

# How Scarcity and Perceived Value Affecting Impulse Buying Among Customer During Covid-19

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## Abstract

The global economy, public health, and markets are now being greatly affected by the spread of COVID-19. Indonesia is one of the countries affected. These effects cause fear, panic, and anxiety for many people. When a lockdown is applied, panic buying becomes a reliable feature during the COVID-19 pandemic. Therefore, it is imperative to investigate consumer purchasing behavior during COVID-19 to understand the phenomenon better and provide management insights to policymakers and marketers. Under the guidelines of scarcity model theory and the Stimuli-Organism-Response (SOR) model, this research investigates the impact of scarcity of health supplement products on customers' impulsive purchases during pandemics in Indonesia. The research method used in this research is quantitative method with descriptive-causality research type. Sampling was done by non-probability sampling technique used is simple random sampling with 168 respondents. The data analysis technique used was descriptive analysis and simple regression analysis. The results show that scarcity and perceived value have an effect on impulse buying.

## Keywords:

Scarcity, Impulse Buying, Perceived Value

## 1. Introduction

The spread of COVID-19 has a significant influence on the global economy, public health, and markets. Indonesia is one of the countries affected. Despite the Indonesian government's efforts to contain the virus by imposing a lockdown and enforcing social distancing, the number of individuals infected and killed continues to rise. From October 24, 2021, the number of tested positive for COVID-19 increased by 623 patients (Nuryanti, 2021). This demonstrates that the coronavirus spreads quickly and has considerable impact on daily life. The people was in a state of terror as a result of this circumstance. There was no one medicine that had been clinically studied to treat COVID-19 (Zhang et al., 2021). Furthermore, the continued concern around the COVID-19 outbreak causes the general population to purchase or stock up on things directly relevant to COVID-19 prevention, such as face masks, disinfectants, hand sanitizers, and health supplements. Similarly, customers who are under a lot of stress are more inclined to make rash purchases (Widiyarti, 2020). When people have a lot of stuff, they buy impulsively, resulting in a shortage of face masks, hand sanitizers, disinfectants, and other health supplies (Huang & Zhao, 2020).

Some Indonesians think that a certain combination of meals and beverages will kill or prevent COVID-19, therefore milk and vitamins are sought after by the general populace (Radiordk, 2021). Furthermore, news of the large number of COVID-19 positive cases, which continues to rise every day, makes individuals even more scared (Amalia, 2021). Whatever knowledge regarding goods that are thought to prevent the virus from entering the body is communicated, the community will make every attempt to acquire them. According to Verplanken and Herabadi (2001) impulsive buying are divided into two aspects, namely cognitive aspects and affective aspects. The cognitive aspect is the lack of consideration and planning in the purchases made. Affective aspects include emotional impulses and emotions of pleasure and excitement following an unforeseen purchase, but then feelings or urges to buy again or obsessively, uncontrolled, satisfaction, disappointment, and remorse for spending money to meet his wishes. Anxiety is one of the bad feelings that the COVID-19 pandemic may produce (Julianti, 2020). According to Supriyanto (2020), people's activities when shopping or making purchases would be affected by worry. To better understand the phenomena and give information to policymakers and marketers, it is critical to watch consumers' impulsive purchase behavior during pandemics. The phenomenon of scarcity can increase the perceived value of consumers' purchases impulsively. By

integrating the SOR model, the proposed model illustrates that scarcity positively affects perceived value, which in turn affects impulse buying.

## 2. Literature Review

According to Islam et al (2021), scarcity is defined as a purposeful limitation on demand, discounts, timing, and other comparable purchase circumstances for a product. Due to high demand, the study concentrated on a limited number of health supplement products. The study employed a scarcity model established by Wu et al. (2011), which explores how scarcity influences consumer value perception and hence buying interest. It's similar to the S-O-R paradigm, in which the organism (O) reacts to stimuli like perceived values (Jiyoung & Lennon, 2013). The SOR model describes various aspects of the environment acting as stimuli (S), affecting a person's internal state and acting as an organism (O), ultimately driving their response (R) (Mehrabian & Russell, 1977). The SOR model was employed to explain the relationship between external stimuli, organism state, and specific responses in this study. Scarcity of health supplement products relates to stimuli and the many methods or mechanisms by which the perceived value in an organism, whereas impulse buying is the organism's reaction.

According to Jang et al. (2015) Scarcity is frequently communicated to consumers through marketing campaigns, which convey the impression that purchasing a certain product is restricted. Marketers effectively use scarcity approaches to promote and sell existing supplies in limited quantities (Ku et al., 2012). Wu et al. (2020) argue that in conditions of high quantity scarcity, the perception of individual competition with others also increases. The more consumers spend on rare products, the more they consider the product to be of value (Wu et al., 2011). This research shows that scarcity affects the perceived value of consumers. In the COVID-19 period, people were frantically looking for limited quantities of food and hygiene products, which are typical conditions of scarcity of limited quantities (Islam et al., 2021). Impulse buying can be influenced by perceptions as much as genuine competition among buyers. According to Beatty and Ferrell (1998) consumers with high impulsivity tend to have low self-control. When confronted with stimulation from their environment, a person with a high level of impulsivity is more likely to have an affection reaction (Youn & Faber, 2000). Previous research on COVID-19 found that Chinese consumers' perceived value and impulsive buying are based on the theory of cognitive affective personality systems (Xiao et al., 2020). In addition, it also explains that perceived value results in impulsive behavior in Chinese consumers (Zhang et al., 2021). However, the study is based on the scarcity model, the S-O-R model, and the relationship between perceived values and impulsive buying in the context of COVID-19 in Indonesia.

## 3. Methodology

This research utilizes a type of descriptive research that is causal and use quantitative methods. Descriptive research is used to gather information about the current state of an existing phenomenon, i.e. the state of the phenomenon at the time of the study, without the intention of drawing general or generalizable conclusions, whereas causal research is a cause and effect relationship in which independent variables affect dependent variables.

## 4. Result and Discussion

### a. Normality test

Normality test of the data described in Table 1:

**Table 1. One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Predicted Value
N		168
Normal Parameters <sup>a,b</sup>	Mean	22.7857143
	Std. Deviation	2.38673037
Most Extreme Differences	Absolute	.054
	Positive	.054
	Negative	-.041
Test Statistic		.054
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

According to Table 1, It is known that the significance value of Asymp. Sig. (2-tailed) of 0.200 is greater than 0.05. So according to the basis for decision making in the Kolmogorov-Smirnov normality test above, it can be concluded that the data are normally distributed. Thus, the assumptions or requirements for normality in the regression model have been met.

**b. Simple regression result**

Simple linear regression analysis is used to determine the independent variable's direct effect on the dependent variable. The conclusions are described in Table 2:

**Table 2. Simple regression result**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.828	3.025		.935	.351
	Scarcity	.495	.115	.299	4.313	.000
	Perceived Value	.644	.139	.323	4.647	.000

a. Dependent Variable: Impulsive Buying

**c. Hypothesis test**

According to the t-test, shown in Table 3, it is known that the sig. value for the effect of scarcity on impulsive buying is  $0.000 < 0.05$  and the t-value is  $4.313 > t$  table 1.974, so H1 is accepted which means there is an effect of scarcity on impulsive buying. The sig. value for the effect of perceived value on impulsive buying is  $0.000 < 0.05$  and the t-value is  $4.647 > t$  table 1.974, so H2 is accepted which means that there is an effect of perceived value on impulsive buying.

**Table 3. Simple regression result**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.828	3.025		.935	.351
	Scarcity	.495	.115	.299	4.313	.000
	Perceived Value	.644	.139	.323	4.647	.000

a. Dependent Variable: Impulsive Buying

Based on table 4. it is known that the significance value for the effect of scarcity and perceived value simultaneously on impulsive buying is  $0.000 < 0.05$  and F value  $22.164 > F$  table 3.05, so H3 is accepted which means there is an effect of scarcity and perceived value simultaneously on impulsive buying.

**Table 4. ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	951.312	2	475.656	22.164	.000 <sup>b</sup>
	Residual	3540.973	165	21.460		
	Total	4492.286	167			

a. Dependent Variable: impulsive buying

b. Predictors: (Constant), scarcity, perceived value

**Discussion**

This research aims at how the scarcity of health supplement products affects Indonesian consumers' impulse buying in reaction to the COVID-19 outbreak. This study seeks to analyze the elements that support impulse buying behavior during the exceptional COVID-19 outbreak using the theoretical parameters of the scarcity model and the SOR model. Overall, we indicate that COVID-19 panic induces Indonesian consumers to be concerned about a scarcity of health

supplement products, which enhances perceived value and as a result, leads to impulsive buying. These findings empirically support the theory of SOR and scarcity and are consistent with earlier research. According to our findings, external stimuli (scarcity) have a significant and positive influence on perceived value during COVID-19. That is, the higher the perceived value of health supplement products, the more customers dread or panic over a dearth of things to purchase for. Furthermore, the outcomes of this study show that customers with a strong sense of value are more inclined to buy impulsively during the COVID-19 outbreak. This study contributes to our understanding of impulsive buying. However, few studies have explored the mechanisms underlying stimulus-to-behavior switching.

Based on the SOR model, this study investigates the pathways affecting stimuli to perceived values and behavioral consequences. We discovered that perceived value is a factor of impulsive buying behavior, as predicted, which supports SOR and adds to impulse buying study. During times of crisis, most customers indulge in impulsive buying to relieve psychological tension and worry. Consumer behavior results appear to be driven by the underlying processes of scarcity messaging and perceived value, according to this study.

## 5. Conclusion

This study examines the impact of scarcity and perceived value on impulse buying. The results show that there is a relationship between scarcity and impulse buying during the COVID-19 pandemic. Consequently, it can be said that the scarcity of health supplement products increases the tendency of individuals to make impulse purchases. Other results suggest that impulse buying is associated with perceived value, especially in the current pandemic conditions. Thus, everyone should be aware of the spread of the virus in order to make a better buying decision. Individual knowledge about preventing COVID-19 infection is getting better, such as the policy of buying sufficient commodities as needed. The public is also advised to maintain cleanliness, wear masks, pay attention to what they eat, and maintain social and physical distance to prevent the spread of the virus. These apps can give users a sense of security, reduce the scarcity of health supplement products, and reduce worries that might lead to other behaviors, such as impulse buying.

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