



# SCARCITY AND CONSUMER DISTRESS: THE ROLE OF MARKETING INTERVENTIONS IN MITIGATING CONSUMER DISTRESS IN PRESENCE OF PRODUCT SCARCITY

**Mirdaim Axhami** 

Professor, Faculty of Economy, University of Tirana, Albania  
mirdaim.axhami@unitir.edu.al

**Agim Fjolla**

PhD Candidate, Faculty of Economy, University of Tirana, Albania  
agimfjolla@gmail.com

## Abstract

*For a variety of reasons, consumers experience scarcity threats because of stock outs of products and services, or because of limited availability of them. Scarcity, whether due to consumer financial hardship, planned supplier limitations, or unplanned disruptions, triggers psychological distress, including anxiety and insecurity. However, research suggests that some marketing strategies adopted in such situations can potentially mitigate the effect of scarcity on consumer distress. While most of previous work has focused on the perspective of consumers, and how they respond to situations of scarcity, this research takes a different perspective, that of marketing practitioners and their views on situations of scarcity and consumer responses to them. This research explores the impact of scarcity—defined as the lack of products or services—on consumer psychology and well-being from the point of view of three Marketing Directors in three different industries. Through a series of three in-depth semi-structured interviews, we investigate perspectives of practitioners on the use of scarcity cues, on their views and strategies related to stock outs, and on the actions they take to alleviate consumer distress in situations of scarcity. This study offers valuable insights for academics, businesses, and policymakers by proposing innovative marketing strategies to reduce consumer distress during scarcity, improving mental health and*

*consumer behavior outcomes. It also addresses how companies can adapt their marketing communications to protect consumer well-being in times of crisis, with practical implications for the broader marketing and public policy fields.*

*Keywords: Scarcity, consumer wellbeing, marketing communications, stock outs, in-depth interviews*

## INTRODUCTION

Scarcity, also known as the lack of products and services for the consumer, has destructive effects on consumer psychology and well-being (Hamilton, Mittal, Shah, Thompson, & Griskevicius, 2019; Sarial-Abi, Ulqinaku, Das, & Viglia, 2021b). Scarcity triggers feelings such as anxiety, irritability, and even aggression in consumers, and there have been cases where scarcity has led to consumer deaths (as seen in the case of Black Friday in the United States; Kristofferson, McFerran, Morales, & Dahl, 2017). There are different types of situations that create scarcity in the market, which vary between scarcity related to the consumer (e.g., when there is a disparity between the expected quantity of products or resources and the actual ones, from the point of view of consumers), scarcity that is a planned one as it usually may happen with limited editions, and scarcity that is unplanned and caused by unpredictable factors (e.g., natural conditions, political or economic sanctions, regulations and laws).

All these situations can potentially affect the psychological wellbeing of consumers. Scarcity not only can affect consumer behavior, but even on a micro level, scarcity can influence the market perception on a macro level (e.g., creating disparities in society). For these reasons, it is essential to investigate in various ways and using different methodologies the relationship between scarcity and the consumer and what measures marketing can take in the context of innovation in communication with consumers to reduce the effects of scarcity on consumer psychological well-being. This study aims to understand marketing strategies and interventions focused on improving consumer psychological well-being and addressing the negative effects of scarcity on consumer psychology. On a practical level, this project aims at providing answers to the following questions – crucial at achieving the psychological wellbeing of the consumer and the financial wellbeing of businesses: what can companies do to alleviate consumer psychological distress and improve consumer wellbeing in times of scarcities? Can (and if so, how) companies affect behavior of consumers to avoid negative spillover of scarcity? Our focus is on developing

innovative company communications directed as consumers. Put formally, the research questions we address in this research are the following:

1. What is the relationship between the perception of scarcity as a result of salience in media or the market and consumer psychological wellbeing, from a practitioners' point of view?
2. What are some interventions that marketing practitioners and public policy makers need to be aware of and apply so that they mitigate the eventually negative effect of scarcity on consumer wellbeing?

By addressing these questions, we contribute both to theory and to practice. Specifically, with this research we aim to contribute to research in marketing and communications, but also to provide insights to policymakers, and practitioners on communication styles in that can improve the mental health and well-being of consumers and citizens. The study can also be applied to optimize consumer behavior towards a brand, product, or service that is missing due to unplanned reasons such as the inability to obtain ingredients or due to consumer-related financial scarcity. By doing so, the research will have a direct impact on several working groups, including: 1) policymakers at the national level by understanding effective ways to address situations of scarcity related to services or products, especially in the healthcare sector as it sometimes occurs; 2) media and marketing professionals (businesses and companies) by providing insights on the communication styles to support their customers in cases of product shortages; 3) professional and volunteer organizations working to improve the well-being and mental health of individuals during periods of scarcity, such as post-COVID-19, the aftermath of the Ukraine-Russia conflict, or the consumer cost of living crisis; and finally, 4) marketing and communications academics by the theoretical contributions to existing research on scarcity, marketing, and communication.

This research initially introduces the aims and objectives of this research, defining its importance and contributions in the field of marketing and consumer psychology. Subsequently, this research thoroughly reviews previous literature on the topic of scarcity and how it affects consumers' psychological wellbeing. Next, we describe and discuss the methodological procedure to gather qualitative data on the research aims. Specifically, this research uses a qualitative approach to explore how practitioners define scarcity. We conducted three in-depth semi-structured interviews with Marketing Directors from the fast fashion, food retailing, and electronics industries. Building on the initial exploratory findings from practitioners, we discuss the findings and how they align with the research objectives and aims and how they build on previous literature on scarcity, marketing strategy, and consumer behavior. We outline the

theoretical, empirical, and practical implications and contributions of the findings of this research.

## LITERATURE REVIEW

Reactions of consumers to scarcity of products and services when it comes to endogenous and macroeconomic factors, for instance due to COVID-19, vary from positive ones—such as creating fashionable and customized masks with in-house materials, sharing recipes, and appreciating the work of frontline employees (Hamilton, 2021)—to negative ones—such as anger, sadness, negative sentiment towards companies that disrupted services (Gerrath, Mafael, Ulqinaku, & Biraglia, 2023), stockpiling and food waste (Brizi & Biraglia, 2021), decision to oppose to vaccines when they would go back in stock (Bruine de Bruin, Ulqinaku, & Goldman, 2022) and lack of trust in institutions (Davvetas, Ulqinaku, & Sarial-Abi, 2022). One important result of scarcity caused for unforeseeable circumstances is that of stockpiling that arises from the need for closure that consumers experience at the sight of product unavailability. While stockpiling in per se may not be negative, when it applies to food and other perishables, it leads to considerable waste and hence lack of sustainability. This effect is explained by the perception of lacking food in the household, which leads to the need and desire to purchase more (Brizi & Biraglia, 2021).

While on the one hand scarcity is unforeseeable when it comes to endogenous factors, on the other hand, scarcity techniques are also commonly used by marketers as common tools to attract consumers' attention. Specifically, literature in marketing has shown that these marketing strategies can lead to greater choice desirability (e.g., Goldsmith, Griskevicius, & Hamilton, 2020; Inman, Peter, & Raghubir, 1997; Ku, Kuo, & Kuo, 2012; Parker & Lehmann, 2011; Van Herpen, Pieters, & Zeelenberg, 2009; Worchel, Lee, & Adewole, 1975).

Research in marketing has identified various reasons for using scarcity and shortage of products as a strategy to increase consumers' interest in such products. For instance, research has shown that consumers perceive scarce products as of higher quality and, hence, they hold a more favorable attitude towards those (Parker & Lehmann, 2011). This effect is also explained by the fact that consumers believe that if a product is running out it must be because many others purchased it already (Van Herpen et al., 2009). In line with these findings, additional research shows that consumers give higher ratings to products that are scarce (Sevilla & Redden, 2014; Worchel et al., 1975). Similarly, consumers appreciate more coupons that are scarce and are more likely to redeem them closer to their expiration date, considering that time is scarce, in this case (Inman & McAlister, 1994).

Additional beneficial effects of scarcity appeals are related to the sense of uniqueness that consumers experience when they obtain or use products that are considered limited in quantity, getting a sense of exclusivity by the scarcity of these products or services that are initially marketed as scarce (i.e., limited edition; Jang, Ko, Morris, & Chang, 2015). These positive effect between consumer attitudes and marketing scarcity appeals are more prominent and enhanced for conspicuous product category (Jang et al., 2015).

While there is a stream of research that support, hence, the positive relationship between scarcity and consumer responses to it, there is also a dark side of scarcity that needs careful consideration. Research shows that scarcity perceptions can result in negative responses from consumers or negative effects on them.

Previous studies indicate that using product scarcity as a marketing strategy—whether through limited quantity or time—can trigger negative emotions in consumers, such as anger, which may result in brand switching (Biraglia et al., 2021), or even sadness and regret over missing the opportunity to obtain the desired product (Martin, 2002). Research has also highlighted that scarcity appeals can undermine consumer satisfaction when products become unavailable. The inability to purchase a product can elevate testosterone levels, potentially leading to aggressive behavior towards others (Kristofferson et al., 2017). Moreover, scarcity tactics may be perceived as restricting consumer autonomy, prompting further negative responses, harming consumer well-being, and adversely affecting their attitudes toward the brand (Biraglia et al., 2021; Fitzsimons, 2000).

As mentioned earlier in the theoretical discussion, scarcity does not always yield positive effects on consumer well-being. Most research agrees that financial scarcity has detrimental impacts, such as increased stress, heightened perceived threats, reduced self-control, and emotional distress. However, opinions are more divided regarding the effects of scarcity cues in marketing on consumer well-being.

## **METHODOLOGY**

### **Study design and data collection**

Our informants in this study are three reputable Marketing Directors that operate in three different industries in Albania, specifically, a Marketing Director in the fast fashion industry, a Marketing Director in the food retailer industry, and a Marketing Director in the electronics retailer industry. The interviews were semi-structured and in-depth and lasted an average of 60 minutes. The interviews were conducted online over Microsoft Teams in the months between August and September 2024. Part of the interviews were a coauthor and the each of the informants, separately. Interviews were recorded for note-taking purposes and were translated

into English and coded afterwards. The coding and interpretation were triangulated with another coauthor and a researcher outside the research project, to ensure coherence in the understanding of the content.

### **Idiographic analysis**

We interpret below the informant interviews, beginning with the work and industry factors that shape each informant's working life context, followed by an exploration of the concept of scarcity and how it is present within that context. Special emphasis is placed on the most significant scarcity communications, identifying and exploring how scarcity shapes their industry and their relationship with the consumers. An effort is made to connect the cues about product scarcity and how it is communicated and issues that it can create in the relationship with the consumer, in order to present a clear picture of the role that product scarcity plays in each of these industries. Descriptive analyses of relational dynamics are interwoven throughout these narratives, to be expanded upon in the subsequent section discussing cross-case findings.

### **The concept of scarcity, its occurrence, and ways to address it**

Several techniques were employed to elevate the trustworthiness of this inquiry (Fournier, 1998). The three coauthors reviewed interview insights and interpretive summaries in the peer debriefing process. Triangulation of multiple stories from the interviewees in similar occupational roles across three industries—fast fashion, food retailers, and electronics—conducted at similar points in time, provides confidence to the credibility of results. Selecting informants with diverse experiences and perspectives on the phenomenon under study enables the transferability of the insights gained, which is further supported by the detailed descriptions provided in this work.

### **Case I: Marketing Director – Fast Fashion Industry**

The first interviewee is Marketing Director of the Fashion Group Albania that represents 10 brands such as Okaidi, Mango, Geox, Prenatal, Springfield, and others. They work under franchisee agreement, following their original brand communications but adapted to the local market. It occurs that stock is sometimes in risk of being leftover, and that is where usually marketing would kick in. the situation is usually emphasized in less requested sizes that are harder to sell. The marketing campaigns are usually around clearing stocks and in promoting new campaigns and they are typically conducted online through e-commerce and in stores.

Scarcity happens but is never used as part of a marketing campaign. In this industry, they try to avoid communicating situations of scarcity purposefully, as it has led to consumer

anger or disappointment, to finally risk losing the consumer. One example brought up by the interviewee was after the launch of the movie Barbie, when the fashion companies would have never expected such a high demand for products with the Barbie logo on them (e.g., ALDO shoes with the Barbie logo on them). In other cases, it is more predictable, as for instance, in the example of a pair of iconic, basic, shoes, that the Marketing Team, for specific brands, would know beforehand that 80% of that stock will be sold immediately the moment it hits the store or online pages of the brands. That is based on previous experience with similar products.

The interviewed Marketing Director defines scarcity as a situation that is deemed highly problematic for them. The consumer is smart and well-educated, and in face of scarcity they are suddenly angry and hostile towards the brand. For these reasons, the companies of this group try to avoid scarcity by all means, since the pre-order to re-ordering products that have finished stock earlier than predicted:

*“Marketing campaigns can never be launched big if the stock is not big enough. A thorough assessment needs to be employed before launching a campaign, as you can never cause this type of consumer anger by not providing availability to them. Consumers are terribly sensitive to scarcity.”*

So what does the Marketing Team in the fashion industry do when there is a situation of scarcity? The interviewed Marketing Team discusses ways to treat situations of scarcity with many other teams involved, in collaboration with the original brands also.

*“For instance, if we have a very loyal consumer, we will even go above and beyond by checking if there is stock in other stores, or even by contacting the international brand, all not to lose the consumer. We always apply a personal approach, in these cases. Consumers need to feel heard and cared for.”*

*“We address scarcity situations by offering future discount, offering alternatives, but this is mostly in cases when the scarcity situation is caused by our side... we can also reserve the product for consumers even if they ask us on the phone to do so. All these to avoid consumer disappointment and to make the whole consumer journey as pleasant and satisfactory as possible.”*

*“We do not want to have consumers that are disappointed, so we do all that we have in our hands, even if that means offering services that we do not actually have to (such as keeping it aside for them, contacting other stores, etc.)”*

What could cause scarcity and what does marketing do to address it? Scarcity reactions can be different between online and in store behavior. It would be triggered by special price offers, but you could never deceive the consumer by saying that this is the last size, to incentivize them to purchase the product as soon as possible:



*“Our marketing team instructs retailers to not communicate the product is not available, but rather that the product is not available anymore, so that it is clear that it was there before and has run out, because what characterizes fast fashion—differently from electronics, food, etc.—is that scarcity is irreversible in most of the cases.”*

The interviewee shared a situation of consumer anger caused by scarcity, the consumer was told that the product they were after was available in one of the city stores. The consumer reaches the store the day after, without having asked previously to hold the product for them, and upon arrival the product was not available anymore. This led to accusations of deception and consumer anger at the store. What helped in that case was showing that the product was actually available the day before and was sold, in the store, since then. The consumer had reached the point of accusation as a result of product scarcity. Hence, in these cases, it is obvious that scarcity is linked to negative outcome. Limited editions could have been cases where scarcity would have been positively perceived, but that would only work in the luxury market, but not in fast fashion, as most products sold in these brands' stores would be fast and gone soon in any case. Things are different for special editions though—e.g., Mango in collaboration with Victoria Beckham—for instance was one of these but it was not even made available to most markets.

Sense of control can mitigate and address discomfort of scarcity. If the consumer is made to feel like they have control over the availability of the product, they tend to not redirect the anger of not obtaining the product to the company. This is mostly the case when scarcity is one of time, and not of quantity:

*“If we launch a time limited offer, say 30% off across the website and variety of products in store, the consumer can go in the evening or their free time and purchase the product, as we have made sure that there is plenty of availability before launching the campaign. If the consumer does not obtain the product at that point, they would blame less the company, as it gives them a sense of control to go and purchase the product if they want it. Even in those cases, we make sure to educate the consumer to obtain information on all our online media channels, phone messages, and so on.”*

While scarcity is not typically used as a marketing technique in the fashion industry, it is a phenomenon that is sometimes encountered, and the Marketing Team works hard and in collaboration with other teams too, to address it and eventually mitigate the consequences of it.

## **Case II: Marketing Director – Groceries and Retailing Industry**

This interviewee is Marketing Director of a food retailer that has branches and operates in 48 countries in the world, with 88 supermarkets in Albania at the moment. These



supermarkets are other independent stores or in franchisee contracts, but all marketing is handled centrally from the Balfin Group.

Scarcity may occur due to macro factors. For instance, an emergency plan was in place when stock issues presented due to the Ukraine-Russia conflict. The communication campaign aimed to be sensitive and even the CEO of the whole group was involved in trying to calm down the consumers. The aim of the Marketing Team was twofold: 1) to mitigate psychological distress of consumers caused by lack of products, especially cooking vegetable oil, sugar, rice, and 2) to ensure stock is handled promptly to products in the shelves. This was done by trying to constantly reassure consumers that stock would have been provided.

One successful strategy was that of launching coherent messages across all stores of the same brand, avoiding differences between retailers. Differently from fashion industry or other hedonic goods, scarcity of utilitarian goods can cause anxiety in consumers.

*“Through social media we kept reassuring consumers that there was stock, consumers were mainly panicked through media, and this was reflected in store. But we made sure for the stores to be full. Consumers were also stockpiling, panic purchases. We communicated through social media, also with live stories, showing palettes of the product, live from the market with the product and the price. This would ensure that the consumers would not remain without stocks.”*

*“A fast response can be crucial, both from customer care management and from live stories on social media. In times of stock crisis, catalogues were stopped especially because the price was volatile so it was useless to launch any marketing campaign to incentivize them to purchase more.”*

When macro factors do not permit for stock to be reassured, it is the job of the Marketing Team to change their communications. The consumers need to be given a sense of security, a constant one that transmitted to them on a daily level about the stock levels. Only after consumers were calmed down on the product availability, the companies can think of focusing on the price levels of utilitarian goods, which are obviously affected by high demand and low supply. This is crucial in handling stock sense of urgency on consumers, even if they do not want it, it is human nature to react and buy nonetheless.

*“Offering alternatives can further reassure consumers in times of sense of urgency. Consumers would call just to be reassured. Just because we would tell them that we would call them back when the stock is back available, would give consumers a sense of security.”*

*“One successful communication is that of applying caring communications, making the consumer feel cared for, from anyone in the retailer, from CEO to frontline employee.”*

Scarcity is not typically used as a marketing tool. In line with the insights from the fast fashion group, food retailers try not to create situations of scarcity and avoid launching promotional campaigns without making sure that enough stock is available. Usually, limited availability is usually communicated for transparency, but not to create a sense of urgency in consumers. To increase attractiveness, marketing campaigns of this retailer would aim to use price promotions and variety of products, rather than incentivizing consumers to rush to stores because the product would be scarce otherwise.

Overall, we understand that scarcity is drastic when it comes to food retailers, because there is a direct effect on consumer wellbeing, both psychological and physical. Successful marketing communications include: 1) coherent communications across different channels and players; 2) constant reassurance, and live reassurance, especially through live stories on social media; 4) offering caring communications and support, by making the consumer feel they are being cared for and looked after by the retailer; and 5) offering alternatives, if one product is not available due to macro factors, other products that are available need to be proposed as optimal alternatives.

### **Case III: Marketing Director – Electronics Industry**

The third interviewee is Marketing Director in a major retailer of electronics in the country. In this industry, it is common to include the term *limited quantity*, even to the point of declaring how many products are available the moment that a marketing campaign is launched. This industry has been affected by scarcity related to macro factors that can disrupt the supply chain, such as political conflicts, natural disruptions, or other similar issues.

What is scarcity in the electronics industry? There is significant disappointment when the consumer chooses a product, which in this industry can be very time consuming given all the information search required before making a purchase. The Marketing Team works closely with the retailers to avoid any empty shelves, because that creates a negative sentiment in the consumer. Scarcity, for the electronics retail Marketing Director is not a proxy of higher demand or higher quality. This brand aims to be recognized in the market for having availability, and not for being scarce in stock.

What does the Marketing Team do to address scarcity? One successful technique so far has been the possibility for consumers to enter products to wish list, both in store or on the website, even before that the product is available.

*“Things are different for brands such as Apple, or Dyson, in that case, scarcity does matter. In other cases, when the product is not available, we upgrade the offering so that the customer does not leave the store empty-handed. Think of it as, if the customer does not find their*

*product, the frontline employees are trained to offer them a better version, all so that they do not leave without an option of the product they were thinking of buying.”*

*“We ask frontline employees to study in detail the variety of products we offer, so that they propose better options to unavailable products they were thinking of buying, upselling we can call it. The same we do on the web with substitute products. We try to copy the operationalization of Amazon or BestBuy for instance. We study why customers leave unsatisfied the store, and we absolutely do not want scarcity to be one of those reasons.”*

One interesting insight in this industry is the constant fight with counterfeit products or black market when products are not available on the official retailer channels. The interviewee mentions the example of Dyson, and how they had to undergo legal actions against unauthorized sellers in the black market. They had to even get the brand involved, as this retailer has assured to be the only authorized seller in the market for this country. Similarly, there is an unauthorized black market of importing mobile phones, such as iPhones, without receipts and without paying import and custom taxes.

### ***Discussion and insights***

Overall, scarcity once more is a phenomenon that needs to be avoided and addressed with a matter of urgency. Marketing communications and strategies that have proved successful in the electronics industry seem to have been: 1) training frontline employees to offer alternatives, with the purpose of upgrading the purchase; 2) ensuring that the consumer knows that there is an authorized channel and making them knowledgeable and educated about the risks of unauthorized sellers and black market; 3) offering customized service by putting them into preferential lists; and 4) customizing marketing strategies by differentiating between utilitarian and hedonic products and top-market brand and not.

### **CONTRIBUTIONS**

The findings of this research contribute to three main streams of literature in marketing, communications, and consumer behavior. Specifically, we contribute to past literature and extant research on scarcity with insights regarding the effects of scarcity on consumer responses to it. Additionally, we contribute to research on marketing communications, by suggesting ways in which marketing practitioners and public policy makers can communicate situations of scarcity with consumers and citizens. Finally, we contribute to research on consumer psychology, by showing that consumer psychological wellbeing and certain behavior related to it can be affected by situations of scarcity, be those objective scarcity or simply perceptions of scarcity.

### ***Contributions to research on scarcity***

Research on scarcity is extant and has been focusing on numerous aspects on how it affects individuals. Not only it affects individuals in various ways, but its impact is one that we are exposed to throughout our life, from the very young age of six years old (Cialdini, 1993; John et al., 2018; Mani et al., 2013; Sarial-Abi et al., 2021a, 2021b; Van Kerckhove, Lunardo, & Fitzsimons, 2020). Additionally, scarcity affects the cognitive and psychological functioning of individuals by either distorting or even deteriorating them (e.g., Mittal, Laran, & Griskevicius, 2020; Sarial-Abi et al., 2021a, 2021b). Moreover, those exposed to scarcity can display stress, anger, loss of self-control, or temporal distortion (Biraglia et al., 2021; Jachimowicz, Frey, Matz, Jeronimus, & Galinsky, 2022). We contribute to this vast stream of research by exploring the perspective of practitioners on the relationship between scarcity and consumer wellbeing. We provide insights that opposite from what is commonly believed, marketing practitioners avoid scarcity cues, and they try not to communicate to consumers a status of limited availability of their products. Moreover, we present related to strategies and actions that marketing practitioners take to mitigate the negative effects that scarcity has on consumers. While some research suggests a positive relationship between scarcity and consumer interest and willingness to purchase products that are advertised as scarce (e.g., Goldsmith et al., 2020; Inman et al., 1997; Ku et al., 2012; Parker & Lehmann, 2011; Van Herpen et al., 2009) and some research suggests a negative one (e.g., Biraglia et al., 2021; Martin, 2002; Fitzsimons, 2000), we explore that practitioners lean towards acknowledging a negative relationship between scarcity and consumer psychological wellbeing.

### ***Contributions to research on communications***

A growing trend in marketing is the use of response communications, where the marketing communication reflects the changing nature of everyday life and communicates how brands can be helpful. The relevance and timeliness of the scholarly interest in communication strategies with consumers who are threatened by external situations is visible from the recent communication activities that brands have used during a COVID-19 outbreak. We find that consumers who experience scarcity perceptions will respond more positively to company and institutional communications that are construed around the sense of security and around the sense of control of consumers. We define these communications as a set of messages and marketing strategies, aiming to create the image that the sender cares about the recipient's well-being, when the later one is at risk of jeopardizing psychological wellbeing at the sight of scarcity.

### ***Contributions to research on consumer psychology***

Present literature in consumer psychology suggests that scarcity affects the behavior and psychology of consumers by making them more aggressive to get their hands on the products that are scarce (Kristofferson et al., 2017), making them angry at the brand and leaning towards switching to other brands if they cannot obtain the scarce product immediately (Biraglia et al., 2021; Gerrath et al., 2023), making them more interested in purchasing products that are scarce as opposed to abundant (John et al., 2018) and giving more positive ratings to products that are perceived as scarce (Sevilla & Redden, 2014; Worchel et al., 1975), valuing more positively products that are scarce as opposed to abundant and preferring greater choice desirability (Goldsmith et al., 2020; Inman et al., 1997; Ku et al., 2012; Parker & Lehmann, 2011; Van Herpen et al., 2009; Worchel et al., 1975), devaluing products that suddenly become unavailable and scarce (Thompson, Banerji, & Hamilton, 2020), appreciating more variety of products and depreciating lack of variety, as a result of exposure to scarcity cues (Van Kerckhove et al., 2020), and perceiving a sense of uniqueness and a sense of exclusivity when they manage to obtain a product advertised as scarce or limited edition (Jang et al., 2015). To this list of previous findings on the effects of scarcity on consumer behavior and consumer psychology, we contribute by showing that scarcity perceptions or salience of scarcity in the media can lead to decreased consumer psychological wellbeing, to stockpiling, and to distress in general. We demonstrate these insights using in-depth interviews with marketing practitioners across different industries.

### **IMPLICATIONS**

The practical implications of this set of studies have significant relevance for both marketing practitioners and public policymakers, particularly as the prevalence of scarcity messaging continues to rise in various consumer contexts. This research indicates and provides valuable insights regarding the behavior of consumers when they are exposed to cues of product scarcity, and on marketing strategies that practitioners put in place when scarcity occurs. Findings from this research suggest that caution needs to be paid when using scarcity messages, especially if they are used for marketing purposes. Findings hint a link between scarcity cues and decreased psychological wellbeing of consumers, which highlights the need for ethical consideration when implementing scarcity strategies. While consumers may be more willing to not only in-store hoarding and stockpiling, and even to pay extra for items advertised as scarce, and while all this may be of interest to the profits of businesses, it may also contribute to consumer distress, particularly when such tactics are overused and particularly when it comes to utilitarian products such as food. Marketers should aim for a balanced

approach, ensuring that scarcity-driven tactics do not negatively affect their customers' mental health or loyalty.

That may be achieved by including concrete things such as providing alternatives to the product that is out of stock, by providing information on where the product may be available elsewhere, by offering the possibility to be notified when the product is back, or by tranquilizing them regarding the situation. Marketers can use these insights to refine message targeting, employing scarcity selectively where it is likely to be more effective or less detrimental.

In conclusion, this research offers academic but also practical guidance for both marketers, communication directors, and public policymakers, emphasizing the need for a balanced approach to scarcity messaging. Such strategies should be focused to address and consider both the short-term potentially positive effects on businesses (e.g., greater sales) but, most importantly, the long-term potentially negative effects on consumers (e.g., consumer psychological distress). This calls for a shift toward more ethical and tailored marketing strategies in an increasingly scarcity-driven marketplace.

## LIMITATIONS & FURTHER STUDIES

While this research provides theoretical and practical contributions in the fields of marketing and consumer psychology, it comes with some limitations that we hope will be addressed in future research. Specifically, we focus on a limited number of interviewees that have all been highly exposed to a similar culture and we assume would share many cultural traits as they have origins in the same country, i.e., Albania. While their views have opened and expanded by their exposure to an international context, we invite future research to replicate these findings—or extend them further—in another cultural context. Additionally, our study uses a qualitative approach, which provides in-depth insights on how to reduce consumer distress in situations of scarcity but lacks causality. Hence, future research could address this limitation by using quantitative or experimental approaches to test the relationship between business strategies and consumer wellbeing.

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