# ANALYSIS OF ONLINE PURCHASE INTENTION USING SCARCITY AND LIKING AS THE PERSUASION MARKETING STRATEGIES

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### **ABSTRACT**

Customers shopping behaviors have altered because of technological advancement and widespread of internet access. The rise in online sales presents both opportunities and challenges for many e-commerce companies. To successfully increase the customers' purchase intention, it is important to implement persuasion marketing strategies especially in the online environment, together with other traditional marketing techniques available. The goal of this study is to determine which technique, between Scarcity Tactics and Liking Tactics, has more impact on customers' Purchase Intention. Zalora Indonesia, as one of the leaders in fashion, beauty, home and lifestyle e-commerce, is chosen to be the research object. Scarcity Tactics and Liking Tactics are the independent variables used in this study, with customers' Purchase Intention as the dependent variable. Quantitative method using a causal strategy, with an online questionnaire has been delivered to 120 Zalora Indonesia buyers. According to the findings of this research, customers who buy online have the tendency to do purchases when Zalora Indonesia uses Scarcity Tactics and Liking Tactics in its marketing approach. Scarcity Tactics, however, has more influence on online Purchase Intention, whereas Liking Tactics has a promising but insignificant impact. Both Scarcity Tactics and Liking Tactics show influences in customers' Purchase Intention as much as 60.2%.

Keywords: Purchase Intention, Scarcity Tactic, Liking Tactic, Marketing Strategy, E-commerce

#### 1. Introduction

The expansion of commercial industries has come from huge technological breakthroughs. Businesses can now exist and operate entirely online, without the requirement for a physical store to earn revenue. According to Khong (2017) the development of a business nowadays is highly dependent on the use of information and technology. The advantages of doing business online, in addition to the ease, are quite promising in terms of making a high profit and lowering costs.

The worldwide COVID-19 pandemic outbreak, which has forced individuals to social distancing and self-isolation, is also said to be one of the causes for the large increase in online transactions in recent years. According to a survey conducted in 2020 on the impact of social distancing measures on customer purchasing behavior, over 30% of new users enter the online marketplace after the social distancing are implemented, with over 40% opting to continue using e-commerce once the pandemic is over (Eloksari, 2020). All e-commerce sectors have been forced to evolve and adapt in response to changes in client purchasing behavior.

Since its establishment in 2012, Zalora Indonesia has provided online customers with thousands of products ranging from fashion to cosmetics and lifestyle. Zalora Indonesia managed to sustain its sales growth and continue to urge customers to make purchases despite the pandemic as can be seen below.

Total Visits to ZALORA Indonesia website

3.7

2.95

3 2.45

2.7

March-21 April-21 May-21 June-21 July-21 August-21
—Total Visits to ZALORA Indonesia website

Figure 1.1 Total Visits to Zalora Indonesia Website

Source: zalora.co.id Traffic Analytics & Market Share | Similarweb

However, as opportunities and market value grow, so do the obstacles encountered by Zalora Indonesia in general, as the number of competitors grows, providing more options for customers to choose from.

Site	Year	Monthly	
Site	Establishment	visits	
Zalora.co.id	2011	2.86M	
Berrybenka.com	2012	63.36K	
Adidas.co.id	1950	873.97K	
Bobobobo.com	2014	76.26K	
Planetsports.asia	2004	369.99K	
HijUp	2011	247.7K	
Pomelofashion.com	2013	544.34K	
Matahari.com	2015	642.27K	

Table 1.1 Monthly Visits of Indonesia's Popular Fashion Online Store

Source: zalora.co.id Alternatives & Competitors - Sites Like zalora.co.id | Similarweb

# 2. Literature Review

Purchase intention refers to a customer's desire to buy a product based on the product's attributes or functionalities being compatible with the customer's purchase purpose. The portrayal of a customer's potential to acquire a product or service in the future is known as purchase intention (Belch, 2009). Customers' perceptions, conduct, and attitude are all functioning as a role in purchase intention.

Persuasion is an important part of any marketing plan. The endeavor to persuade someone's views, attitudes, intentions, motivations, or conduct is known as persuasion. Because e-commerce

clients are unable to physically view, touch, or experience the goods during the pre-purchase process, persuasive methods must be used to encourage customers to buy.

Cialdini (2007) investigates elements influencing people's purchase decisions and eventually identifies six key principles, two of which are Scarcity and Liking tactics. For this study, Zalora Indonesia is used as the research object as it implements both Scarcity and Liking tactics.

The most frequent Scarcity marketing methods are limited-quantity and limited-time items, which aim to increase the customer's impression of an item's value when it is scarce. During an online transaction, the Scarcity principle is used to create a sense of exclusivity and urgency in the customer. Scarcity notification in Zalora Indonesia can be displayed by showing information that demonstrates limited amount or limited time availability. Three indicators are used in this study for Scarcity tactic: Commodity, Regret, Conformity (Gabler et al., 2017).

Customers are persuaded by someone they like, and one major example is social media influencers' endorsements, which push things to their followers. The Liking principle is based on other people's influences. People they like and admire are more likely to influence and persuade customers. Zalora Indonesia has been collaborating with social media influencers since its inception, and the firm is now encouraging additional influencers to join its influencer community program. Collaboration with influencers can take the form of an endorsement, a product placement, a campaign, or something else entirely. Three indicators are used in this study for Liking tactic: Expertise, Reputation, Attractiveness (Frimpong and Alam, 2020).

According to Schiffman and Kanuk (2015), increased buying intention leads to increased purchase likelihood. When a customer expresses an interest in purchasing from a specific brand, it demonstrates a favorable and strong connection to the brand and is more likely to result in purchases. As a result, marketers regard purchase intent as a critical component that must be adequately addressed in the hopes of increasing sales and revenue. Three indicators are used in this study for Purchase Intention: Attention, Interest, Action (Heizer and Render, 2011).

The variable of Scarcity has been proven to have positive and significant effects on purchase intention, according to Wu et al. (2017). Scarcity impacts are larger when customers see uniqueness, sacrifice, and value in the goods, according to the researchers. Furthermore, the finding by Heriyanto, Oktavio, and Kaihatu (2021) in their article *Peran Scarcity Marketing dan Perceived Value terhadap Purchase Intention pada Pengguna Traveloka*, reveals that the scarcity marketing element has a favorable and significant impact on customers' purchase intention on Traveloka.

In order to create trust, marketers have hired people with influencing characteristics, often known as 'influencers,' to promote, advocate, and persuade customers to buy the product. This is a type of Liking strategy that has been used by most firms and brands for decades. Customers' perceptions regarding the influencers have a beneficial impact on consumer purchase intention, according to research by Youssef and Lebdaoui (2020). Moreover, the result from a study conducted by Lengkawati (2021) with the title of *Pengaruh Influencer Marketing Terhadap Keputusan Pembelian (Studi Pada Elzatta Hijab Garut* reveal that the influencer marketing variable has a favorable and significant impact on customers' purchase intention.

## 3. Research Methods

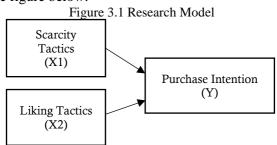
Quantitative research is used for this study with causal research design in order to examine the pattern of relationships between variables by looking at the cause-and-effect relationship.

The data collection is conducted online, as the primary data, using questionnaires distributed to Zalora Indonesia users by Google Form. During October 2021, the questionnaires were distributed to 120 customers who have made purchases on Zalora Indonesia to make up the demographic of this study. The purposive sampling strategy was employed in this research. The following are the characteristics of respondents: Between the ages of 18 and 60 years old, Made at least two transactions on Zalora Indonesia, and Make purchases on Zalora Indonesia using their own accounts.

This study uses a 5-point Likert scale to assess the responses from the customers using the total of 18 statements from 3 variables of Scarcity Tactics, Liking Tactics, and Purchase Intention.

Secondary data is also used by gathering credible and reliable facts through newspapers, journals, books, e-books, and social media sites. As secondary data, information from journals, books, and authoritative websites relating to the topic and variables are be used in this study.

Research model that shows the relationship between independent variables and dependent variable can be seen in the figure below.



The hypotheses used in this study are as follows:

- H1: Scarcity Tactics has a significant influence on Purchase Intention on Zalora Indonesia.
- H2: Liking Tactics has a significant influence on Purchase Intention on Zalora Indonesia.
- H3: Scarcity Tactics and Liking Tactics simultaneously have influence on Purchase Intention on Zalora Indonesia.

### 4. Results and Discussions

Both validity and reliability of the research questions were tested by delivering an online questionnaire via Google Form to 30 Zalora Indonesia customers outside of the study sample over the course of three days from October 9 to October 11, 2021. The results of the tests show that all of the statements used in the questionnaire are valid and reliable, thus it is eligible and worthy of additional investigation and analysis.

A classic assumption test, consisting of normality test, multicollinearity test, heteroscedasticity test and linearity test, was performed before evaluating the hypothesis using the t test and F test. The following are the results of the classic assumption test:

Normality test is based on a statistical analysis of the Kolmogorov-Smirnov test.

One-Sample Kolmogorov-Smirnov Test Unstandardized Residual 120 Normal Parametersa,b 0000000 Std. Deviation 2.60061641 Most Extreme Differences .058 .058 Positive Negative - 049 Test Statistic .058 Asymp. Sig. (2-tailed) a. Test distribution is Normal b. Calculated from data. c. Lilliefors Significance Correction. d. This is a lower bound of the true significance.

Table 4.1 Normality Test

According to the criteria of the Kolmogorov Smirnov test, data is normally distributed if the significance value is greater than 0.05 (>0.05). In this case, the variables of this research have a significant value of 0.200, seen from the Asymp. Sig (2-tailed) value from the table above therefore it can be stated that the research variables are normally distributed.

The result of the Multicollinearity test can be seen as follow.

Table 4.2 Multicollinearity Test

		Coet	ficients			
Model		t	Sig.	Collinearity Statistics		
				Tolerance	VIF	
1	(Constant)	3.611	.000			
	Scarcity Tactics	2.602	.010	.784	1.275	
	Liking Tactics	1.312	.192	.437	2.289	
a. Depe	ndent Variable: Purchase	Intention				

The tolerance value of Scarcity Tactics is 0.784, which is greater than the criteria value of 0.1 and the VIF value of Scarcity Tactics is 1.275, which is less than the criteria value of 10 thus showing that there is no multicollinearity between the independent variable in the regression model. The tolerance value of Liking Tactics is 0.437, which is greater than the criteria value of 0.1 and the VIF value of Liking Tactics is 2.289, which is less than the criteria value of 10 thus showing that there is no multicollinearity between the independent variable in the regression model.

The result of the Heteroscedasticity test can be seen as follow.

Table 4.3 Heteroscedasticity Test

Model		Unstandardiz	red Coefficients	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	2.927	.844		3.469	.001
	Scarcity Tactics	045	.033	141	-1.365	.175
	Liking Tactics	026	.041	087	624	.534
a. Depe	ndent Variable: Purcha	se Intention				

Based on the criteria of Glejser test, if the significance value is greater than 0.05 (>0.05), there are no heteroscedasticity symptoms present. In this case, the two independent variables of Scarcity Tactics and Liking Tactics have significance values greater than 0.05 with the value of 0.175 and 0.534 respectively. It can be stated that the research passed the heteroscedasticity test.

Linearity test is used to determine whether the variables have a significant linear relationship. The criteria are if linearity significant value < 0.05 and if the deviation from linearity significant value > 0.05, there is a linear relationship. From the tests, it can be seen that Scarcity Tactics and Liking Tactics variables passed the linearity test therefore it can be concluded that both independent variables have a linear relationship with the dependent variable, which is Purchase Intention.

Multiple linear regression is used to find whether there is any significant impact of the independent variables towards the dependent variable.

Table 4.4 Multiple Linear Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.		
	Model		Std. Error	Beta		Sig.		
1	(Constant)	5.032	1.394		3.611	.000		
	Scarcity Tactics	.143	.055	.168	2.602	.010		
	Liking Tactics	.089	.068	.114	1.312	.192		
a. Depe	a. Dependent Variable: Purchase Intention							

The table shows that Scarcity Tactics and Liking Tactics have a positive regression coefficient which means that they have a positive effect on Purchase Intention.

From the F-test result, the significance value is 0.000 therefore the hypothesis is accepted as it is in accordance with the criteria where a significance value less than 0.05 means the hypothesis is accepted. It can be concluded that Scarcity tactics and Liking tactics are simultaneously affecting the Purchase Intention.

Using the T-test, it shows that the significance value of Scarcity Tactics is 0.010, which is smaller than 0.05, therefore Scarcity Tactics partially has a significant effect on Purchase Intention on Zalora Indonesia. Moreover, the significance value of Liking Tactics is 0.192, which is greater than 0.05, therefore Liking Tactics partially has no significant effect on Purchase Intention on Zalora Indonesia.

Based on the significance value, Zalora Indonesia should focuses on increasing the variables of Scarcity Tactics because it is proven to have significant effect on Purchase Intention. The company then can increase the Liking Tactics after prioritizing Scarcity strategies because the variable has an effect, but not significant, on its customers' Purchase intention.

5. Conclusion

Based on the discussions above, it can be concluded that Scarcity Tactics has a significant influence on Purchase Intention on Zalora Indonesia, however Liking Tactics variable does not have a significant influence on Purchase Intention on Zalora Indonesia. Both independent variables, which are Scarcity Tactics and Liking Tactics, influence as much as 60.2% of the customers' Purchase Intention. Thus, two hypotheses H1 and H3 are accepted, and one hypothesis H2 is rejected.

The theoretical concepts and empirical supports related to the Scarcity tactics and Liking tactics encouraging the customer's Purchase Intention have been supported by literatures that explained the theory of Scarcity tactics and Liking Tactics.

Adding time pressure techniques in its marketing strategy, displaying limited products category on the website homepage, and showcasing the unique value of the limited products are ways the company should apply to elevate the Scarcity Tactics effect.

Liking Tactics which have proven to be less effective, based on the multiple analysis regression, compared to Scarcity Tactics, but still possess the capacity to persuade customers in making purchase decisions on Zalora Indonesia. Zalora Indonesia has collaborated with numerous influencers for daily promotions, special campaigns, and other projects.

The outcomes of using Liking Tactics might not show significance in customer's Purchase Intention, however, based on the company data, Liking Tactics increase Zalora Indonesia's social media followers significantly. This proves that the implication of Liking tactics is more effective in increasing the company's awareness and grabbing customers' attention but still lacking in driving customers to make a purchase. Therefore, Zalora Indonesia should maintain its influencer marketing strategy including the community influencer program where influencers promote products and encourage using their promo code to their followers; in which for every purchase done using their promo code the influencers will get commission.

The remaining factors that influence the customers' Purchase Intention as much as 39.8% can be explored through other marketing strategies, both using traditional media and digital media.

Further research can be developed by linking other persuasion principles such as consensus, authority, commitment, and reciprocity principles. The adding of variables is hoped to further improve the understanding of the factors that influence customers' purchase intention.

For other researchers, it is recommended to share their research findings and compare the result to see whether there is a similarity in the outcomes. Increasing the sample size is also recommended for more accurate results.

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