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Recommended Citation

Hancock, Tyler; Stevens, Jennifer L.; and Waites, Stacie F., "There's Never Enough: A Taxonomy of Online Retail Scarcity Cues" (2018). *Association of Marketing Theory and Practice Proceedings 2018*. 50. https://digitalcommons.georgiasouthern.edu/amtp-proceedings_2018/50

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There's Never Enough: A Taxonomy of Online Retail Scarcity Cues

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ABSTRACT

E-commerce continues to change the landscape of modern retail. Consider for instance that the majority of consumers (81%) now begin the decision making process with online searches (Morrison, 2014). Not only are more people *researching* products online, but consumers are increasingly *purchasing* those products online as well. This past November, the United States experienced its biggest online shopping day in history (Peterson, 2017). A record \$6.59 billion was spent shopping online during Cyber Monday, a figure that is up 17% from 2016 (Rubin, 2017). Of course, perceived scarcity fuels the thrill of the hunt contributing to these enormous expenditures. A number of different scarcity cues are regularly used online that may influence a consumer's shopping experience.

It is well established that scarcity increases consumers' preference for desired products (Verhallen, 1982). Essentially, the more challenging it is to acquire a product, the more valuable it is perceived to be (Lynn, 1992). While scarcity has been well-explored in the context of brick-and-mortar retailers (e.g., Parker and Lehmann, 2011; Aggarwal, Jun, and Huh, 2011; Gierl and Huettl, 2010) there are still considerable gaps to explore within the online environment. Strategies applied to traditional retail may not translate to the online environment. For example, Wu and Lee (2016) argue that specific attention be paid to scarcity in the online environment since technological advancements provide online retailers with unique challenges and opportunities over their brick-and-mortar counterparts.

How does scarcity translate to the online environment? The research presented aims to understand how scarcity cues are used online. Specifically, this research investigates a sample of major online retailers in the United States to create a taxonomy of scarcity cues that influence online purchase. Our findings suggest that online retail scarcity can be categorized into three types—product-related cues (indicates a perceived limited quantity available), social cues (indicates that other consumers desire this product), and temporal cues (indicates a temporal limit on availability). Based on these findings, scarcity is a larger concept than has been previously conceptualized in the literature. E-retailers have more flexibility and greater freedom to communicate scarcity online and consumers may respond to different depictions of scarcity cues.

ABOUT THE AUTHORS

Tyler Hancock is a second year doctoral student at Mississippi State University. Before joining the doctoral program, he worked as a Visiting Marketing Instructor at the University of Southern

Mississippi. Tyler's research interests include relationship marketing and marketing strategy. His work has been presented at a number of leading marketing organizations.

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