

**The Impact of Scarcity and Urgency Cues on Consumer Impulse Buying Behavior**

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In the rapidly evolving landscape of online marketing, everything seems tantalizingly available. Impulsive buying beckons as online merchants employ various strategies to capture consumers' attention and drive sales. Among these strategies, scarcity and urgency cues have emerged as the most potent tools to influence consumer behavior. These cues create a sense of limited availability, compelling consumers to make quick purchasing decisions. Scarcity and urgency cues in online advertisements significantly increase consumer impulse buying behavior.

The effectiveness of scarcity and urgency cues can be explained through various psychological mechanisms. These psychological mechanisms have evolved from the primal instincts of our ancestors to where we are today. First, scarcity cues evoke a sense of competition among consumers due to a perceived lack of products. Our instinct to compete for resources can be traced back to our ancestors, who fought for resources to survive. When consumers perceive a product is scarce, they are driven to secure it before others quickly snatch up all the items (Cialdini, 2006). Impulse buying behavior results from marketing strategies that incorporate scarcity and urgency cues. These cues can be categorized into exogenously/environmentally induced and endogenously/human-induced (Udina et al., 2008). Exogenous cues, created by

external factors or situations, are primarily associated with exogenously scarce products, such as diamonds, whose value increases dramatically because of their natural scarcity. On the other hand, endogenous cues are generated by human actions or perceptions, which are exploited in online advertising. These cues induce a sense of panic and trigger impulse buying.

The above examples include limited-time offers, countdown timers, and flash sales. Edikted.com is an online retail store that often runs deals and discounts that cut prices significantly. A countdown accompanies these sales, incentivizing customers to buy more items in one purchase because they are given the impression that the offer will expire soon. Booking.com, a website for reserving hotels and other travel experiences, uses popularity cues such as "[x] number of people are looking at this right now" to create a sense of urgency and competition among potential buyers (Cialdini, 2006). Etsy, an online platform to sell handmade goods, flashes messages that show the customer "[x] number of people have this in their cart right now."

We see the psychological effects of pack mentality as well. The behavior of others influences consumers, and the perception that a product is in high demand can drive impulse buying. The impulse to buy what others want could be driven by competition to be the first to get the resource or by pack mentality, thinking that the product must be unique since so many people want it. Also, humans' primitive survival instincts come into play. These instill a sense of urgency, making one feel the need to obtain something necessary for survival before it is gone. Because the onsite messages produce perceived scarcity, people buy products they would not ordinarily buy. Survival procurement is not necessary anymore, as essential items are easily procured and available. However, we are still pulled by these impulses in our everyday lives, just in different situations (Cialdini, 2006).

Along with the drive of competition, two theories attempt to explain why consumers are compelled to buy things impulsively: reactance theory and commodity theory. (Clee & Wicklund, 1980), (Lynn 1991).

The *reactance theory* asserts that when consumers perceive their freedom to purchase a product as threatened by scarcity, they experience psychological reactance, which increases their desire to obtain the product. One of the primary mechanisms driving reactance theory is anticipated regret and the "fear of missing out" (Bleichrodt & Wakker, 2015). These psychological phenomena occur when consumers perceive they might miss out on a valuable item or opportunity. The fear of regretting not purchasing an item when it is available prompts consumers to impulse buy. The cues and messages used by Edikted.com, Booking.com, and Etsy employ anticipated regret, making the consumer feel like they might regret not buying the product immediately. The limited availability of a product, combined with the pressure to act quickly, triggers FOMO/anticipated regret, leading to impulse purchases (Clee & Wicklund, 1980).

*Commodity theory* is another significant factor in consumer behavior. It suggests that the perceived value of a product increases when it is scarce. This concept comes from the scarcity heuristic: a cognitive bias where individuals place a higher value on items that are perceived to be scarce. This perception leads consumers to add to the intrinsic value of a product by making it more exclusive and rarer (Lynn, 1991). Diamonds, rare occurrences in nature, are an example of commodity theory. Because of their scarcity, their value increases significantly, not only economically but emotionally. In 2020, when the pandemic first arose, many essential products became scarce, causing their value to increase, and consumers impulsively bought many products. The scarcity heuristic simplifies decision-making by using the availability of a product

as a shortcut to gauge its worth. Marketers often exploit this bias by creating artificial scarcity through limited-time offers, flash sales, and exclusive deals. These tactics enhance the product's appeal and urgency, prompting consumers to make quick, impulsive purchases.

Reactance and commodity theories explain why consumers react strongly to scarcity cues. The heuristic triggers an automatic response where consumers prioritize acquiring scarce items, driven by the fear of missing out. This response is a practical manifestation of commodity theory, as consumers act on the enhanced value they attribute to scarce products. (Lynn, 1995) Together, these theories create an enhanced perception of a product, leading to an increased desire to buy the product. Once they buy the product, most consumers will feel rewarded. This impulse buying is related to hedonic shopping.

*Hedonic shopping*, or shopping for pleasure, is a fundamental human trait where consumers derive enjoyment from the shopping experience itself (Gupta, 2013). The presence of scarcity and urgency cues can significantly heighten this pleasure. When products are advertised as limited in quantity or available only for a short time, it creates a sense of excitement and urgency that enhances the overall shopping experience. These cues trigger a psychological response, making shopping more thrilling and engaging. Limited-time offers and flash sales generate a sense of urgency that compels consumers to act quickly, adding an adrenaline rush to the shopping process.

Additionally, *scarcity cues*, such as "only a few left in stock," create a competitive atmosphere where consumers must secure the item before it has gone. This blend of pleasure, excitement, and competition often leads to impulse buying, as consumers are driven to make quick decisions to capture the fleeting opportunity. Consequently, these strategies effectively increase the likelihood of impulse purchases by tapping into the hedonic aspects of shopping

(Jones et al., 2006). Gender differences significantly affect how consumers respond to scarcity and urgency cues. Female shoppers tend to view shopping as a leisure activity. They are more likely to enjoy the process and experience of shopping, making them more susceptible to hedonic shopping and the influence of scarcity and urgency cues (Grewal et al., 2003). Male shoppers often view shopping as a chore or task to complete. While they may be influenced by scarcity and urgency cues, their motivation is often to complete the task efficiently rather than for pleasure (Khetarpal & Singh, 2024).

### **Conclusion**

Scarcity and urgency cues are potent tools in online marketing, significantly influencing consumer impulse buying behavior. Through exogenously and endogenously induced cues, marketers can create a sense of competition, a desire for uniqueness, and anticipated regret among consumers—gender differences further shape how these cues are perceived and acted upon.

The future of marketing is poised for significant evolution with advancements in technology, particularly in the use of scarcity and urgency cues. Artificial intelligence (AI) is at the forefront of this transformation, offering the capability to tailor scarcity and urgency cues based on individual consumer behavior and preferences. By analyzing vast data, AI can create highly personalized marketing messages that resonate with each consumer's unique preferences and past interactions. Predictive analytics will also be crucial, enabling marketers to anticipate consumer needs and deliver timely scarcity messages that maximize impact and drive action. This predictive capability ensures that marketing efforts are more targeted and more effective in generating a sense of urgency.

Moreover, social media platforms are becoming increasingly integral to marketing strategies. Companies are leveraging influencers to reach their target audiences more engagingly and authentically. As consumers scroll through their feeds, short, compelling clips featuring limited-time offers or exclusive products can create a sense of urgency. Influencer endorsements enhance products' perceived value and exclusivity, encouraging impulse purchases. This blend of technology and social influence shapes a dynamic marketing landscape where companies continuously adapt to trends and capitalize on consumers' susceptibility to impulse buying behavior, driving innovation in marketing strategies.

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