

Adam Smith said, “The merit of an object, which is in any degree either useful or beautiful, is greatly enhanced by its scarcity”. Something scarce is assessed to be more valuable, especially if it has only just become scarce, either due to a limited quantity or availability, time-wise. Lynn (1991) found that persuasive appeals emphasizing the scarcity of a product, with regards to either limited time or quantity, were successful at enhancing the perceived value of the said product. Many brands effectively use both limited time and quantity appeals on Black Friday, usually resulting in hordes of people rushing into stores to get their hands on products before the stocks run out or the sale ends. This lays bare another human phenomenon: Tversky & Kahneman (1981) found that people dread losses far more than they desire gains, and are more willing to take action to avoid losing something than gaining something equal in value. Even though many stores offer similar promotions, the drive to avoid losing out proves too strong. In addition to tangible objects, the value of information can be affected by its scarcity, the effort required to deliver or procure said information, and the level of restriction towards it. As opposed to the quantity or time, the scarcity of information is determined by the number of people that can deliver or receive it. For instance, the information contained in the Panama Papers leak of financial records was delivered by a small number of people, after a years-long effort to uncover it and with innumerable restrictions against its release. As a result, the scandal dominated headlines, as the information was seen as incredibly valuable.

When I handled social media marketing for a startup specializing in events, scarcity appeals were an essential part of the messaging in almost all campaigns. Due to the nature of event hosting, it only stands to reason that limited time contributed to the scarcity of the event. Every bit of promotional copy emphasized the amount of time left till the date of the event, thus utilizing the limited time principle of scarcity. However, I found that this didn’t have any significant effect on the number of bookings sold, partly because I believe most

people come to expect that with events. I decided to try and make it seem like tickets were selling like hotcakes, incorporating limited seats or availability into the messaging, which is in essence limited quantity. The campaigns saw a small increase in bookings, but the improvement was still marginal. It was my father who suggested that I subvert the traditional approach of limited availability in the messaging, partly to convey an air of exclusivity to these events. So instead of saying that seats were running out from the demand, my campaigns now said that there were limited seats at the venue. An example of the copy in these campaigns would be: “Only 4 days left to book your seat at The Glenlivet x Rare Kitchen dinner! Don’t miss out, limited seats are available.” In reality, 90% of seats were still available, as the venue only seated 20 people and 2 tickets had been sold, but those 18 seats are now perceived to be a prized, valuable thing to obtain.

The increase in average ticket sales after shifting the messaging in my marketing campaigns seem to indicate successful use of scarcity appeal persuasion. Interestingly, my experience with the varying effectiveness of limited time compared to limited quantity messages is affirmed by present research. Aggarwal et al. (2011) found that limited time messages are less effective than limited quantity messages in affecting the purchasing intentions of consumers. In addition, my father’s suggestion to switch from the traditional “seats are running out” approach, which relates to demand, to the “exclusive, intimate setting” limited seating approach, which relates to supply, also proved to be a stroke of genius grounded in existing research for the marketing campaigns. According to Aguirre-Rodriguez (2013), demand-related scarcity appeals were more likely to trigger consumer knowledge and scepticism of persuasive tactics than compared to supply-related scarcity appeals. This proved to be a major factor in the improved results of the campaigns, as when consumers were made aware of their own familiarity with persuasive scarcity appeals, they were more likely to perceive them as a sales tactic, which significantly diminished the effectiveness of

scarcity (Lee et al., 2014). Ultimately, scarcity appeals can be effective in influencing consumer behaviour, as demonstrated by my attempt. However, the success of my attempt was a result of responding to several factors that can determine the persuasiveness of scarcity. It is imperative that the consumer does not perceive the attempt to be a sales tactic, therefore the attempt focused on supply-related limited quantity messaging to persuade consumers.

## References

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