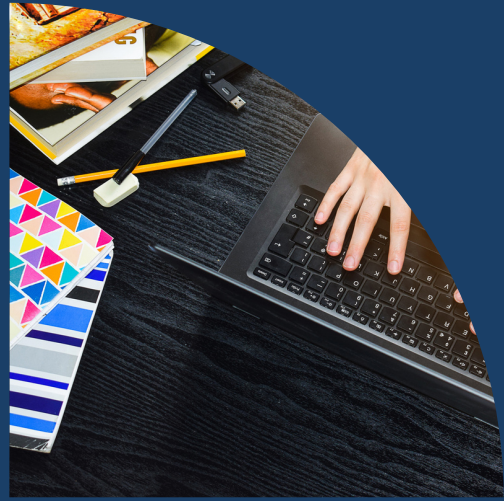


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SCARCITY PROMOTION TRIGGERS IMPULSE BUYING BEHAVIOUR

Syahida Abd Aziz

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah
syahidaaziz@uitm.edu.my

Roziyana Jafri

Faculty of Business and Management, Universiti Teknologi MARA Cawangan Kedah
roziyana@uitm.edu.my

ABSTRACT

Impulse purchasing among young and adult consumers is showing a rising trend. It is not uncommon for people to purchase items they may not necessarily need. This is because they do not want to feel left out or to miss the items once those items are sold out. Such purchasing behaviour can lead to overspending and financial difficulties. Thus, it is crucial to be aware of these emotions and restrict one's purchasing to necessities to be consistent with one's budget and personal values. However, the scarcity promotion strategy employed by marketers has worsened the situation by driving consumers to purchase the items they perceive as being in limited supply. Hence, the influence of scarcity promotion on impulse buying, the drawbacks of impulse buying, and how to reduce the tendency of impulse buying driven by scarcity promotion are discussed in this paper.

Keywords: impulse buying; scarcity promotion; buying behaviour; consumer behaviour

INTRODUCTION

Scarcity promotion is built around three concepts, namely supply, demand, and urgency. These concepts entail limited availability of a product (supply), the need for the scarce product (demand), and the need to act quickly (urgency). Their combination drives consumers to view scarce products as more valuable than readily available products. When marketers make a product available for a limited time period, it instils doubt in consumers as to whether the product will not be available anymore, and if it is still available, the product price might increase substantially. This fear of missing out has driven consumers to purchase products without undergoing thorough decision-making, and it has been reported that 68% of millennials have purchased at least one product due to this fear (Gabriele, 2022).

Impulse purchasing is viewed as problematic because it can cause customers to spend above their budget limit. In the worst-case scenario, they might take on credit card debt and/or buy now pay later (BNPL) option to purchase something for which they did not plan. Almost 70% of buyers who applied for a retail-branded credit card did so impulsively at the checkout counter. Researchers found the usage of credit card increased the impulse buying behaviour, especially in purchasing online products (Rahman & Hossain, 2022).

According to Gelder (2023) in a 2022 Statista study, men and women shop impulsively, but they are not purchasing similar types of products. Most men (49%) impulsively purchase electronics and they spend the least on personal care products, whereas most women (57%) purchase clothes or shoes and they spend the least on home or garden products (Gelder, 2023). BNPL payment option encourages 4.9% of buyers to make impulse purchases as its unique function increases customers' tendency to buy something on the spot due to the easy process involved. Besides, during high inflation and interest rate increases, BNPL has become a helpful option for people making purchases (Rebecca, 2023). This is because this payment option does not charge interest or fees as it has a fixed repayment schedule.

SCARCITY AND IMPULSE BUYING

Impulse buying has become a topic of discussion in consumer research. Impulse buying can be induced by scarcity and fear of missing out (Zhang et al., 2022). Scarcity promotion, which is one of the powerful psychological triggers that greatly influence customers' impulse buying behaviour, refers to a marketing strategy that creates a sense of urgency or limited supply to encourage impulsive purchasing decisions. This psychological marketing tactic is used by marketers to increase sales as it can create a sense of urgency and drive impulse buying behaviour (Jain, 2023). The easier consumer makes the buying decision, the higher the tendency of making impulse buying. Hence, marketers simplify the decision-making process (e.g., single-click payment) and employ the urgency element to encourage consumers to make quick decisions.

In the fast fashion context, researchers have found that limited quantity scarcity and limited time scarcity increase customers' tendency to buy products impulsively (Cengiz & Şenel, 2023). According to the researchers, in the context of limited time scarcity, sellers provide offers that valid for a certain period, such as "Sales price valid until Friday". In the context of limited quantity scarcity, sellers provide offers that are valid for a limited quantity of the product. The sellers increase scarcity by reducing the number of available items, for example, "Only 50 units will be offered during live sales". The aim is to convince customers to see the offer as an opportunity. Some sellers use the label "produced in limited quantity" to imply that the product might not be produced again after it is sold out (Cengiz & Şenel, 2023). Hence, customers would purchase the product spontaneously as they fear of missing out on the opportunity to own the limited product as they think the product might not be available in the future.

Customers may feel motivated to quickly purchase the products that are advertised as being in short supply or available for only a limited time without fully considering their needs or wants (Jain, 2023). This impulse buying behaviour is often driven by emotions like fear, excitement, and hunger. Customers believe they must act quickly to procure the item before it runs out. Fear of missing out on the opportunity to acquire a rare item can lead to impulsive purchasing decisions, even if the customer does not need the item. This urgency often overrides thoughtful consideration and can result in purchases that are driven more by emotional impulses than rational need.

Apart from overspending and financial strain, impulse buying driven by scarcity can also result in buyer's remorse (Mayerle, 2023). Once the initial emotional excitement wears off, customers might realise that the purchase does not align with their actual needs or values. This can cause dissatisfaction and regret, especially after they check their bank account. Impulse purchasing may also lead to decluttering as it contributes to clutter in one's living space, as well as contributing to waste of resources and environmental impact when items are discarded or underutilised.

To prevent impulse buying driven by scarcity promotion, customers can prepare a comprehensive budget that outlines necessary expenses and savings, which can help them make informed purchasing decisions and avoid overspending on impulse buying. Apart from that, implementing a "cooling-off" period, such as a 24-hour rule, before making a purchase can help them reduce the influence of impulsive emotions (Bennett, 2023) as they know which items they truly need. Finally, customers can unsubscribe from tempting marketing. Without the exposure to marketing materials and promotional emails that employ scarcity promotion, they can reduce their impulse buying behaviour.

CONCLUSION

This marketing tactic should be used ethically due to its influence on consumer behaviour. Customers will feel disappointed with companies if they think they have been cheated through unethical scarcity promotion. Hence, it is essential that companies build trust among customers to achieve the long-term relationship goals. People also need to be aware of the influence of scarcity on their purchasing decisions. They should prioritise mindful, intentional spending that aligns with their true needs, values, and financial situation. Practising self-awareness and adopting good financial planning can reduce the negative impact of this psychological trigger and lead to more considered and satisfactory purchasing decisions.

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