Application Of Modern Models Of Behavioral Economics In Internet Branding

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Abstract

The present study is devoted to the problem of use of modern behavioral economics models in internet branding. The article aims to identify the most efficient instruments of internet branding for the various models of behavioral economics. Depending on the consumer behavior model it is efficient to use various instruments of the behavior economics in internet branding. In the framework of the study, the authors used methods of analysis, comparison, data analysis and systematization, comparative analysis, analogy. The novelty of the study is explained by the systematization of application of internet branding instruments depending on the models of consumer behavior. The findings of the study may be efficiently used by the marketing specialists and brand managers, who perform their operations on the internet.

Keywords: behavior economics, consumer behavior, brand, e-commerce, marketing
Introduction

Consumer preferences and the factors that influence their formation are the least studied fields of economic theory and consumer behavior. In practice, consumer behavior is affected by hidden unconscious causes and factors that contradict the idea of rational choice (Babakaev et al., 2018, pp. 108-111). The aim of the study is to identify the prospects of using internet branding instruments for various models of behavioral economy. With respect to the aim of the study, the following tasks were formulated:

• to outline the modern models of behavioral economics;
• to examine the main instruments of internet branding;
• to perform analysis of the instruments of behavioral economics used in internet branding;
• to identify the most effective tools for managing the behavior of different consumer models.

The level of development of the research subject is determined by numerous publications of Russian and foreign scientists. Therefore, the main works in this avenue written by foreign authors should be considered. Ariely (2010, pp. 75-111), Kahneman, Tversky (2000, pp. 25-30) focus on the irrationality of human economic behavior. Baron (2007, pp.11-20) investigates human cognition, rationality, features of judgments and decision-making. Akerlof and Shiller (2010, pp. 30-45) study the peculiar features of human behavior that affect macroeconomic processes.


Issues related to the branding, on the other hand, are covered by such foreign authors as Kotler, Keller (2012, pp. 103-115), Ahn et al. (2019, pp. 104-112). The specificity of negative attitude to brands is examined in the work of Fetscherin (2019, pp.116-127). The issues related to the effectiveness of advertising in branding are observed in the work of Tan and colleagues (2019, pp. 288-306). Nuances of attracting customers and increasing sales of goods or services of the brand via social media are considered by Vohra and Bhardwaj (2019, pp. 2-25). Bronnikova and Kalacheva (2019) identify the characteristics of internet branding of the enterprises.

At various times, one or another scientific avenue occupies a dominant position in economic science, which gives grounds to assign it a specific name natural, classical, neoclassical, behavioral, etc. Currently, the neoclassical (mainstream) economics dominates. At the center of this concept is the homo economicus. It’s a half of a human, half of a robot, who always act rationally, maximizing own gain. Despite the fact that in real life everything it is not quite so a homo sapiens always tends
to be driven by emotions and very often makes wrong, irrational decisions – the neoclassical economics continues to stretch itself into mathematizing and informatizing its decisions, completely neglecting the decline of human trust in them. The leading neoclassical concept of economics (mainstream) postulates the rational behavior of its agents. In order to ensure the proper functioning and development of any economic system, they always make logical and reasonable decisions, and if they make occasional mistakes, the established methodology of the economic mainstream makes them learn from their mistakes and get back to rationalism. Each economic agent is a living human being or a team, that has own manner of decision-making. Their inherent psychology of perception and psychology of behavior inevitably participate in economic life, causing systematic deviations from rational behavior. Upon closer examination of the real deviations, it was found that they are not accidental, but are systematic and quite predictable. (Drogobytsky, 2016).

According to Zandstra and colleagues (2013), in decision making situations involving choice behavior, individuals choose the option that yields the highest expected reward value. The equivalent concept from behavioral economics is that of the utility function, which combines several parameters of each option into one single unitary value. In this way, decisions among several alternatives are driven by the aim of maximizing utility. The key assumption here is that the utility function provides a way of quantifying the subjective reward value that an individual attaches to each option. The authors propose that the concept of utility functions can be applied for better understanding the consumer decision making in a principled way.

Behavioral economics, which has established as an independent area and is tightly interwoven into our everyday life, studies such irrational behavior of economic agents. Among behavioral heuristics, provoking the irrational decisions in people, the availability heuristic should be mentioned, which implies that the phenomenon familiar by sight or by ear or that makes greater impress is more likely; the heuristic of typicality (representativeness), which specifies the typical (cultural by default) choice, but not a logically thought-out calculation; the heuristic of fixing and correction, implying the choice of a preliminary (basic) assessment and its subsequent correction on the basis of the additional information (Drogobytsky, 2016). As stated by Reisch and Zhao (2017), behavior economics is concerned with the question of how people actually behave in decision-making situations and how their choices can be improved so that consumers’ welfare is enhanced. According to Camerer (1999), behavioral economics represents a reunification of psychology and economics, rather than a brand new synthesis, because early thinking about economics was shot through with psychological insight. He noted that the goal of behavioral economics is to suggest mathematical alternatives with firm psychological foundations to rationality assumptions.

Behavioral economics connects theoretical frameworks of rationality of classical and neoclassical economics and the way in which consumers make decisions, including personal feelings and limitations in a realistic way. At the same time, its contribution to the modern understanding presents departure from rationality and recognition of the existence of “mistakes” of human behavior in the decision-making process (Krajnović, Sikirić & Bosna, 2016). As Mathis and Steffen suggest in their work (2015), behavioral economics also calls into question the theory of self-interest. In reality, most people do not always act according to their best self-interest. There are indications that a consideration of fairness and mutual benefit are important within bilateral negotiations and market operation. According to the authors, most economists see behavior as a simple decision-making process in which a choice is made between different alternatives. Driscoll and Holden (2014) argue that the insights from behavioral economics have led to important progress.
in our understanding of macroeconomic phenomena by allowing us to explain more aspects of real-world behavior than we could with the more restrictive theoretical framework that most economists have been using.

According to Krajnović and colleagues (2016), conclusions about consumer behavior and their decisions about purchase provides us digital consumer behavior, actually digital consumer activities which contemporary technology and digital marketing have ability to constantly track. Digital marketing affects the formation of a customer needs on a more efficient way but also implies certain ethical implications. Internet branding is one of the most important tools for the formation of the brand of any company or enterprise. It can provide additional benefits in the form of a positive image or increased customer loyalty, because the internet provides us with an unlimited amount of information. Moreover, in comparison with traditional advertising technologies, internet branding provides an opportunity for dialogue with the consumer, feedback, as well as from a financial perspective, it is much cheaper. The advantages of its use are inherent in such characteristics as: immediate dialogue with the consumer, personification of advertising messages to a particular consumer depending on his/her social and/or demographic portrait, as well as a high degree of usability of the internet resource (Kliueva, 2015). The reason why internet branding generates increased attention and occupies the leading position among methods of promotion is consists in the following advantages of internet branding:

- Internet branding requires lower costs than the traditional one;
- The time spent on the building of recognizable image via internet branding is much shorter compared to the other methods. Moreover, advertising is seen from any part of the country;
- Internet allows to identify the target audience much easily;
- It is possible to monitor statistics through a variety of methods (Domareva & Burkova, 2016).

According to Malygina et al. (2017), modern practical branding is based on humanization of brands. Such familiar characteristics as quality and reliability should be present in the brand from the beginning. They are no longer indicators of consumers’ choice. Digital communications have provided brands with the opportunity to establish a strong connection with the consumer, to attach to joint activity through ideas and values close to the consumer. Currently, brand building is based on the idea that the brand should belong not to the manufacturer, but to the consumer. Many brands voluntarily transfer part of their powers to the consumer: conducting surveys, studying public opinion about the product in social media. Since effective control over consumer communications in a digital society is virtually impossible, brands remain actively engaged in communication as a partner, preaching their ideas and values, emotional and social benefits. As stated by Eid et al. (2011), branding provides benefits for both buyers and sellers. Brands help buyers identify specific products that they do and do not like, a process that in turn facilitates the purchase of items and satisfies their needs and reduces the time required to purchase the product. It also helps buyers evaluate the quality of a product, especially when they are unable to judge its characteristics. According to Kuzmina (2016), brand image means opinions, representations of target consumers about the brand. It consists of several components:
- Visual representation, corporate identity
- The manner of communication with the consumer: what, where and how the information is placed, what media are used, what informing ways are involved, what the brand says about itself, about its consumer, etc…
- Brand’s key values promoted in communication
- Associations among consumers and other audiences when the brand is mentioned.
- Reviews of other consumers about the brand.
- Interaction with competing brands (aggressive/non-aggressive).
- Interaction with other audiences that are not brand’s direct consumers, but may become in the future.
- Participation in charity and any socially oriented events.
- Loyalty programs and any forms of marketing activity that are employed by the brand: events, special offers, contests, drawings, service methods, etc.
- Emotions that the brand evokes, formed both through events and from the consumer’s daily contact with the brand.
- The impression of the brand, which is formed not so much by intangible characteristics of the brand, but by the qualities of the product: color, smell, shape, comfort of use, etc. (Kuzmina, 2016).

Kuzmina (2015) identifies brand as one of the principal categories of modern marketing and marketing communications. Consumers now rather need not just a product or a service, but a brand that has its unique brand name, identity and its own unique image, by which it is recognized and distinguished from all other brands. It is the brand with its figurative structure that resolves our consumer problems, creates the mood, raises our consumer status up to the most unbelievable heights. The choice between branded and non-branded goods is obvious: the former will always win, provided that the brand properly builds and develops communication with its consumer. The reason is simple: the branded product always has its own unique specific image, which interacts with the consumers, attracts and keeps their attention. By involving the consumer in its image, information and symbolic space, the brand creates a new special world for the consumer, a world of unique images and fantasies, which a non-branded product is not able to do (Kuzmina, 2015).

The creative part of the communication strategy is closely related to the task of brand positioning - how the brand should be seen by specific groups of target audiences, considering the portrait, values and usefulness for the consumer, identified at the stage of marketing analysis. Each group has its own communication message, which will be conveyed through its own set of communication channels. The digital environment allows personalizing of communication by directly addressing a specific consumer. To solve the brand’s communication tasks, social media is a very valuable channel: there are no time limits (24 hours); they have a quick response to any brand message (a representative’s response to a user’s comment in a short time interval); they provide a high speed of content distribution without any geographical restrictions (Malygina et al., 2017).

Nowadays there are the following types of brand’s internet communications with its audience:

1. The company’s official website, where all the official information is presented.
2. The placement of information on specialized platforms.
3. Placement of banners and links on partner websites or any other websites.
4. Creation and promotion of profiles in social media.
5. Landing pages, acting as promo-websites for separate products, events, etc (Kuzmina, 2016).

Eid and colleagues in their work (2011) noted that branding also helps sellers by fostering brand loyalty. When buyers become loyal to a specific brand, the market share for that product achieves a certain level of stability, allowing the company to use its resources more efficiently. Low brand trust may counterbalance high brand satisfaction to reduce the probability of purchase of a product or service on the Web. In contrast, a high level of brand trust may ultimately convert a satisfied customer into a loyal one.

As stated by Kuzmina (2016), having a brand gives an organization a variety of benefits, which are largely possible only in this case. These benefits may be as follows:

- A high level of consumer’s trust in the product and the organization that produces it.
- Increasing the level of customer loyalty, which is conveyed in the form of repeated subsequent use of a certain product by consumer.
- Reduced costs for product promotion. A strong brand obtains not simply the consumer’s loyalty, but also the willingness of the latter to recommend it to the community, which directly leads to a cost-free expansion of the number of consumers.
- Fame and recognition of the brand, which in the end becomes an additional capital resource.
- In some cases, if the brand is strong and recognized indeed, the brand gets additional benefits in the form of leading market positions, and also gives the consumer an understanding of the main advantages of the product and brand in comparison with competitors.

Traditionally, a marketer or brand manager has the following goals and tasks in brand management: creation of a unique product and a unique brand that can take its place in the market, bringing profit to the organization; creation of a base of loyal consumers committed to the brand for a long time; creation of competitive differences and unique properties, informing the consumer audience about them; ensuring the popularity and recognition of the brand, formation the needs for the brand in the target consumers (Kuzmina, 2016).

Materials and methods

The methodology of the conducted research was determined mainly by the aim of the study, which is to identify the areas for application of modern models of behavioral economics in internet branding. It is worthwhile to note that larger part of the developments in the field of psychological and economic sciences are not coordinated at the theoretical, empirical and methodological levels (Nazarov & Shokin, 2018, pp. 49-51). In the course of the study, the authors used the method of analysis, comparison, data analysis and systematization, comparative analysis, analogy method. Theoretical and empirical method of analysis allowed to identify the patterns in the behavior of economic agents in the market of goods and services on the internet, as well as to identify the main instruments of internet branding in the behavioral economics. Use of the method of comparison allowed to reveal the distinctive features of behavioral economics in comparison with the traditional
classical economic theory. The method of data analysis and systematization helped to structure the materials obtained in the course of analytical actions on the models of behavioral economics with their subsequent grouping into methods of management of consumer behavior in the internet branding. The method of the comparative analysis consisting in the consecutive comparison of properties and characteristics of behavior of economic agents made it possible to systematize the techniques of consumer behavior management. Using the method of analogy based on the similarity of the behavior of economic agents it was possible to reveal the features of their behavior on the internet. The object of the study was the behavior of economic agents on the internet when addressing the brand website.

Results

The findings in the field of economic psychology allow to manipulate the human consciousness and employ this knowledge to improve the efficiency of enterprises engaged in economic operations on the Internet (Akerlof & Shiller, 2010, pp. 30-45). Consumers behavior in the context of the development of e-commerce is one of the key objects of scientific interest of researchers in the field of economics, marketing, management, sociology and psychology (Pochinok et al., 2016, pp. 24-34). Brand loyalty, advertising and social evidence play an important role in consumer’s decision-making (Kulyamina, Leonova & Vishnyakova, 2018, pp. 726-734). However, in addition to brand recognition and marketing mix used by the enterprise, the behavior of consumers is influenced by a number of factors that are not related to market leverage and even to the rational component of human thinking. This area of focus is studied by behavioral economics, which occurred at the confluence of psychology and economics. It is built upon the study and forecasting of consumer behavior, analysis of decision-making strategies in different conditions, analysis of cognitive processes and their impact on the business medium (Kurnosova & Rudakova, 2018, pp. 56-61).

It is worthwhile to note that there is a discrepancy in the understanding of human behavior, which most fully reflects the difference between classical and behavioral economics. In particular, economic theory considers all economic entities operating in the market as economic agents. Behavioral economics considers the person, the end consumer as economic agents (Kahneman & Tversky, 2000, pp. 25-30). In terms of the principles of economics, economic agents are rational, their decisions are based on the fullest possible amount of available information, the basis is the value and usefulness of goods and services. In this regard, each agent in the market maximizes profits and optimizes its own experience (Pochinok et al., 2016, pp. 24-34). Behavioral economics, in turn, suggests that economic agents are distracted from the immediate environment, emotions, shortsightedness and other instances of irrationality (Ariely, 2010, pp. 75-111). This research area has shown that consumers make choices under the influence of emotions, rarely noticing the unique trade advantages of goods or services (Baron, 2007, pp. 11-20). Behavioral economics models are different models of consumer behavior (Table 1).

<table>
<thead>
<tr>
<th>Model</th>
<th>Economic agent’s need</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>One carriage</td>
<td>Be part of a certain group, similarity and unity</td>
<td>Creating a mass effect. The purchase of a product is driven not by utility factor, but by the need to be part of the crowd, indicates the orientation towards a certain social norm.</td>
</tr>
<tr>
<td>Model</td>
<td>Economic agent’s need</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Snob</td>
<td>Highlighting, individualization, uniqueness, personalization.</td>
<td>Selection of the most expensive, luxurious, premium, unique products.</td>
</tr>
<tr>
<td>Demonstrative consumption behavior</td>
<td>Respect</td>
<td>Selection of the most high-priced products results from the certainty that the high price corresponds to the high quality. A higher price leads to the higher demand on the specific goods or service, consequently, the lower price leads to the lower demand.</td>
</tr>
<tr>
<td>Price-Quality</td>
<td>Rational need for a product or service</td>
<td>Specific attention is paid to the qualitative characteristics of the product, a consumer analyses the analog products seeking to choose the most appropriate and relevant to the demands.</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>Safety</td>
<td>Selection of a certain brand which is trusted by the consumers.</td>
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</table>

Behavioral economics models are based on the concept of limited rationality, which is not accidental or meaningless but quite systematic and predictable.

Special attention should be paid to the aspects of consumer behavior when purchasing goods in the online environment. The internet is the environment allowing to obtain specific data on the consumer’s attitude to the brand, to build a system of consumer’s preferences in online mode (Rudenko et al., 2018, pp. 281-290). The behavior of consumers when choosing goods or services online is influenced by various factors:

- technical implementation of the presentation of goods and services by online stores;
- features of privacy and security assessment, reputation in terms of information and communication technologies;
- level of representation and promotion of the website;
- the procedure and terms of making an order;
- the level of consumer’s knowledge of the information technology (Davis, Sheriff & Owen, 2019, pp.17-31).

Internet branding is a complex of marketing activities aimed at the creation, promotion and development of the brand through the Internet in order to create a positive image of the company and its profitability (Kotler & Keller, 2012, pp. 103-115). The growth of e-commerce focuses on the digital transformation within organizations, on the activation of brand promotion in the internet environment (Shapovalenko, 2015, pp. 20-25.) Outreach to the target audience of the younger generation, understanding its needs are more effectively performed through digital channels (Kotova, 2016, pp. 55-64). Basic internet branding instruments are considered in Table 2.

Table 2. The basic instruments of internet branding (made by authors).
Enterprise’s website
Website of the company has a recognizable logo with the main colors that create a positive recognizable image of the product or service brand (Bronnikova & Kalacheva, 2019).

Advertising

Blog
Having a website where it is possible to post comments, links and reviews on various webpages, united under a single subject, which, in turn, helps to identify the customers’ preferences, get feedback, control the relationships with customers, contributes to the maintenance of long-term relationships, promotion of positive experience on the internet.

Social media
High popularity of social media and possibility of reaching larger audience enable to use them as a platform for placing information about the company, goods and services of the brand, as well as getting the feedback from the customers using brand’s goods or services (Vohra & Bhardwaj, 2019), use it as an instrument for building relationships with the target audience (Kulyamina, Leonova & Vishnyakova, 2018, pp. 726-734).

<table>
<thead>
<tr>
<th>Instrument of behavioral economics</th>
<th>Description</th>
<th>Application in internet branding</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Overpricing in order to further provide a large discount</td>
<td>Raising the initial price with a view to create a sense of gain.</td>
<td>Posting the information like “-50%, only for X dollars”.</td>
<td>Enterprise’s website, social media.</td>
</tr>
<tr>
<td>Overpricing</td>
<td>Raising the initial price with a view to create an illusion of high quality and a premium product.</td>
<td>Detailed description of product or service on the website, emphasizing the quality and uniqueness.</td>
<td>Enterprise’s website, social media.</td>
</tr>
<tr>
<td>Grouping and visualization</td>
<td>Positioning of goods of the same category in the same line on the website in order to simplify the</td>
<td>Positioning on the website of several goods and services with bright-colored price located in a separate block,</td>
<td>Enterprise’s website.</td>
</tr>
</tbody>
</table>

The website’s user-friendliness, high quality service, conducting marketing research to identify customers’ preferences and satisfaction, proper positioning, unique corporate identity, all this enhance brand recognition through its active promotion in social media, blogs. As a result, the use of branding instruments can increase customer loyalty and create a high level of brand commitment (Ahn et al., 2019, pp. 104-112) The instruments of behavioral economics in internet branding are shown in Table 3.

Table 3. Instruments of behavioral economics in internet branding (made by authors).
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>choice of the best option.</td>
<td>with omitted numbers after the comma.</td>
<td>Positioning on the website of three option in line, whereas the most favorable is located at the center.</td>
<td>Enterprise’s website.</td>
</tr>
<tr>
<td>Method of “third option”</td>
<td>Offer of the “third option” – a bait – along with the available two main options, whereas the “third” has to be centered between the other two.</td>
<td>Visual positioning of several products with common characteristics in line on the same webpage.</td>
<td>Enterprise’s website, advertising, social media.</td>
</tr>
<tr>
<td>Relative prices</td>
<td>Indication of the price difference compared to the other goods or services-analogs.</td>
<td>Free shipment in case of an order for a certain amount; additional service.</td>
<td>Enterprise’s website, advertising, blog, social media.</td>
</tr>
<tr>
<td>Free good or service</td>
<td>Making the main good or service more attractive through the free additional offer, which inclines to the purchase, creating a sense of gain.</td>
<td>Offering the brand’s good for a trial period with a refund guarantee within the specified term in case of dissatisfaction with the good. Posting the information on the trial period of service (feature package) use at a reduced price (Odintsov &amp; Odintsova, 2013, pp. 30-35)</td>
<td>Enterprise’s website, advertising, blog, social media.</td>
</tr>
<tr>
<td>Trial period</td>
<td>Use of trial period for a good or service, which conveys a sense of possessiveness, a sense of belonging. As a result, the customer does not make goods return or return to the basic feature package.</td>
<td>Linking the brand’s good or service to the “anchors”: the healthy impact of sport, need for the morning coffee</td>
<td>Enterprise’s website, advertising, blog, social media.</td>
</tr>
<tr>
<td>“Anchor” of stereotypes</td>
<td>Use of various stereotypes, embedded at the subconscious level, where the consumer pays no regard for their impact.</td>
<td>Indication on the website of the number of customers who already purchased the good/service, and placement of reviews.</td>
<td>Enterprise’s website</td>
</tr>
<tr>
<td>Crowd psychology</td>
<td>Use of the phenomenon of mass opinion impact, refusal of individuality in favor of the views of the majority.</td>
<td>Indication on the website of the number of customers who already purchased the good/service, and placement of reviews.</td>
<td>Enterprise’s website</td>
</tr>
<tr>
<td>Use of the amount</td>
<td>Indication of the top price for formation of certain expectation.</td>
<td>Making the section on enterprise’s website, where the goods are grouped by price.</td>
<td>Enterprise’s website</td>
</tr>
<tr>
<td>Reminding the</td>
<td>Minimization of the sense</td>
<td>After-order pop-up window on</td>
<td>Enterprise’s</td>
</tr>
</tbody>
</table>


<table>
<thead>
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</thead>
<tbody>
<tr>
<td>advantages of the good/service after the purchase</td>
<td>of dissatisfaction and elimination of the distorted perception of the choice made due to rejection of the analog products</td>
<td>the brand’s website that includes information on the purchase and praise and thanking to the customer for using the service, highlighting the benefits customer obtains after the purchase.</td>
<td>website</td>
</tr>
</tbody>
</table>

The marketing department of the enterprise can use the techniques of behavioral economics to reduce the level of risk perceived by consumers. It is extremely important to properly use the manipulation of consumer consciousness, in view of the fact that the disclosure by the customer the attempts to control behavior leads to the establishment of a stable negative association with the brand. It should be considered that the negative experience of consumers tends to a higher rate of spreading than the positive (Fetscherin, 2019, pp. 116-127). Often companies are able to achieve the feedback by using an inappropriate number of mailing, large discount to the overprices, all of which undermines the brand confidence.

**Discussion**

Basing on the findings of the study it was possible to identify the most effective instruments of internet branding as applied to the models of behavioral economics (Table 4).

Table 4. Use of instruments of internet branding for various models of behavior economics (made by authors).

<table>
<thead>
<tr>
<th>One carriage</th>
<th>Snob</th>
<th>Demonstrative consumption behavior</th>
<th>Price-Quality</th>
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</tr>
</thead>
</table>
| - Overpricing in order to further provide a large discount  
- “Anchor” of stereotypes  
- Crowd psychology  
- Reminding the advantages of the good/service after the purchase | - Overpricing  
- “Anchor” of stereotypes | - Thanking, reminding the advantages of the good/service after the purchase  
- Overpricing  
- “Anchor” of stereotypes  
- Use of the amount | - Grouping and visualization  
- Method of “third option”  
- Relative prices  
- Free good or service  
- Trial period  
- Use of the amount | - Free good or service  
- Trial period  
- Use of the amount  
- Reminding the advantages of the good/service after the purchase |
Each model of behavioral economics involves the use of different behavioral management instruments in e-commerce. This is due to the specific features of each model, the needs of economic agents. Thus, depending on the model of consumer behavior, it is effective to use different instruments of internet branding.

Conclusions

Knowledge of the fundamentals of behavioral economics for a brand that actively promotes its products or services on the internet can provide a high level of customer loyalty and high sales volumes. Depending on the model, which corresponds to certain types of customers, different instruments of behavioral economics should be used. The obtained findings can be applied by specialists in the field of marketing and branding. Recognition of the psychological traits and irrational component of economic agents will help brand managers to achieve their goals in the most effective way. With the proper use of internet branding instrument, considering the models of behavioral economics, consumers will be satisfied with the offer, individual treatment and means of offering. The company, in turn, will have the opportunity to acquire loyal customers, increase their commitment to the brand, and increase sales. Behavioral economics is an effective instrument that can help meet the needs of consumers by paying due consideration to the personal characteristics of representatives of a certain segment.

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