

The Role of Scarcity in Driving Impulse Buying And Its Impact on Regret and Negative Word of Mouth

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Abstract

Impulse buying is increasingly becoming a common phenomenon in digital shopping, especially due to the implementation of scarcity-based marketing strategies. This strategy creates a sense of urgency by limiting the time or quantity of products available, thus encouraging consumers to make quick purchasing decisions without careful planning. This study aims to analyze the effect of scarcity on impulse buying and its impact on regret and negative word-of-mouth. This study uses a quantitative approach with a survey method of 250 active e-commerce users in Indonesia who have used flash-sale promotions for online shopping, selected through purposive sampling techniques with non-probability sampling methods. Data analysis was carried out using Structural Equation Modeling-Partial Least Square (SEM-PLS) with a two-stage disjoint approach to estimate higher-order constructs. The results of the study indicate that scarcity has a significant influence on encouraging consumers to make impulse purchases. In addition, impulse buying is also proven to contribute significantly to the emergence of feelings of regret and the spread of negative word-of-mouth. Theoretically, this study enriches the understanding of the relationship between scarcity-based marketing strategies and impulse buying behaviour in a digital context. Meanwhile, practically, these findings can help marketers in designing more effective and responsible communication strategies, to maximize positive impacts and minimize negative impacts on customer regret.

Keywords: scarcity promotion, flash sale, e-commerce, digital shopping, digital marketing.