

JEL Classification: D91, E31, E52

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CONSUMER BEHAVIOUR AND BEHAVIOURAL POLICY TOOLS IN INFLATIONARY ENVIRONMENTS A COMPARATIVE REVIEW OF TÜRKİYE AND THE UNITED KINGDOM

Received 10 September 2026; accepted 21 September 2026; published 30 September 2026

Abstract. *Inflation is not merely an economic indicator describing increases in the general price level; it is a multidimensional phenomenon that directly affects perceptions, expectations, and decision-making. Although traditional economic theory generally models consumers as rational agents, observed behaviour during inflationary episodes suggests that this assumption is often insufficient. Rising prices, declining purchasing power, and uncertainty alter consumption patterns and produce responses such as prioritizing necessities, switching to lower-cost alternatives, stockpiling, and changing the timing of purchases. This conceptual study examines consumer behaviour in inflationary environments from a behavioural economics perspective and compares behavioural policy approaches in Türkiye and the United Kingdom. It uses a structured comparative case analysis organised around four dimensions: inflation dynamics, institutionalisation of behavioural policy, policy instruments, and implications for consumer behaviour. The review indicates that expectations, perceived uncertainty, loss aversion, anchoring, scarcity, and present bias materially shape consumer responses and policy transmission. The United Kingdom has integrated behavioural tools into public policy more systematically, whereas Türkiye relies primarily on expectation management, central-bank communication, price transparency, and information-based measures. Behavioural interventions cannot substitute for credible monetary and fiscal policy, but they can improve communication, expectation formation, and household decision-making when embedded in a stable macroeconomic framework.*

Keywords: *inflation, consumer behaviour, behavioural economics, inflation expectations, Türkiye, United Kingdom.*

Citation: Metin, T. (2026). CONSUMER BEHAVIOUR AND BEHAVIOURAL POLICY TOOLS IN INFLATIONARY ENVIRONMENTS A COMPARATIVE REVIEW OF TÜRKİYE AND THE UNITED KINGDOM. *Economics and Finance*, Volume 14, Issue 2, 123. https://doi.org/10.51586/2754-6217.2026.14.2_123

Introduction

Inflation, commonly defined as a sustained increase in the general price level, affects both macroeconomic stability and individual welfare. The renewed global inflationary pressures of recent years have returned inflation to the centre of economic and policy debate (Dekimpe & Heerde, 2023). As prices rise, real purchasing power declines and households must reconsider what they buy, how much they buy, and when they buy it (Jayaramanavar & Malagi, 2025; Olalekan et al., 2025).

Traditional economic theory explains consumption mainly through objective variables such as income, prices, interest rates, and expected lifetime resources (Fisher, 1930; Friedman, 1957; Modigliani & Brumberg, 1954). Behavioural economics does not deny the relevance of these constraints, but argues that they are filtered through bounded rationality, limited attention, heuristics, emotions, and cognitive biases (Simon, 1957; Kahneman & Tversky, 1979; Thaler, 1985). Inflation is therefore a particularly revealing environment in which to examine departures

from fully rational choice. Consumers face repeated price changes, incomplete information, uncertainty about future income and prices, and salient losses in purchasing power. These conditions amplify the role of expectations and psychological responses (Ranyard et al., 2008; Duca-Radu et al., 2021).

Inflation expectations may lead households to advance durable-goods purchases when further price increases are anticipated, while heightened uncertainty may instead encourage precautionary saving and delayed discretionary expenditure (Rondinelli & Zizza, 2020; Binder & Brunet, 2020). Anxiety, financial stress, and perceived scarcity can further narrow attention and promote short-term or intuitive decisions (Hamilton et al., 2018; Negm, 2023). Consequently, inflation is increasingly understood not only as a monetary phenomenon but also as a behavioural process whose trajectory and social costs depend partly on how economic agents interpret policy signals and everyday price experiences.

This behavioural dimension has direct policy relevance. Conventional monetary and fiscal tools remain indispensable, but their effects depend on credibility, communication, and the formation of expectations. Clear information, well-designed choice environments, and interventions that account for limited attention may improve the transmission of policy and help households make more informed decisions (Aoki et al., 2019; Coibion et al., 2022). Yet the effectiveness of these tools is likely to vary with institutional capacity and the underlying inflation regime.

Türkiye and the United Kingdom provide analytically useful contrasting cases. Türkiye has experienced high and persistent inflation, pronounced inflation inertia, exchange-rate pass-through, and difficulty anchoring expectations (Koç, 2023; Özdurak & Çipe, 2025). Behavioural considerations have entered policy chiefly through central-bank communication, information measures, and an emerging behavioural public-policy infrastructure (Kusseven & Yıldız, 2021). The United Kingdom, in contrast, combines a comparatively established monetary-policy framework with one of the earliest institutionalised behavioural policy ecosystems, notably the Behavioural Insights Team (BIT) (Kuehnhanss, 2019; Mills & Whittle, 2024).

Existing research typically examines inflation and consumption through macroeconomic outcomes, purchasing power, or aggregate expenditure. Fewer studies integrate consumer psychology, cognitive bias, and behavioural public policy in a cross-country framework. Direct comparisons between a high-inflation economy and a country with a mature behavioural policy infrastructure are especially limited. This study addresses that gap by asking: How do behavioural mechanisms shape consumer responses to inflation, and what can a comparison of Türkiye and the United Kingdom reveal about the appropriate role and limits of behavioural policy?

The article makes two contributions. First, it consolidates the behavioural mechanisms linking inflation to consumer choice, including loss aversion, mental accounting, scarcity, anchoring, and present bias. Second, it provides a structured comparison of the two countries, distinguishing policies that directly address inflation expectations from broader behavioural interventions that may only indirectly support macroeconomic stability. This distinction is important because labelling every information or regulatory measure a nudge risks overstating the evidence and the reach of behavioural public policy.

Literature Review

Inflation and consumer decision-making

The most immediate consequence of inflation is the erosion of purchasing power. With unchanged nominal income, consumers can purchase fewer goods and services and must reallocate expenditure toward necessities (Dekimpe & Heerde, 2023; Pan, 2024). Lower-income households tend to adjust more quickly and sharply because necessities account for a larger share of their budgets and they have less financial flexibility. Higher-income households are generally more resilient, although they may also modify portfolio and durable-goods decisions in response to expected inflation (Pan, 2024).

Households frequently respond by choosing lower-priced substitutes, seeking promotions, reducing quantities, extending product life, or shifting toward local and private-label alternatives (Bayat et al., 2025). These adjustments are not merely mechanical income effects. They also reflect

perceived fairness, price salience, trust, and subjective beliefs about future prices. Economic sentiment is often more adversely affected by inflation than it is improved by economic growth, which helps explain why inflation can have disproportionate psychological and political consequences (Batrancea, 2021; Barro, 1995).

Expectations are central to the timing of consumption. When consumers expect prices to rise, they may bring purchases forward, particularly for durable goods, technology, or items that can be stored. This intertemporal-substitution mechanism can increase current demand and reinforce short-run price pressure (Duca-Radu et al., 2021; D'Acunto et al., 2021). However, the response is not uniform. If inflation is accompanied by income insecurity or broad uncertainty, households may postpone discretionary purchases and increase precautionary saving (Jayaramanavar & Malagi, 2025). The same inflation signal can therefore generate opposite behaviours depending on liquidity, confidence, product type, and perceived persistence.

Inflation perceptions also differ from official statistics. Consumers do not observe a complete representative consumption basket; they infer inflation from a limited set of frequently purchased and highly salient items. Food and energy price changes consequently receive disproportionate attention (Ranyard et al., 2008; Dietrich, 2024). This experience-based formation of beliefs produces heterogeneous expectations and can weaken the effect of aggregate inflation announcements.

Behavioural mechanisms

Prospect theory provides a first explanation for the intensity of consumers' reactions. Because losses generally loom larger than equivalent gains, a decline in purchasing power is experienced as a salient loss rather than as a neutral change in the budget constraint (Kahneman & Tversky, 1979). Loss aversion can heighten price sensitivity, reduce brand loyalty, and encourage consumers to seek substitutes. It may also contribute to strong reactions to visible price increases even when other prices remain stable.

Mental accounting suggests that households divide resources into separate cognitive budgets rather than treating money as perfectly fungible (Thaler, 1985). During inflation, essential categories such as food, housing, transport, and health absorb a growing share of available income. Consumers then cut entertainment, luxury, or deferrable expenditure, even when a fully integrated optimization model might imply a different allocation. The restructuring of mental accounts makes the composition of consumption as important as its total level.

Scarcity theory emphasizes the cognitive consequences of constrained resources. Perceived scarcity captures attention and leaves less mental bandwidth for other decisions, encouraging short-term, intuitive, or reactive choices (Mani et al., 2013; Hamilton et al., 2018). In high-inflation environments, expectations of further price increases can therefore foster stockpiling or panic buying. These actions may be individually understandable but collectively destabilizing when they amplify temporary shortages or demand spikes.

Anchoring occurs when consumers use previous prices as reference points. Rapid price increases can make current prices seem exceptionally high relative to remembered prices, while repeated increases may gradually reset the anchor. Availability and salience further bias perceived inflation toward vivid, frequently encountered price changes. Present bias, meanwhile, gives disproportionate weight to immediate benefits and costs. Anticipated inflation may thus encourage purchasing today rather than accepting a larger future expense (Thaler, 1985; Duca-Radu et al., 2021).

These mechanisms are complementary. An inflation shock reduces real resources; loss aversion frames the reduction as a loss; scarcity narrows attention; anchors influence judgments of price fairness; and present bias affects purchase timing. Psychological stress and uncertainty operate throughout this process. Research has linked inflationary pressure to changing brand preferences, compulsive purchasing tendencies, and increased reliance on lower-cost alternatives (Günaydın, 2021; He et al., 2018; Negm, 2023). The behavioural pathway may be summarized as follows: inflation and declining purchasing power create uncertainty and stress; cognitive biases shape perceptions and expectations; consumers respond through substitution, expenditure reprioritization,

stockpiling, purchase acceleration, postponement, or saving; and these aggregate responses feed back into market outcomes and policy effectiveness.

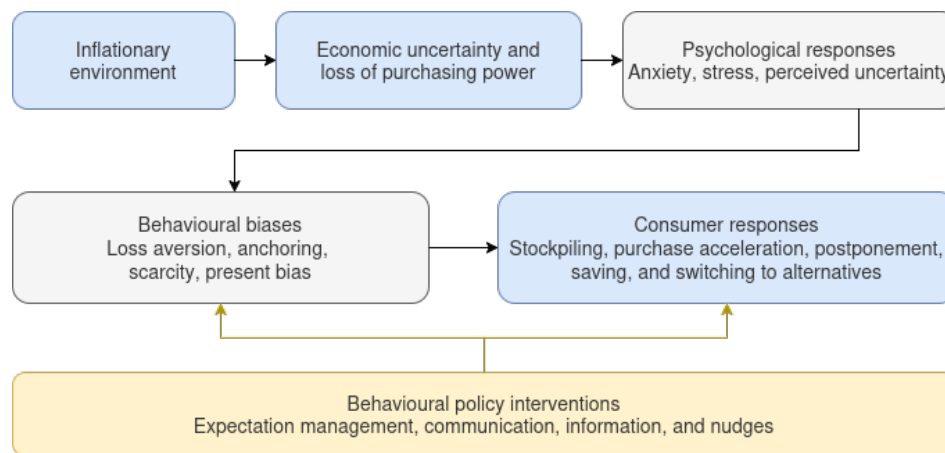


Fig. 1. Behavioural process of consumer responses in an inflationary environment

Source: Developed by the author based on the literature reviewed.

Behavioural tools relevant to inflation

The most direct behavioural application is the management of inflation expectations through communication. Household expectations are heterogeneous, experience-based, and often inattentive to conventional central-bank messages (Yıldırım & Basılğan, 2023). Simple, repeated, and comprehensible explanations of current inflation, targets, uncertainty, and policy action can improve understanding and sometimes reduce expectations (Coibion et al., 2022; D’Acunto et al., 2024). Effective communication must reach non-specialists rather than only financial professionals and should use channels that reflect how households actually obtain economic information.

Information provision can also correct distorted price perceptions. Because consumers cannot track all prices accurately, dashboards, comparison tools, transparent labels, and personalized explanations can reduce reliance on a few salient prices. Such measures should not be treated as substitutes for price stability. Their function is to reduce information frictions and help people interpret economic conditions more accurately.

Behavioural policy can further respond to cognitive bias and financial constraint. Timely reminders, default options, simplified budgeting tools, social-norm messages, and friction-reducing digital services may support saving, energy conservation, tax compliance, or benefit uptake. Under scarcity, interventions should minimize cognitive burden rather than add complex disclosure. Choice architecture may improve individual decisions, but structural constraints remain decisive: a household whose real income has fallen substantially cannot be nudged out of an inadequate budget (Loewenstein & Chater, 2017; Ewert, 2020).

Behavioural expectations can also be incorporated into monetary-policy models. Experimental and heterogeneous-expectations research suggests that policy reactions to both inflation and real activity may reduce volatility when expectations depart from full rationality (Hommes et al., 2015; Assenza et al., 2021). Nonetheless, evidence on the magnitude and persistence of household communication effects is mixed. Professional forecasters and firms may react more consistently than households, and effects can decay without repeated communication (Dong et al., 2023). Behavioural instruments are therefore best viewed as complements to credible monetary and fiscal policy.

Price perception, limited attention, and policy design

Perceived inflation is not a passive reflection of official statistics. Households construct an impression of inflation from the prices they encounter, the frequency with which they make purchases, and the emotional significance of particular expenditures. Frequently purchased goods tend to receive greater weight than infrequently purchased durables, while sharp increases in food, rent, transport, and energy costs are more memorable than stable or declining prices elsewhere in the consumption basket (Ranyard et al., 2008; Dietrich, 2024). As a result, perceived inflation can

remain above measured inflation even when the aggregate rate begins to fall. This divergence matters because decisions are guided by subjective beliefs rather than by an index that consumers may not understand or regard as representative.

Policy communication should therefore do more than announce a headline figure. It can explain which expenditure categories are driving inflation, how current developments compare with the target, what uncertainty surrounds the forecast, and why a policy decision is expected to influence future prices. Layered communication may be particularly helpful: a short and accessible message can convey the principal point, while additional technical detail remains available to readers who want it. Repetition across trusted channels is also important because one-off information treatments often lose their influence over time (Coibion et al., 2022; D'Acunto et al., 2024).

Price transparency can complement communication by lowering search and comparison costs. Clear unit pricing, accessible price-comparison interfaces, advance notice of material changes in tariffs, and standardized presentation of fees can help consumers distinguish general inflation from firm-specific price changes. These tools may also reduce anchoring to a single highly salient price. Nevertheless, transparency must be designed carefully: excessive or technically complex information may increase cognitive burden and reinforce inattention. Behavioural design is most useful when it identifies the decision consumers actually face and presents the minimum information needed to make that decision accurately.

Financial constraints require a different emphasis. Under scarcity, households devote attention to immediate obligations and may have limited capacity to process long-term guidance. Budget reminders, default saving mechanisms, and simplified digital tools may support planning, but their effects will vary by income and liquidity. Interventions should therefore be tested across socioeconomic groups and evaluated not only by average effects but also by distributional consequences (Hamilton et al., 2018). In high-inflation settings, an intervention that benefits financially secure households may be ineffective for households whose entire budget is already allocated to necessities.

Methods

This study adopts a qualitative, structured comparative case-study design based on published academic research and policy literature. It is conceptual rather than empirical: no primary data were collected, and no causal effect of a specific intervention is estimated. The analysis combines two levels of inquiry. First, it synthesizes theoretical and empirical research on consumer responses to inflation and the behavioural mechanisms underlying those responses. Second, it compares behavioural policy arrangements and inflation-related applications in Türkiye and the United Kingdom.

The cases were selected purposively as a contrast of inflationary and institutional settings. Türkiye represents an economy with recent high and persistent inflation, pronounced inertia, exchange-rate sensitivity, and weakly anchored expectations. The United Kingdom represents a country with a comparatively credible and predictable monetary-policy regime and a highly institutionalised tradition of behavioural public policy. The United Kingdom is not presented as a low-inflation control case for the entire historical period; rather, it serves as an institutional comparison that helps isolate differences in the organisation, testing, and deployment of behavioural tools.

The comparison is organised around four dimensions: the inflation environment and expectation dynamics; the degree to which behavioural public policy is institutionalised; the nature of the instruments used, including communication, information, nudges, and experimental policy design; and the likely implications for consumer behaviour and policy transmission. Evidence was interpreted narratively across these common dimensions. Claims about policy effectiveness were kept distinct from evidence of institutional adoption, and broader nudges in taxation, pensions, or energy were treated as indirectly relevant to inflation rather than as direct anti-inflation interventions.

This design allows a theory-informed comparison but has limitations. The cases differ on many economic and political characteristics beyond behavioural policy capacity, and the available studies use heterogeneous methods and outcomes. The analysis therefore supports analytical inference and policy learning, not a causal ranking of national policy performance.

Results

Türkiye

Inflation expectations are an important determinant of price-setting and household behaviour in Türkiye. Evidence indicates persistent inflation inertia: firms and consumers use past inflation and recent visible price changes when forming expectations, making disinflation more difficult when credibility is weak (Koç, 2023). A gap can arise between expected, perceived, and realized inflation because households possess limited information, rely on salient personal experience, and respond to political and exchange-rate uncertainty (Ozdurak & Cipe, 2025). Expectations have also become increasingly forward-looking in some contexts, which means policy signals and credibility can materially affect outcomes (Yılmaz & Cicekci, 2024).

The Central Bank of the Republic of Türkiye uses inflation reports, policy announcements, forecasts, and target communication to influence expectations. From a behavioural perspective, these are information and framing interventions aimed at agents with limited attention and heterogeneous beliefs. Research on central-bank reports suggests that communication strategy is relevant to expectation formation and price stability (Birim & Cure, 2025). Its effectiveness, however, is constrained when policy messages conflict with households' daily price experiences or when frequent forecast revisions weaken trust.

Türkiye has also taken steps toward institutionalising behavioural public policy. A behavioural public-policy unit was developed within the Ministry of Trade with support and knowledge transfer associated with the United Kingdom's BIT (Kusseven & Yildiz, 2021). This creates an institutional basis for choice architecture, experimentation, and behavioural diagnostics, although its applications are not principally designed as direct anti-inflation tools. Price-label rules, financial information, public-awareness messages, market monitoring, and digital public services may nevertheless influence price perception, search costs, and household decisions.

Structural conditions limit what such interventions can achieve. Exchange-rate pass-through, financial dollarization, interest-rate policy, and policy credibility strongly shape inflation and expectations (Aslan & Özgür, 2024; Dedeglu & Ogut, 2025; Öztürk, 2025; Ulug et al., 2023). Behavioural communication cannot offset inconsistent macroeconomic signals. Moreover, high inflation has distributional consequences: lower-income households shift consumption toward price and away from quality or health considerations, while perceived inflation frequently exceeds official measures (Haydaroğlu & Bilgiç, 2024). Stockpiling, accelerated purchasing, and heightened price sensitivity are therefore more visible responses than they would be in a stable-price environment.

Overall, behavioural policy in Türkiye operates mainly through expectation management, communication, transparency, and an emerging institutional infrastructure. Its immediate priority should be to improve clarity and trust while reducing the cognitive cost of economic decision-making. More extensive micro-level experimentation could strengthen policy design, but only within a credible macroeconomic framework.

Consumer information and digital behavioural tools

Several practices in Türkiye can be interpreted as elements of behavioural policy even though they are not explicitly labelled as nudges. Price-label regulations, unit-price displays, consumer-information campaigns, public-service announcements, and market-monitoring mechanisms seek to increase transparency and reduce information asymmetry. Digital public services and e-government-based financial information can also lower administrative frictions and make relevant information easier to access. In an inflationary environment, these tools may help consumers compare alternatives, recognize changes in recurring expenditure, and avoid decisions driven solely by a salient headline price.

The behavioural value of these measures depends on their design. Information should be timely, comparable, and presented in language that does not require specialized financial knowledge. Merely publishing more data is unlikely to improve decisions if consumers cannot identify how the information relates to their household budget. Personalized or category-based information may therefore be more effective than general messages. For example, separating food, housing, transport, and energy developments can make official communication more consistent with consumers' lived experience of inflation.

Household adaptation and distributional sensitivity

The burden of adjustment is unevenly distributed. Lower-income households spend a higher proportion of income on necessities and have fewer opportunities to postpone consumption, switch to higher-quality substitutes, or protect savings against inflation. Evidence from Türkiye indicates that food inflation can shift consumer priorities away from health and quality and toward immediate affordability (Haydaroğlu & Bilgiç, 2024). The resulting behaviour should not automatically be interpreted as irrational; it may represent constrained adaptation to a shrinking feasible set.

Behavioural policy should consequently avoid a one-size-fits-all approach. Messages encouraging saving or long-term planning may have little relevance for liquidity-constrained households. More appropriate interventions could simplify access to support, reduce the effort required to compare essential prices, and warn consumers about costly short-term credit. Distributional testing is essential because the same choice architecture may assist one group while increasing cognitive or financial pressure on another.

United Kingdom

The United Kingdom is a leading example of the institutional incorporation of behavioural science into government (Kuehnhanss, 2019). BIT, established in 2010, helped normalize the use of behavioural diagnosis, randomized controlled trials, and scalable low-cost interventions across public services. The rise of this approach was supported not only by academic developments but also by the post-2008 search for practical alternatives to models based on fully rational agents and by fiscal pressure favouring low-cost interventions (Mills & Whittle, 2024).

Conventional monetary policy remains the primary instrument against inflation. The behavioural contribution lies principally in communication and in the design of environments that affect household and firm decisions. The Bank of England's clear communication of inflation targets, forecasts, and policy reasoning seeks to anchor expectations within a credible institutional framework (Agliari et al., 2017). Behavioural evidence suggests that communication can improve the expectations of informed or professional actors, although household effects tend to be smaller and more heterogeneous (Dong et al., 2023; Ewert, 2020).

The UK's broader portfolio illustrates how behavioural instruments can indirectly support economic resilience. Social-norm messages, carefully worded tax reminders, automatic enrolment in pensions, and energy-use comparisons affect compliance, saving, and consumption without eliminating choice (Madrian, 2014; Kuehnhanss, 2019; Mills & Whittle, 2024). Their significance for inflation is indirect: stronger household saving, lower energy demand, and improved fiscal compliance can support stability, but these interventions do not themselves reduce the general price level.

A defining feature of the UK approach is testing. Randomized evaluations allow policymakers to compare messages, defaults, and delivery channels before scaling interventions. This evidence-based process reduces reliance on intuition and permits incremental improvement. The approach is attractive because some interventions are inexpensive and rapidly deployable. Yet cost-effectiveness should not be confused with universal effectiveness. Nudges may generate meaningful behavioural change in bounded settings, but empirical evidence that they directly reduce aggregate inflation is limited (Loewenstein & Chater, 2017). Behavioural tools should therefore complement, rather than displace, monetary, fiscal, competition, energy, and social policy.

Effectiveness, transferability, and limitations

The institutionalisation of behavioural policy does not guarantee that every intervention will work. Effects observed in a trial may weaken when an intervention is scaled, repeated, or

transferred to a different population. Household responses to inflation communication are especially heterogeneous because financial literacy, trust, media use, political attitudes, and personal price experience differ substantially. Evaluation should therefore examine persistence as well as immediate change and should report behavioural outcomes rather than relying solely on stated intentions.

These limitations are important when drawing lessons for Türkiye. The UK's administrative capacity, inflation history, and institutional credibility differ from those of Türkiye. The relevant lesson is not to copy particular messages or defaults, but to adopt a cycle of behavioural diagnosis, small-scale testing, transparent evaluation, adaptation, and responsible scaling. This process-based lesson is more transferable than any single nudge.

Comparative findings

Table 1 summarizes the structured comparison. The central difference is not simply the number of behavioural initiatives but the maturity of the institutional process through which problems are diagnosed, interventions are tested, and evidence is scaled.

Table 1. Comparison of Türkiye and the United Kingdom from a behavioural policy perspective

Dimension	Türkiye	United Kingdom
Inflation environment	High and persistent recent inflation with pronounced inertia	Generally more stable framework, despite recent inflation shocks
Expectations	Less firmly anchored; gaps among perceived, expected, and realized inflation	More strongly anchored by institutional credibility, though household beliefs remain heterogeneous
Institutional structure	Behavioural public-policy capacity is emerging and relatively limited	Institutionalised behavioural policy ecosystem associated with BIT and experimental practice
Main instruments	Central-bank communication, expectation management, price transparency, consumer information	Communication, nudges, randomized trials, defaults, social norms, and behavioural regulation
Use of behavioural interventions	Primarily indirect and less systematic	Systematic, data-informed, and experimentally tested in multiple policy areas
Salient consumer responses	Stockpiling, accelerated purchases, substitution, and strong price sensitivity	Price comparison, planned consumption, saving responses, and substitution
Monetary-policy credibility	Constrained by exchange-rate volatility and policy uncertainty	Comparatively high credibility and predictability
Policy orientation	More reactive and short-term under persistent inflation	More proactive, iterative, and experimental
Main implication	Institutionalize testing and align communication with credible macroeconomic policy	Preserve evidence standards and avoid extending nudges beyond their demonstrated scope

Source: Authors' synthesis based on the literature reviewed.

Both countries use behavioural tools as complements to conventional policy, but the mechanisms differ. Türkiye's high-inflation environment makes expectation management urgent, while the United Kingdom's institutional capacity enables broader experimentation across taxation, energy, pensions, and public services (Mojasevic, 2020; John, 2019; Tagliabue, 2023). The comparison suggests that institutional credibility and behavioural policy maturity reinforce each other. Credible macroeconomic policy makes communication more persuasive; effective behavioural design makes credible information easier to understand and act upon.

The UK experience offers three lessons for Türkiye. First, behavioural interventions should be built around diagnosis and testing rather than adopted as generic messages. Second, communication should be segmented because households, firms, and professional forecasters differ in attention, knowledge, and experience. Third, policy evaluation should distinguish intermediate outcomes, such as comprehension or stated expectations, from ultimate outcomes such as purchasing behaviour and inflation. These lessons do not imply that UK interventions can be transplanted unchanged. Türkiye's higher inflation, greater exchange-rate sensitivity, distributional pressures, and trust environment require local experimentation and adaptation.

Discussion

The review supports the argument that rational-choice explanations alone are insufficient for understanding consumer behaviour during inflation. Income and prices determine the feasible set, but perceptions and expectations influence how consumers interpret that set and when they act. Loss aversion explains the asymmetric psychological impact of declining purchasing power; mental accounting explains the re-prioritization of expenditure; scarcity explains cognitive narrowing; and anchoring and present bias influence price judgments and timing. These mechanisms help reconcile apparently contradictory responses such as accelerated purchasing and precautionary saving: each can be rational within a consumer's subjective frame, constraints, and uncertainty.

The findings also clarify the role of behavioural policy. Its strongest contribution is not an independent capacity to lower inflation but an ability to improve policy transmission and household decision environments. Communication can reduce information gaps, but only when messages are comprehensible, repeated, relevant, and credible. Price-transparency tools can facilitate comparison, but they cannot restore purchasing power. Defaults and reminders can support saving or energy conservation, but their effect depends on available resources and market structure.

The comparison reveals that behavioural policy capacity is an institutional capability rather than a catalogue of nudges. The United Kingdom's advantage lies in problem diagnosis, randomized testing, evaluation, and scaling. Türkiye has relevant structures and communication instruments, but their use in inflation-related policy remains more indirect and less systematically evaluated. Developing dedicated cross-institutional teams, preregistered trials where feasible, transparent reporting, and continuous evaluation could improve this capacity.

For Türkiye, policy communication should acknowledge households' lived price experience. Messages centred only on aggregate indices may fail when food, rent, or energy inflation dominates attention. Segmenting information by audience and explaining the sources, uncertainty, and expected path of inflation in plain language may be more effective than issuing additional technical detail. Consistency between communication and policy action is essential; no framing strategy can sustainably anchor expectations if observable decisions undermine the message.

Behavioural approaches also raise ethical questions. Interventions should preserve autonomy, disclose their purpose where appropriate, and avoid shifting responsibility for structural inflation onto households. The risk is especially pronounced under scarcity: encouraging budgeting or substitution can be useful, but it must not imply that welfare losses caused by declining real income result from poor individual choices. Behavioural public policy should operate alongside income support, competition policy, consumer protection, and credible stabilization measures.

The study has several limitations. It is a conceptual review and does not estimate the effect of any particular intervention. The country comparison is based on secondary sources and cannot isolate behavioural policy capacity from monetary credibility, political conditions, market structure, or inflation history. Evidence on direct inflation outcomes is sparse, and many UK examples concern related domains rather than inflation itself. Future research should use surveys and experiments to test how alternative central-bank messages affect comprehension, trust, expectations, and purchase timing in Türkiye. Field experiments could evaluate price-comparison interfaces, budgeting tools, and segmented communications, with distributional effects reported separately.

Conclusion

Inflation reshapes consumer behaviour through both material constraints and behavioural processes. Declining purchasing power, uncertain future prices, and salient everyday price changes interact with loss aversion, mental accounting, scarcity, anchoring, and present bias. Consumers consequently re-prioritize necessities, substitute toward cheaper products, postpone or accelerate expenditure, save, or stockpile. These responses influence the transmission and social consequences of stabilization policy.

The comparison shows that Türkiye mainly uses behavioural elements through expectation management, central-bank communication, transparency, and information, whereas the United Kingdom has a more mature infrastructure for designing, testing, and scaling behavioural

interventions. The UK model offers useful institutional lessons, but it does not demonstrate that nudges can replace anti-inflation policy. Behavioural tools are most valuable when they make credible policies understandable, reduce decision frictions, and help heterogeneous households respond to uncertainty.

Türkiye could benefit from more systematic behavioural diagnosis, audience-specific communication, experimental evaluation, and transparent reporting. Such measures should be embedded in a consistent macroeconomic framework and accompanied by policies addressing the distributional and structural sources of inflation. Behavioural economics broadens the policy lens, but its contribution is complementary: durable price stability still depends on credible monetary and fiscal institutions.

Funding: This research received no external funding.

Conflicts of Interest: The author declares no conflicts of interest.

Data Availability Statement: Dataset available on request from the author.

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