

Human decision-making process deviates in one way or another from the standard assumptions of the rationalistic paradigm in economics theory. So there are some specific effects that explain actions of a man in situations connected with money.

This article makes an attempt to analyze the research of money psychology. One reason is the desire to acquire wealth as a major driving force in human behavior. The second reason means that human reaction to financial factors has a significant influence on his or her life.

Money has the ability to connect people. For those who are integrated into society with the help of money, it is the most important means of self-identification. Turning out a way of self-identification, money determines the properties of the social type of an individual, which is specialized in its accumulation.

It may be concluded that universalization of money and turning it into a special form of social communication makes rationality the basic characteristic of modern culture. It subordinates all aspects of the society and the individual to the single logic, the most adequate expression of which is money.

The research explains that money becomes a universal value and method of communication, so it alienates social relations.

This article is based on factor analysis of questionnaires which has identified various attitudes with respect to money and its correlates: people who are future and security oriented are more likely to be anxious types and those who are concerned with retention of money tend to be obsessional in personality.

Psychological testing shows that people with an orientation on the tangible assets are less happy. Thus, the study of the psychology of money can ultimately help to make people happier.

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PRICING AND THE PSYCHOLOGY OF CONSUMPTION

Pricing is one of the four principal components of marketing and one of the most important factors of distribution. Until recently pricing was directed to customer demand, but a new approach has appeared. It says that prices not only influence the demand, but also have an impact on consumption, which, in turn, affects the customer's willingness to buy these goods again. This approach is useful for managers and executives because it broadens the horizons of further possible ways to attract more customers. Considering psychology of prices, we met several notions, so we would like to tell you about them. At first, we'll speak about the effects of prices, especially about

sunk-cost effect and its improvement, than we are going to tell you about bundled and unbundled prices, and the last point will be about limitation of consumption.

When we speak about prices, we usually think that the lower price gives more chances of selling more goods. But that is not always true. The prices can create another effect that is more beneficial for business in the long term. For instance, you can sell more products at lower price and get more profit in a short period of time. However, the second attempt may not bring you the same result. The reason is that those goods were bought but not consumed; therefore, there was no impetus for customers to buy those goods again.

The psychology of consumption holds that higher consumption means higher sales. It explains how prices can be used in building long-term relationships with customers. First of all, customers should be aware of the cost of the product. This awareness results in so-called sunk-cost effect when buyers decide to use a purchase to avoid feeling like they have wasted their money. For instance, if you paid for language courses 300 dollars for half a year, you are more likely to study hard and not to skip your classes. Attending the courses and getting the results you will probably continue your learning.

But that's not all. When setting a price an executive should remember that monthly payments are more effective for attraction of patrons than a year payment. Returning to the example with language courses it can be explained in a following way: if you pay in full at once, you may attend your courses and be enthusiastic about them for a short period of time, but later the feeling of 'money loss' fades away, so there will be more chances of losing interest. However, if you pay monthly, you will feel the necessity of compensating your payment every month, which means that your interest will retain during the whole period of learning.

Bundling, which is one of the most frequently used ways of boosting sales with the help of prices in short-term period, can easily be turned into a way of stimulating both demand and consumption just by itemizing approximate costs of included services. Customers prefer buying bundled services as their cost is usually lower than the sum of the costs of each taken separately; furthermore, if a customer is aware of these separate costs after the purchase, he is more likely to consume the majority of the services because in his understanding he has already paid these costs for them and so he doesn't want his money to be wasted. The consumption of different services means higher chances of repeating the purchase or, at least, buying some of the services that have been tried by the customer.

And the last but not the least important aspect of this approach is that not all organizations want to encourage consumption all the time, the peak demand should be effectively managed. There are two main ways of regulating the demand. First is to limit the number of customers admitted to the service by raising costs, and second is to accept all the customers and run the risk of dissatisfaction when the facility is at

capacity. The first method is more likely to be used because it brings to satisfied people, who probably will consume this service again.

By and large, psychology of prices doesn't imply changes in whole process of pricing and can't accurately define what policies should be carried out by managers and executives. A balanced, weighted and individual approach that is composed of all those above-mentioned methods, contributes to establishing long-term relationships with customers, effective sales and increase of companies' income.

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DO YOU SOUND RIGHT FOR A JOB?

The moment you open your mouth, the first impression is creating. In a more politically correct world, people are supposed to be less likely to directly discriminate against others based on race, ethnicity, home or economic background, but discrimination based on accent still seems to be fair game.

It is still pretty common for people to make judgements based solely on how someone speaks. The habit of framing an immediate opinion based upon a person's twang is as bad as judging the book by the cover. This is beneficial for speakers of the standard variety, but it can also make people victims of prejudice and cause them problems in their careers if they happen to speak a non-standard variety. Language or accent discrimination means treating individuals differently in their employment because of their native language or other characteristics of speech, such as accent

According to the scientific research of University of Manchester, accent discrimination in the workplace can be divided into roughly two types. The first of these is discrimination based entirely on prejudice, while the second is based on judgements about the speaker's ability to perform the job. As an example of the first type, Gordon Brown, ex-prime minister of Great Britain, may be mentioned. While Mr. Brown was in office, he spoke with Britain's Received Pronunciation, despite being from Scotland. It could be expected that Brown was a victim of accent discrimination in the workplace. He feared he would not succeed as a politician if he did not ditch his native dialect and start speaking the standard variety. In Brown's case we are talking about pure prejudice: clearly, the Scottish accent is viewed as undesirable enough to hamper careers in UK politics.

It is an unfortunate truth about humans that they make value judgements about other people based on where they were from and who their parents are. Speakers of more prestigious or "standard" forms consider "non-standard" dialects inferior. The