

HOW CAN LIMITED-TIME DISCOUNTS (SUCH AS FLASH SALES AND LIMITED-TIME OFFERS) AFFECT THE URGENCY AND IMPULSIVE BUYING BEHAVIOR OF CONSUMERS?

Naiara Oberoi^{1*}

^{1*}*The Shri Ram School Aravali, Gurgaon, Haryana, India*

***Corresponding Author:** *Naiara Oberoi, The Shri Ram School Aravali, Gurgaon, Haryana, India.*

Abstract:

In this article, the author aims to investigate the effects of time-limited promotions, including flash sales, coupons, and countdown timers on the consumer's behavior and the tendency to make impulse purchases. Based on commodity theory, reactance theory, and regret theory, the paper analyses the impact of scarcity and time factors on decision-making. The study shows how firms use these mechanisms to increase consumption, repeat purchases, and build brand equity. To support this, the author provides examples of Amazon, Starbucks, and BJ's Restaurants to show how limited time offers work with consumer psychology by making people feel the FOMO and making them make quick decisions. Also, the article looks at how the consumer is likely to make an irrational decision when under the pressure of time and as such, make an impulsive purchase. Different kinds of temporary scarcity including flash sales, coupons, and seasonal offers are discussed and their impact on consumer behavior is explained. The article also gives tips on how to avoid being influenced by persuasive techniques and how to engage in conscious consumption. The study provides important implications for organizations interested in using time-limited promotions and for customers wishing to avoid the negative consequences of promotion-induced urgency.

Keywords: Limited-time discounts, Consumer behavior, Impulsive buying, Scarcity marketing, Fear of missing out (FOMO).

1. Introduction

Businesses are continuously searching for novel and inventive approaches to draw in and keep clients in the fiercely competitive industry of today. The tactic of providing transient discounts is one that businesses often use. Sales with limited availability that compel customers to buy are known as time-limited discounts. These savings have the potential to dramatically alter customer behavior by affecting their decision-making and eventually increasing sales. Time-limited discounts have been found to boost sales volume, promote repeat business, and foster brand loyalty. Businesses can exploit consumers' fear of losing out and motivate them to act swiftly by instilling a sense of scarcity and limited supply. Businesses wishing to use time-limited discounts as a marketing tactic to efficiently meet their sales targets must comprehend the impact that these reductions have on consumer behavior.

1.1 Theoretical Context

Psychological theories have demonstrated a relationship between scarcity and consumers' perceptions of product offerings. The theory of commodities, which asserts that a commodity's value rises with scarcity, is mentioned by Lynn (1991, 1992). According to Brock (1968), commodity theory highlights the relationship between a commodity's availability and utility and its value. According to Lynn (1991), more value corresponds with greater utility and desirability. Furthermore, reactance theory—which holds that limiting one's freedom of action makes the desired behavior more appealing—is examined by Lessne and Notarantonio (1988). They discovered evidence of in-store ads featuring time-limited deals to support this idea. Additionally, Lynn (1991) offers empirical support for the outcomes that commodities theory and reactance theory anticipate. Additionally, research by Simonson (1992) and Inman et al. (1997) shows how restricting product purchases and promotions can affect the decisions and behavior of customers.

Numerous studies have been conducted in the literature on the effects of sales promotions on customer behavior, and the findings indicate that these strategies can incentivize consumers to make larger purchases, buy more quickly, or even switch brands. According to Inman and McAlister's (1994) example, customers are more likely to use coupons when the expiration date approaches. This result emphasizes how well sales promotions work to take advantage of time constraints and change customer behavior.

To further explain the accelerating effects of purchases that have been seen about coupon expiration dates, Inman and McAlister (1994) proposed regret theory. Their research showed that people are more likely to take advantage of the current great offer when they feel remorse about the possibility that appealing pricing won't be available in the future. This idea of "anticipatory regret" is thought to become more prevalent as the coupon's expiration date approaches. Additionally, prospect theory—which contends that customers are more perceptive to possible losses than gains—was presented as an alternate theoretical framework for comprehending the buy acceleration effect. Consumers may reframe coupons as possible losses if they are not used as the expiration date draws near, increasing the chance that they will be used and leading to an acceleration of the purchasing process.

The study also shows that compared to time-independent promotions, time-limited promos have a greater influence on accelerating purchases. Consumer behavior is greatly influenced by the way price reductions are framed as possible wins and then reframed as possible losses because of time constraints. Furthermore, indicators from the environment that support this reframing are probably going to increase purchasing inclinations. As such, the influence of various promotional tactics on the acceleration of purchases varies based on their capacity to cause this cognitive reframing in customers.

A psychological and social phenomenon known as the "**closing-time effect**" is noticed in social environments such as pubs and nightclubs, when people start to find other people more appealing as closing time draws near. The scarcity principle is principally responsible for this effect. People may feel more of a need to connect when the window of chance to get in touch with potential mates closes, which makes others appear more alluring. The strain of running out of time can make people more desperate to find love before the night is up, which can affect how attractive they think they are. Businesses instill a sense of urgency among customers by offering temporary discounts. The discount's approaching expiration date capitalizes on the concept of scarcity, increasing the allure of the offer. As the discount's expiration date approaches, customers can see the discounted commodity or service as more value, hastening their decision-making and lowering the likelihood of indecision. This sense of urgency is similar to the closing-time effect, which happens in social contexts and makes people feel pressured to act fast before a chance to do so slips away.

The closure-time effect illustrates our response to the shortage.

Reactance theory

The groundbreaking idea that is currently employed to explain behavior was established in 1966 by social psychologist Jack Brehm of Duke University. Brehm's reactance theory is concerned with how individuals respond to limitations on their freedom of choice. This hypothesis is predicated on two premises. First, it is believed that we are capable of a range of free activities. These liberated behaviors are those we have done in the past, are doing now, or may do in the future. Two, it is a given that we are driven to reclaim our freedom when it is endangered or taken away from us.

Our response stems from our fear of losing freedom rather than from a desire for it. As a result, we are inspired to reinstate our perception of our right to free will. There is minimal mental effort required for this reactance, which occurs spontaneously. It can be so powerful that it leads us to make bad judgments, such as spending money that we shouldn't or purchasing items we don't need or want.

"Enroll now for only \$1. Offer expires shortly!" This is a perfect illustration of how sales can result from time constraints. Stress associated with feeling as though we don't have enough time affects our choices. Studies have indicated that customers are aware of a promotion's expiration date and that this pressure may make them more likely to purchase the

advertised good or service. This is particularly true if we anticipate that the item's price will increase. We buy today when we anticipate a price hike. Conversely, we wait for the sale when we anticipate a price decrease.

That's what drove Ryan to stock up on deodorant. His wife had doubts about his decision to buy deodorant when he returned from the store with ten sticks instead of just one. Ryan gave a straightforward explanation, saying, "The deodorant was reduced by 20%." I decided to purchase ten as I had no idea when it would go on sale again.

1.2 Research Objectives

The main objectives of this research article are as follows:

1. To investigate the psychological impact of time-related scarcity on consumer behavior This includes exploring how limited-time discounts, such as flash sales and limited-time offers, influence consumers' decision-making processes and trigger urgency.
2. To analyze the role of scarcity in driving impulsive buying behavior This objective focuses on understanding how time-limited discounts affect consumer behavior, leading to unplanned purchases driven by fear of missing out (FOMO).
3. To evaluate the effectiveness of various types of limited-time discount strategies This involves assessing the influence of different forms of scarcity, such as flash sales, daily deals, countdown clocks, and coupons, on consumer purchasing patterns and urgency.
4. To examine consumer strategies for mindful consumption This objective aims to identify how knowledge of persuasion techniques and self-regulation strategies can mitigate the impulsive buying behavior triggered by limited-time discounts.

2. Methodology

This study was carried out as a theoretical study and conceptual study and it covered the topic of how the strategy of time-sensitive discounts influences consumers' behavior, especially the aspect of perceived scarcity. The study was based solely on secondary data collected from other research, psychological theories, and case studies. Among the key sources of information were such theories as commodity theory and reactance theory; and examples of the use of such PTP strategies by companies like Amazon, Starbucks, and BJ's Restaurants, among others. The method of data analysis was also qualitative, as the study aimed to review the existing literature to understand the impact of limited-time offers on the buying decision. The study was centered on the role of scarcity and time pressure in making decisions and emotions such as FOMO. Limitations, Due to the nature of the study, there were few, if any, ethical concerns as the study relied on secondary data that is in the public domain and did not involve human subjects. The drawbacks of the study included the fact that the study did not collect data from the field, and therefore, even though it offered a literature-based analysis, it did not offer the results of an empirical study.

3. Results and Discussion

The effects of limited-time offers are psychological and emotional, which ultimately compel consumers to make faster decisions and buy products. In this section, the focus is on how different types of time-related scarcity affect consumer decision-making. We also explain the concrete impact of these promotions on customers about the knowledge of the marketing strategies and the susceptibility to being enticed into impulsive purchases. From these factors, we can understand the interconnectivity of urgency, scarcity, and consumer behavior.

3.1 Time-related scarcity

Products with limited editions, limited supplies for a specific amount of time, or limited availability all contribute to this kind of scarcity. The time constraint leads to scarcity. Infomercials are a typical area to experience scarcity since they offer a small window of chance to act. This concept was discussed by Kevin Harrington, the first "shark" on the television show Shark Tank, who created the As Seen on the TV industry. He stated, "Back in the early '80s, I was first exposed to this strategy of selling with scarcity. I experienced it when making infomercials in addition to selling on the Home Shopping Network. " **Sometimes, we'd say, "You must order within a specific time frame to receive the product or special offer."**

There was a sense of urgency conveyed by this language.

An increasing number of brands, such as Nike, Supreme, Off-White, and even Amazon, are showing signs of a similar trend. Under a program offered by Amazon, influencers pick a selection of clothes that are available to customers for no more than 30 hours. This program is known by Amazon as "The Drop." It sounds a lot like the tried-and-true method found in shopping channels and infomercials, even though the language might be different.

However, businesses that take part in these time-limited promotions are aware that they are unable to advertise the same product again and over again. By doing this, the effect of scarcity would be lessened. Here's where limited editions make an impression.

How does the human brain respond to scarcity?

In a **2017 study**, participants saw an advertisement for a product that offered a percentage off the price. **Different messages indicated different times for the offer: today only, one week only, and no expiration.** Participants pressed a button to indicate that they intended to buy the product while they were hooked up to an fMRI scanner. It's interesting to note that when individuals were shown limited-time deals, their emotional amygdala activity rose when they decided to make a purchase. When the goods were not portrayed as limited, this did not happen. Additionally, the researchers saw that individuals tended to disregard facts that contradicted their decision to purchase the limited-time deal.

These two research findings suggest that scarcity can increase decision-making urgency and foster a "buy it now" mentality. This kind of thinking can make it more difficult for us to weigh all the advantages and disadvantages of a transaction. Rather than applying logical analysis to the circumstance, our mental resources are consumed in defending the purchase, disregarding any doubts that could arise. These and a plethora of other research that has looked at brain activity in connection to scarcity show that scarcity is a real factor that can be seen using fMRI scans. Our innate need to survive means that we often become obsessed with the things we don't have. Scarcity prompts our minds to concentrate on what they consider to be urgent. When we have an urgent desire for something, such as a purchase, and it's out of our reach, our minds devote mental resources and attention to rationalizing the purchase.

When we encounter a limited-time offer, this is what happens.

We frequently skip the customary procedures involved in purchasing because we are under pressure to make a decision quickly. When we're pressed for time, we often cease looking for new information to help us make decisions. This implies that while we are pressed for time and want to make a snap decision, we might not investigate alternative possibilities and offers. Businesses benefit from this behavior because it forces us to buy without weighing the pros and disadvantages of alternative goods or deals. This keeps us focused on a specific brand or product by quickening our decision-making process and limiting our exposure to similar offers or products. It's a win-win situation in terms of marketing.

In time-based scarcity, social cues have less of an impact. There is no direct rivalry among customers to obtain a limited-edition item before it sells out.

Supply-related scarcity differs from time-based scarcity in that buyers do not have to buy before the sale ends to "win." Instead, the quantity of inventory that is available is reduced with each transaction. There is competition with the clock rather than with other customers. This means that social cue-based marketing communications, like "almost sold out," are less effective. Businesses would do better to create clear and succinct advertising materials that include the post-sale pricing and the sale date, rather than depending solely on social cues. Time-sensitive scarcity can take many forms, such as coupons, countdown timers, flash discounts, and limited-time promotions. As long as these tactics are used correctly, they can all be advantageous. Let's examine each one in more detail.

Type of Limited-time scarcity

1. Limited Time Offers

Prime Rib Specialty by BJ's

Limited-time deals and discounts are frequently used by publicly traded corporations BJ's Restaurants, which has around 200 locations across the US, to increase sales. Consider the "Happy Hour" that is provided to patrons.

Only certain hours are accessible for the Happy Hour deals:

- Monday through Friday: 3:00 PM to 6:00 PM
- Sunday through Thursday: 9:00 p.m. until closing

Customers feel compelled to attend during certain times to take advantage of the special pricing because of these time restrictions.

The discounts are substantial and come in different forms:

- \$5 for BJ's handcrafted signature beers and Dark Horse wines
- \$6 for Brewhouse margaritas and call cocktails
- \$7 for a selection of appetizers and mini deep-dish pizza
- \$4 for domestic bottles and chips and dips.
- The promotion elevates these offers above standard rates by providing a limited number of things at a discounted rate.

Customers are limited in the circumstances in which they can take advantage of the deals because they are only available in the bar and on the terrace. This emphasizes the promotion's uniqueness and scarcity even more.

"The Happy Hour" menu has a lot to offer, including food (sliders, pot stickers, egg rolls, and appetizers) and drinks (beers, wines, and margaritas). A wider range of consumers are drawn to this variation, which increases the number of participants in the campaign.

The narrow window of opportunity created by the particular time frames and discounted prices leverages the concept of scarcity. Customers are encouraged to visit during Happy Hour to avoid missing out since they are more likely to think that the bargains are special.

BJ's Happy Hour uses the exclusivity and urgency that the scarcity principle creates to purposefully use limited-time offers to drive traffic during off-peak hours. This occurrence is depicted in the figure below.

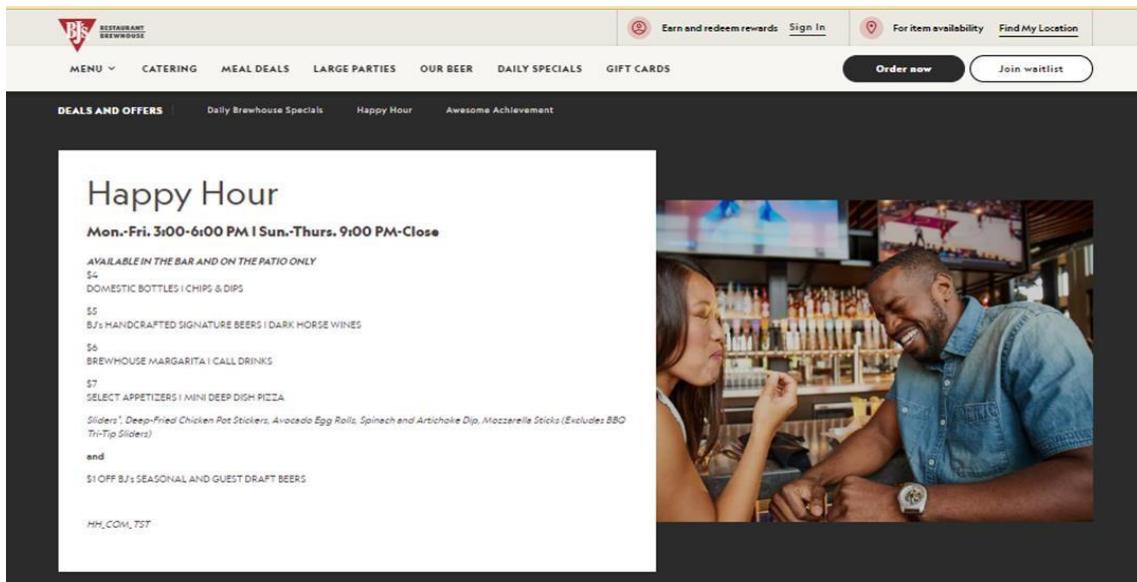


Figure 1. BJ's Restaurant Happy Hour Offerings and Time Restrictions

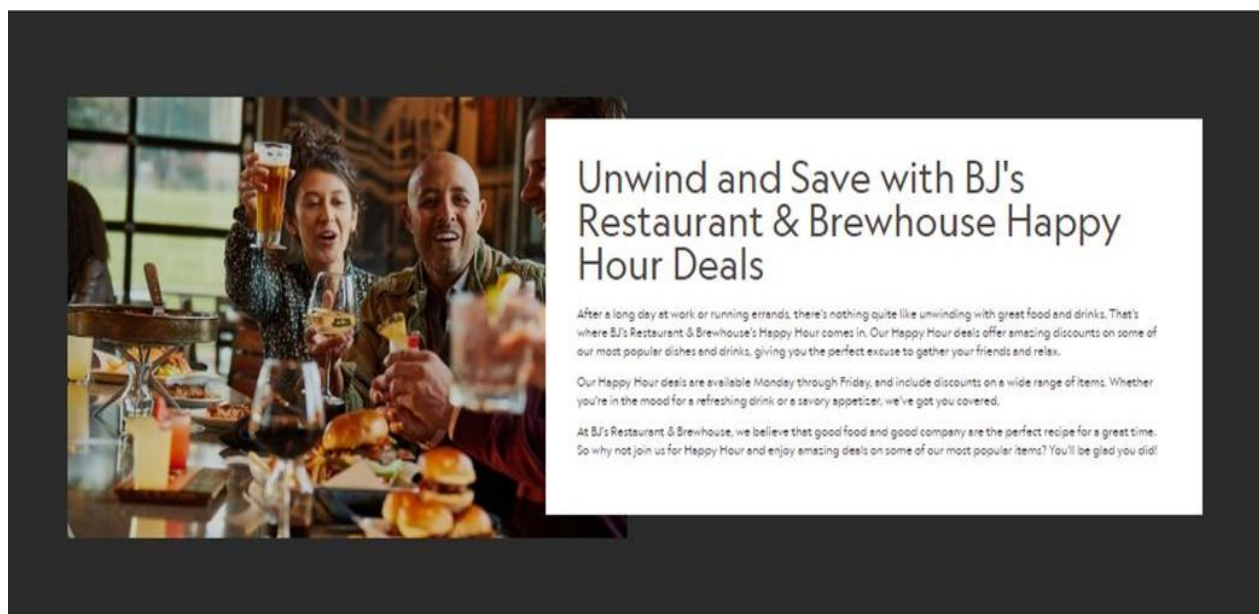


Figure 2. Promotional Appeal of BJ's Restaurant Happy Hour

KING OF SEASONAL LIMITED-TIME DRINK: PUMPKIN SPICE LATTE

Starbucks has a unique way of using scarcity to increase sales; this is most evident with their limited-edition 'Pumpkin Spice Latte' (PSL). Over the years, the PSL has developed a devoted fan base, and enthusiasts look forward to its yearly release. After a week of sales exceeding initial test results in Vancouver and Washington, DC, Starbucks experienced a lack of supplies. Despite its challenging beginnings, the PSL has sold millions of copies globally and grown to become a seasonal phenomenon. Because of its limited supply, customers feel compelled to act swiftly before it disappears. This occurrence shows how ephemeral offerings can arouse public curiosity and influence consumer behavior.

2. Flash Deals

Adgully's headline on September 1, 2021, said, "Take advantage of a Friday flash sale and save up to 60% on your staycation on Yas Island." Yas Island (in Abu Dhabi) is offering local customers who are thinking about having a staycation a limited-time deal called a flash sale. The promotion featured savings of up to 60% on staycation packages and up to 50% on theme park and CLYMB Abu Dhabi day tickets.

Businesses, especially those in the hotel sector, are increasingly using flash deals like the one Yas Island is offering to boost sales income rapidly. A flash sale is a brief period when specific products are sold. According to one study, which involved interviewing 46 hotel managers, flash sales were typically conducted when management needed money. The managers in charge of flash sales promotions unanimously agreed that slow sales were the best time to use this marketing tactic. The managers in each of these examples explained that flash sales are a way to fill rooms that would otherwise stay vacant. The managers used these temporary price reductions to address the perishability problem with their properties.

Five-day flash sale with savings of upto 60% for your staycation on Yas island

MARKETING

2 MINUTES TO READ
SEP 01, 2021

ADGULLY BUREAU
@adgully

News in the domain of Advertising, Marketing, Media and Business of Entertainment

RELATED ITEMS MARKETING
SALES MARKETING NEWS



Yas Island has announced an exclusive, limited-time Flash Sale between 01 – 05 September for thrill and staycation seekers to book their package. Flash Sale offers discounted rates of up to 60% for staycation packages, and up to 50% off for day tickets for theme parks and CLYMB Abu Dhabi.

Holidaymakers can choose the Flash Sale staycation offer, starting at AED478 per person for a minimum length of two-night stay with check-in between October and December 2021. As part of a delightful hotel stay at any of Yas Island's hotels, the offer includes access to the destination's award-winning theme parks with half-board as well as complimentary tickets to the Louvre Abu Dhabi during the two night stay.

Figure 3. Five-Day Flash Sale Promotional Offer on Yas Island Staycation

Beyond inventory and revenue management, there were additional advantages. The benefits of flash sales included better customer connections and more brand promotion. The majority of those surveyed clarified that flash sales help hotels advertise and gain more publicity for their establishments. Brand awareness is increased, for instance, when a bulk email advertising a flash sale appears in the inboxes of thousands of prospective guests.

Similar strategies are used by **airlines** when utilizing flash sales.

In a 2011 report, an unidentified airline revenue manager was interviewed by Fox News. Every airline employs a team of revenue managers whose goal is to optimize profits by continuously adjusting rates based on a variety of criteria such as route, season, supply, and demand. The way that airline ticket prices are changed is similar to this strategy even though they are not typically advertised as flash sales. Airlines decide what pricing to give, at what intervals, and in what quantities by using computer systems and algorithms.

3. The Daily Deal

Customers could take advantage of an advertised offer within 24 hours every day. The model was simple to comprehend. Every day there was an offer for a new product, with the same 24-hour deadline for purchases. Consumer goods and gadgets were among the products available. Woot.com had five million monthly visitors at its peak. During the US financial crisis of 2008, everyday bargains and flash sales helped many physical retailers stay in business. Even though daily deal websites like Woot.com still exist (Amazon bought it in 2010 for \$110 million), many physical and online businesses have started using these kinds of promotions.

20 woot! 35% KICKBACK

Home & Kitchen Electronics Computers Tools & Garden Sports & Outdoors Shirt Grocery & Household Clearance

PRIME MEMBERS | Free shipping. Learn more

Home > All Deals
847 deals

Categories

- ☒ All Deals
- ☐ Computers
- ☐ Electronics
- ☐ Grocery & Household
- ☐ Home & Kitchen
- ☐ Sports & Outdoors
- ☐ Tools & Garden

Price Ranges

- ☒ All Prices
- ☐ Under \$25
- ☐ \$25 to \$50
- ☐ \$50 to \$100
- ☐ Over \$100

Sort: Today Only

\$11.79 - \$34.49 [Digital Code] Xbox Game Pass Ultimate	\$26.99 SHARK Cyclone Handheld Vacuum 10 hours left to buy	\$199.99 \$450.00 Reference Price Save: \$450.00 (69%) MIDEA 14,000 BTU Duo Smart Portable AC (550sqft)
\$19.99 \$39.99 Reference Price Save: \$20.00 (50%) Traverse Nano Inflatable Pump 11 hours left to buy	\$9.99 \$17.99 Reference Price Save: \$8.00 (44%) Safer Home SH502 Indoor Plug-In Fly Trap	\$26.99 - \$51.99 Energizer Max AA & AAA Battery Packs
\$24.99 \$99.00 Reference Price Save: \$74.01 (75%) Apple Watch Band - Leather	\$6.99 \$13.99 Reference Price Save: \$13.00 (65%) AmazonBasics SFT 3 Outlet 3	\$19.99 \$44.99 Reference Price Save: \$14.98 (43%) 3Pk Mens Cotton Stretch Chino

Figure 4. Daily Deals on Woot.com: Limited-Time Offers and Discounts

4. Countdown clocks

Online retailers sometimes include countdown timers on their sites, alerting consumers when the window of opportunity to take advantage of a promotion, free shipping, or other specials is about to close. FOMO, or the fear of missing out, is heightened by the visual countdown, which makes us feel compelled to take fast action. These durations are frequently seen in emails with promotions for sales, discounts, and free delivery, as well as on banner ads on websites. Many firms warn clients that the sale or offer has finished by displaying a message when the timer ends, in an attempt to increase the dread of losing out. It's critical to keep in mind that we are more likely to fear losing something than to obtain it. As a result, we will be inspired to act quickly the next time we see a countdown timer since we will be reminded of the disappointment we experienced when we lost out on a prior deal. Would you mind testing a countdown timer if you run an online store? It's an easy, yet powerful, approach to instill a sense of urgency.

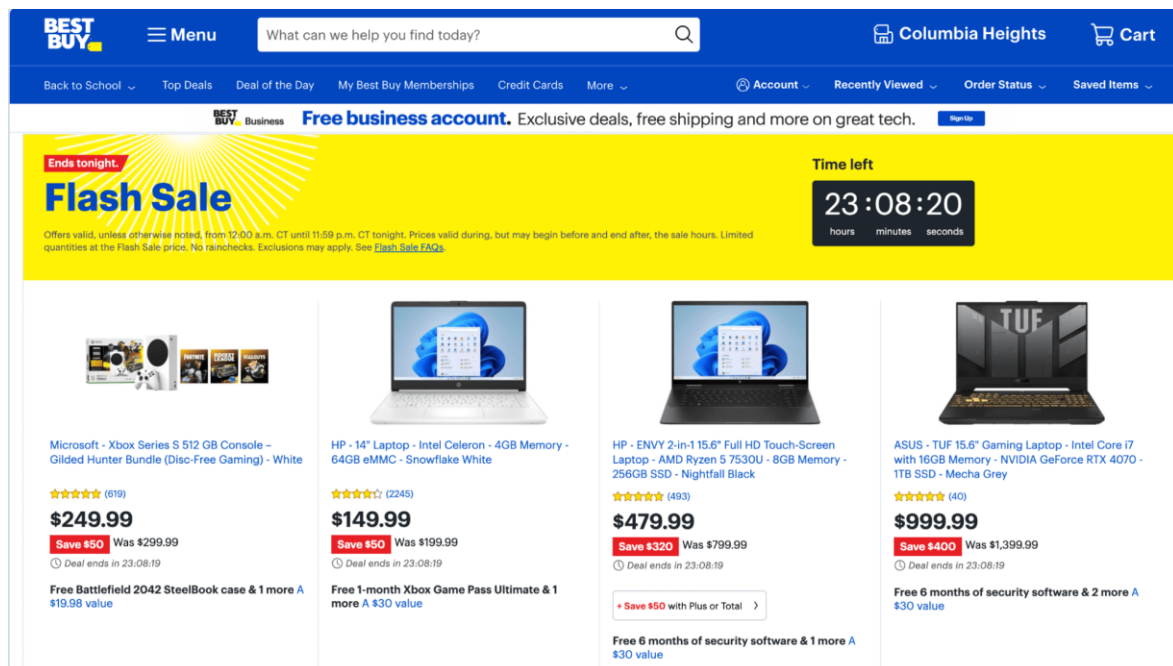


Figure 5. Best Buy Flash Sale with Countdown Timer to Increase Purchase Urgency

This strategy is employed by Amazon in their lightning offers. Not only do you see the number of reduced products previously claimed by other customers, but there is also a countdown meter indicating you how many hours or minutes you have until the offer is gone . . . forever.

5. Coupons

Coupons are among the most traditional marketing tactics used by businesses. There have been coupons for centuries. Coupons work and look just as well as they did in the past. Here is what the evidence is. In 2020, there were 3.3 million unique visits to Coupons.com each month on average. A sizable portion of people are looking for coupons. 3,282 manufacturers distributed almost \$189 billion worth of coupons in the United States alone that year. Thirty—However, how many people used these coupons? 52 million Americans are thought to have used mobile coupons; this number does not even include redemptions of print coupons. Sixteen Even more astounding is the fact that customers who use online coupons spend, on average, 24% more than typical customers. Furthermore, 74% of shoppers use social media to follow brands to find coupons.²⁷ Is there anyone with a coupon? People value coupons.

Coupons bring us great joy.

At least that's what research led by a neuroeconomics professor and his colleagues found when they looked at how people's online grocery shopping behavior was affected by a \$10 discount. Fifty percent of the participants received the \$10 discount while the remaining half did not. Then, a range of metrics, including blood hormone levels, respiration, heart rate, sweating, and mood, were used to evaluate the effect of the coupons. According to the study, receiving a voucher causes a significant increase in the release of the hormone oxytocin, which is connected to happy and loving feelings. According to Professor Zak, the lead investigator, "These results, in conjunction with the findings of other research, indicate that coupons can directly influence the happiness of individuals, promote positive health, and enhance the capacity to manage stressful situations." The fact that marketers have been using coupons to draw customers and launch new product lines for decades should not come as a surprise. One of the most widely used instances of time-related scarcity is the coupon. When coupons are first received, their potential for cash gain cheers us and eases our strain.

Coupons make people fearful about losing them. For instance, if a sizable amount of prospective clients use the coupon, a shorter coupon period will result in a higher profit. Nevertheless, while choosing an expiration date, there are trade-offs to take into account. Longer expiration dates give consumers more time to learn about the deal, but they also raise the risk that they will forget about it or put off making a purchase. On the other hand, shorter expiration dates could make it more urgent to take action, but they might also be seen as inconvenient.

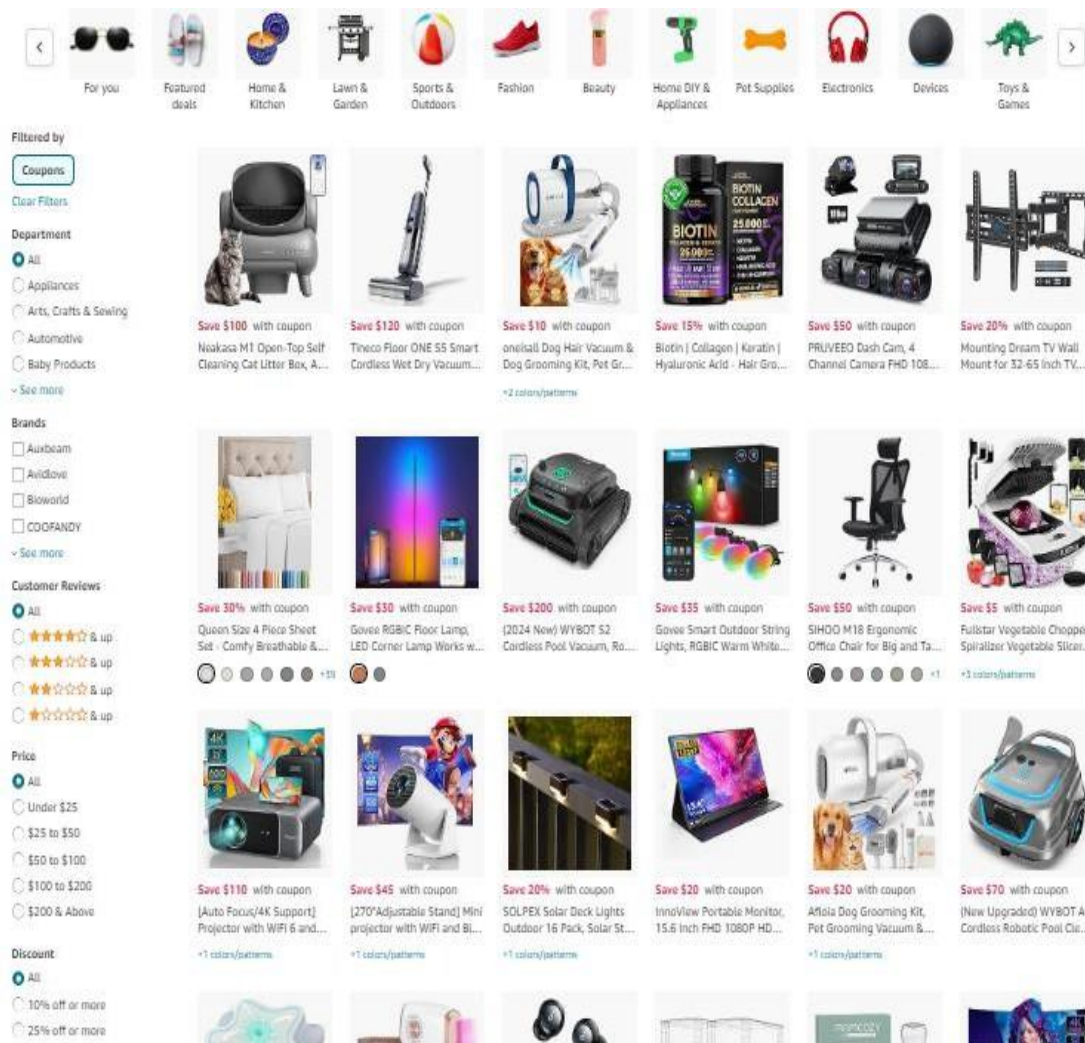


Figure 6. Online Retail Coupons: Promoting Savings and Driving Consumer Purchases

What options do marketers now have when determining an expiration period?

According to one study, the effectiveness of the coupon is increased when the time limit is fewer than two weeks.³⁵ Marketing managers need to make sure the deadline is met. The difference between manufacturer and store coupons illustrates this situation. Manufacturer coupons usually have a long expiration date, and shortly before the coupon expires, there's usually a sharp redemption rate. Conversely, store coupons usually have a much shorter expiration date and don't make it necessary for shoppers to wait a long period to make a purchase and take advantage of the discount. We are highly motivated to purchase now as consumers. We frequently purchase more than we normally would have if the coupon offer permits it.

One of the best instances of a business that has used coupons to understand time-related scarcity is **Groupon**. The huge discount site, which functions as a middleman between consumers and small businesses, promotes exclusive deals for physical stores. The fine print part of the platform contains the stated end date for each deal. Moreover, Groupon offers additional promos that let customers receive even bigger savings, like 20% off the Groupon price. Groupon conveys this information to users via emails, push alerts, and messages within the mobile app.

Therefore, the idea of scarcity is one of the primary elements influencing how customers react to limited-time offers. Customers are more likely to view a product as precious and scarce when presented with a limited-time deal, which heightens their sense of urgency to buy. Because of the scarcity effect, buyers may get fearful of missing out and act quickly to seize the chance. Time-limited discounts, which give customers a specific deadline for making a purchase decision, might also appeal to their need for rapid gratification. Because of this sensation of immediacy, people may make impulsive purchases that they otherwise might not have done by putting their rational decision-making processes at risk. All things considered, time-limited discounts have the power to greatly impact consumer behavior and influence purchase decisions by combining the concepts of scarcity and immediacy.

3.3 Consequences for Customers

1. Knowledge of Persuasion Techniques

Customers need to be aware of the different persuasion strategies that marketers and retailers employ, particularly when it comes to temporary sales. Retailers frequently limit the quantity or length of discounts to evoke a sense of scarcity. The goal of this strategy is to use the fear of missing out (FOMO) to drive customers to make snap decisions about what to buy. Marketers can bolster the perceived value of discounted products by showcasing social proof, such as client

testimonials or reviews. This can sway customers by implying that other people have already profited from the deal. It is possible to increase the perceived significance of the reduction by presenting the discounted price against a higher original price, or anchor. Customers ought to assess the original price's fairness and reasonableness critically. Offers may seem more enticing when discounts are customized based on customer behavior and preferences. Customers should think about whether customized discounts meet their needs or are just meant to entice them to make bigger purchases.

2. Strategies for Mindful Consumption

Customers can think about the following tactics to practice mindful consumption during sales:

- **Establish Priorities and Budgets:** Establish spending caps and order purchases according to needs rather than whims sparked by sales. This aids in preventing overpaying on potentially unnecessary purchases.
- **Investigation and Contrast:** Do your homework well before making a purchase. To make sure the reduced item satisfies needs and tastes, compare costs, read reviews, and assess its attributes.
- **Assess True Value:** Determine if the reduced price is in line with the true worth of the good or service. Think about things like longevity, quality, and long-term advantages over just the initial financial savings.
- **Refrain from Buying on the Spoof:** Give your purchases some thought, especially when there are temporary discounts. Delaying decisions can assist in avoiding purchases that are made only out of the need to act quickly due to time-limited deals.
- **Recognize Return Policy:** Understand the retailer's policies on returns and exchanges for items that are discounted. This guarantees that buyers will be able to return goods if they are not up to par or have quality problems.

4. Conclusion

Temporary discounts, in addition to other behavioral effects, have a major impact on customers' thinking and purchase decisions. Customers are given a sense of urgency by flash discounts and other transient promotions, which can significantly alter their choice to buy. Because of their scarcity and urgency, these ads may cause psychological reactions like FOMO, or the fear of missing out, which could lead to impulsive purchases and an instant increase in sales. A range of tactics, including countdown offers, flash discounts, and limited-time coupon codes, are included in time-limited discount schemes. However, they are all predicated on the urgency notion, which incentivizes buyers to take immediate action. Finally, time-limited promotions can successfully encourage hurried purchases. They can influence consumer behavior and help businesses by raising sales and customer engagement by evoking a sense of exclusivity and worth. The need to use these tactics prudently and cautiously is underscored by the possibility that using them too frequently could lead to consumer fatigue and a reduction in long-term brand loyalty. These price cuts provide companies with a competitive edge, attract new customers, and retain existing ones. However, overuse can drive away customers and damage a company's reputation. Time-limited offers have a favorable effect on sales and brand reputation when they are incorporated into a marketing strategy.

References

1. Adgully. (2021, September 1). Five-day flash sale with savings of up to 60% for your staycation on Yas Island. Adgully. <https://www.adgully.com/>
2. Amazon. (n.d.). Countdown clocks and lightning offers: Creating urgency through time-sensitive promotions. Amazon.
3. Brock, T. C. (1968). Commodity theory of social exchange. In T. C. Brock (Ed.), *Theories of cognitive consistency: A sourcebook* (pp. 243-261). Rand McNally.
4. Example of a countdown timer pop-up to encourage customers to buy now. (n.d.). Clasp. https://static.clasp.io/var/www/html/public/photos/shares/ContentImages/Countdown%20Timer%20Pop%20Up%20Encourage%20Your%20Customers%20Buy%20Now/Example_10.png
5. Groupon. (n.d.). How coupons and time-related scarcity drive consumer behavior. Groupon.
6. Inman, J. J., & McAlister, L. (1994). Do coupon expiration dates affect consumer behavior? Regret theory in marketing. *Journal of Marketing Research*, 31(4), 423-432.
7. Inman, J. J., McAlister, L., & Hoyer, W. D. (1997). Promotion signal: Proxy for a price cut? *Journal of Consumer Research*, 24(1), 30-40.
8. Harrington, K. (n.d.). Selling with scarcity: Lessons from TV infomercials and home shopping networks. *Shark Tank*.
9. Lessne, G. J., & Notarantonio, E. M. (1988). The effect of limits on choice freedom on consumer preference. *Journal of Consumer Research*, 15(4), 500-505.
10. Lynn, M. (1991, 1992). Scarcity effects on desirability: A commodity theory perspective. *Journal of Consumer Research*, 17(2), 221-227.
11. Simonson, I. (1992). The influence of anticipating regret and responsibility on purchase decisions. *Journal of Consumer Research*, 19(1), 105-118.
12. Sinha, I., & Smith, M. F. (2000). Use it or lose it: Purchase acceleration effects of time-limited promotions. *Journal of Marketing Research*, 37(2), 239-252. <https://doi.org/10.1108/10610420710763967>
13. StartUs Insights. (n.d.). Emerging technologies: Full guide. StartUs Insights. <https://www.startus-insights.com/innovators-guide/emerging-technologies-full-guide/>
14. Weinstein, M. (n.d.). The power of scarcity: Leveraging urgency and demand to influence customer decisions. *Journal of Product & Brand Management*. <https://doi.org/10.1108/10610420710763967>

15. Woot.com. (n.d.). The role of daily deals in retail survival during the US financial crisis. Woot.com.
16. Zak, P. (n.d.). The happiness effect: How coupons promote well-being and reduce stress. *Neuroeconomics Research Lab*.