

How displaying real-time sales and stock levels online affects shoppers

November 27 2017

In the classic Filene's Basement sales scenario, eager shoppers would lunge for the pile of sweaters that was disappearing fastest, on the theory that those sweaters must present the most attractive deal. Now researchers from Australia's Monash University business school have shown that providing real-time cues about the number of items sold and current levels of stock - easily presentable in the digital age - can be a viable retailing strategy, even for offline merchants.

In "See How Much We've Sold Already! Effects of Displaying Sales and Stock Level Information on Consumers' Online Product Choices," Marketing Professors Yongfu He and Harmen Oppewal describe online studies designed to test consumers' purchase decisions when presented with ostensibly real-time sales and stock data. The paper will be published in the December 2017 issue of the *Journal of Retailing*.

In one study, 405 participants were asked to decide between two unfamiliar but identically priced statistics textbooks and explain their reasoning on an 11-point scale. The various scenarios showed different combinations of the sales levels (no sales [information](#), equal sales, different sales levels) and stock levels (no stock information, equal stock, different stock levels). In the condition where only sales levels were shown, the book displayed as having sold more was chosen 89 percent of the time, versus 50 percent of the time when no information was provided. When the stock level was displayed, the book showing fewer copies left was chosen 74 percent of the time, versus 50 percent when no stock data was provided. When sales and [stock information](#)

were both presented, the book with higher sales and also fewer copies remaining was chosen 84 percent of the time. Additional, similar studies were done using unfamiliar chocolate brands versus a well-known [brand](#), which was perceived as more popular and of higher quality because of its familiarity.

The authors found that across studies, sales level had a significant effect on choice, but that when brand was factored in, the effect of stock level data was often diminished. "In general, though," they write, "our findings show that when participants become more familiar with a brand, sales and stock level information start to play a lesser role as cues in the decision process."

The managerial implications are especially significant for online retailers, as online shoppers face more uncertainty about the quality of products on offer. "Displaying sales and [stock](#) level information can be an effective tool to influence consumer choice of a brand," the authors write. "Retailers should carefully consider when to display either type of information."

More information: Yongfu He et al, See How Much We've Sold Already! Effects of Displaying Sales and Stock Level Information on Consumers' Online Product Choices, *Journal of Retailing* (2017). [DOI: 10.1016/j.jretai.2017.10.002](#)

Provided by New York University

Citation: How displaying real-time sales and stock levels online affects shoppers (2017, November 27) retrieved 10 April 2024 from <https://phys.org/news/2017-11-real-time-sales-stock-online-affects.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.