The Effects of Scarcity Claims on Consumers’ Willingness to Pay

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According to scarcity theory time-limited offers can have positive effects on consumers’ purchase intentions. We examine the impact of several scarcity claims on consumers’ willingness to pay. Our results show mixed findings regarding different claims and product categories, which provides a basis for further investigation.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1012357/volumes/v40/NA-40

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136. Presentation of Comparative Prices: Role of Working Memory
Rajneesh Suri, Drexel University, USA
Shan Feng, William Patterson University, USA
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Comparative price promotions produce favorable consumer value perceptions and stimulate sales. This research suggests that the mental effort required when deciding about a price affects perceptions of discounts presented in vertical and horizontal formats. Three studies show that constraints on working memory resources favors computation of vertically vs. horizontally presented prices.

137. Virtual Endowment: How Location and Duration of Virtual Ownership Influence Valuation
Elisa K. Chan, Cornell University, USA
Aner Tal, Cornell University, USA

We examine the endowment theory in an online context and with virtual ownership. We find that simply placing an online product on a webpage vs. in an online shopping cart triggers a different willingness to pay. Our study suggests that general and personal virtual shopping carts elicit different perceived values.

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Doreen Pick, Freie Universität, Germany
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According to scarcity theory, time-limited offers can have positive effects on consumers’ purchase intentions. We examine the impact of several scarcity claims on consumers’ willingness to pay. Our results show mixed findings regarding different claims and product categories, which provides a basis for further investigation.

139. Don’t Think Twice: The Effects of Decision Confidence on the Experienced Utility of Incidental Rewards
Aaron Snyder, Stanford University, USA
Maya Shankar, Stanford University, USA
Baba Shiv, Stanford University, USA

Research has shown that confidence in one’s choice can increase satisfaction with the chosen outcome. We extend these findings to show that decision confidence can have downstream consequences on perceptions of incidentally-acquired rewards as well.

140. Your Cheating Heart: The Negative Impact of Sales Promotions on Loyalty
Olga (Olya) Bullard, University of Manitoba, Canada
Kelley J. Main, University of Manitoba, Canada
Jennifer J. Argo, University of Alberta, Canada

We examine the impact of consumers’ use of sales promotions on service providers. Study 1 reveals that service providers see consumers who redeem coupons and free gifts/service as disloyal. Study 2 identifies two moderators: size of sales promotion and existence of the relationship between consumer and service provider.