There’s Only One Left, Do I Want It? : the Effects of Brand and Display Characteristics on Purchase Intentions For Scarce Products

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This research explores the influence of brand and shelf display cues on consumer preferences for products in scarce supply. We develop a theoretical model of how scarcity operates in the retail environment, identifying when it increases purchase intentions, when it decreases purchase intentions, and the underlying mechanisms driving these outcomes.

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Study 2 primed survival versus pleasure and observed people’s preferences for a foot-long sub, depending on whether the sub was framed as being high-calorie versus tasty. Participants completed a scrambled word task containing either survival words (i.e., deficiency, outlast) or pleasure words (i.e., indulge, pleasantness). We show that people primed with the concept of survival favor the sub more when framed as high-calorie, while the pleasure primed participants favor the sub when framed as tasty. Study 2 shows that the survival prime is distinct from a pleasure prime and that people primed with survival are not choosing high calorie foods out of taste and indulgence (Raghunathan, Naylor, and Hoyer 2006).

Study 3 shows money is a moderating variable that has the potential to alleviate perceived resource deprivation and attenuate the effect of the survival prime on food choice. We used a lexical decision task to prime people with either survival or pleasure and then ask them to choose between cupcakes and a garden salad. Additionally, some participants were given one dollar under the guise of a thank you gift. Participants primed with survival selected cupcakes without money and the healthier garden salad with money. Pleasure primed participants primarily selected cupcakes regardless of receiving money or not. The results show how to assist survival-primed consumers to make healthier food decisions.

Study 4 used a procedure similar to study 1 and introduced the concept of survival duration as a moderating variable between the survival prime and food choice. We manipulated duration by having participants think about how long or short various events last and show that this carries over into how long survival is thought to last. Participants primed with the belief of short-term survival (short duration) were more likely to choose the (unhealthier) sandwich. By contrast, participants primed with the belief of long-term survival (long duration) were more likely to choose the (healthier) salad. Mediation evidence is provided, where survival short-duration participants select food according to what’s filling, while the survival long-duration participants select food according to what’s healthier.

Our research demonstrates people’s reasons for some of their food choices. This research is unique in that no study that we know of has specifically examined how a survival mindset influences people’s food choices. Oftentimes, the most filling and high-calorie foods are seen as being a sort of hedonistic “comfort food.” However, our theory supports the notion that in certain circumstances, people might view these foods as purposeful and utilitarian rather than hedonistic in function. Furthermore, we find promising results in our later studies, suggesting ways in which we can attenuate the effect of the survival mindset on food choice and help consumers to make healthier food choices.

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EXTENDED ABSTRACT

Retail executives know that the presentation of their products matters. The general belief is that pristine aisles with fully stocked shelves and perfectly organized product displays can increase purchase intentions, whereas cluttered aisles with empty shelves and messy displays lower them. Although retailers currently strive to keep shelves and displays fully stocked and organized in the belief that this will maximize sales, it may be the case that this, in fact, is not the best way to increase revenues. In this paper, we examine whether, and under what conditions, the organization, appearance, and number of products on retail shelf displays will impact purchase intentions for those products.

By looking at a product display, consumers are exposed to the type of product, whether the brand is familiar or unfamiliar, how many products are available, the appearance of the product display, and the prices associated with the product. While each of these cues provides independent information about the products being displayed, we study the interactive effects of these cues on consumer inferences and purchase intentions. For example, imagine a consumer at a supermarket who is considering buying a product from a disorganized display with only one product left on the shelf. Will the scarce product availability and appearance of the display interact in a way that systematically influences the consumer’s preference for the product? Prior research in the scarcity literature suggests that scarcity attributed to market conditions (i.e., popularity) should increase the desirability of a product (Verhallen 1982; Verhallen and Robben 1994). However, most of this research has not focused on how the availability of the product interacts with other important cues in the retail environment to affect purchase intentions, nor how cues in the retail environment influence perceptions of scarcity. Our research thus looks at how cues in the retail environment, such as the appearance of the shelf or the familiarity of the brands on the shelf, interact with the availability of the product to influence purchase intentions. In the proposed scenario, the fact that the display is disorganized and there is only one product left may suggest that others are buying the product; therefore, consumers may infer that the scarcity is due to popularity and preference for the product may increase. However, if consumers are familiar with the brand, then they will use other information about the product to make their decision, thereby reducing the effect of such cues on purchase intentions.

Prior research on shelf displays has focused on topics such as assortment and assortment reductions, amount of category space, number of stock keeping units, amount of space allocated to a product, shelf locations, the effectiveness of product displays, and stockouts (e.g., Chandon, Hutchinson, Bradlow and Young 2009, Turley and Milliman 2000; Fitzsimons 2000). However, little research has addressed the interaction of retail cues such as the appearance of the shelf display and the availability of the product on consumer preference.

Our research offers three important contributions. First, we examine how specific cues in the retail environment, such as the messiness of the shelf display, interact with the availability of the product (i.e., the number of products available on display) to influence perceptions of product popularity and purchase intentions. Second, we examine how the availability of the product interacts with characteristics of the product itself, such as its familiarity and whether or not it is a food product, to influence purchase intentions. Third, we show how other characteristics of the product, such as its price, moderate these effects and how these effects translate into the impressions of the store that sells them. In so doing, we are able to develop a comprehensive theoretical model of how scarcity operates in the retail environment, identifying when it increases purchase intentions, when it decreases purchase intentions, as well as the underlying mechanisms driving these two divergent outcomes.

Across a series of five studies, we find when consumers infer that products are scarce due to popularity, consumers are more likely to buy these products because of quality perceptions, but only when they are unfamiliar nonfood brands. We also find that scarce products are less likely to be purchased when they are familiar food brands because of contamination effects. In addition, we find that the price of the product is an important moderator of these effects.