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The theory of consumer choice is the branch of microeconomics that relates preferences to consumption expenditures and to consumer demand curves.It analyzes how consumers maximize the desirability of their consumption as measured by their preferences subject to limitations on their expenditures, by maximizing utility subject to a consumer budget constraint.Herd behavior is the behavior of individuals in a group acting collectively without centralized direction. Herd behavior occurs in animals in herds, packs, bird flocks, fish schools and so on, as well as in humans in demonstrations, riots and general strikes, sporting events, religious gatherings, episodes of mob violence and everyday decision-making, judgement and opinion-forming.Understanding consumer behavior is a broad and complicated task, but with the right research mix you can begin to get a detailed understanding of your customers and their motivations.Journal of Economic Behavior and Organization l (1980) 3960. North-Holland TOWARD A POSITIVE THEORY OF CONSUMER CHOICE Richard THALER* Cornefl University, ithaca, NY 14853, USA Recei,)ed October 1978, final version received June t979 The economic theory of the consumer is a combination of positive and normative theories. - Effect Of Information On Consumer And Market Behavior