

The Theoretical Mechanism and Empirical Research of Emotional Economy Replacing Thinking Economy

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Abstract. As the operation mode of current social and economic activities, thinking economy takes data driven, logical reasoning and ideal decisions as the core, and has long dominated the operation and development of financial market. However, the boom in technology, with a greater emphasis on emotional value, creativity, and human interaction, reflects the rise of the emotional economy and its importance, which can not be ignored, but which will also bring a huge impact on society and then replace it. This paper will take the financial field as an example to explore the theoretical mechanism of the emotional economy subverting the thinking economy, and verify the role of emotional factors in the financial market and their impact on social labor through empirical research, and put forward specific solutions to the problems generated, so as to promote the development of the world economy in a positive direction.

Keywords: Thought economy, Emotional economy, Artificial Intelligence, Psychology, Behavioral Economics.

1. Introduction

The rapid development of artificial intelligence has produced a new economic form - emotional economy, in which science, technology, engineering and mathematics are gradually replaced by AI, and emotional value, communication skills, interpersonal relationships and leadership skills are more in demand in the current society. With the shift in consumption concepts, people's demand for products has gone beyond functional levels, paying more attention to emotional resonance and experience brought by products [1]. For consumers, they begin to focus on the transformation from the original simple functional needs to products that can bring pleasure, happiness, belonging and identity, such as blind boxes, luxury goods, cultural and creative products; Large enterprises, they need a large number of people with emotional skills to design products, and their requirements for candidates' professional knowledge have begun to change into liking the emotional ability to understand customer emotions, have empathy, and be good at communication and interaction. Therefore, in the near future, this trend will bring about the replacement of the economy of thought by the economy of emotion. In the market, the demand for workers will further increase, which will also have an impact on the labor market.

The study of emotional economy incorporates emotional, psychological and social factors into economic analysis, which makes up for the traditional economic assumption that consumers and firms are rational or ignore irrational behavior. Moreover, continuous research has important guiding significance for the marketing strategy of enterprises and the policy formulation of the government, which conforms to the change of people's needs and promotes the economy. The possible trend changes of the labor market in the future can be predicted. Under the development of the economic situation, enterprises and the government can provide measures to reduce the negative impact in the next stage.

The purpose of this paper is to analyze the emotional economy from different perspectives, explain why the emotional economy will replace the thinking economy, analyze the impact that the financial market and labor market will face after entering the emotional economy through empirical research, and state the ways to solve the negative impact based on economic models.

The current research on emotional economy stays at the level of phenomenon description, lacking a unified theoretical framework and deep integration with traditional economic theories. The influence of emotional economy on market structure and economic policy is insufficient.

2. The Emotional Economy Replace the Mind Economy

2.1 The Emotional Economy under Psychology

People's decisions and actions are driven by emotions. Before human action, the impact of emotions on human beings is huge, and according to Maslow's hierarchy of needs theory, emotional needs are one of the basic needs of human beings. Emotional economy can improve happiness and quality of life by providing emotional value and satisfying people's high-level emotional needs such as love, belonging and respect. Psychology shows that human decision making is not rational. Emotions arouse motivation and urge individuals to take actions to meet their emotional needs. For example, the need of belonging urges individuals to seek social connections. The need for achievement drives individuals to pursue goals [2]. For example, the loyalty and image established by the product affect consumers' cognition and attitude towards the product, and positive and good emotional experience promotes the word-of-mouth communication of repeat purchase. Therefore, consumers' decisions and behaviors are often influenced by positive emotions such as pleasure, trust and belonging brought by products.

2.2 Psychological Factors Affecting Emotional Economy

Emotions can be transferred to each other. For different individuals, their emotional needs, emotional expression and emotional regulation ability are different. Field independent individuals rely more on their own judgment and are less affected by emotions. Field-dependent individuals are more dependent on external information and are greatly influenced by emotions[3]. These differences will affect their different feelings and views on things, and then affect their different actions, and will also lead to differences in their acceptance of emotional economy and their way of participation. In different countries, there are many differences in people's education, cultural influences and social norms, which can affect the understanding and expression of emotions, and thus affect the development of emotional economies in different cultural contexts. Similarly, people are influenced by their social environment and group atmosphere. For example, the endless hot things on social media make people pursue them, which also indicates that group emotional expression and communication will have a significant impact on individual emotional experience and behavior as well as emotional economy.

3. The Emotional Economy under Sociology

3.1 The Social Basis of Emotional Economy

With the development of The Times, people pay more and more attention to emotional value. The transformation from traditional society to modern society leads to the development of social relations based on basic groups such as family, neighborhood kinship and geographical kinship into a highly mobile social structure. The gradual weakening of social relationship network will lead to an obvious trend of individuation, and people's demand for things that can provide emotional connection and sense of belonging will gradually increase. Fast-paced lifestyle, huge academic or life pressure, people suffer more and more loneliness, anxiety and pressure, people desire more emotional support and comfort.

3.2 Rise of Consumer Culture

In an era when most of people's basic needs can be fully met, people are increasingly focusing on the added value of products. In the era of material scarcity, consumers pay attention to products that can meet basic survival, and value their practicality and cost performance. In the era of economic development and material abundance, consumers turn to higher-level spiritual needs and pay more attention to the symbolic significance of bulldozers and the emotional value they can bring. For example, the appearance of luxury goods, people will buy and carry luxury goods to show personality,

taste and social status, people will also know others from the dress. According to the changes in the market economy, enterprises have also begun to pay attention to building brand image, telling stories or giving value to customers, and establishing emotional connection with consumers.

4. Emotional Economy under Behavioral Economics

4.1 Irrational Behavior in Emotional Economy

People often rely on emotional intuition rather than irrational analysis when making decisions. Emotional navigation is a kind of psychological shortcut where people can make decisions quickly based on emotional reactions rather than detailed analysis of the situation [4]. In modern times, many enterprises often set up brand spokesmen to promote their products, and many fans who like the spokesmen will buy them frantically, even if the product is not cost-effective. Even in the stock market, this happens all the time. In the selection of investment stocks, some investors may blindly buy a certain stock because they have "favorable feelings" about it. This is because of the emergence of emotional heuristics to help people make decisions quickly when information is complex or time is limited. It is not only an intuitive signal, emotions can simplify the decision-making process, but ignore the analysis of the basic principles of things, resulting in judgment bias.

4.2 Previous Empirical Research

This increase in emotional demand will change our economic form in a big way. Steven P. Brown and Douglas M. Stayman, in the Journal of Consumer Research[5] has conducted a detailed study on the effectiveness of emotional marketing. By comparing the impact of emotional and rational advertising on consumer response in the market, this study integrated more than 1000 advertising cases, covering different industries, product types and advertising formats, and found that the impact of emotional advertising on brand awareness is 20% to 30% higher than that of rational advertising. Emotional advertising is 15 to 25 percent more effective than rational advertising in enhancing brand preference and 10 to 20 percent more effective than rational advertising in enhancing purchase intention. The effect of emotional appeals in advertisements on influencing consumers' attitudes and behaviors is significantly higher than that of rational appeals, highlighting the increasingly important position of emotional marketing in modern economy (Brown, s.p., & Stayman, d.m.[6]. It can be seen that consumers have a higher acceptance of emotional advertisements. Consumers are more likely to understand the product positioning and value of a brand through emotional advertising. Humans mainly rely on emotions to make decisions, and all need emotional value to meet their inner needs. In the continuous development of AI technology, a lot of theoretical work will also replace most mental labor, so the market's requirements for workers will also change to the ability that AI does not have -- emotion, so it is an inevitable result that emotional economy will replace thinking economy.

4.3 The Influence and Solution of Emotional Economy on Labor Market

Table1: Changes in consumer demand affect the direction of business operations, and labor market demand also changes[7][8][9][10]

Profession	Proportion of emotion in 2015	Proportion of emotion in 2020
Service	65%	75%
Medical care	55%	65%
Education and Training	50%	60%
Finance and Accounting	15%	20%
Technology and Engineering	25%	20%
Manufacturing	30%	40%

According to table, the demand for emotional labor will increase significantly from 2015 to 2020, especially in the service industry, medical industry and education industry, and emotional labor will become the main force. The rise of the emotional economy ,coupled with rapid automation , has led

to significant job displacement, has led to significant job displacement in traditional industries, particularly for low-skilled workers who lack the emotional intelligence required for new roles[7]. It can be inferred that in the era of emotional economy, AI can replace most of the thinking type of work, and people are mainly engaged in emotional type of work, and the requirements of enterprises for workers will be changed to professional with emotional ability. With the change of this trend, people who were originally engaged in engineering and other professions in the labor market will face the risk of declining job demand and unemployment.

For the unemployment situation in the market, the government could introduce an "emotional economy fund". Set up institutions, or cooperate with institutions, so that workers can learn new knowledge and skills, combine thinking and emotional professions, change the single skills of workers, and make their professions conform to the needs of the labor market. For enterprises, provide relevant proof of hiring emotional workers, give subsidies or tax deductions, stimulate the demand of the labor market, provide subsidies for emotional professionals, and encourage people to transition into emotional jobs.

5. Conclusion

From the perspective of psychology, sociology and behavioral economics, this paper expounds human's need for emotion and its behavior is closely related to emotion. Human needs from satisfying basic survival needs, with the development of science and technology, slowly shifted to the desire for emotional value. Coupled with the tendency of people's behavior to follow the popular, most of the potential requirements for a product become to meet their own emotional needs. Desire to derive emotional value from the product. Many merchants in the market have begun to design their products with this focus. Therefore, emotional economy is the direction of future economic form change. This paper has the following shortcomings: the importance of emotional economy needs a complete experimental investigation, the social and cultural level needs to be further explored, and some measurement and definition of emotions are still rough. In the future, it is necessary to make improvements from the perspective of cross-cultural comparison, the connection between micro and macro, the innovation of measurement methods, and the use of research results to predict and prevent the bad effects brought about by the change of economic model.

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