Re-conceptualizing Scarcity Effects on Desirability for Hunger Marketing

TREO Talk Paper

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Abstract

Hunger Marketing is through the adjustment of supply and demand to create the illusion of undersupply. In order to create a scarcity of product and attract the attention of consumers, the public's evaluation of the product can be enhanced. In other words, such “limited time” and “limited quantity” strategies for hunger marketing have prompted consumers to be curious and rebellious. As a result, consumers have a stronger “hope to have” feeling than usual, which in turn stimulates the desire to buy. This kind of scarcity marketing has become an important strategy for brand enterprises at all levels and industry in nowadays.

In 1989, Lynn's S-E-D model (Scarcity-Assumed Expensiveness-Desirability Model) influenced consumer psychology through the product's Scarcity (S), which in turn affected Desirability (D), since scarce product require more cost (Expensiveness, E) to improve quality and increase product sales. In the past, S-E-D model research was almost discussed with high-priced products. However, in view of the fact that brand manufacturers at all levels nowadays are aware of the operational deficiencies of the products. It shows that the scarcity strategy is not only operated on high-priced products. Lynn (1989) also shows that the scarcity of the S-E-D model does not necessarily lead to high assumed expensive, and there must be other mediators like perceived value of the consumer (e.g., interesting and unique), affecting consumer behavior.

Jones (2006) pointed out that consumer value is one of the most useful aspects of customer decision-making behavior. Moreover, perceived value can be measured by the consumer's affective (e.g., Hedonism, Interestingness), cognitive (e.g., Utilitarianism), and social state (e.g., Perceived Uniqueness). According to Commodity Theory (Brock, 1968), consumers' perceptions of the scarce products are extremely high, which in turn affects their perceived product attitudes (e.g., utility, product symbol, entertainment) and behavior (e.g., purchase intention). Before consumers buy goods, they will have a holistic utility assessment of products and services such as searching for relevant information, evaluate, compare and judge these messages. In view of this, perceived value has a decisive influence on the actual purchase behavior of consumers.

In sum, the purpose of this study is to explore the differences between hunger marketing's low-priced and high-priced products and to explore the impact of the scarcity appeals on online consumer buying decisions. By re-conceptualizing the existing S-E-D model and adding the concept of customer value, a more complete S-V-D model is developed. Next, through brainwave analysis, the brainwave risk response of consumers after receiving product information during online purchases is observed in the most direct way. The contributions include the following: (1) The part of the S-E-D model that has not been fully verified is complemented by the past literature and the S-V-D model is developed for hunger marketing; (2) Incorporate low-priced convenience products that were less discussed in Hunger Marketing into the study and use this kinds of products to understand the differences with high-priced products; (3) Through the brain wave analysis, the risk brainwaves are included in the discussion to enhance the overall research efficiency. By understanding scarcity appeal design and neurocognitive mechanisms, the insights from the findings can benefit designers and marketers in implementing more effective marketing strategies.