



Bachelor's degree in Economia e Management

Chair of Competitive Strategy

**Product Scarcity Strategies and
Consumers' Reactions in the Fashion and
Luxury Sectors: The combined Role of the
Perceived Aesthetic Appeal and Status
Consumption Orientation**

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To my family

Abstract

Scarcity strategy is a rising phenomenon in the fashion and luxury industry. Brands are starting to employ this technique more and more often in order to generate interest around their products and to make them feel more unique and difficult to get. This thesis aims to deepen the knowledge about the existing relationship between the employment of scarcity strategies in the fashion and luxury sector and consumers' willingness to buy, paying particular attention to the mediating role of perceived aesthetic appeal and to the moderating role of consumers' status consumption orientation. The results of the work, carried out among 169 participants, show that the communication focus on high level of product scarcity (vs. low level) related to a specific product to promote, positively influence consumers' willingness to buy because of the effect of the perceived aesthetic appeal. Importantly, this effect is magnified for those consumers who exhibit high level of status consumption orientation, whereas it is reduced for those who show low levels for the same variable

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Chapter 1.

Introduction

1. Introduction

1994. 274 LaFayette Street, New York City, James Jebbia, a New Yorker with great experience in the retail industry, noticed a new upcoming youth culture, the New York City skateboarders, a group of people with unique style not targeted yet by any brand (Business of Fashion, 2020). For this reason, Jebbia decided to open a store dedicated to this extremely precise group of people, called Supreme NYC (Business of Fashion, 2020).

2023. almost thirty years later that same brand became the symbol of one of the most significant segments of the fashion industry, streetwear. In this period, thanks to its extreme success from an economical point of view, reaching \$500 million in annual revenues in 2019, but also by producing some of the most sought-after fashion pieces of recent history, such as the iconic box logo, which are plain monochromatic t-shirts and sweatshirts with the brand's logo in the middle, Supreme caught the attention of the VF Corporation, an American apparel and footwear company which owns multiple brands including The North Face, Vans, and Timberland, and ended up being sold to it in 2020 for 2.1 billion dollars.

This massive success may be explained by considering Supreme's innovative business strategy, characterized by weekly drops, every Thursday at noon when all the products are released in extremely limited quantities (Business of Fashion, 2022). Thus, Supreme leveraged what is nowadays known as a scarcity strategy, which is the marketing practice of consciously limiting the availability of a product to enhance the consumers' desire (Balachander *et al.*, 2009). The effectiveness of this strategy was explained by the *Commodity Theory* in 1968, in fact, according to Brock "any commodity is valued to the extent that it is unavailable" (Brock, 1968, p. 246). Furthermore, two psychological factors can explain the power of this approach, the "need for uniqueness" and the "get it now while supplies last" mindset. The former

was introduced by Fromkin & Snyder in 1980 as the people's necessity to differentiate themselves from others and was indicated as the dominant determinant of consumers' behavior. The latter was defined by Brown and represents what is nowadays known as FOMO, fear of missing out, which is the feeling of anxiety that people experience when they think they are missing out on experiences that others are living (Milyavskaya *et al.*, 2018), such as buying a product that will never be available again. As crazy as it sounds, the implementation of this strategy by Supreme was not the result of market research or strategic thinking. It was, instead, driven by the fear of having an excess stock of products that were not in demand.

The effects related to this sort of product scarcity strategy did not limit to economic factors but had many indirect consequences too. First, due to the interest that people had in its products, lines of over three hours formed every week in front of Supreme stores. These people while waiting for their turn to get inside the store and hopefully buy something, started talking and discussing about the streetwear industry. In this way, the drop days became an event where people went not just to buy products but also to discuss with other people about one of their passions. Thus, a strong community, called Hypebeast, was born, which is composed by people devoted to acquiring fashionable items, especially shoes or clothes, to be cool or in style. The importance of the birth of this community lies in the fact that these people guarantee free advertisement for the brand, both because everyone passing by the stores can see the huge lines around it, and because Hypebeast would always try to defend Supreme, (Business of Fashion, 2022). Second, the proliferation of resell market, that is the secondary market where people sell previously bought items, mainly with the intent of making a profit, with the majority of Supreme's products experiencing a notable appreciation, reaching up to ten times the retail price, which increased the brand awareness and image (Business of Fashion, 2017). Moreover, having become one of the most hyped, term used to indicate a situation in which something is advertised or discussed a lot to the point it attracts everyone's interest, and wanted brands Supreme had the opportunity of collaborating with some of the most relevant companies in the fashion industry, such as Louis Vuitton, Comme de Garçons, and not only, enabling the brand to be known not only by the streetwear community but also by the luxury world. Finally, all these factors gave Supreme the possibility to maintain its success

without investing in marketing strategies, relying instead on the word of mouth generated by its community.

Furthermore, Supreme has also had a massive influence on the fashion world. As a matter of fact, in recent years, numerous companies have adopted some aspects of its strategy, thereby emulating its approach to branding and marketing. Indeed, a significant number of brands, the most famous of which is Palace Skateboard, implemented the drop model. Also, Nike partially modified its strategy. In fact, even though it had been using drops since 1985, initially the quantities were not limited, it was only after Supreme's success that the Beaverton brand decided to embrace a scarcity strategy for its most iconic pieces. An even more important example could be made by taking into consideration the effects on the luxury fashion world. This is because in the first nineties it was impossible to think that a streetwear brand could have had some kind of influence on icons of luxury. An example of this is the diffusion in the luxury segment of collaborations, which have always been one of the trademarks of the New York streetwear brand, as happened with Balenciaga and Gucci or Nike and Louis Vuitton in 2022 (Business of Fashion, 2021).

Even though Supreme's strategy has been the main key to its success, it was not the only determinant. Indeed, it is possible to identify at least two other main factors that contributed to its growth. Firstly, the brand has always been able to produce aesthetically appealing items, managing to mix innovation with tradition and also with extravagance, resulting in the creation of iconic pieces that have always attracted everyone in the fashion world, thus increasing the brand's interest and attractiveness (Business of Fashion, 2020). The aesthetic factor is, in fact, one of the main drivers of customers' purchase decision process, especially when talking about the fashion sector (Lubbe, 2004). Secondly, as previously mentioned, due to the appreciation of its products in the resell market, some of them became items that people want to possess mainly because they underline a higher status, and because they have turned into icons of wealth, becoming for the younger generations the equivalent of what a Rolex or a Louis Vuitton bag is for Boomers or Millennials. Hence, many Supreme's consumers are characterized by a status consumption orientation, that is consumers' tendency to acquire fashion or top-range products, or services to express their status (O'Cass &

McEwen, 2004), thereby making this factor one of the main reasons why its products are bought.

As previously mentioned, after Supreme paved the way, many brand started to implement the same strategy gaining massive success in the fashion industry. The most relevant example in this context would probably be Nike's release strategy for their most anticipated shoes, which are often created in collaboration with relevant figures of the luxury and entertainment environment, such as Travis Scott or Virgil Abloh, and released only once in extremely limited quantities. The success of these releases clearly shows the effectiveness of the scarcity strategy in the fashion world, in fact as it had already happened with Supreme, also Nike's products generated extreme interest and hype, becoming incredibly desired by the Hypebeast community, thus experiencing a remarkable increase in their value on the secondary market (Business of Fashion, 2023).

The success of the scarcity strategy in the fashion world may be explained by considering the individual differences, that refer to unique characteristics and traits that distinguish one subject from the others, and include personality traits, cognitive abilities, or behavioral patterns (Cooper, 2002), that characterize this segment of consumers. Therefore, it is fundamental for companies to understand what individual differences characterize the segment of consumers to which they refer, so that they may implement the most suitable strategy for their target, which would enable them to be more successful. Generally, consumers purchase products or services for utilitarian reasons, whereas the specific segment of clients to which fashion brands refer is interested in buying for hedonic and functional purposes, looking to communicate their social status through their clothes and accessories (Kastanakis, 2014). For this reason, fashion companies, by understanding the individual differences that may characterize their consumers, could be able to develop effective marketing and communication campaigns by leveraging on the level of product scarcity to make them more appealing or to manage their product release. Nike, for example, continuously employs a combination of these two levels of scarcity for their products, releasing its basic ones, such as Air Forces, hoodies, and technical apparel in unlimited quantities, while utilizing an extremely high level of scarcity for their most anticipated releases, like Air Jordans, Dunks or generally their collaborations. Thus, the focus on the level of

scarcity in the communication is fundamental for the brands to gain higher success when dealing with consumers characterized by different levels of status consumption orientation, because if correctly used it would make the potential clients believe that the products are more exclusive, hence enhancing their appeal.

Another important factor that needs to be taken into consideration is the aesthetic appeal, that refers to degree to which something is considered to be visually pleasant and fascinating (Park *et al.*, 2021). Indeed, in the context of fashion, aesthetics play a crucial role in determining the consumers' preference. Thus, it is fundamental for brands to not only plan and implement a suitable strategy but also to produce and design captivating products that can satisfy the taste of the consumers. Indeed, the aesthetic appeal is one of the main drivers of the consumers' decision process, especially in the fashion world, for this reason it is important to always pay attention to this aspect (Lubbe, 2004).

Based on above, in this thesis we investigate the effects of the communication focus on product scarcity (low *vs.* high) related to a fashion brand product on consumers' willingness to buy, through the effect of their perceived aesthetic appeal. Moreover, we shed light on the role of consumers' status consumption orientation in moderating this effect.

Through an explorative research design, to reach this goal we conducted an experiment among a sample of 169 people. Results show that the communication focus on high level of product scarcity (*vs.* low level) related to a specific product to promote, positively influence consumers' willingness to buy because of the effect of the perceived aesthetic appeal. Importantly, this effect is magnified for those consumers who exhibit high level of status consumption orientation.

This thesis is organized as follows. Firstly, it will aim to develop the theoretical background for the scale, going in-depth and considering the variables of the model: level of scarcity (high *vs.* low), perceived aesthetic appeal, and status, also developing the hypothesis of this work. Secondly, it will describe the methodology employed to develop the questionnaire, describing the model and the goal of each block. Finally, it will present the results and discuss the main managerial and strategic implications.

Chapter 2.

Theoretical Background

2.1 Product scarcity

The concept of scarcity is one of the most crucial in consumption, since it is a prevailing aspect of economic behavior (Verhallen & Robben, 1994). Formally, product scarcity is defined as any situation in which, due to supply bottlenecks, mismanagement in production planning, or in an increasing number of instances, intentional marketing techniques, the supply is limited in order to generate excitement and increasing demand in the market (John *et al.*, 2018)

Coherently, as shown in the studies of Lynn (1991) and Brock (1968), sometimes individuals' perceived product scarcity may augment the perceived value of the products, thus increasing the consumers' attraction. The term scarcity in economy usually refers to the gap between the limited resources and the limitless wants of the people (Shi *et al.*, 2020). Broadly speaking, it can be of two types: environmentally induced or human-induced (Osés-Eraso *et al.*, 2008).

As for the former, it refers to situations where scarcity is not due to human choices, but instead, depends on environmental factors. An example of this condition is the current microchip crisis that is affecting the automotive and technological sectors and is caused by the shortage of raw materials for the production of semiconductors triggered by the pandemic and the war in Ukraine (JP Morgan, 2022). While human-induced scarcity generates higher perceived value and attraction towards the products, this kind of scarcity arouses in individuals feelings of frustration as it creates delays and higher difficulty to buy the products.

Regarding the latter, such kind of scarcity may be provoked by forces of supply or demand (Gier *et al.*, 2008). In a demand-side scarcity, the condition is instigated by the high demand for the products which leads to stock depletion (Gupta & Gentry, 2019). For instance, the whole world simultaneously experienced this situation when

the COVID-19 pandemic had just started and it became challenging to find common objects, such as toilet paper or pasta, in supermarkets (Forbes, 2020).

By considering such a concept from a supply-side perspective, product scarcity, instead, happens when marketers deliberately decide to limit the product supply in order to make them feel rarer and more unique (Gupta & Gentry, 2019). The most used type of marketing strategy employed by brands to communicate a supply-side scarcity are the Limited Editions (hereafter, LE). LE messages can be of two different types: limited time scarcity (hereafter, LTS), and limited quantity scarcity (hereafter LQS) (Cialdini, 2008).

LTS refers to a situation in which the brands do not limit the quantity of the product that is being offered, but rather make the offer available for a limited predefined period (Aggarwal *et al.*, 2011). This kind of offer is frequently employed in the food and beverages industry, for example by Starbucks with seasonal beverages and by McDonald's with products such as the My Selections or the Crispy Mc Bacon Chicken. In addition, this technique is also used in the fashion industry by fast fashion brands, that continuously change their offer, even more times in a single week.

This kind of scarcity-based strategy aims to persuade consumers into buying as many LE products as possible, to fully take advantage of the period of time in which they are available (Jang *et al.*, 2015). Thus, it is based on the fact that consumers are aware that after the period is over, they will never be able to purchase the LE again. This generates in consumers' minds a sense of urgency to buy, which is the desire to buy the products as soon as possible in order to not miss their chance, limiting in this way their freedom to procrastinate the purchase decision (Gupta & Gentry, 2019).

These findings have been discussed by Aggarwal and Vaidyanathan's research from 2003, who highlighted how limiting the duration of an offer accelerates the effects on purchase. Moreover, another relevant effect of consumers' awareness about the chance of missing out on LTS products is the development of a feeling of anticipated regret in their minds (Loewenstein *et al.*, 2001). This emotion makes people acquire the products just because they do not want to have any regret in the future. Thus, consumers when dealing with LTS products often prefer to try and purchase them as soon as possible only to be sure to not regret their decision in the future when it will not be possible for them to make up for their choice. All of these

aspects force consumers to make decisions in a suboptimal mental condition as they have to think and act quickly, which favors the brands.

On the other hand, LQS messages are employed by the brands when only a limited number of products are available, limiting the quantity that is being offered, rather than the time (Aggarwal *et al.*, 2011). This marketing technique is regularly utilized by streetwear brands, such as Supreme or Nike when releasing their products. LQS products are considered more valuable by the consumers, compared with LTS ones, as these are more difficult to get and thus, generate a larger sense of uniqueness in people who are actually able to buy them. Furthermore, these products create a sense of competition among the individuals who want them, because the availability on the market decreases as other consumers purchase them, therefore reducing the others' chances of obtaining them (Jang *et al.*, 2015). For this reason, especially in the early 2010s, it was not uncommon to see extremely long lines outside of Supreme's and Nike's stores on the day of the release, that sometimes also started the day before, with people camping outside the stores to be able to defeat their competitors. Schindler referring to this phenomenon states that consumers who manage to get the products feel "pride-like satisfaction of having won in an implied game ... against other consumers" (1998, p. 388).

Importantly, another crucial aspect of these products is that when people manage to get their hands on them, a feeling of being chosen, of accomplishment and satisfaction arises within them (Brock & Mazzocco, 2004). In the streetwear industry, this aspect became an even bigger factor since raffles were introduced, these are a way to sell popular items using the fairness of randomization, in fact, in this type of releases consumers register their interest in an item and then the company randomly selects the winners giving them the chance to buy the product (Business of Fashion, 2023). Since the introduction of raffles, it became more difficult to buy a hyped fashion product and when a consumer is finally able to be selected, she or he feels special and unique as they were selected among millions of people. Moreover, the competitive factor is so important for businesses because when consumers feel the competition between one another is always the seller the one who benefits from it (Aggarwal *et al.*, 2011). Also for LQS products the earlier introduced anticipated regret concept is true, as also in this case once the LE is sold out they will never be able to get the product again, unless

by paying more on the secondary market, generating in people the fear on missing out on an opportunity and pushing them towards the acquisition of the products even if they are not completely sure they actually want them (Loewenstein *et al.*, 2001).

There are multiple additional reasons to the ones that have already been discussed that explain why the LE products have so much success. First and foremost, as mentioned by Gierl *et al.* (2008), LE goods have the ability to generate a sense of exclusivity resulting in a more positive, valuable, and unique perception and consideration of the products. Additionally, this factor is important because makes the consumers differentiate from the others and give them a sense of belonging to an exclusive group of people (Gierl & Huettl, 2010).

This is also the reason why, especially LQS messages, are so powerful in the luxury and fashion industry, where the brands' concept is mainly symbolic, meaning that they underline social and hedonic factors of the products and are bought primarily to express and enhance consumers' self-image (Aggarwal *et al.*, 2011). Furthermore, being able to notice and buy LE products makes the consumers feel like smart and informed shoppers (Babakus *et al.*, 1988), which makes them desire to be informed and try to buy other LE goods to feel this way again in the future. This effect is greater for LTS products than for LQS ones.

2.2 Status consumption orientation

Status consumption is defined as consumers' desire to gain prestige through the possession of goods and brands that are associated with status (O'Cass & McEwen, 2004). The first aspect that is fundamental to underline when talking about this concept is that even though it is really similar, and sometimes overlaps, with the concept of conspicuous consumption these are two separate aspects. Indeed, conspicuous consumption emphasizes the visible display or use of products when in the company of others (Amatulli & Guido, 2012; O'Cass & McEwen, 2004).

The luxury and fashion industry is among the ones where status consumption is considered to be a key reason why consumers decide to buy the products (Lurie, 1981). When talking about this industry, status brands are generally considered to be those that have high perceived quality, luxury, reputation, and/or are associated with

high class (Shermach, 1997). Such brands are consumed to highlight status, and therefore, worn conspicuously to give everyone a visible representation of status (O’Cass & McEwen, 2004).

Luxury consumption may be driven by two different motives, that accordingly the luxury dichotomy may be related both to internal (by considering individuals’ consumptions aimed to satisfy their personal taste), and external (by considering consumers’ desires to underline a higher status) (Amatulli *et al.*, 2015).

As for internal reasons, the status consumption orientation of the consumer may derive from the individuals’ desire to obtain emotional benefits (Eng & Bogaert, 2010). Indeed, the possession of status products can provide consumers significant intangible remunerations (Dubois & Laurent, 1994). Another common reason to buy status products is their higher perceived quality, as luxury products are usually considered to be characterized by a higher quality compared with non-luxury ones (Vigneron & Johnson, 2004). Consumers who decide to buy these kinds of products for internal reasons rather than external are, in fact, often those who pay more attention to quality (Amatulli & Guido, 2012). Finally, another internal reason that moves consumers, is the self-reward aspect. Indeed, consumers often engage in the purchase of status products to reward themselves for their hard work and effort (Vigneron & Johnson, 2004), given the fact that usually these products have a very high price, and being able to afford them can generate in the consumers a feeling of pride and satisfaction.

Regarding the external reasons, instead, a first explanation for which consumers buy is the earlier mentioned conspicuous consumption, also known as Veblen effect (Eastman & Eastman, 2015). This is pursued mainly because in today’s society displaying social symbols is fundamental in order to enhance one’s status and his/her possibility to ascend the social hierarchy (O’Cass & Frost, 2002). The Veblen effect emerges from a wish to achieve social status by engaging in the conspicuous consumption of products to signal one’s wealth (Bagwell & Bernheim, 1996). Additionally, according to Vigneron and Johnson (1999), when dealing with this effect, price is considered to be a sign of prestige, because the higher it is, the more it will be seen by others as a show of ostentation. Thus, an increase in the price would generate higher market demand.

Furthermore, another effect that previous literature has introduced to explain external motives that pushes people towards the acquisition of status products is the snob effect, that is referred to the degree of demand decrease for a product due to the fact that other consumers are purchasing the same commodity (Leibenstein, 1950). This may happen because some individuals decide to buy status products to communicate exclusivity and to enhance self and social image, thus, the more other people are able to own the same items, the less these consumers will be interested in the products, as the exclusivity that comes with their possession decreases if a greater amount of people own them. In this context, price is a sign of exclusivity and non-conformity (Mason, 1992), and may grant snob appeal to otherwise common items (Han *et al.*, 2010).

Lastly, another external motive that explains status consumption orientation, is the Bandwagon effect, which is related to the social aspect of consumption rather than to the exclusivity one (Vigneron & Johnson, 1999). Indeed, Bandwagon consumers buy status products because others have done so, and they wish to be able to homologate themselves with others by detaining the same high-status products, thinking that this will grant them the possibility to be accepted as part of a reference group (Amatulli & Guido, 2012). So, in contrast with the Snob effect, in this scenario, the market demand increases if more people are buying the product (Hudders, 2012).

The Bandwagon effect refers to people's tendency to buy products that underline status because those who put wealth in evidence are treated and seen differently by their social contacts (Bagwell & Bernheim, 1996). In addition, brands that have certain characteristics also provide their consumers the possibility to fit in and be a part of some communities.

Since the birth of the aforementioned Supreme, a growing interest has been directed towards the streetwear industry, this can be seen from the creation of streetwear luxury brands such as Off White, and the proliferation of collaborations between streetwear and luxury brands. The most significant consequence of this situation has been the fact that more and more people started to do everything in their power in order to buy these products. One of the main reasons why this happened is that owning and displaying these products has become a symbol of status, because of the high scarcity of streetwear releases. Therefore, nowadays, when talking about

fashion status brands it is necessary to also consider streetwear ones. There is a multitude of factors that explain why these products have become symbols of status. Firstly, as underlined by Mason in 1992, the desire for status is not limited to wealthy people, but almost everyone, regardless of their social class, desires to own products that are able to communicate and indicate status (Basanko, 1995). This factor is relevant for streetwear brands because when these items are released their price is not too prohibitive. Indeed, it is when they go sold out and people start buying them on the resell market, that these products really gain their value and status, with prices significantly increasing. For example, the Air Jordan 1 Chicago in collaboration with Off White had a retail price of \$190, and nowadays are being sold on StockX, which is the main resell platform for streetwear products and not only, for as much as \$5.100 (<https://stockx.com/it-it/air-jordan-1-retro-high-off-white-chicago>).

Moreover, the younger generations, that are the ones more interested in streetwear, are also the ones who crave the most the appreciation and approval of others (Belk, 2013). Therefore, in this industry, the Bandwagon effect plays a relevant role. Indeed, younger generations are attracted by streetwear products, as they believe that these could enable them to be seen in a better way by people of their own age and to be accepted as part of other groups and communities.

Past research have also pointed out that males between the age of 18 and 25 (O’Cass & McEwen, 2004), are the ones that are more inclined in buying products in order to gain and stress their status. These also happen to be the target consumers of streetwear brands.

Lastly, since possessing the latest goods is one of the most important aspects to highlight status through clothing (Flynn & Eastman, 1996), the fact that most of the streetwear brands adopt a drop model, gives to the consumer the possibility to buy products almost every week of the year.

In conclusion, considering consumers’ status consumption orientation is important for brands, as those individuals who are more interested in communicating their status through their possessions will engage in behaviors such as the consumption of status symbols (Eastman *et al.*, 1999). Thus, brands who know their target consumers may exploit this trait of their personality to offer them the most suitable product and to increase their revenue and sales.

2.3 Perceived aesthetic appeal

Appearance refers to the exterior part of the products, so, everything that can be noted just by looking at the goods (Creusen & Schoormans, 2005). Such a concept differs from the one of product design as this term also comprehends the interior components (Creusen & Schoormans, 2005). Past studies have already indicated the importance of an appealing product appearance on a brand's success (Black & Baker, 1987). For this reason, many companies put great attention on product appearance while creating them, recognizing the importance of this variable as a competitive tool (Dumaine, 1991). The visual appeal is valuable also because it establishes consumers' initial impression of the product, as it is the first thing that connects a product and its potential buyer (Hollins & Pugh, 1990). In addition, it will help individuals to develop assumptions about several attributes (Berkowitz, 1987), such as quality and functionality. The appearance of a good also represents a key determinant of purchase satisfaction and is one of the main points of comparison between similar items (Bloch *et al.*, 2003).

By focusing on the luxury fashion market, aesthetic appeal is one of the most relevant variables that influences the consumers' decision processes (Creusen & Schoormans, 2005). Yet, in contrast with what many could think, it is not only determined by the mere aesthetic characteristics of the product, but also by some other aspects that potential buyers can determine by its appearance, like the symbolic meaning, which was extensively discussed in the earlier paragraph, the perceived quality and functionality, and the ability to draw attention (Creusen & Schoormans, 2005). This paragraph will discuss each one of these aspects.

Firstly, the aesthetic value of a product relates to the pleasure that comes from the action of simply looking at it, without taking into consideration its utility (Holbrook, 1980). The relevance of aesthetics is driven by the fact that if two or more products have similar prices and functionalities, consumers will be more inclined towards buying the one which appeals the most to them aesthetically (Creusen & Schoormans, 2005). Aesthetics is mainly an emotional concept that is also deeply influenced by the individual's culture, personality, and experience, so it is a really

subjective concept (Bamossey *et al.*, 1983), thus, what is aesthetically pleasing for one individual may not be pleasing for others.

Consumers' aesthetic responses could be influenced by their innate preferences about unity, proportions, symmetry, and colors (Whitfield & Wiltshire, 1983), but also by the prototypicality of the product itself, which is the extent to which the product represents a category (Creusen & Schoormans, 2005). Based on such assumption, the consumers' perceptions may then positively influence their aesthetic preferences (Hekkert, 1995). In the context of fashion, prototypicality refers to products that can be associated with a brand just by taking a glance at them, an example of this could be Louis Vuitton's monogram bags. Past research has also indicated that when prototypicality is combined with novelty the positive influence on consumers' perceived aesthetic appeal is magnified (Hekkert *et al.*, 2003). The concept of novelty gets even greater importance in the fashion industry. Indeed, this sector evolves in stages, and it is in continuous development, with stylists, but also consumers, constantly looking for new ways to express themselves and thus, breaking the standing rules of the industry, creating new styles and standards. Therefore, consumers' acceptance of a style is temporary and is followed, sooner or later, by the rejection of that very style (Workman & Caldwell, 2007). For this reason, it is fundamental for brands to always look for something new to introduce and to constantly monitor the external ambient in order to notice any switch in styles, so that they could exploit and take advantage from this evolution. Furthermore, the aesthetic judgment of a product is also strongly influenced by how it would fit in the consumers' wardrobe (Bloch, 1995). Indeed, despite consumers may appreciate a product's appearance they may not actually buy it as it would not fit with their style.

Secondly, products' functionality is another key element in the judgement process. Even though when talking about fashion products, especially the more luxurious ones, hedonic factors are significant, the functionality and the quality of the products still play an important role in the decision process of individuals (Creusen & Schoormans, 2005). The functional value of a product relates to the utilitarian performance of an item (Veryzer, 1995). Indeed, fashion products do not only have to be fashionable and trendy but also warm, comfortable, etc. As the fashion industry is a very visual and not so technical sector, in contrast with technological ones, these

characteristics are firstly understood by the consumers just by simply looking at a product, and only in a second moment are confirmed by searching on the internet, by trying them on or by talking with other people (Dawar & Parker, 1994). For instance, consumers may infer that a jacket that looks puffier is warmer than a flatter one.

Finally, about the drawing attention aspect, this is fundamental under two perspectives. On one hand, it is important that products have some characteristics that may gain the attention of potential buyers as this is fundamental to make consumers notice the brands' products, so that they may take into consideration the possibility to actually purchase the product (Creusen & Schoormans, 2005). As a matter of fact, the ones that stand out visually from the competitors are also those that have higher chances of being considered by consumers. On the other, when considering the purchase of fashion items, consumers also take into consideration the possible reactions of their peers and put great importance on whether they would be impressed or not by the product.

2.4 Consumers' willingness to buy in fashion-based settings

Consumers' willingness to buy is defined as the behavioral intention of customers to purchase a product (Jahangir *et al.*, 2009). This variable is influenced by personal, psychological, social, and cultural factors, thus, it can be really challenging for marketers to comprehend how consumers' purchase decisions are taken (Mramba, 2015). According to Fishburn's Utility Theory (1970), when deciding which product to buy consumers' decision will come down to the one that maximizes their satisfaction and utility. Consumers' decisions are based upon the informational cues that they can obtain about a product. These cues can be both intrinsic and extrinsic (Wang & Tsai, 2014). The former, are related to the physical attributes of a product, such as durability, performance, reliability, and aesthetics (Zeithaml, 1988). The latter, instead, are information that are external to the product, like price, brand image and reputation.

Price is probably the most important and the first variable that is taken into consideration by consumers while deciding which product they want to buy (Safitri, 2018). This is due to a variety of reasons. Firstly, being a simple number, price is the

easiest and quickest variable to compare between different products. Secondly, consumers often use price as a proxy for the perceived quality of an item, considering more expensive products as the ones with higher quality (Scitovszky, 1945). This often happens when purchasing luxury products, in fact, in buying these goods consumers often assume that if the price is high the materials employed in the production are of a higher quality (Scitovszky, 1945). Another issue may be related to professional services, like medical consultations, which are referred to as trust goods. Regarding this kind of goods, most consumers do not have the expertise to fully evaluate the service even after having experienced it, thus, the only tool they can use to judge and compare different services is their price.

Based on the above, it is understandable how higher prices may lead to higher perceived quality and consequently greater willingness to buy. Yet, price is also considered as the monetary sacrifice that the consumers have to face in order to purchase a product. Thus, the higher it gets the more the willingness to buy reduces (Wang & Tsai, 2014). The trade-off between these two dimensions was called by Monroe and Dodds (1985) perceived value and has been defined as the overall judgment of a products' utility based on what the consumers get (satisfaction and quality) and what they have to give (price and nonmonetary costs) (Zeithaml, 1988). This variable is positive as long as the perceived quality is higher than the sacrifice, and the larger it gets the higher the consumers' willingness to buy the product becomes (Monroe & Dodds, 1985). Lastly, it is important to keep in mind that when thinking about a purchase, consumers do not think about a single price but a range that they feel would be acceptable for the item in question (Monroe, 1979). Thus, consumers may not conclude the purchase of a product not only when the price is too high but also when it is too low, as this would make them suspicious about the quality of the product reducing their willingness to buy (Cooper, 1969).

As mentioned earlier, willingness to buy is also affected by the brand's name, which is a term, symbol, or design that is used to distinguish the products or services of a company from the ones of their competitors (Kotler, 2000), and by the brand image, that was described by Sangadji and Sopiah (2013), as a collection of both positive and negative memories about a brand in the consumers' minds, together with several other product-related and consumers-related variables. Such variables assume

a relevant role in consumers' decision process (Bian & Moutinho, 2011). For instance, a brand's name is considered to be a prerequisite for consumers to include that very brand into the consideration set (Moisescu, 2011). This is because, especially for recurrent purchases and for not really expensive items, consumers do not have the time or the will to make research, talk with other people, and get fully informed about the product's characteristics. In these situations, the brand's name and image represent easy variables to take into consideration to make purchase decisions (Lin, 2007). Specifically, consumers are more likely to purchase products from well-known and positively seen brands, because this brand's image has the ability to reduce the consumers' perceived risks (Rao & Monroe, 1988), which is defined as the possible negative outcomes related to the purchase of a specific product (Engel *et al.*, 1995), or increasing the consumers' perceived value (Loudon & Bitta, 1988).

Finally, as mentioned above, people willingness to buy is strongly affected by product scarcity, which is a variable that is gaining more and more importance, because the scarcity strategy is being increasingly adopted by brand, especially in the luxury and fashion industry.

The increased intention to purchase the products that are perceived as scarce is mainly caused by the consumers' need for uniqueness, which refers to people's social desire to differentiate themselves from the others, thus obtaining a sense of uniqueness (Fromkin & Snyder, 1980). Such need can be considered as a force that pushes consumers' towards the acquisition of scarce products (Belk *et al.*, 2003). Furthermore, consumers may be more willing to buy scarce products because of the common belief that these have a higher cost, which leads to a higher perceived quality, resulting in increased desirability. This relationship between scarcity, quality and desirability was proven by the Scarcity-Expensiveness-Desirability model developed by Lynn in 1992, which states that product scarcity enhances product's desirability with this relationship being mediated by assumed expensiveness of scarce products. Lastly, in explaining the reasons why scarcity affects consumers' willingness to buy it is also important to consider the earlier mentioned psychological effects of scarcity communication on consumers' minds, that are urgency to buy and anticipated regret. Indeed, these effects affect people's ability to fully evaluate the products, pushing them

towards the purchase even though they are not completely sure about it as they are afraid to miss their chance.

2.5 Hypothesis and model

As mentioned in the precedent chapter, this thesis aims to better understand the relationship that exists between the level of product scarcity communicated by a brand (independent variable) and consumers' willingness to buy (dependent variable). To analyze the interaction between these two factors the research is going to utilize two more variables, that may be useful in explaining such effects, in terms of individuals' perceived aesthetic appeal together with their status consumption orientation tendency. Thus, based on our literature review we postulate that:

***Hypothesis.** The perceived level of product scarcity (low vs. high) positively influences consumers' willingness to buy through the effect of their perceived aesthetic appeal. However, this effect is magnified by their status consumption tendency.*

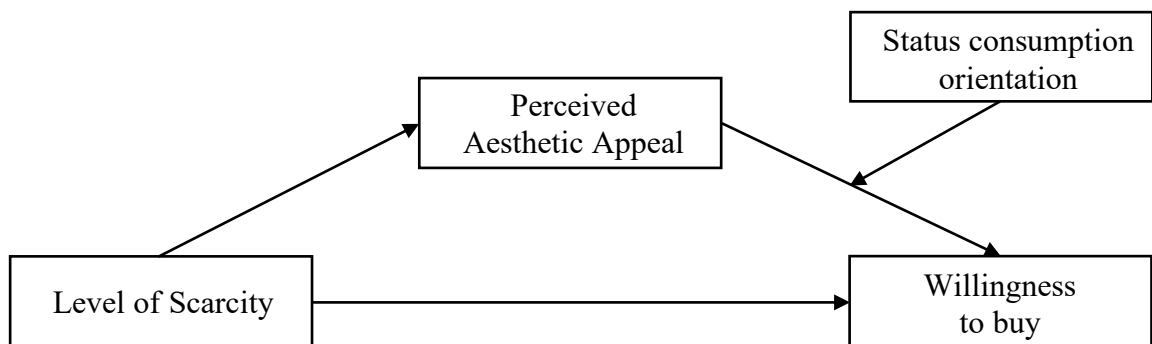


Figure 1. The proposed conceptual framework.

Chapter 3.

Materials and Method

3.1 Sample and procedure

In order to test the above-mentioned hypothesis, this study uses a quantitative approach through the development of a questionnaire.

The questionnaire was created on Qualtrics, and responses were obtained through the online sharing of the link to the survey on different social media platforms, mainly Instagram and Facebook, and via personal contacts.

The distribution phase lasted about four weeks, from February 20th, 2023 to March 16th, 2023. In this period of time 290 answers were collected, and after the elimination of incomplete observations, the final sample consisted of 169 observations, the majority of which were women (104 out of 169, 61,5%), while 65 were men (38,5%). The participants' age ranged between 16 and 68 years old, with an average of 30,44 ($SD_{age} = 12,12$).

Among the sample, ninety-two participants (54,44%) held a bachelor's degree or a higher academic qualification, while the remaining seventy-seven (45,56%) reported to have a secondary school diploma or lower academic qualifications.

Moreover, as for participants' employment, the majority of them declared to be of students (86 out of 169, 50,89%), of the remaining participants, 73 were employed (43,20%), seven were unemployed (4,14%), two were retired, and only one stated to be unable to work (0,59%).

Lastly, about the geographical location, almost the totality of the participants was located in Europe (167 out of 169, 98,82%), while the remaining two were from Asia (1, 0,59%) or South America (1, 0,59%).

The sample analysis, in terms of participants' sociodemographic is showed in the table below (Table 1).

Sociodemographic variables	N	%
<i>Gender</i>		
Male	65	38,46%
Female	104	61,54%
<i>Level of Education</i>		
Lower than High School	4	2,37%
High School	73	43,20%
B. Sc or M. Sc	87	51,48%
PhD	5	2,96%
<i>Employment</i>		
Student	86	50,89%
Employed	73	43,20%
Unemployed	7	4,14%
Retired	2	1,18%
Unable to Work	1	0,59%
<i>Geographic Location</i>		
Europe	167	98,82%
Asia	1	0,59%
South America	1	0,59%

Table 1. Sample Composition.

3.2 Questionnaire

The questionnaire consisted in five sections.

The first one measured the status consumption orientation of the participants, which served as a moderator variable, through a six-item scale, drawn by O’Cass and McEwen (2004) (i.e., “I would pay more for a product if it underlined a high social status”; “The status of a product is irrelevant to me”; “I would buy a product just because it shows others that I am wealthy”; “I would buy a product just because it underlines a high social status”; “I’d be more inclined towards buying a product with a status symbol”; “I would buy a product even if it is not aesthetically appealing to me

just because it has status”) on a seven-point Likert scale where 1= “Strongly disagree”, and 7= “Strongly agree”.

In the second section, participants were randomly exposed to two different kinds of stimuli that manipulated the level of product scarcity (low vs. high). To prevent the influence of personal taste and opinions about the brand at hand, both described the same fictitious fashion brand. The differentiating factor between the two stimuli was that in one, to which were assigned 95 people, the described brand employed a low level of product scarcity, while the other, to which were exposed the remaining participants (74), leveraged a high level of product scarcity.

Afterwards, the participants were asked to indicate the level of the perceived aesthetic appeal, which served as a mediator variable, of the products of the described brands, on a seven-point Likert scale. This section was composed of four items, extracted from the work of Wang *et al.* (2011) (i.e., “This brand’s products sound fascinating”; “This brand’s products sound impressive”; “I would buy this brand’s products even if they were not aesthetically appealing to me”; “I would buy this brand’s products even if they were not in line with my style”).

Then, the fourth section aimed to measure the participants’ willingness to buy, which was the dependent variable, through a four-item scale, indicated by Dodds *et al.* (1991) (i.e., “I would buy this brand’s products”; “I would consider buying this brand’s products”; “I would be willing to wait in line to buy this brand’s products”; “I would be willing to pay more than the retail price to get this brand’s products”) on a seven-point Likert scale.

Lastly, participants answered some sociodemographic questions (i.e., “Gender”, “Year of birth”, “Geographic location”, “Level of education”, “Employment”), the results of this section are reported in the above paragraph.

Chapter 4.

Results

4. Results

In order to test the proposed hypothesis, we run a moderated-mediation analysis by using the software IBM SPSS 26. In particular, the conceptual model was tested using the SPSS PROCESS macro (Model 14; Hayes, 2018).

The moderated-mediation model has been estimated in three steps. In the first step, consumers' perceived aesthetic appeal (treated as a continuous variable) was expressed as a function of the communicated level of scarcity (low vs. high), consumers' status consumption orientation (as a continuous, mean-centered variable), which served as the moderator, and their interaction.

Then, in the second step, consumers' willingness to buy (treated as a continuous variable) has been expressed as a function of perceived aesthetic appeal, which served as the mediator, while controlling for the direct effect of communicated level of scarcity. Finally, in the third step, the indirect effects of the level of scarcity on consumers' willingness to buy, through the effect of consumers' perceived aesthetic appeal, has been estimated conditional to the different levels of consumers' status consumption orientation.

Results show that product scarcity ($b = 0.108, p = 0.002$) is positively related to consumers' perceived aesthetic appeal. In turn, consumers' willingness to buy to product scarcity ($b = 0.041, p = 0.004$). More importantly, the analysis returned an effect of the interaction term that was positive and significant ($b = 0.025, p = 0.001$).

By deeply analyzing the nature of such effect, we focused on the role of consumers' status consumption orientation. Importantly, results revealed that the aforementioned interaction term exerted a direct effect on consumers' willingness to buy (index of moderated mediation: $b = 0.003$, 95% Confidence Interval [CI]: -0.008, 0.170). Consistent with our hypothesis, the level of scarcity exerted a direct effect on willingness to buy (through the effect of perceived aesthetic appeal) that, in turn, was positive and significant among respondents who showed a higher level of status

consumption orientation tendency (M+1SD: $b= 0.076$, 95% CI = 0.200, 0.038) and negative and significant among those consumers who exhibit lower status consumption orientation tendency (M-1SD: $b= -0.834$, 95% CI included zero).

Results are shown in the table below (Tab. 2).

Step 1.				
Dependent variable. Perceived aesthetic appeal (<i>Me</i>)	<i>b</i>	<i>SE</i>	<i>t</i>	<i>p</i>
Constant	2.668	0.084	31.570	0.000
Product scarcity (<i>X</i>)	0.108	0.084	1.175	0.002
$R^2 = 0.098$, MSE = 1.188, $F(1, 167) = 1.6250$				
$p = .000$				
Step 2.				
Dependent variable. Willingness to buy (<i>Y</i>)	<i>b</i>	<i>SE</i>	<i>t</i>	<i>p</i>
Constant	0.367	0.303	1.210	0.003
Product scarcity (<i>X</i>)	0.041	0.057	0.718	0.004
Perceived aesthetic appeal (<i>Me</i>)	0.799	0.117	6.847	0.000
Status consumption orientation (<i>Mo</i>)	0.230	0.128	1.785	0.001
Interaction	0.025	0.039	0.631	0.001
$R^2 = 0.617$, MSE = 0.529, $F(4, 164) = 66.043$				
$p = .000$				
Step 3.				
Conditional indirect effects of <i>X</i> on <i>Y</i> at low and high levels of <i>Mo</i>	<i>b</i>	<i>SE</i>	<i>LLCI</i>	<i>ULCI</i>
Low level of <i>Mo</i> (M - 1SD)	-0.834	0.065	-0.221	0.037
High level <i>Mo</i> (M + 1SD)	0.076	0.059	0.200	0.038
Index of moderated mediation	0.003	0.006	-0.008	0.170

Table 2. Results of the moderated-mediation analysis (Model 14; Hayes, 2018) $N = 169$; X = Level of scarcity (low vs. high); Y = Willingness to buy; Me = Perceived aesthetic appeal; Mo = Status consumption orientation; LLCI = lower-level confidence interval; ULCI = upper-level confidence interval.

Chapter 5.

Discussion and implication

5.1 Overall discussion

The purpose of this thesis was to analyze the effect of product scarcity communication campaign on consumers' reactions as a business strategy to compete in the luxury market.

Specifically, we focused on the different effects of particular communication campaigns based on certain advertising communications suggesting high levels of product scarcity *vs.* low levels of product scarcity, to finally shed light on the effects on consumers' purchase decisions in the fashion and luxury industry to comprehend the underlying factors that lead to the success of such a strategy. By thoroughly understanding these phenomena it would be possible to decipher in which situations brands could get a significant advantage by leveraging this kind of technique, and in which to refrain to do so to not harm their condition.

Our results have underlined that individual differences characterizing a brand's target of consumers may play a significant influence on the final outcome of this kind of strategy: indeed, for consumers that show high levels of status consumption orientation the effect of high levels of product scarcity-oriented communication business strategies was positive, and their willingness to buy, in turn, increased. On the other hand, for those ones who were not interested in consuming for status purposes, the effect of high levels of scarcity is negative and reduces their intention to buy the products.

These findings are also backed up by real-life happenings. As a matter of fact, especially in recent years, is becoming more and more ordinary to see brands trying to increase the attention and the success of their products by focusing their strategy on making them feel more unique and difficult to obtain by employing high levels of product scarcity (Aggarwal *et al.*, 2011). However, in doing so, brands do not always reach the desired results. In fact, even though, there are multiple examples of times in which the employment of product scarcity brought significant success to the brands,

there are also many instances in which the outcome of the scarcity strategy was not as successful as originally planned by marketers. Fashion, with the aforementioned Supreme and not only, art, with Kaws, Jeff Koons, and many more, and automotive, especially with Lamborghini and Ferrari, are some of the most important examples of sectors in which the scarcity phenomena is being employed the most, and in which it is bringing the greatest success to the brands, not only in terms of revenues but also by increasing the brands' fame worldwide and generating attention and hype around every communication and drop made by them. This is explained by the fact that, historically, the consumers of these industries have demonstrated that one of the main drivers of their purchase decision process is the desire to display their status through their belongings. Thus, this kind of consumers is more interested in buying products that are perceived as scarce and difficult to get as they would let them feel more unique and different from the others.

However, in those sectors in which the consumers' status consumption orientation does not play a crucial role, there are multiple examples of times in which scarcity strategy has been revealed as a failure and did not generate the desired effects, one above all is the PlayStation 5 (Macák & Šašalová, 2022). Indeed, for the release of its latest gaming console, Sony decided to employ high levels of scarcity, but this did not generate higher attention and desire in the consumers as hoped, but rather feelings of frustration and resentment from the consumers who were not lucky enough to get the product (Business of Fashion, 2021). The reason behind this is that, differently from fashion and luxury consumers, gamers are not characterized by high status consumption orientation, and are not interested in owning and displaying their possessions to feel more unique but rather they consume mainly for entertainment purposes.

Furthermore, once determined that the brand's target is interested in consuming for status purposes, a critical factor of success of this strategy is the communication. Indeed, in order for the scarcity strategy to generate the desired effects, it is fundamental to focus the company's marketing strategy on stressing the limited availability of the products. This topic will be addressed in more detail in the paragraph about managerial implications.

5.2 Theoretical Implication

Analyzing the driving factors of the effectiveness of product scarcity, our research provides both theoretical and managerial implications.

Our results may contribute to theory in several ways, by adding knowledge in the field related to fast-fashion and luxury brand studies, and on that research, stream focused on the role of some consumers' individual differences (i.e., as for the status) on consumptions.

From a theoretical perspective, we firstly advance previous knowledge about luxury research and practices by shedding light on how the scarcity strategy affects consumers' willingness to buy. Indeed, the results show that product scarcity has a positive effect on the purchase decisions of consumers.

Even though the dichotomy between product scarcity and intention to buy was already discussed and analyzed by previous works (Aggarwal *et al.*, 2011), this research adds to the previous literature in two ways. Firstly, by focusing on the mediating effect of perceived aesthetic appeal, thus adding to the previous literature on this variable (Wang *et al.*, 2011). Secondly, by focusing on the moderating effects of status consumption orientation. Therefore, adding knowledge to the previous literature regarding this variable (O'Cass & McEwen, 2004).

Specifically, we contribute to the previous literature regarding these topics, by comprehending that the positive relationship between product scarcity and willingness to buy is mediated by the perceived aesthetic appeal of the products. Furthermore, the most important theoretical implication that derives from this work, is that this relationship is strengthened and increased if consumers show high levels of status consumption orientation, while if consumers are not interested in purchasing for status purposes, the moderating effect of this variable is negative, and thus product scarcity reduces consumers' intention to buy.

Moreover, this work contributes to the previous literature about product scarcity in the fashion and luxury industries by underlining that in order to get the desired effects from the employment of a scarcity strategy it is important to find an effective and convincing way to communicate the limited availability of the products.

5.3 Managerial implications

By considering the aforementioned insights, several marketing and managerial implications may derive.

Firstly, marketing is a consumer-centered activity, and thus for the success of a strategy it is fundamental for brands to know their customers and be aware of their characteristics. Therefore, the segmentation phase has a relevant influence on the final outcome of the strategy, because in order for it to be successful the brands need to discover and understand the distinctive and specific characteristics of the reference market and build its strategy on the basis of them. For this reason, when segmenting the reference market, brands should not limit to considering the demographic and social characteristics of the potential consumers, but they also need to take into consideration their psychographic traits. This aspect gains even greater importance when brands are considering employing a scarcity strategy, given the influence that individual differences play on the final outcome. Specifically, when segmenting through a psychographic basis for the employment of scarcity strategies, marketers should focus on understanding if the consumers are interested in purchasing for status purposes. This step is fundamental, indeed, by not considering this variable in the process of segmentation, brands may end up proposing scarce products to consumers who are not interested in status consumption and thus, the outcome of the strategy may negatively be affected by an incorrect or lacking segmentation of the reference market.

Secondly, even though the target of consumers to which the brand refers to is characterized by high levels of status consumption orientation, in order to take full advantage of the scarcity strategy, it is key to leverage proper communication. In particular, brands should focus the attention of their marketing campaigns on stressing the limited availability of the products, thus, correctly transmitting the uniqueness of the release and attracting more attention. In doing so, we propose that brands should try to propose phrases like “limited to one per consumers,” “limited edition,” “only while supplies last,” or “limited time only.” Indeed, all these elements, emphasizing higher product scarcity, on the basis of our results may generate in the potential consumers the earlier mentioned urgency to buy, which strongly increases the potentiality and success rate of the scarcity strategy by making the products feel more

unique and more appealing. In addition, an effective and well thought marketing strategy is also fundamental because it allows the brands to increase their revenues and the attractiveness of the products without having to actually work on them and adding features to them.

Furthermore, brands could also leverage on the effectiveness of the scarcity strategy by not limiting to make the product feel scarce and unique by working on limiting the quantities and on the marketing campaign, but by also focusing their whole strategy in trying to increment the perceived scarcity of the products. This could be effective as the more the products feel scarce and difficult to get, the more attracted subjects interested to purchase for status purposes will be. This increased perceived scarcity may be obtained by working also on the distribution strategy. Specifically, brands may do so in different ways: for example, they could decide to release their products in only a few stores worldwide. This strategy has been followed by Supreme and many other streetwear brands and has been providing huge results, with the brands' flagship stores becoming a must-see place in the cities for the Hypebeasts. Moreover, brands could release the products in innovative ways, like with password-protected online drops, with the password being published on the social media accounts of the brand in the form of puzzles. This would be highly effective because it would magnify the earlier mentioned feeling of competition that is generated in people when dealing with LQS products (that are those products available only in limited quantities, e.g., as in Jang *et al.*, 2015), and because it would have a positive effect also on the feeling of satisfaction and uniqueness that the consumers get when they are able to buy such scarce products. Therefore, the addition of these features would contribute to the development of a scarce environment all around the brand, and this would make the products feel more unique and difficult to get and thus, more people would be attracted to them to communicate their status and satisfy their need for uniqueness.

Furthermore, by leveraging on our insights, it clearly appears how high levels of scarcity attract people characterized by high status consumption orientation and repulse the ones not interested in status consumption. Despite this being true, brands can still find ways to target and refer to both these segments of the market. Indeed, it is possible for exclusive and luxurious brands, that have historically been directed to

people who buy to show their status, to also target consumers that are not interested in displaying and possessing scarce products. This could be done through brand extensions, which consist in the introduction of new products or lines of products in the market through a new name, leveraging on a parent brand technique. Thus, exclusive, and luxurious brands could create sub-brands that release products in high quantity directed to the segment of consumers with low status consumption orientation, so that they could manage to serve both segments of their reference market, significantly increasing their revenues. For instance, this kind of business strategy has already been successfully employed by Armani, with the introduction of Armani Jeans. Moreover, it is more effective for brands to start targeting both segments of the market through the introduction of a sub-brand and not through the same one, to not generate confusion among the potential consumers and have negative effects in terms of brand image.

On the other hand, brands who are originally characterized by high quantity releases, in order to start targeting the consumers characterized by high status consumption orientation, could leverage on creating capsule collections in collaboration with exclusive brands, as already done in the past by H&M, which has launched many products in collaboration with multiple luxury fashion brands such as Moschino, KENZO, and Versace (Business of Fashion, 2021).

Lastly, a graphic visualization of the circumstances in which it may be profitable for brands to employ a scarcity strategy and the ones it is better to refrain to do so is reported below, summarized in a diagnostic model (Figure 2).

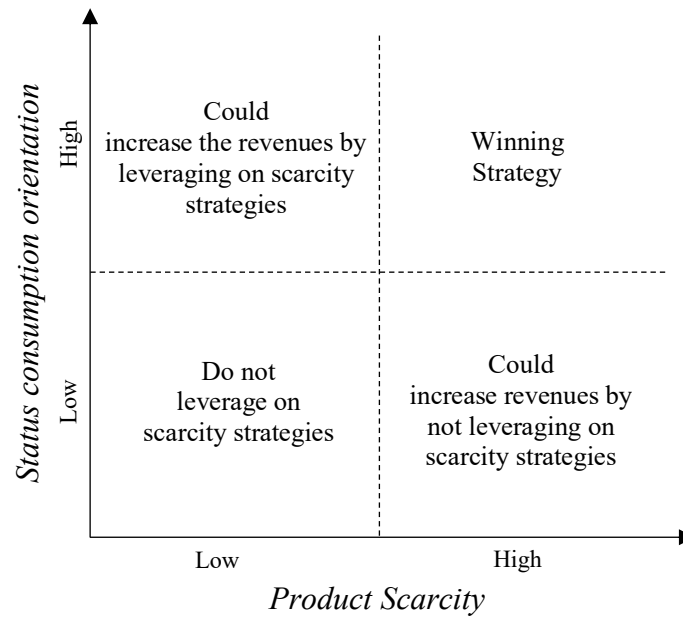


Figure 2. Strategic decisions on the basis of status consumption orientation of the reference market

As shown in the Figure above (Fig. 2), the best available strategy may occur when the brand’s target of consumer shows high levels of status consumption orientation, and the brand employs high levels of product scarcity.

The opposite situation, which also is a correct strategy to follow, is when both the levels of status consumption orientation and of product scarcity employed are low.

By contrast, the remaining two quadrants show circumstances in which the brand is not maximizing its potential revenues and could improve its situation by modifying its current strategy. The brands who find themselves in the top left quadrant could, on the basis of the results of this work, potentially increase their revenues by limiting the availability of their products, as their reference market shows high levels of status consumption orientation and therefore may be more attracted to scarce products.

On the other hand, brands who find themselves in the bottom right quadrant could, on the basis of the findings of this work, increase their revenues by ceasing pursuing a scarcity strategy and increasing the availability of their products, as their

reference market shows low levels of status consumption orientation and therefore scarce products may disincentivize them from purchasing the products.

Chapter 6.

Conclusions and limitations.

6.1. Conclusion

Scarcity strategies are a growing trend being used always more often by brands, as there have been many successful examples of situations in which companies have gained outstanding results from the limitation of the availability of the products (e.g., as defined by Aggarwal *et al.*, 2011). The clearest one is Supreme, which, mainly thanks to an effective and well-thought employment of the scarcity strategy, managed to become a cult brand, known by almost everyone interested in the fashion industry, while starting as a niche brand dedicated to welcoming skateboarders in SoHo, New York (Business of Fashion, 2021).

The goal of this work was to understand how business communication strategies focused on the proposed product scarcity levels, may affect consumers' reactions and their behaviors. More specifically, we hypothesized that high (*vs.* low) levels of communicated product scarcity may positively affect their willingness to buy because of the renewed perceived aesthetic appeal related to the proposed product. Importantly, the aforementioned effect could be magnified because of an important fashion-consumers' characteristics, that is their status consumption orientation. An experimental study has been conducted, by administering a survey to 169 participants.

Findings highlight that the positive relationship between product scarcity and consumers' willingness to buy is mediated by the perceived aesthetic appeal of the products. Furthermore, the willingness to buy increases if the consumers show high levels of status consumption orientation, while if the consumers are not interested in purchasing to show status the employment of product scarcity decreases the willingness to buy of the consumers.

Thus, it is possible to say that the employment of scarcity strategies is a double-edged sword. On the one hand, if the consumers are attracted by status consumption, it may generate outstanding results for the brands that correctly leverage it. On the other hand, by offering scarce products to consumers who are not interested in purchasing to display them and show their status, brands could get negative results and worsen their situation. Therefore, it is fundamental that brands before implementing a scarcity strategy accurately study and analyze the characteristics of their reference market.

6.2 Limitations

Although our research reveals important both theoretical and managerial implications, we acknowledge some limitations that, however, may be useful to suggest opportunities for future investigations, and stimulate future research in this domain.

Firstly, we did not take into consideration the role of age, and specifically how the results may change by considering different generation cohorts. Therefore, future research may investigate this point in order to understand for which generation of people scarcity strategy is most effective and profitable. Moreover, future research efforts may also try to broaden our proposed conceptual model by including other potentially relevant variables, for example, it could be relevant to analyze the moderating effect of conspicuous consumption orientation (that is consumers' tendency to spend great amount of money to show other a status; O'Cass & McEwen, 2004) or of the brand's fame and reputation (Carrol & Ahuvia, 2006).

Lastly, the scarcity strategy may have a relevant influence also on other variables. Thus, future studies may consider the effects of such a strategy on different important indicators focusing on the scarcity strategy on brands, e.g., in terms of brand awareness or image.

Appendix

Introduction

Dear participant,

we are conducting a research study, and we need your help. Please note that there are no wrong or right answers, but we are sincerely interested in your opinion. Please also note that no personal data will be shared, and your answers will be analyzed only at an aggregate level.

Moreover, the answers will be kept anonymous and used for research purposes only.

Thanks in advance for taking the time to help me out!

Status consumption orientation (*Mo*)

O’Cass, A., & McEwen, H. (2004). Exploring consumer status and conspicuous consumption. *Journal of Consumer Behavior: An International Research Review*, 4(1), 25-39.

Items:

- I would pay more for a product if it underlined a high social status
- The status of a product is irrelevant to me
- I would buy a product just because it shows others that I am wealthy
- I would buy a product just because it underlines a high social status
- I’d be more inclined towards buying a product with a status symbol
- I would buy a product even if it is not aesthetically appealing to me just because it has status

Scarcity level (*X*)

Low	High
“Arose” is a renowned fashion brand appreciated by all ages that produces	“Arose” is a renowned fashion brand appreciated by all ages that produces

<p>eye-catching, high-quality, and recognizable pieces.</p> <p>Its products are produced in unlimited quantities and released in many multi brand stores (both offline and online).</p> <p>The supply of merchandising is continuous for the brand. Moreover, it sometimes releases collaborations with other fashion brands.</p> <p>Its most famous and iconic pieces may be dropped again in the future. The brand typically produces its items in a few varieties (in only few colors, material, sizes).</p>	<p>eye-catching, high-quality, and recognizable pieces.</p> <p>Its products are produced in limited quantities and released once a week in only few multi brand stores (both offline and online).</p> <p>Limited editions are very common for the brand. Moreover, it often releases limited edition collaboration with other important fashion brands.</p> <p>Once the collection is sold out, the brand will never drop the same pieces again. The brand typically produces its items in many varieties (in many colors, material, sizes).</p>
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Perceived aesthetic appeal (*Me*)

Source: Wang, Y. J., Minor, M. S., & Wei, J. (2011). Aesthetics and the online shopping environment: Understanding consumer responses. *Journal of Retailing*, 87(1), 46-58.

Items:

- This brand's products sound fascinating
- This brand's products sound impressive
- I would buy this brand's products even if they were not aesthetically appealing to me
- I would buy this brand's products even if they were not in line with my style

Willingness to buy (Y)

Source: Dodds, W. B., Monroe, K. B. and Grewal, D. (1991). Effects of price, brand, and store information on buyers' product evaluations. *Journal of Marketing Research*, 28(3), 307-319.

Items:

- I would buy this brand's products
- I would consider buying this brand's products
- I would be willing to wait in line to buy this brand's products
- I would be willing to pay more than the retail price to get this brand's products

Sociodemographics

- Gender (0=Male; 1=Female; 2=Prefer to declare)
- Year of birth:
- Geographical Location: Europe; Northern America; Southern America; Asia; Africa
- Employment: Employed; Not employed; Student; Retired; Unable to work
- Level of Education: Lower than High School, High School, B. Sc or M. Sc., PhD

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