

# A Study on the Effects of Scarcity Marketing Tactics on Shoppers' Buying Behaviors in the Online Fashion Industry

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**Abstract:** *This research paper aims to study the awareness of scarcity marketing tactics and their influence on shoppers' buying behaviours in the online fashion industry. Brands widely use Scarcity Marketing to create a sense of urgency among customers, pushing them to make irrational decisions while shopping online. Firstly, it explores the tendency of customers to indulge in impulsive buying behaviour caused by such tactics which eventually results in unplanned purchases. The paper further extends its scope to understanding customers' post-purchase regrets resulting from such impulse buying behaviours. This study was conducted on 100 online shoppers who shop for fashion products over the internet. The study provides both practical and theoretical findings about the relevance and effectiveness of scarcity marketing in influencing purchase decisions.*

**Keywords:** scarcity marketing, impulsive buying behaviour, post-purchase regret, limited-time offers

## I. INTRODUCTION

Online shopping has become increasingly popular in recent years, with a significant portion of retail transactions now taking place on digital platforms. The fashion industry, in particular, has seen a dramatic shift towards e-commerce, as consumers are drawn to the ease and convenience of browsing and purchasing products from the comfort of their homes or on-the-go. Digital marketers are now adapting to the changing landscapes of the online fashion industry by employing different marketing tactics. One such tactic is Scarcity Marketing. Scarcity Marketing refers to a technique that creates a sense of urgency among customers, which in turn, influences their buying decisions. When people perceive a specific product as scarce, such a product tends to become more desirable (Cialdini, 2009). Consumers tend to believe that products which are rare or difficult to obtain, are usually high in value (Lynn, 1991). This forms the basis of Scarcity Marketing Techniques.

Scarcity for products or services can either be Quantity-Based, which is caused by demand-related scarcity or supply-related scarcity. Or, it could be Time-Based (Barton, Zlatevska and Oppewal 2022). Demand-related scarcity is usually a result of excessive consumer demand for a specific product or service. Brands capitalize on this by strategically using tactics like advertising 'empty shelves', showing off their physical and virtual queues and continuously flashing quotes like, 'Selling Fast!'. All these tactics often push consumers to believe that these products/ services are wildly popular (Parker and Lehmann 2011) and are of a higher quality (Van Herpen et al., 2014). This increases the demand for these products even more thus causing a bandwagon effect.

For instance, when luxury brand Louis Vuitton launches bags or their latest accessory collection, they often have long waiting lists for people to buy them. So when customers enter their stores or browse through their websites, they are often notified of the low stock availability or that these items are out of stock. This makes them believe that the items are highly exclusive and desirable. Biba, an Indian fashion festive wear brand, runs out of many items during the festive season. Customers often find shelves empty within Biba stores during Diwali. Hence, customers are seen indulging in impulse buying due to the fear of missing out on the trendy and desirable festive collection. A lot of fashion brands online now pop notifications as to how many customers are currently viewing the same product as you are while also notifying you about the limited stock that is left. This evokes the emotional response of fear forcing the customers to make irrational purchase decisions.

Supply-related scarcity often arises due to restrictions placed on the quantity of products produced or distributed. Supply-based scarcity usually indicates that a product is of high quality and there's a higher status attached to owning it (Lynn, 1992). Well-renowned fashion brands are known to launch 'Limited Edition' or 'Special Edition' Collections that are exclusive and in less quantity. Getting your hands on something that is part of a 'Limited Edition Collection', helps a person stand out as the product purchased is unique and only available to the few customers who are able to secure the purchase. As per the Uniqueness Theory (Fromkin, 1970; Snyder and Fromkin 1977), pursuing scarce products provides exclusivity and serves as a means to differentiate oneself from others. For example, Indian Fashion Designer Sabyasachi collaborated with H&M, a multinational fashion retail company, to launch an exclusive collection. This limited edition collection was a blend of Sabyasachi's Indian textiles and prints leaning towards athleisure and glamping which is more of H&M style. The entire collection was sold out within 7 minutes online and within a day in stores. One of New York's most loved fashion brands 'Supreme' has stayed true to its name by using the supply-based scarcity phenomenon to drive their demand. Supreme, creates a sense of urgency among their customers to purchase their products by limiting their releases. This in turn makes their limited available products highly desirable. Customers' desires to remain unique are fulfilled by the exclusivity they perceive due to supplier-imposed quantity limits (Amaldoss and Jain 2005; Thorstein, 1973). This is because only a few people can actually purchase the product. Time-based scarcity implies that the availability or supply of a product is restricted to a specific time frame. Time-based scarcity marketing tactics are widely used in the online fashion industry. From seasonal fashion collections to time-bound offers and discounts, they are effective in increasing the sales of various products. Under time-based scarcity, supply is guaranteed even if the demand for that specific product is high provided the consumer meets the deadlines or time restrictions that are imposed by the supplier (Barton, Zlatevska and Oppewal 2022). Myntra, India's leading fashion e-commerce brand runs EORS (End Of Reason Sale). This sale lasts for a few days, and customers can shop online for a wide range of products and get attractive discounts only during those specified days. Zara, a leading global fashion brand launches their 'Limited Time Only' capsule collection often that is only available for a few days. Customers indulge in impulse buying due to the fear of missing out on getting their hands on these collections. E-commerce platforms like Meesho, Shopify, Amazon, etc have time slots for Bumper Sales every day, where the prices of certain products are slashed by 70% to 80%. Selected products can only be availed at discounted prices during the said slots. These slots are usually 15 minutes to half an hour long. But due to this time-based scarcity tactic, a lot of people are seen ordering these products due to which the stocks run out within a few seconds.

Scarcity marketing tactics are known to evoke irrational purchasing behaviour among customers, often leading to post-purchase rejoicing or regrets. Customers anticipate regret or rejoice while making purchasing decisions under the uncertainty (Loomes and Sugden 1982) created by such tactics. Customers often evaluate their purchases after buying products that were marketed through scarcity marketing. They evaluate their purchases to compare what they have purchased against what they could have bought if chosen differently i.e. comparison with foregone alternatives (Loomes and Sugden 1982). If they later find better alternatives available product-wise or cost-wise, they experience post-purchase regret. This study explores the gaps in the existing literature on how scarcity marketing tactics influence shoppers' buying behaviours in the online fashion industry and builds on previous findings by studying the interrelationship between scarcity marketing tactics, impulse buying and post-purchase regrets.

## **II. OBJECTIVES OF THE STUDY**

- To understand the level of awareness of scarcity marketing tactics among shoppers' in the online fashion industry
- To examine the relationship between scarcity marketing tactics and impulse buying
- To examine post-purchase regrets among shoppers post purchases which are influenced by scarcity marketing tactics.

## **III. HYPOTHESIS**

H1(A)- Scarcity marketing tactics influence customers' purchase decisions resulting in impulse buying.

H1 (O)- Scarcity marketing tactics do not influence customers' purchase decisions and do not result in impulse buying.

H2 (A)- Shoppers often experience post-purchase regrets due to scarcity marketing tactics influenced purchases.

H2 (O)- Shoppers do not experience post-purchase regrets due to scarcity marketing tactics influenced purchases.

**IV. DATA ANALYSIS**

The questionnaire was designed to measure the level of awareness about Scarcity Marketing Tactics among respondents, Impulse Buying Behaviours exhibited by them as well as Post-Purchase Regrets or Rejoice experienced as a result of such purchases.

This study was conducted on respondents of all age groups that indulge in online shopping for fashion products. A total of 100 responses were collected with the help of an online form.

For H1 (Influence of Scarcity Marketing on Purchase Decisions):

Q) Have you ever made a purchase specifically because a fashion product was marketed as scarce or limited in availability?

Response	Count
Yes	54
No	46

The above table shows that 54% respondents have made purchases specifically due to scarcity marketing tactics. Additionally, when looking at the urgency to buy due to such scarcity marketing tactics,

Response	Count
Sometimes	43
Rarely	34
Frequently	9
Never	8
Always	6

The above table indicates that 58% of respondents experience urgency either ‘Sometimes’(43%) or ‘Frequently’ (9%) or ‘Always’ (6%).

Furthermore, we have discovered the impact of different Scarcity Marketing tactics on influencing the respondent’s decision about purchasing fashion products. The respondents were asked to rate on a Likert Scale, the extent to which tactics like Limited-Time Offers, Limited Stock Availability, Exclusive Releases & Flash Sales impact their purchase decisions. We have found that:

Scarcity Marketing Tactic	Mean Rating
Flash Sales	2.86
Limited-Time Offers	2.80
Limited Stock Availability	2.53
Exclusive Releases	2.47

Flash Sales & Limited-Time Offers have the highest influence, hence they have the most impact on purchase decisions.

Therefore, we reject H1(O) and accept H1(A): Scarcity marketing tactics do influence customers’ purchase decisions resulting in impulse buying.

For H2 ( Post-Purchase Regret due to Scarcity Marketing Influenced Purchases):

Q) Have you ever regretted a purchase made due to Scarcity Marketing?

Response	Count
Yes	58
No	42

The above table shows that 58% of respondents have experienced regret after making purchases influenced by scarcity marketing tactics, while 42% have not. Furthermore, the below table demonstrates the 58 respondent’s primary reasons for regret.

Reasons for Regret	Count
Found a better alternative later	30
Felt manipulated	12
Did not need the product	8
Overpaid for the product	7
Product did not look good on me as it did online	1
Total	58

The analysis reveals that among those who explicitly expressed regret:

Finding a better alternative later was overwhelmingly the top reason (30 responses)

Feeling manipulated was the second most common reason (12 responses)

Not needing the product (8 responses) and overpaying (7 responses) were the next most common reasons

Product appearance issues were least common (1 response)

This filtered analysis shows a clearer picture of genuine regret cases, with the discovery of better alternatives being the dominant factor in post-purchase regret.

Therefore, we reject H2(O) and accept H2(A): Shoppers often experience post-purchase regrets as a result of scarcity marketing tactics influenced purchases.

### V. CONCLUSION & RECOMMENDATIONS

This research paper explored the impact of scarcity marketing tactics on shoppers’ buying behaviours in the online fast fashion industry with a specific focus on how they impact the buyers’ purchase decisions and whether scarcity marketing-influenced purchases result in post-purchase regrets. Upon analyzing the data, we can conclude that the majority of shoppers (54%) have made purchases under the influence of scarcity marketing. Tactics like flash sales and limited-time offers being the ones having a greater influence. These findings align with previous research suggesting that scarcity marketing increases product desirability and urgency by creating a perception of high demand and exclusivity (Cialdini, 2009; Lynn, 1991). The urgency created by these strategies often leads consumers to make impulsive decisions, reinforcing the hypothesis that scarcity marketing significantly affects purchase behavior (Parker & Lehmann, 2011; Van Herpen et al., 2014).

When it comes to the after-effects of a scarcity marketing-influenced purchase, the majority of respondents (58% have experienced post-purchase regrets. The most common reason being availability of a better alternative (30), respondents felt manipulated (12) and the realisation that they did not need the product.of not needing the product (8). These findings align with the regret theory proposed by Loomes and Sugden (1982), which suggests that consumers evaluate

their decisions based on foregone alternatives, often leading to dissatisfaction. Additionally, the Uniqueness Theory (Fromkin, 1970; Snyder & Fromkin, 1977) explains why consumers are drawn to limited-edition products, further supporting the idea that scarcity marketing triggers both excitement and regret in buyers.

Scarcity Marketing is effective but at the same time poses some ethical concerns. It is definitely instrumental in driving short-term sales but it can come at the cost of losing customer's trust and bagging disloyal customers. Keeping in mind the findings of this research, it is recommended that:

**Aligning the right scarcity marketing tactics with the customer's reason for purchasing fashion products online.**

When asked to choose from a list of reasons what is their main reason to purchase fast fashion products online, Discounts and Offers bagged the majority of the votes (70%) followed by Necessity(55%) and Trend Following (27%). Clubbing scarcity marketing tactics like 'Limited-Time Offers' with Discounts, 'Only Few Left' with 'Necessity Purchases' and 'Limited Stock Availability' with fashion clothing and apparels that are currently trending will garner optimum results.

**Optimize Flash-Sales & Limited-Time Offers**

As mentioned above, Flash Sales and Limited-Time Offers have ranked the highest among the other scarcity marketing tactics that influence a buyer's purchase decisions. Hence, it is recommended that the frequency of well planned Flash Sales and Limited-Time Offers should be increased. But at the same time, it should not be overdone as this can cause mistrust while also devaluing the brand.

**Refine Target Audience Strategy**

The age groups 25-34 and 18-24 are the most engaged in fashion shopping and are willing to spend on trends. Hence, it is recommended that brands personalize scarcity marketing tactics for younger demographics through targeted online ads and social media promotions.

**Manage Customer Sentiment and Perceived Pressure.**

While scarcity marketing excites and pressures buyers, some also report anxiety or regret. Hence, using positive reinforcement (e.g., "Exclusive access" instead of "Hurry! Only a few left!") to reduce buyer stress while maintaining urgency is recommended.

**Encourage Informed Purchases.**

39% of respondents always search for alternatives when confronted with scarcity marketing tactics followed by 33% who seek alternatives sometimes. Hence, it is recommended that brands Highlight unique selling points (quality, sustainability, exclusivity) to reinforce purchase decisions and minimize post-purchase regret.

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