

Salesfire

Making scarcity work for your business

Increase revenues by up to 3% through communicating scarcity and a need to act in your customer

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We've all experienced the haste caused by landing on a site such as **Booking.com** and seeing they're down to their last available room.

Making a product appear in short supply makes us act - whether on the web or in real life.

But why does it work for retailers?

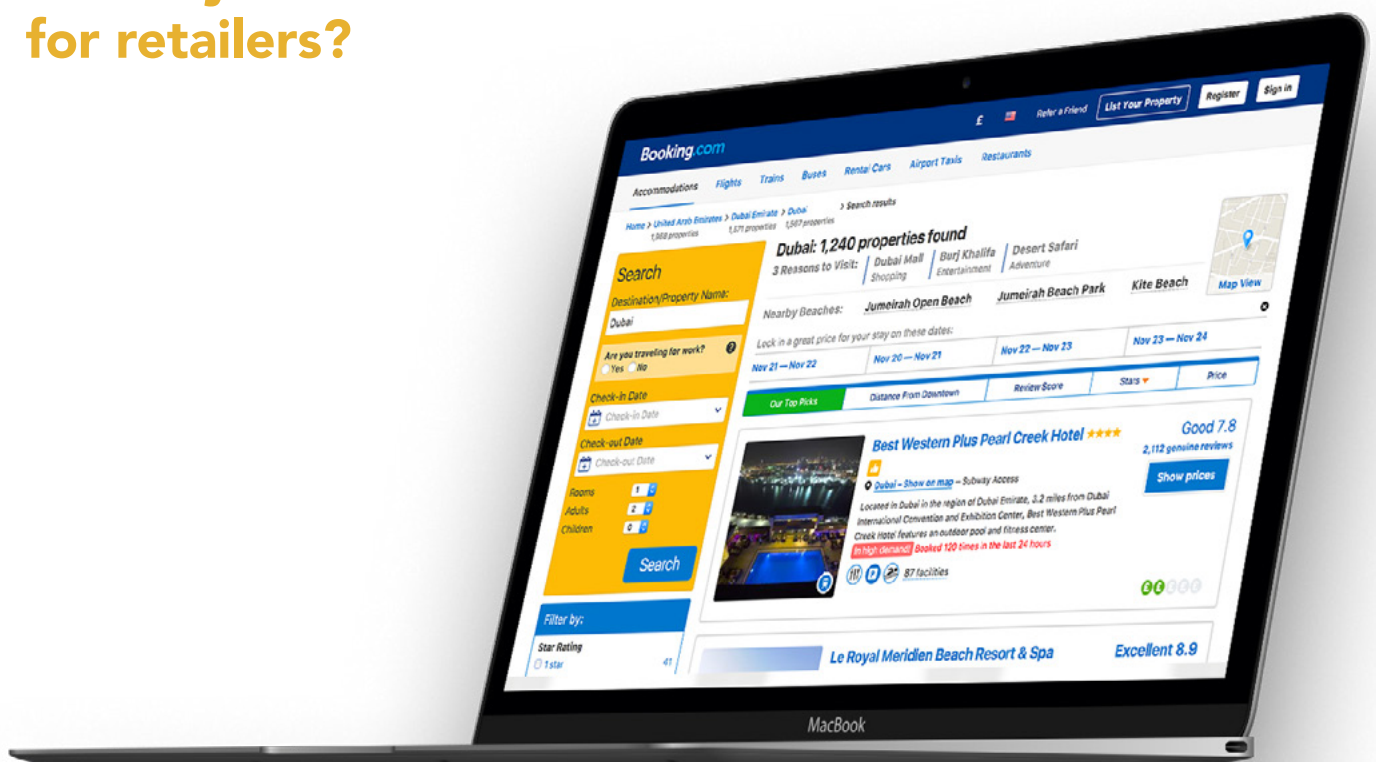


Diagram: www.booking.com

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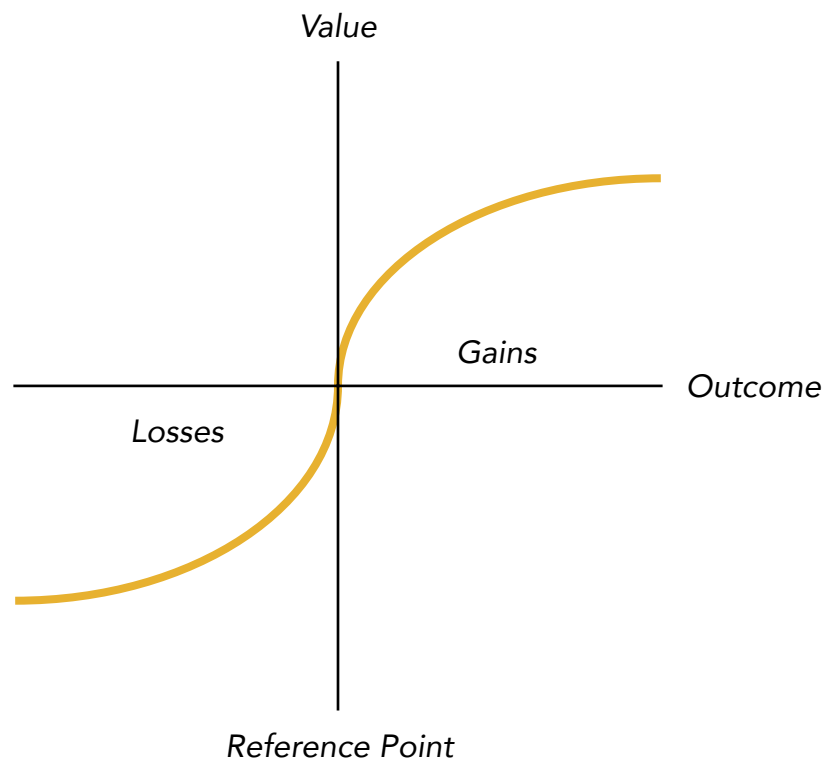
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The answer is simple.

It gets us down from the fence to make a decision there and then instead of procrastinating and eventually not purchasing.

It's been scientifically proven (the endowment effect) that loss hurts twice as much as gain. We want to make ourselves feel good, so naturally we buy when faced with fear of loss.

Diagram: A Loss Aversion Function




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For years this effect has been employed in retail through flash sales, limited runs of products etc, but eCommerce has now taken a strong grip on promoting fear of loss. eBay and Amazon are major exponents, be it through countdowns on auctions, or through demonstrating limited stock, or limited delivery windows.

B&o Play by Bang & Olufsen BeoPlay H7 Bluetooth Over Ear Headphones CENERE Grey

★★★★★ Be the first to write a review | [About this product](#)



YOUR PICK 🔥 198 viewed per 24 hours

B&O Play by Bang & Olufsen Beoplay H7 Bluetooth Over Ear Headphones Cenero Grey

£179.00 Free Click & Collect

Quantity: 1

[Buy it now](#)

[Watch](#)

[View details](#)

Quantity:	More than 10 available / 16 sold
Condition:	New ⓘ
Sold by:	Business seller: beoplay (945) 98.9% positive Feedback
Returns:	Buyer pays return postage Returns policy




Diagram: www.ebay.com

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The three most prominent methods in promoting scarcity are:

Limited stock

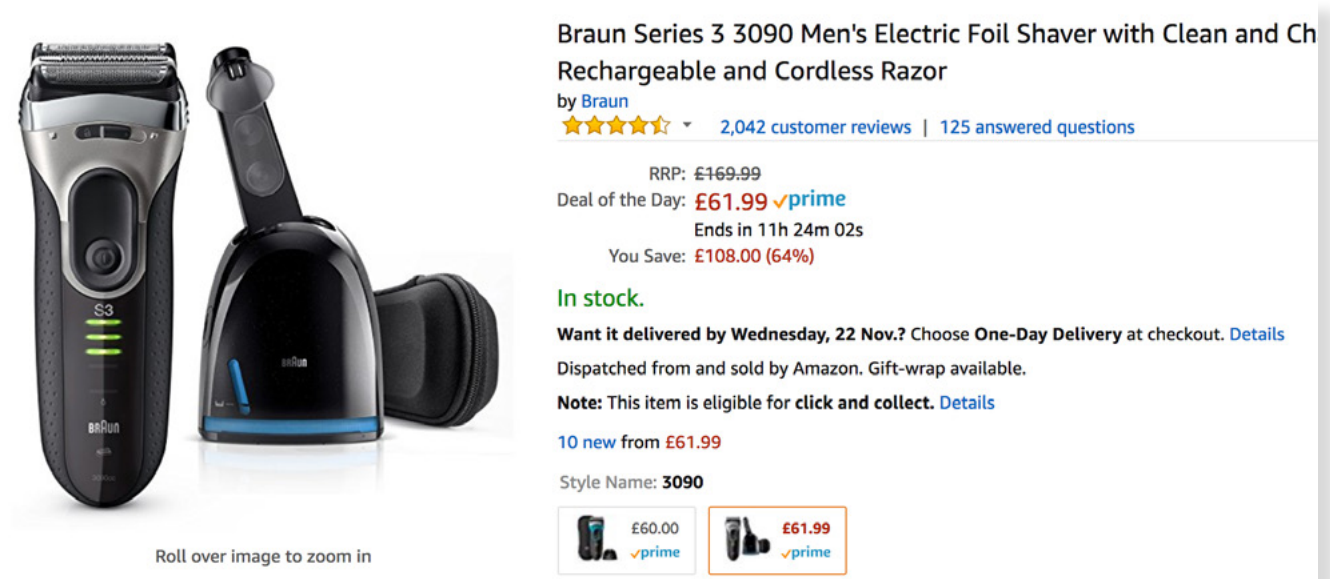
- buy now, or potentially you'll miss out.

Limited delivery

- buy now to ensure you receive your product quickly

Limited pricing

- buy within a certain window to get a better price





Braun Series 3 3090 Men's Electric Foil Shaver with Clean and Charge Station
by Braun
★★★★★ 2,042 customer reviews | 125 answered questions

RRP: £169.99
Deal of the Day: **£61.99** ✓prime
Ends in 11h 24m 02s
You Save: **£108.00 (64%)**

In stock.
Want it delivered by **Wednesday, 22 Nov.?** Choose **One-Day Delivery** at checkout. [Details](#)
Dispatched from and sold by Amazon. Gift-wrap available.
Note: This item is eligible for **click and collect**. [Details](#)

10 new from **£61.99**
Style Name: **3090**

 £60.00 ✓prime	 £61.99 ✓prime
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Roll over image to zoom in

Diagram: www.amazon.com

You'll notice all of these methods have time as a common factor. This is what's getting your visitor to act on impulse and to make a definite decision.

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So in terms of employing these methods within your eCommerce site; firstly is it right for you?

Well, in almost every situation the answer is yes, though in moderation.

Nothing is less appealing, or ruins trust quicker than creating false, or over the top scarcity. We've listed below some of the techniques used to promote Scarcity. We're sure there are many tools out there to help you with this (but naturally we'd recommend Salesfire).

Page Views and Purchases

This is the bed rock in your attempts to promote scarcity. Page views mean that the product is of interest to a user. Consider this in real life? Which ride is deemed the most popular at the funfair; the one with no queue, or the one with a long queue? People are naturally drawn to what is popular, so views promote desirability.

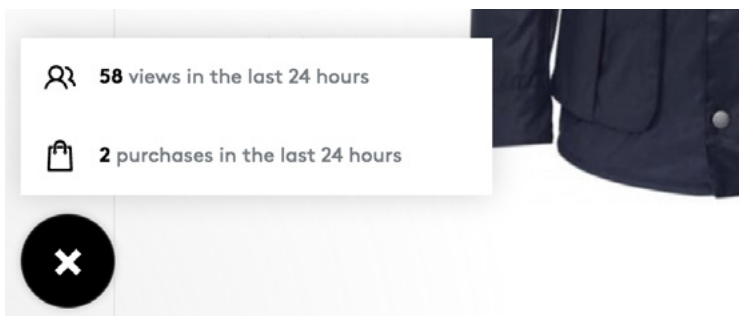


Diagram: www.julesb.co.uk

Purchases mean that an item is in high demand (and could be set to run out of stock). This works really well across all sites, though you may want to omit this where an item is considered desirable because of its exclusivity (high end jewellery etc).

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Limited Stock Messages

So, we've displayed to a customer how popular an item is - now we need to create that 'fear of loss'. To enable this, you could create custom messages which play on availability. The following statements are useful suggestions on a product page to emphasise urgency.



◀ Back to results

Tumi Larkin Laurel Backpack, Black - 073670D
[Buy a Fitbit Charge 2 and get an Echo Dot for £24.99. T&Cs apply.](#)

by Tumi
★★★★☆ 4 reviews from Amazon.com

RRP: £375.00
Deal of the Day: **£176.25** ✓prime
Ends in 12h 13m 00s
You Save: **£198.75 (53%)**

Only 3 left in stock (more on the way).

Want to save even more? Get your order within 6 hrs 13 mins and choose **Express Delivery** at checkout.

[Details](#)
Dispatched from and sold by Amazon. Gift-wrap available.

New (1) from £176.25 ✓prime

- DIN A4
- Back Strap

Roll over image to zoom in

Diagram: www.amazon.com

Notice how the last comment says "More on the way". In saying this you're coming across as honest, but leaving an element of doubt in terms of when the customer will receive the item.

Consider how terminology can be used to prompt a fast response. Words such as rush, act now, hurry, limited time, all in-still fear of loss. Avoid going over the top with this though; if all of your product scream urgent, then you'll lack conviction.

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Limited Time Delivery Messages

The internet shopper typically wants to receive their purchases as soon as possible. Again, this is born out of the need to achieve this feel good factor as soon as possible. In eCommerce we can play on this through offering enhanced delivery based on limited time or conditions. You'll often see this employed well on the likes of Amazon in combination with a countdown timer.

Want it delivered by tomorrow, 22 Nov.? Order within 6 hrs 7 mins and choose Express Delivery at checkout.

[Details](#)

Dispatched from and sold by Amazon. Gift-wrap available.

Also notice the use of language to promote fear of loss in the customer. Obviously, these messages would be dynamic and alter based on time of day, delivery cut-offs etc. You could also offer a code to enable free, or enhanced delivery. This has the added attribute of making the customer feel as though they've become entitled to something exclusive and not simply site-wide.

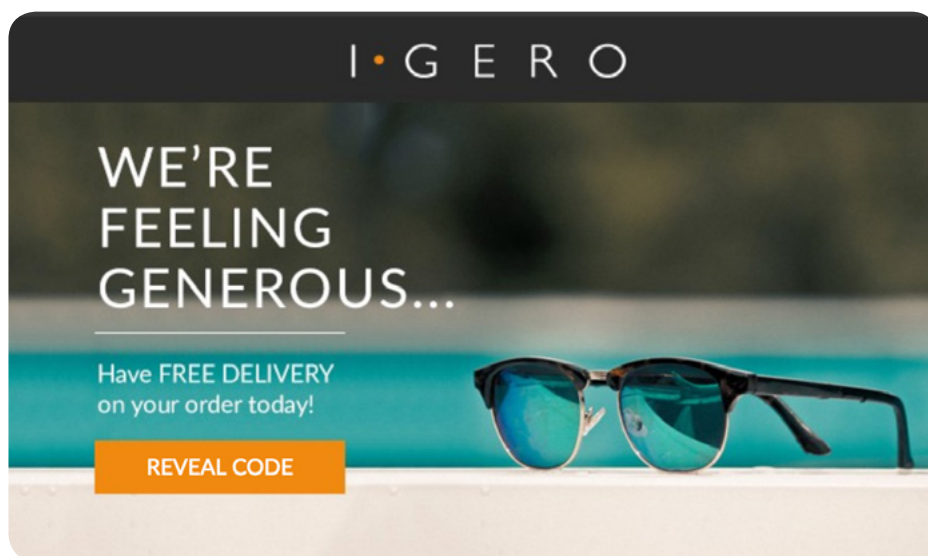


Diagram: www.igero.com

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Price Reduction Windows

The most successful type of promotion is traditionally a price reduction. Again, this should be offered in combination with a timer offering a narrow window of availability to coerce the customer into completing a purchase.

These reductions could be site wide in the form of a flash sale, or based more specifically across products which have been added to basket. The shopper has indicated interest in the product by adding to basket. As on average 75% of baskets are abandoned, this may seem an appropriate time to offer a reduction on the basket provided the customer checks out there and then.



Diagram: www.cooshti.com

Remember to consider the buying process and motivations behind a purchase when you're implementing price offers. Remember also to consider A/B testing different offers to better understand what motivates your customer.

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It's worth implementing these techniques whether you're a bedroom business, or a major retailer.

Retailers implementing these methods have reported increases of 3% in overall sales. That's about £3,000 if you're a £100,000 per year retailer, or £30,000 in additional revenue if you're currently at £1m.

Certainly, there will be few changes so simple to administer which could realise a similar level of growth.

It's also worth considering that an increase in conversion rate can also improve the effectiveness of your marketing and the scale of the campaigns you run. Once your site is converting more effectively, you can concentrate on driving more traffic, safe in the knowledge that it is being converted to it's upmost.

For further free advice on how best to implement these techniques into your business, simply contact the Salesfire team.

Email: enquiries@salesfire.co.uk

Web: www.salesfire.co.uk

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