perceived fairness can influence opinions and attitudes related to justice, equity, and social discrimination. Understanding how people perceive fairness can help develop more effective social policies and address inequality. In economics, the perception of fairness can impact financial decisions, such as taxes, resource redistribution, and tax justice.

Hedonistic Motivation: In sociology, understanding hedonistic motivation can help explain human behavior in social and cultural contexts, such as how hedonistic motivation influences consumption of luxury goods, food choices, and lifestyle. In economics, hedonistic motivation is

central to analyzing consumer decisions, including purchasing products or services that offer immediate pleasure.

Matching Principle: In sociology, the matching principle can aid in understanding how people form social relationships and cultural identities. Matching in values, beliefs, or belonging to social groups can influence behavior and public opinion. In economics, this principle may relate to marketing strategies and how products and services are personalized to align with individual preferences and values.

Regret Lottery: In sociology, regret lottery can be linked to life choices, including education, career, and relationships. Understanding how individuals perceive and manage regret related to their choices can help develop social policies and support programs. In economics, regret lottery can influence investment and risk-related decisions, especially in the context of financial planning and insurance.

In general, applying principles from behavioral economics in sociological and economic domains can provide a better understanding of the factors influencing human behavior in different contexts. These principles can be used to develop more effective policies and strategies that take into account the complex and not always rational nature of human decision-making.

Biography:

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