The Psychology of Unavailability: Explaining Scarcity and Cost Effects on Value

Michael Lynn
Cornell University School of Hotel Administration, wml3@cornell.edu

Follow this and additional works at: http://scholarship.sha.cornell.edu/articles

Part of the Applied Behavior Analysis Commons, and the Marketing Commons

Recommended Citation
Lynn, M. (1992). The psychology of unavailability: Explaining scarcity and cost effects on value [Electronic version]. Retrieved [insert date], from Cornell University, School of Hospitality Administration site: http://scholarship.sha.cornell.edu/articles/181

This Article or Chapter is brought to you for free and open access by the School of Hotel Administration Collection at The Scholarly Commons. It has been accepted for inclusion in Articles and Chapters by an authorized administrator of The Scholarly Commons. For more information, please contact hlmdigital@cornell.edu.
The Psychology of Unavailability: Explaining Scarcity and Cost Effects on Value

Abstract
[Excerpt] Unavailability’s enhancement of value has not escaped the attention of psychologists. In 1968, Timothy Brock presented a theory that is reminiscent of Smith’s observations. According to commodity theory, anything that is potentially possessable and useful to its possessors will be valued to the extent that its availability is limited by scarcity, costliness, restrictions, and/or delays. Empirical tests of this theory have found strong support for its predictions (see Lynn, 1991, for a review), so modern psychological theory and research appears to agree with conventional wisdom on this issue.

Unavailability does sometimes increase the desirability of things, but why? Economists, philosophers, and sociologists have tended to attribute the appeal of unavailable commodities to human vanity. According to these theorists, people desire unavailable (i.e., scarce and expensive) things because the ostentatious display of such possessions is a source of status (cf, Rae, 1905; Simmel, 1957; Smith, 1937; Veblen, 1965). Although it is undoubtedly true that the desire for status and social position underlies the demand for many scarce and expensive things, this is at best a partial explanation for unavailability’s enhancement of desirability.

Keywords
scarcity, unavailability, value, commodity theory, desirability

Disciplines
Applied Behavior Analysis | Marketing

Comments
Required Publisher Statement
This is an Author’s Accepted Manuscript of an article published in the Basic & Applied Social Psychology © Taylor & Francis. The final version is available online here and published as: Lynn, M. (1992). The psychology of unavailability: Explaining scarcity and cost effects on value. Basic & Applied Social Psychology, 13(1), 3-7. Reprinted with permission. All rights reserved.
In 1983, Coleco Industries marketed a soft-sculpted doll that had exaggerated neonatal features and came with "adoption papers." Demand for these dolls exceeded expectations, and spot shortages began to occur shortly after their introduction to the market. This scarcity fueled demand even more and created what became known as the Cabbage Patch panic (Langway, Hughey, McAlevey, Wang, & Conant, 1983). Customers scratched, choked, pushed, and fought one another in an attempt to get the dolls. Several stores were wrecked during these riots, so many stores began requiring people to wait in line (for as long as 14 hr) in order to obtain one of the dolls. A secondary market quickly developed where sellers were receiving up to $150 per doll. Even at these prices, the dolls were so difficult to obtain that one Kansas City postman flew to London to get one for his daughter (Adler et al., 1983).

The Cabbage Patch panic dramatically illustrates one of the psychological effects of unavailability. Popular to begin with, the dolls scarcity and expensiveness (in terms of money, time, and effort) intensified people's desire to own one. Social observers have been aware of this effect of unavailability for some time. The Roman poet Ovid (1957) wrote that "Easy things nobody wants, but what is forbidden is tempting" (p. 65). Centuries later, the Scottish philosopher and economist Adam Smith (1876/1937) noted that "...the merit of an object, which is in any degree either useful or beautiful, is greatly enhanced by its scarcity, or by the great labor which it requires to collect any considerable quantity of it..." (p. 172).

Unavailability's enhancement of value has not escaped the attention of psychologists. In 1968, Timothy Brock presented a theory that is reminiscent of Smith's observations. According to commodity theory, anything that is potentially possessable and useful to its possessors will be valued to the extent that its availability is limited by scarcity, costliness, restrictions, and/or delays. Empirical tests of this theory have found strong support for its predictions (see Lynn, 1991, for a review), so modem psychological theory and research appears to agree with conventional wisdom on this issue.

Unavailability does sometimes increase the desirability of things, but why? Economists, philosophers, and sociologists have tended to attribute the appeal of unavailable commodities to human vanity. According to these theorists, people desire unavailable (i.e., scarce and expensive) things because the ostentatious display of such possessions is a source of status (cf, Rae, 1905; Simmel, 1957; Smith, 1937; Veblen, 1965). Although it is undoubtedly true that the desire for status and social position
underlies the demand for many scarce and expensive things, this is at best a partial explanation for
unavailability's enhancement of desirability.

I compiled a more comprehensive list of explanations for unavailability's effect on desirability
from the economic, psychological, and sociological literatures; it is presented in Table 1. These
explanations may be conveniently grouped around four implications or critical aspects of unavailability.

First, unavailability often implies that few people will have a resource. People may desire resources that
others do not have because possessing such resources confers: (a) a sense of self-uniqueness (Snyder,
1992; Snyder & Fromkin, 1980), (b) a basis for downward comparisons with less fortunate
nonpossessors (Wills, 1981), and (c) power over those who want the unavailable resource (Emerson,
1962).

| TABLE 1 |
| A List of Explanations for Unavailability's Enhancement of Desirability |
| Compiled From the Economic, Psychological, and Sociological Literatures |

2. The possession of unavailable resources provides an opportunity for self-enhancing downward comparisons with less fortunate nonpossessors (cf. Wills, 1981).
3. The possession of unavailable resources is a source of power in exchange relationships with others who want the resource (cf. Emerson, 1962).
4. The possession and display of unavailable resources is a source of status (cf. Veblen, 1965).
5. People are motivated to find positive attributes that justify an unavailable product's cost in order to maintain a sense of fairness or personal equity (cf. Seta & Seta, 1982).
6. The unavailability of a goal object arouses people physiologically and this energization increases the desirability of the goal object (cf. Brehm et al., 1983).
7. Unavailability sometimes threatens people's freedom to obtain the unavailable resource, and these threats to existing freedoms arouse psychological reactance (cf. Brehm, 1966).
8. Unavailability is a heuristic cue that sometimes implies quality and other desirable attributes (cf. Ditto and Jemmott, 1989).

Second, unavailability often implies that obtaining a resource will be costly in terms of time,
effort, and/or money. People may desire costly things because: (a) expensive things are status symbols
(Veblen, 1965); (b) people believe that costly things should be worth more, and they assimilate their
perceptions of value to this normative standard (Seta & Seta, 1982, 1992), and (c) barriers to the
possession of a goal object are physiologically arousing, and this arousal or energization increases desire
for the goal object (Brehm, Wright, Solomon, Silka, & Greenberg, 1983; Wright, 1992).
unavailability often threatens people's prior freedom to possess the unavailable resource. This threat may increase the resource's desirability because people are motivated to reestablish threatened freedoms (Brehm, 1966; Worchel, 1992).

Finally, unavailability is often used as a heuristic cue (Cialdini, 1985). The potential heuristic implications of unavailability are numerous. For example, research has found that: (a) price is used as a cue to the quality of products (Rao & Monroe, 1989), (b) scarcity is used as a cue to the healthfulness of medical conditions (Ditto & Jemmott, 1989), and (c) age restrictions are used as a cue to the sexual content of books (Pincus & Waters, 1976). These heuristic judgments should increase a stimulus' desirability to those who value the inferred attributes.

Most of these explanations for unavailability's enhancement of desirability have been tested and supported by empirical research. However, for the most part, these explanations have been developed and tested in isolation from one another. Very little conceptual or empirical work has been directed at comparing, contrasting, and integrating the different explanatory processes. This special issue of *Basic and Applied Social Psychology* represents an attempt to encourage and facilitate such comparative and integrative efforts by: (a) providing reviews of several of the different theoretical literatures in need of comparison/integration and (b) presenting several articles that compare and integrate these literatures.

The comparison and integration of theoretical perspectives requires a thorough knowledge of the theories to be compared and/or integrated. Three of the authors in this special issue contribute to such knowledge by reviewing some of the more theoretically advanced and extensively tested explanations for unavailability's effect on desirability. Snyder (1992) provides an overview of uniqueness theory and research. Wright (1992) reviews work on the energization model of motivation. Seta and Seta (1992) outline their theory and research on personal equity-comparison processes. These authors also discuss the similarities and differences among their respective theories and other explanations for unavailability's effects.

The other authors in this special issue make a variety of different contributions to the comparison and integration of the literature on unavailability. Lynn (1992) offers a new explanation for scarcity's enhancement of desirability that helps integrate the scarcity and the cost/effort literatures. Worchel (1992) reports a critical test between the predictions of commodity theory and reactance theory. Bozzolo and Brock (1992) integrate commodity theory with the elaboration likelihood model of persuasion (Petty & Cacioppo, 1986). Pratkanis and Farquhar (1992) place scarcity and cost effects on value within a broader domain of research on phantom alternatives. Finally, Folger (1992) and Brock and
Brannon (1992) provide insightful commentaries that help to integrate this literature. Together, these articles provide a useful resource and beginning point for future efforts directed at comparing and integrating the psychological literature on unavailability. Hopefully, by making the scarcity of comparative and integrative work on this topic salient, this issue will also increase the value of such work to researchers in the future.

References


