

Sold-out products influence consumer choice

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An empty store shelf tempts shoppers to buy the next best thing, according to a new study from the University of Alberta.

"Sold-out [products](#) create a sense of immediacy for customers; they feel that if one product is gone, the next item could also sell out," said Paul Messinger, a professor at the U of A's School of Business who studied the sale of numerous items including ski passes and wine.

"Our research shows there's also an information cascade, where people infer that if a product is sold out, it must have been good and therefore a similar available product will also be desirable," he said.

The study, published this month in the *Journal of Retailing*, found 61 per cent of shoppers would buy a particular five-hour ski pass for \$20, but that figure rose to 91 per cent when they thought a 10-hour ski pass for the same mountain slope for \$40 had sold out.

A similar study of merlot wines found 49 per cent of consumers would buy a bottle if they had one choice, but when they thought a similar wine had sold out next to it on the shelf, nearly twice the number of [shoppers](#) would take home the available bottle.

"The use of sold-out signs creates a sense of urgency," said Messinger. The annual phenomenon of a hot toy selling out at Christmas can also be attributed to the information cascade theory, he said.

"You're dealing with toys that parents don't know if their children will

like, but millions of consumers are buying it, so they infer that because the item is being purchased, it must be good."

While empty shelves can be frustrating for consumers, Messinger and his co-authors note that the occasional sold-out product can also be a good thing for stores and manufacturers in order to help encourage a sale.

"A lack of stock for common items can indicate to [consumers](#) that a store is not managed properly because supply wasn't ordered properly. But for newer items, stores can use it as a message: it wasn't that they didn't order enough, it may be that the product was just selling so fast that nobody could anticipate it, so buy it while you can."

Source: University of Alberta ([news](#) : [web](#))

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