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## **SOLVING THE CUSTOMER'S IRRATIONAL BEHAVIOR OF PROBLEM WITH THE HELP OF NEUROECONOMICS**

For years, economics was based on the assumption that the behavior of both humans and companies is rational. This does not mean that they would consider all the possible options, and it does not mean that they actually know what they do. But for an economist, a person always tries to maximize his utility in every single case. During the recent period, it was shown that one's behavior is possible to describe with the help of rationality outcome. In this case, rationality means that people react on incentives. For example, if the price for the product increases (and the price is not always money), the product will be purchased less, and so on. However, in 2003, Daniel Kahneman was awarded the Nobel Prize for showing that humans are not always rational. He and his colleague, Amos Tversky, not only showed the fact that solutions are not always rational, but also explained why we accept them. As a result, a whole new field of research appeared – **neuroeconomics**. As this name indicates, it explores the functioning of the human brain at the time of economic decision-making. Since this field is young, there are a lot of new areas for the research. Many simple things can be improved with the help of neuroeconomics. One really interesting area is marketing. With the help of the neuroeconomics, it becomes possible to increase purchasing of some goods and decrease the demand on others.

Previously, in order to track the potential consumer's response to new goods, traditional market research relied on questionnaires and target-groups. These tools have their advantages, but also some disadvantages: people do not always say what they really think. In reality, they are trying to guess what others would like to hear from them. And this is not the only reason. According to Gregory Burns (Emory University of Atlanta), subconsciousness plays an important role in the decision making. As Psychology shows, people cannot always motivate their choices. While sometimes it is difficult to explain the human behavior, it becomes easier to explain it

with the help of neuroeconomics. The main task is to get the covered information straight from the brain, without questioning the person (recording the reaction). The methodology that can be used is functional magnetic resonance imaging (fMRI) that was developed ten years ago. It is a method for scanning the brain, and it determines the activity of the parts to change in circulation.

We can say that the research in this area, in closest future, can help us to create goods with high demand. But in long-term, neuroeconomics can give us lots of information for modeling big economic models that explain inflation, unemployment and economical growth.