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Article Sub-Title		
Article CopyRight	Springer-Verlag Berlin Heidelberg (This will be the copyright line in the final PDF)	
Journal Name	Mind & Society	
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Schedule	Received	17 December 2014
	Revised	
	Accepted	12 May 2015
Abstract	<p>We study complex phenomena arising from a simple optimal choice consumer model, starting from the classical framework in Benhabib and Day (Rev Econ Stud 48(3):459–471, 1981). We introduce elements of increasing complexity (dynamic adjustment processes, nonlinear social interdependence, agents heterogeneity, agents local interaction) and we investigate their effects on the resulting social behaviors. The dynamics introduce the dependence of current preferences on past consumers actions. A non-monotone updating preference function allows us to obtain a threshold effect, according to which the agents adopt a bandwagon/snob behavior if the preferences are below/above a certain saturation level. We consider homogeneous and heterogeneous agents and we introduce local/global interaction when they are spatially distributed. We show through simulations several phenomena which are absent in the classical</p>	

model and which reproduce significant social behaviors, such as path dependence, coexistence of different periodic and chaotic attractors, emergence of spatial patterns.

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Keywords (separated by '-') Consumer model - Dynamic adjustment process - Nonlinear threshold effect - Agents heterogeneity - Local interaction - Fashion cycle

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Footnote Information

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3 **Emergence of complex social behaviors**  
4 **from the canonical consumption model**

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7 Received: 17 December 2014 / Accepted: 12 May 2015  
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## 29 1 Introduction

30 The aim of our contribution is to show how elements of increasing complexity in a  
 31 simple optimal choice consumer model allow describing significant social  
 32 behaviors, such as the dynamics of endogenous preferences, and in particular of  
 33 locally or globally interdependent preferences, which can not be encompassed in a  
 34 classical model. To this end, we study a simple optimal choice consumer model,  
 35 starting from the classical framework proposed in Benhabib and Day (1981), and we  
 36 progressively introduce and study the effects of a dynamic adjustment process, non-  
 37 linear social interdependence, agents heterogeneity and spatial distribution of  
 38 locally interacting agents.

39 The presence of a *dynamic adjustment* mechanism, by means of which it is taken  
 40 into account the dependence of current preferences on the past consumers behavior,  
 41 together with the modeling of the social interaction among agents by means of  
 42 nonlinear functions, allow describing the *path dependence* of the evolution of the  
 43 consumption level (see Arthur 1994). Indeed, also thanks to the occurrence of  
 44 *multistability* (i.e., coexistence of different attractors) when introducing *hetero-*  
 45 *geneity* among agents, we can investigate the effects of past choices on the possible  
 46 evolutions and equilibria that can be achieved. Moreover, the existence of *periodic*  
 47 or *chaotic* attractors describes the possible erratic or fluctuating behaviors of some  
 48 social phenomena, like fashion cycles (see Simmel 1904).

49 More precisely, starting from the modeling of bandwagon and snob effects  
 50 considered in Naimzada and Tramontana (2009) and in Di Giovinazzo and  
 51 Naimzada (2014), we examine a kind of dependence on past choices of the next  
 52 period preferences which is strongly *nonlinear*, as both bandwagon and snob effects  
 53 are simultaneously present. In particular, we introduce a threshold effect (see  
 54 Granovetter 1978), so that the agents follow a bandwagon behavior if the average  
 55 consumption is below a certain saturation level, above which their behavior is snob.  
 56 Moreover, varying the shape of the preference functions, we can study the influence  
 57 of agents heterogeneity. Finally, we show a simple way to model complex spatial  
 58 social interactions and to study the effects of agents distribution on the possible  
 59 diffusion, synchronization and pattern formation of social behaviors.

60 The remainder of the paper is organized as follows. In Sect. 2 we present our  
 61 model. In Sect. 3 we add a strong nonlinearity, producing a threshold effect. In  
 62 Sect. 4 we investigate both the introduction of heterogeneity and local interaction  
 63 among agents. In Sect. 5 we summarize our results and we outline future research  
 64 developments.

## 65 2 The model

66 As mentioned in the Introduction, our starting point is given by the consumer  
 67 problem, which is a classical model in economic theory, where an agent has to  
 68 choose the amount of the various available consumption goods in order to maximize  
 69 his objective function subject to a budget constraint, in which the commodity prices

70 are involved. In particular it is assumed that the agent has a high degree of  
 71 rationality, which is reflected in his informational and computational skills: indeed  
 72 the agent is supposed to be able to maximize his utility function, that describes his  
 73 preferences for the various goods, taking into account the limitations imposed by the  
 74 budget constraint. Rather than considering a single agent, it may be assumed that  
 75 there are  $N$  agents, indexed by  $i \in \{1, \dots, N\}$  and endowed with income  $m_i$ , that  
 76 have to choose between two goods using Cobb–Douglas utility functions  $u_i(x_i, y_i) =$   
 77  $x_i^{\alpha_i} y_i^{1-\alpha_i}$ , where  $x_i$  and  $y_i$  denote the amounts of two goods consumed within a given  
 78 period and  $\alpha_i \in (0, 1)$  is the utility weight assigned to commodity  $x$ . As it is well  
 79 known, when solving the consumer problem for the generic agent  $i$ , i.e., when  
 80 maximizing  $u_i(x_i, y_i)$  subject to the usual budget constraint  $px_i + qy_i = m_i$ , where  
 81  $p, q$  are positive quantities representing the prices for the two goods, we find  $x_i =$   
 82  $\alpha_i m_i / p$  and  $y_i = (1 - \alpha_i) m_i / q$  as demand functions.

83 In Benhabib and Day (1981), in order to endogenize the preferences in the above  
 84 model, time is introduced and it is assumed that the utility weight parameters  $\alpha_i$  are  
 85 no more constant, but that they rather depend on (immediate) past agent's choices,  
 86 i.e., that, for all  $t$ ,

$$\alpha_{i,t+1} = g_i(x_t, y_t), \quad \text{where } g_i : (0, m_i/p) \times (0, m_i/q) \rightarrow (0, 1)$$

88 are suitable maps. Hence, the demand functions for agent  $i$  at time  $t + 1$  become  
 89  $x_{i,t+1} = \alpha_{i,t+1} m_i / p$  and  $y_{i,t+1} = (1 - \alpha_{i,t+1}) m_i / q$ . The limit of such approach is  
 90 represented by the absence of interdependence among agents, so that the social  
 91 nature of consumption is missing, as agents' choices only depend on their own past  
 92 actions.

93 This issue may be overcome supposing that there are  $N \geq 2$  (possibly) different  
 94 agents that, in choosing between two goods, have personalized preferences and  
 95 incomes, and their current choices depend on the immediate past choices of all (or  
 96 some) agents, including themselves. In symbols, setting  $\mathbf{x}_t = (x_{1,t}, \dots, x_{N,t})$  and  
 97  $\mathbf{y}_t = (y_{1,t}, \dots, y_{N,t})$ , where, for  $i \in \{1, \dots, N\}$ ,  $x_{i,t}$  and  $y_{i,t}$  denote the amounts of the  
 98 two goods consumed within period  $t$  by agent  $i$ , utility functions become  
 99  $u_i(x_{i,t+1}, y_{i,t+1}) = x_{i,t+1}^{\alpha_{i,t+1}} y_{i,t+1}^{1-\alpha_{i,t+1}}$ , where

$$\alpha_{i,t+1} = g_i(\mathbf{x}_t, \mathbf{y}_t), \quad \text{with } g_i : \prod_{i=1}^N (0, m_i/p) \times \prod_{i=1}^N (0, m_i/q) \rightarrow (0, 1)$$

101 a suitable updating preference function. Agent  $i \in \{1, \dots, N\}$  maximizes with re-  
 102 spect to  $(x_{i,t+1}, y_{i,t+1})$  his utility function  $u_i(x_{i,t+1}, y_{i,t+1})$  subject to the budget  
 103 constraint  $px_{i,t+1} + qy_{i,t+1} = m_i$ , where  $p, q$  and  $m_i$  are positive quantities repre-  
 104 senting respectively the prices for the two goods and the income of agent  $i$ .

105 A particular case of such setting has been considered in Naimzada and  
 106 Tramontana (2009) and in Di Giovinazzo and Naimzada (2014), where consumption  
 107 is the result of continuous interaction between two types of agents, i.e., the “snobs”  
 108 and the “bandwagoners”. In those papers it is assumed that there are two  
 109 commodities,  $x$  and  $y$ , the former being the social interaction good, i.e., that through  
 110 which the social interaction occurs and on which authors focus their attention. The



111 bandwagoners (snobs) are then those agents for which preference for the  
 112 consumption of the social interaction good increases (decreases) with the rise of  
 113 the average collective consumption of that good in the previous period. Bandwag-  
 114 oners and snob agents can be respectively modeled through increasing and  
 115 decreasing functions  $g$ , depending on commodity  $x$  only, and in particular on its  
 116 average consumption level in the past period. Since we will analyze a similar  
 117 framework, along the paper we will not deal with commodity  $y$ , nor with its price  $q$ ,  
 118 anymore, and for simplicity we will set  $p = 1$  in all our simulations. In Di  
 119 Giovinazzo and Naimzada (2014) it is shown that, if all agents are snob, there may  
 120 be convergent dynamics, diverging dynamics or a period-two cycle; if instead all  
 121 agents are bandwagoner, only converging dynamics are possible. This is caused by  
 122 the fact that the monotonic nonlinearities of the updating preference functions are  
 123 not essential. Hence, in order to obtain interesting dynamics, those authors had to  
 124 take into account scenarios with both snob and bandwagoner agents simultaneously.

125 To show the effects of increasing the model complexity, in the next sections we  
 126 will consider some possible generalizations of the previous framework. In  
 127 particular, in Sect. 3 we will investigate the consequences of a non-monotonic  
 128 dependence of the preferences on the average consumption of the social interaction  
 129 good  $x$ , in order to take into account a threshold effect, still considering  
 130 homogeneous agents. Then, in Sect. 4 we will introduce further elements of  
 131 complexity to the homogeneous model, considering heterogeneous agents  
 132 (Sect. 4.1) and spatially distributed agents (Sect. 4.2).

133 In symbols, the general shape of the dynamical system we are going to deal with  
 134 in Sects. 3 and 4.1 is given by

$$\bar{x}_{t+1} = \frac{\sum_{i=1}^N f_i(\bar{x}_t) m_i}{Np}, \quad (1)$$

136 where

$$\bar{x}_t = \frac{\sum_{i=1}^N x_{i,t}}{N} \quad (2)$$

138 is the average consumption for the social interaction good at time  $t$ , and, for  
 139  $i \in \{1, \dots, N\}$ ,  $f_i : (0, +\infty) \rightarrow (0, 1)$  is a continuous non-monotone map describing  
 140 the updating preference function of agent  $i$ , i.e.,  $\alpha_{i,t+1} = g_i(\mathbf{x}_t, \mathbf{y}_t) = f_i(\bar{x}_t)$ , with  $f_i$  as  
 141 in (3). Notice that (1) is obtained by solving the individual consumer maximization  
 142 problems.

143 In Sect. 4.2 we will assume that agents, in addition to the global average  
 144 consumption level, in forming their preferences consider also the individual  
 145 consumption choices of their neighbors. In such case, it is not possible to aggregate  
 146 all consumption choices anymore and thus we will deal with an equation for each  
 147 agent [see (6)].

### 148 3 Introducing a significant nonlinearity

149 In order to simultaneously encompass both bandwagon and snob effects, in the  
 150 updating preference functions we will introduce a threshold effect (see Granovetter  
 151 1978), so that agents are bandwagoner if the average consumption level for the  
 152 social interaction good in the previous period is below a certain saturation level,  
 153 above which they become snob. The threshold represents the switching consump-  
 154 tion level between the two different behaviors and affects the shape of the updating  
 155 preference functions  $f_i$ . Below such threshold, the preferences increase as the  
 156 average consumption level increases, hence functions  $f_i$  are increasing; conversely,  
 157 above the switching level, an increase of the average consumption level induces a  
 158 preference reduction, which is modeled by decreasing functions  $f_i$ . Consequently,  
 159 the updating preference functions are unimodal, with the maximum preference level  
 160 in correspondence to the threshold point.

161 In symbols, we will then focus on the case in which, for each agent  
 162  $i \in \{1, \dots, N\}$ ,  $\alpha_{i,t+1} = f_i(\bar{x}_t)$ , with

$$f_i : (0, +\infty) \rightarrow (0, 1), \quad f_i(\bar{x}_t) = a_i e^{-\sigma_i(\bar{x}_t - \mu_i)^2}, \quad (3)$$

164 where  $a_i \in (0, 1)$  represents the maximum level of preference for good  $x$  of agent  $i$ ,  
 165 while  $\sigma_i$  and  $\mu_i$  are nonnegative parameters describing the reactivity and the  
 166 saturation level of agent  $i$ , respectively. Notice that when  $\sigma_i = 0$  the preferences of  
 167 agent  $i$  are fixed and thus there is no interaction for such agent with the rest of the  
 168 population: hence,  $\sigma_i$  may be also interpreted as the social interaction degree for  
 169 agent  $i$ . See Patidar (2006) for an analysis of the dynamics generated by the  
 170 Gaussian map related to (3).

171 In the present section, we will show that rich dynamics, and also chaotic  
 172 behaviors, may arise even under the assumption that all agents are homogeneous.  
 173 Hence, let us consider the case in which the incomes, as well as the updating  
 174 preferences functions, coincide for all agents, i.e.,  $m_i = m$ ,  $a_i = a$ ,  $\mu_i = \mu$  and  $\sigma_i =$   
 175  $\sigma$ , for all  $i \in \{1, \dots, N\}$ , so that the resulting discrete dynamical system

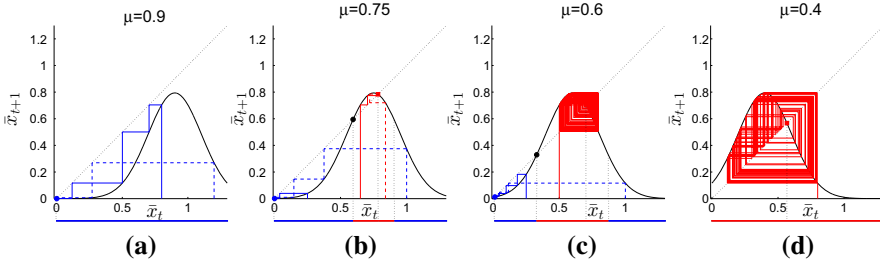
$$\bar{x}_{t+1} = \frac{m}{p} \alpha_{t+1} = \frac{m}{p} f(\bar{x}_t) = \frac{m}{p} a e^{-\sigma(\bar{x}_t - \mu)^2} \quad (4)$$

177 will admit one or more steady states. More precisely, we find that there may be at  
 178 most three steady states, of which at most one larger than  $\mu$ .

179 A possible framework, showing how, even in a homogeneous setting, the  
 180 introduction of the threshold effect allows for describing more complex situations  
 181 **AQ1** than those generated by either bandwagon or snob agents, is that in Fig. 1, where we  
 182 consider  $a = 0.98$ ,  $m = 0.8$  and  $\sigma = 12$ . As the saturation level  $\mu$  is varied, we can  
 183 focus on different consumer behaviors characterized by the preponderance/  
 184 balancing of either bandwagon or snob effects. In fact, as already noticed, in this  
 185 case we can have up to three equilibria, the number and position of which determine  
 186 the possible resulting dynamics.

187 For a given income  $m$ , if the saturation level  $\mu$  is sufficiently large (Fig. 1a,  
 188  $\mu = 0.9$ ), (4) has a unique equilibrium average consumption  $\bar{x}_1^* < \mu$  (represented by





**Fig. 1** In each plot, we report the shape of the RHS of (4), the possible steady states and the cobweb diagrams representing possible evolutions of some initial data and, below each plot, a *line* showing the basins of attraction of each attractor, depicted with the same color used for the corresponding attractor. **a** One stable (*blue dot*) steady state in the bandwagon interval. **b** Two stable steady states, one in the bandwagon interval (*blue dot*), the other in the snob interval (*red square*), separated by a repelling steady state (*black dot*). **c** A stable steady state in the bandwagon interval (*blue dot*) and an unstable one in the snob interval (*red square*), which gives rise to a chaotic attractor. **d** An unstable steady state in the snob interval (*red square*), surrounded by a chaotic attractor

189 the blue dot), which is in general quite close to the origin due to the negative  
 190 feedback effect of the small relative income-price  $m/p$ . The steady state lies in the  
 191 bandwagon region  $(0, \mu)$  of the preference function, so that, in this case, the  
 192 presence of the threshold  $\mu$  has no significant effects and the resulting dynamics  
 193 (solid and dashed blue lines) are very similar to those obtained in Di Giovinazzo and  
 194 Naimzada (2014) for the case of bandwagon agents. However, for smaller saturation  
 195 levels, the resulting dynamics can be totally different. In fact, for  $\mu \approx 0.818$  a so-  
 196 called fold bifurcation occurs, at which the graph of the map associated to (4) is  
 197 tangent to the line  $x_{t+1} = x_t$ , and a couple of stable ( $\bar{x}_2^*$ )/unstable ( $\bar{x}_U^*$ ) new equilibria  
 198 arises (represented respectively by a red square and a black dot in Fig. 1b). This  
 199 results in a situation in which both bandwagon and snob behaviors may be present.  
 200 In particular, if  $\bar{x}_2^* > \mu$ , it holds that  $\bar{x}_1^*$  lies in the bandwagon interval, while  $\bar{x}_2^*$  lies  
 201 in the snob interval  $(\mu, +\infty)$  of the updating preference function. Let us examine  
 202 Fig. 1b. If, at any time  $t$ , the average consumption level is too small ( $\bar{x}_t < \bar{x}_U^*$ ), then  
 203 its evolution (solid blue line) is similar to that described in Fig. 1a. However, if  $\bar{x}_t$  is  
 204 larger but still in the bandwagon interval ( $\bar{x}_U^* < \bar{x}_t < \mu$ ), the relative income-price is  
 205 sufficiently large to activate the bandwagon effect, and the average consumption  
 206 level increases (solid red line). Conversely, if  $\mu < \bar{x}_t$  we are in the snob interval and  
 207 oscillating trajectories arise (dashed red line). The snob behavior tends to lower the  
 208 average consumption, which can either generate a bandwagon behavior again  
 209 (dashed red line) or give rise to damping oscillations, internal to the snob interval  
 210 (final iterations of solid red line, not visible in the picture), converging toward the  
 211 steady state  $\bar{x}_2^*$ . Finally, if  $\bar{x}_t$  is sufficiently large, the snob effect can be so strong that  
 212 the next period average consumption decreases to  $\bar{x}_{t+1} < \bar{x}_U^*$  (dashed blue line), and  
 213 then it tends toward  $\bar{x}_1^*$ .

214 In the previous framework we have two coexisting stable steady states,  
 215 characterized by disconnected basins of attractions, which reflect the coexistence  
 216 of both bandwagon and snob effects. However, the snob behavior can give rise to

217 more complicated stable attractors, as shown in Fig. 1c, where the chaotic  
 218 interaction between the snob and bandwagon effects generates oscillating complex  
 219 dynamics.

220 The just described phenomena are two different possible examples of multista-  
 221 bility induced by the strong nonlinearity of the updating preference function.

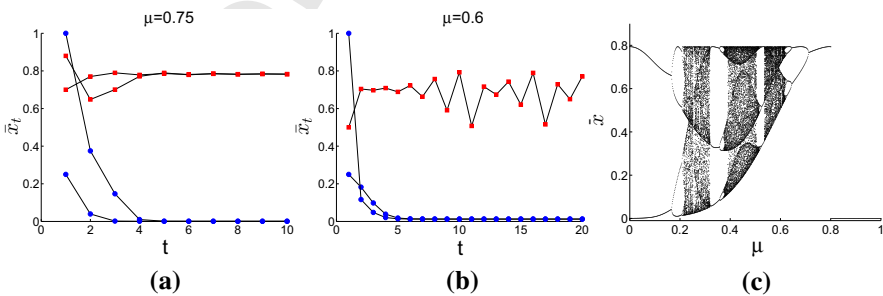
222 Finally, if the saturation level is sufficiently small with respect to the relative  
 223 income-price, equilibrium  $\bar{x}_1^*$  disappears as a second fold bifurcation occurs for  
 224  $\mu \approx 0.5155$ , after which  $\bar{x}_2^*$  is the only attractor. Since it lies in the snob interval  
 225  $(\mu, +\infty)$ , it can give rise to oscillating trajectories which may be chaotic (as in  
 226 Fig. 1d), periodic (cycling between two or more values) or which can damp down  
 227 on equilibrium  $\bar{x}_2^*$ .

228 In Fig. 2a, b, keeping  $a$ ,  $m$  and  $\sigma$  like in Fig. 1, for various initial conditions we  
 229 report some average consumption level evolutions for the cases with  $\mu = 0.75$  and  
 230  $\mu = 0.6$ , to highlight the path dependence of the average consumption levels in the  
 231 cases of coexisting snob and bandwagon behaviors considered in Fig. 1b, c. The  
 232 oscillating dynamics of the average consumption qualitatively reproduce the well-  
 233 known fashion cycles, which, as explained in Simmel (1904), are a consequence of  
 234 the coexistence of both bandwagon and snob effects.

235 In Fig. 2c we show the bifurcation diagram of  $\bar{x}$ , obtained for decreasing values  
 236 of  $\mu \in (0, 1)$  and setting  $\bar{x}_0 = 0.7$  as initial condition, from which we can see that  
 237 the loss of stability of  $\bar{x}_2^*$  occurs through a flip bifurcation (for  $\mu \approx 0.712$ ), by means  
 238 of which the stable equilibrium  $\bar{x}_2^*$  is replaced by a period-2 cycle, that evolves  
 239 toward chaos through a cascade of period doublings. Then, through a sequence of  
 240 period halvings, the dynamics qualitatively stabilize on a period-2 cycle again (for  
 241  $\mu \approx 0.168$ ).

## 242 4 Increasing complexity

243 In the previous section we showed that, even in a homogeneous agents setting, in the  
 244 presence of a non-monotone function  $f$ , complex dynamical phenomena (such as



**Fig. 2** Time series. Case of coexisting stable equilibria in **a** and of a stable equilibrium coexisting with a chaotic attractor in **b**, for some different initial data, showing path dependence and disconnectedness of the basins of attraction. **c** Bifurcation diagram for values of  $\mu$  decreasing from 1 to 0

245 multistability and path dependence) may arise. Here, starting from the framework in  
 246 Sect. 3, we investigate the possible effects on the dynamics of the addition of further  
 247 levels of complexity, represented by the heterogeneity among agents and possible  
 248 local interactions.

## 249 4.1 Heterogeneity

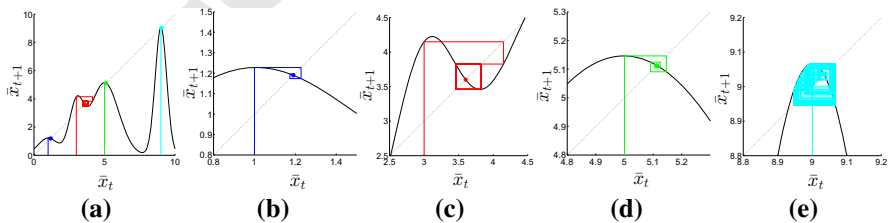
250 If we assume that agents are characterized by different updating preference  
 251 functions and incomes, the resulting nonlinearity characterizing the dynamics can  
 252 become much more complicated than those observed so far. In fact, in this situation,  
 253 the aggregate updating preference function, obtained by taking the average of the  
 254 updating preference functions of all agents, is no more necessarily unimodal, and  
 255 thus characterized by the presence of a unique maximum point, because we can now  
 256 have several intervals in which preferences either increase or decrease with respect  
 257 to the average consumption level. In fact, we will now deal with the following  
 258 dynamical system

$$\bar{x}_{t+1} = \frac{\sum_{i=1}^N m_i a_i e^{-\sigma_i(\bar{x}_t - \mu_i)^2}}{Np}, \quad (5)$$

260 where all terms have been defined in the previous section. When  $N \geq 2$ , the map  
 261 may become multimodal, which is a necessary condition for the coexistence of at  
 262 least two complex (periodic or chaotic) attractors, while when the map is unimodal  
 263 we can find at most the coexistence between a locally stable fixed point and a  
 264 complex attractor. In Fig. 3 we report a scenario with four agents and  
 265  $a_1 = 0.98, \sigma_1 = 1, \mu_1 = 1, m_1 = 5, a_2 = 0.98, \sigma_2 = 2, \mu_2 = 3, m_2 = 14, a_3 =$   
 266  $0.98, \sigma_3 = 0.5, \mu_3 = 5, m_3 = 21$  and  $a_4 = 0.98, \sigma_4 = 3, \mu_4 = 9, m_4 = 37$ . In this  
 267 case, we have two stable equilibria (blue and green dots) coexisting with a period-2  
 268 cycle (around the red dot) and a chaotic attractor (around the light blue dot).

## 269 4.2 Local interaction

270 In the previous models, the agents formed their next time preferences on the basis of  
 271 the average consumption, computed considering the consumption levels of all



**Fig. 3** The case with  $N = 4$  heterogeneous agents. **a** Shape of the RHS of (5); **b–e** magnifications near steady states. We find coexistence among stable equilibria (**b, d**), a periodic attractor (**c**) and a chaotic attractor (**e**)

272 agents. This resulted in a dynamic adjustment of the global average consumption  
 273 level. But what happens if the agents are spatially distributed and each agent affects  
 274 to a greater extent his neighboring agents? In addition to Naimzada and Tramontana  
 275 (2009), similar issues have been considered in Bell (2002) and Knasnička (2012) for  
 276 frameworks with only bandwagoner agents. In the present framework, agents'  
 277 spatial distribution is crucial, as the resulting evolution of the consumption levels  
 278 also depends on the local interactions of each agent. To focus on our problem, we  
 279 assume that  $N$  agents are distributed on a ring, so that each agent  $i \in \{1, \dots, N\}$  has  
 280 the two neighbors  $i - 1$  and  $i + 1$ , where we identify 0 with  $N$  and  $N + 1$  with 1.

281 Let us now suppose that each agent, in forming his next period's preferences,  
 282 takes into account both the global average consumption of all agents in (2), as well  
 283 as the local average consumption by himself  $x_{i,t}$  and of his two neighboring agents  
 284  $x_{i-1,t}, x_{i+1,t}$ . We then introduce the constant  $\omega \in [0, 1]$ , which represents the degree  
 285 of local interaction and weights the importance given by agents to the local  
 286 influence in comparison with the global average consumption. When  $\omega = 0$ , we  
 287 recover (4) and we just have the global interaction, while for  $\omega = 1$  the interaction  
 288 is completely local. Moreover, we suppose that each agent, in computing his local  
 289 average, can apply a different weight to his consumption level with respect to those  
 290 of his neighbors. To such end, we introduce the degree of local imitation  $\nu \in [0, 1]$ ,  
 291 so that the local average reads as

$$(x_{i+1,t} + x_{i-1,t})\nu/3 + (1 - 2\nu/3)x_{i,t}.$$

293 When  $\nu = 1$ , the local average is the arithmetic mean of  $x_{i-1,t}, x_{i,t}$  and  $x_{i+1,t}$ ; as  $\nu$   
 294 decreases, each agent gives more and more weight to his consumption level. The  
 295 most extreme scenario of stubbornness corresponds to the choice of  $\omega = 1$  and  
 296  $\nu = 0$ , so that each agent evolves independently from the others, just taking into  
 297 account his own past consumption level.

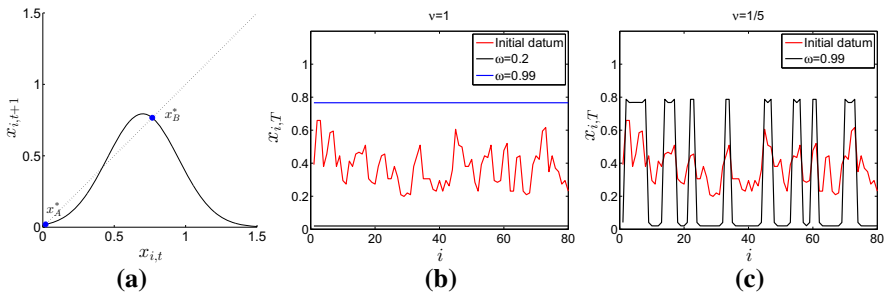
298 The resulting consumption adjustment for the  $i$ th agent is then given by

$$x_{i,t+1} = \frac{m}{p} f \left( (1 - \omega)\bar{x}_{i,t} + \omega \left( \frac{x_{i+1,t} + x_{i-1,t}}{3} \nu + \left( 1 - \frac{2\nu}{3} \right) x_{i,t} \right) \right), \quad (6)$$

300 with  $f$  as in (4). Notice that the model is now represented by an  $N$ -dimensional  
 301 system, as it is no more possible to aggregate the individual equations.

302 In order to show the possible effects of switching between global and local  
 303 interaction, we focus on a framework in which there are  $N = 80$  agents and we set  
 304  $a = 0.98, \sigma = 8, \mu = 0.7, m = 0.81$ . The graph of the one-dimensional map  $\varphi$ ,  
 305 identical across agents and corresponding to the RHS of (6) when  $\omega = 1$  and  $\nu = 0$ ,  
 306 is shown in Fig. 4a and has two stable equilibria at  $x_A^* \approx 0.02$  and  $x_B^* \approx 0.765$ . For  
 307 the  $N = 80$  agents, we consider an initial random distribution as represented by the  
 308 red line in Fig. 4b, c. In the first simulation, we consider  $\nu = 1$ . If  $\omega = 0$ , all the  
 309 agents immediately synchronize on the global average consumption level. Since, for  
 310 the particular choice of the parameters and of the initial datum, such level lies in the  
 311 basin of attraction of  $x_A^*$ , all agents simultaneously converge to 0.02. Increasing  $\omega$ , if  
 312 the agents give sufficient weight to the local average with respect to the global one,  
 313 the same starting condition can give rise to trajectories that converge for each agent





**Fig. 4** Spatially distributed agents. The shape of the RHS of (6) when  $\omega = 1$  and  $v = 0$  is plotted in **a**. When  $v = 1$  and the interaction degree  $\omega$  is small ( $\omega = 0.2$ ), all the agents choices tend toward  $x_A^*$ , while when the interaction degree  $\omega$  is large ( $\omega = 0.99$ ), all the agents progressively choose  $x_B^*$  (**b**). If we only consider local interaction, for suitable local weights we can have the formation of spatial patterns, as in **c** for  $\omega = 0.99$  and  $v = 1/5$

314 either to  $x_A^*$  (as for example when  $\omega = 0.2$ ) or to  $x_B^*$  (for  $\omega = 0.99$ ). The resulting  
 315 dynamics mainly depend on the belonging of the global/local average consumptions  
 316 to the basin of attraction of a particular steady state, together with the value of the  
 317 degree of local interaction. We remark that the degree of local interaction also  
 318 affects the speed of convergence toward the equilibrium.

319 Conversely, if we consider different weights in the local mean (i.e.,  $v \neq 1$ ), the  
 320 final steady state may be not spatially homogeneous, and the consumption levels  
 321 may arrange into a spatial pattern, as shown in Fig. 4c for a local interaction  
 322 ( $\omega = 0.99$ ) with  $v = 1/5$ .

## 323 5 Concluding remarks

324 Starting from a simple optimal choice consumer model, in the present paper we  
 325 illustrated how elements of increasing complexity allow describing significant  
 326 social behaviors, such as the dynamics of locally or globally interdependent  
 327 preferences. More precisely, we showed that the presence of a dynamic adjustment  
 328 mechanism, by means of which we could take into account the dependence of  
 329 current preferences on the past consumers behavior, together with the modeling of  
 330 the social interaction among agents by means of nonlinear functions, allow  
 331 describing the path dependence of the evolution of the consumption level. In  
 332 particular, varying the shape of the preference functions, we could also study the  
 333 influence of agents heterogeneity. We notice that the found periodic and chaotic  
 334 attractors describe the possible erratic and fluctuating behaviors of some social  
 335 phenomena, like fashion cycles. Finally, we showed a simple way to model complex  
 336 spatial social interactions and to study the effects of agents distribution on the  
 337 possible diffusion, synchronization and pattern formation of social behaviors.

338 We stress that the proposed framework of local interaction is very simple, and  
 339 further complexity can be taken into account as well. For example we could  
 340 consider heterogeneous agents, also with respect to the degrees of local interaction

341 and imitation, study more complicated spatial distributions or local interactions, or  
342 even endogenize  $\omega$ . A development of such lines of research will be performed in  
343 some forthcoming papers.  
344

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