

3 TACTICS OF SCARCITY PRINCIPLE TO INFLUENCE CONSUMER PURCHASES



Successful brands have a clear vision and articulate their voice in a way that connects with their target market. They follow the KISS principal (Keep it Simple Stupid), making it easier for consumers to understand what the brand stands for, decide which products or services they need, and then purchase them seamlessly. The ‘Scarcity Principal’ is an economic theory that explains when there is limited supply of goods or services and a high demand, which results in a mismatch between the desired demand and supply equilibrium. Brands can leverage the ‘Scarcity Principal’, in sales terms ‘Fear of Loss’, as a powerful tool to enhance consumers perceived value of goods or services, to increase demand and purchases. Here are seven brands who leverage the ([Scarcity Principal](#)).

Apply these 3 easy tactics of Scarcity Principle to influence consumer purchases

Choice overload and its implications on consumer purchasing

Psychologists and behavioural economists often talk about ‘choice overload’, also known as ‘decision fatigue’, which occurs when a plethora of choice is available to consumers. When faced with too much choice, people will select their default option. In a B2B services context this means they will purchase from their current service provider rather than trying a new company, or they will avoid making a decision altogether. ‘Choice overload’ can be avoided by simplifying choice attributes or the number of available options ([Johnson et al, 2012](#)).

1. Limit the number of services to attract more customers

This behavioural concept was validated in an interesting study where grocery store shoppers were presented with two different jam display tables ([Iyengar and Lepper, 2000](#)). One table had a selection of 6 jams while another offered 24 different jams. Both tables featured the same brands and shoppers could taste as many jams as they liked. The table with more options of 24 different jam flavours attracted more shoppers; but only 3% of sales. Surprisingly, the table with only 6 jam options resulted in 30% of sales, and that's a big difference in revenue!

Although this case study example was in FMCG (products), the same principle applies in B2B services. It is vital to narrow your services down to what your target market need most, which compliment your expertise and core service. Remember to keep the range simple so it is relatively easy for them to decide. This will also support your brand to be seen as specialists in a niche area, rather than a jack of all trades.

2. Use Lovelocks 'Flower of Services' to ascertain the right amount and types of services

Lovelock's 'Flower of Services' model developed in 1994, has been modified and is still widely used in management and services marketing theory and practice. ([Flower of Services](#)). This great template can be used and personalised for your B2B services. The model can ascertain the right amount and types of supplementary services to offer which support your core service. This will also ensure customers are not offered too many options alleviating 'choice overload'.

3. Focus on one clear call to action to increase conversions

Our messages and calls-to-action are competing with an overwhelming amount of information these days. In fact, it is reported that in a given day people are subjected to roughly 3000 advertising messages. It is no wonder that many of these messages either get lost in the clutter or contribute to 'choice overload' for our audiences.

An important method for breaking through the noise and getting people to take action is to FOCUS our calls-to-action on one thing. This singular assumptive action must be clear, achievable, and focused on the DO. Here is an example from ([Hulu, 2003](#)).

But remember our advice cuts through the clutter once your brand has a marketing strategy with an apt activated Brand Archetype (persona), which connects with your target market. This essential ingredient should be the backbone of all your messaging. Once this occurs all tactics implemented will provide powerful results, so your brand can truly reach its potential.

Are you ready to activate your brand Archetype to attract more of the right customers?

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