Promotion Practices in the East and West:  
A Cultural Explanation

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ABSTRACT

This paper examines the linkage of cultural values with promotional tool preferences. In particular, are there any differences in promotional tool preferences and spending between retailers of two national markets that have distinct cultural values? To undertake this study, the author compared and contrasted the sales promotion and mass media tools preferences and spending of Hong Kong and New Zealand retailers. The findings indicate that the Hong Kong retailers are more inclined to use the sales promotion tools relative to New Zealand. The study concludes with reasons for the differences in promotional tool preferences and the managerial implications of this study.

INTRODUCTION

An advertiser has a number of promotional tools to employ in order to make potential customers aware of the many choices available regarding their products and services. These tools can range from traditional mass media to in-store promotional tools, and in addition, each tool has its own characteristics and communicative ability. The literature pertinent to this area has a vast array of explanations as to why some promotion tools were more favored than others. Several factors were identified as influencers of advertisers' promotion perceptions, including media attributes (Otines & Faber, 1989), target audience capability (Nowak et al., 1993), the nature of business (Greenley & Shipley, 1992), demographic profile of marketers (Corfman & Lehmann, 1994; Van Auken et al., 1994), and the strategic approaches of the business organization (Fam & Merrilees, 1996). Differences in media preferences were also found among small retailers — for example, according to Brady et al. (1989), small British clothing and shoe retailers are more inclined to use window displays than are the US retailers.

Despite the plethora of literature on why some promotion tools are more favored than others, there is very little information on the relationship between a nation’s cultural orientation and promotional tool preferences. The purpose of this paper then is to investigate whether there is a relationship between a Confucius dynamic nation and its preference for sales promotion tools as opposed to a nation with less obvious cultural values and attitudes. To test this proposition, we contrasted the promotion approaches of Hong Kong and the less culturally distinct New Zealand retailers.
Background

A recent focus of advertising literature by Karp (1993); Deng et al. (1994); Ha (1997) and Tai (1997) has been whether to regionalize or localize advertising strategies and media placement in order to reach Asian consumers more effectively. According to Ha (1997), one key strategic decision for international advertisers to make is whether they should advertise region by region or country by country. Such a decision is highlighted against the backdrop of Asia, which is not one homogenous market - instead, it is made up of a series of localized markets with their own distinct cultural, social and economic characteristics.

Promotion is one of the marketing programs frequently adapted by firms engaged in international marketing. Promotion perceptions refer to the advertisers’ direct and indirect experience with a specific promotional tool in relation to communicating about the firms, the products and the services they offer. Ricks (1983) claims that “cultural differences are the most significant and troublesome variables for an international advertiser”. This view is universally supported by a number of cross-national advertising studies.

According to some researchers (Douglas & Wind, 1987; Whitelock & Chung, 1989; Lantos, 1987; Stewart & Campbell, 1988), a universal approach to advertising is difficult because cultural and national differences exist between nations and these differences could influence advertising practices. For instance, Stewart and Campbell (1988) found the People’s Republic of China showed fewer mood and image type of television advertisements relative to Hong Kong. Belk and Bryce (1985) found that US advertisements are twice as likely to emphasize the performance of the product than do Japanese advertisements.

Additional support for the above advertising studies was forwarded by Miracle et al. (1992) through their comparative study of advertising executions between Korea and US advertisements. Miracle et al. (1992) found there were differences in the creative executions between Korea and US television commercials. In Korea, most television commercials tend to identify the company name in every commercial, but not in the USA. Korean commercials also tend to devote more time to showing sales messages than the physical product or brand on the television screen. Miracle et al. (1992) attributed these dissimilarities to differences in national cultural variables, that is, Korea being a high context society, with the USA being a low context society.

Numerous studies have also established that there is a linkage between cultural values and advertisers’ choice of promotion tools/messages (Cheng, 1994; Cheng & Schweitzer, 1996; Lowe & Corkindale, 1998). Cultural values are defined as “the governing principles for thought and action” in a given society (Srikandath, 1991). Cheng and Schweitzer (1996) undertook a study to examine what type of cultural values were reflected in Chinese and U.S. television commercials. It was found that the dominant values reflected in Chinese commercials were family, technology and tradition. The same authors also claimed that tradition was more frequently used in food, drink and medicine
product category commercials. In a study on communication and cultural change in China, Chu and Ju (1993) found the ‘warm and close family’ as the most popular creative execution in China. Thus far it seems the cultural values of family and tradition must be of most important to Chinese in that they are used in most advertising campaigns in Chinese-based societies.

This Study

In this study, we examine the relationship between Chinese cultural values and promotional tool preferences. Essentially this study examines whether the clothing and shoe retailers in Hong Kong are more inclined to use sales promotion tools than New Zealand retailers, given that the former has more distinct cultural values and attitudes when compared to the latter. To undertake this study, we compared and contrasted the promotional tool preferences of Hong Kong and New Zealand retailers.

The clothing and shoe retail categories were chosen for three reasons. First, the two categories are important contributors to both the Hong Kong and New Zealand economies. Second, the large number of retail outlets within these two retail categories facilitated data collection and permitted samples of sufficient size for statistical analysis. Finally, the clothing and shoe retail outlets tend to restrict their lines of merchandise in order to guarantee some assurances of uniformity of merchandise among the outlets.

Hong Kong and New Zealand where chosen as they both allow relatively the same promotional devices to be used, unlike countries such as Denmark or Germany, who have certain restrictions in place regarding promotion, including the limiting of gifts with purchase and premiums offered on products. This then allows the study to compare cultural differences that may influence retailer’s choice of promotional device, rather than it being simply a function of what promotional methods are allowed.

Various media can be used as a vehicle to communicate a company’s promotional message, including newspapers, magazines, televisions, radios, press releases, and direct mail and we identify these vehicles as mass media in this study. Sales promotion tools, as referred to in this study, include attractive pricing, money-off coupons, vouchers, contests and sweepstakes. Apart from this distinction, the study emphasises the fact that choosing the right medium can be very important for a successful marketing program.

Chinese in Hong Kong account for 98% of the total population of about 6.6 million and Hong Kong is one of the fastest growing economies in the Asian region. The people of Hong Kong are “generally more traditional and conservative”, as well as strongly adhered to cultural values such as ‘mien-tsu’ (face) and ‘yuarn’ (fate) (Tai & Tam, 1996). Hong Kong consumers are materialistic, brand conscious and posses high purchasing power and these characteristics have made Hong Kong a profitable target market of many international companies. New Zealand Europeans account for nearly 80% of the 3.6 million people in New Zealand and the country in contrast to Hong Kong is
Anglo-Saxon, with much of its heritage derived from the United Kingdom. These differences make a worthwhile comparison of the promotional tool preferences of Hong Kong and New Zealand retailers, as they can be considered to be quite culturally diverse from each other.

CHINESE CULTURAL VALUES

Collectivism vs. Individualism

A concept that is widely adopted by the Chinese is collectivism. It emphasises the social unit - be it family, society, community or country - as the central functionary. In other words, the Chinese can expect their relatives, clan, or other in-group to take after them in exchange for unquestioning loyalty (Wheeler & Bond, 1989). In sharp contrast, Westerners in New Zealand practise individualism. It is the individual person, not the community to which the individual belongs that has significance and meaning - therefore, unlike collectivism, an individualistic person’s reference point is not one’s group, but one’s own self. For example, Ahuvia and Wong (1998) claim that when people of Western cultures purchase luxury goods, they do so because they want to (i.e. the products reflect private preferences). The Chinese on the other hand feel they have to (i.e. the product conforms to expected social norms). Essentially then, the Chinese put his/her feelings aside, and act in the way that best achieves group goals when a conflict arises between an individual desires and group needs.

Face Concept

The Chinese cultural system is centred on the concept of face, which operates as a powerful social sanction. This concept is equivalent to ‘honour’ in Western societies and constitutes a powerful factor in enforcing existing rules of behaviour by securing conformity to social norms. Simultaneously, ‘face’ also refers to the principle of “one’s own opinion of oneself in order to ensure a smoother ordering of society” (Van der Sprekel, 1972). Face-saving, in the Chinese context, carries the dualistic aspects of self and other relatedness and according to Hu (1948), can be classified into two types - ‘lien’ and ‘mien tsu’. Lien is a kind of moral force and represents the value of personal integrity and a person needs to remain ‘intact’ in order to have influence over others. For example, prostitutes and thieves in Hong Kong are all people who renounce their concern for ‘lien’. This disregard for ‘lien’ can therefore lead to a total transformation of one’s social identity (Yau, 1988). ‘Mien tsu’ represents a more obvious kind of prestige associated with success (Redding & Wong, 1982). In short, the face concept of Chinese culture affects consumer behaviour greatly - questions such as which restaurant should one visit or which type of gifts should be presented are important as the answers must suit the status of the guest in order to show enough ‘face’ from the host to the guest. For instance, when choosing a gift, the Chinese prefer to purchase a well-known, branded gift as it shows that they possesses ‘mien tsu’ and the Chinese perceive this is one of the ways to build up or maintain interpersonal relationship.
Trust

Trust is a concept valued highly by the Chinese and its significance may be traceable to the Confucian dynamic nation’s insistence on one’s word being trustworthy when dealing with others (Chu, 1991). The Chinese consumer is trained from youth to subscribe to the notion of ‘My word is my bond’. It is regarded as a great dishonour for one not to live up to one’s word, entailing the grave consequence of loss of face. For example, the Chinese believe in the handshake - they do not perceive that trust works better through the signing of a contract. In fact, if one party writes a lot of details in a contract, the Chinese tend to think that that implies a lack of trust by the other party (Cohen, 1988). In addition, the Chinese are extremely hesitant to trust or depend upon anyone outside his or her kin group and this emphasises how important a good relationship is in order to do business in Hong Kong.

Friendship/Ren Ching

Implicit in the concept of trust is friendship. The Chinese are particular about establishing friendships or relationships before they enter into any business dealings and as a result, gift giving has become very important in terms of business development. Gifts symbolise an earnestness to cultivate and maintain inter-personal goodwill in Hong Kong (Luk et al., 1999) and they are also the Chinese way of ‘giving face’ to the recipient, and thus initiating friendship and establishing rapport. By maintaining a good relationship and developing personal goodwill, Ren Ching can easily be established. This personal goodwill may entail an element of involuntariness, depending on the favour asked and the degree of the relationship that exists. For example, the closer the degree of friendship in Hong Kong, the more one is expected to comply and feel duty-bound to carry out the request.

Building Relationships

According to Confucius, natural harmony is reflected in humanity’s moral goodness and from their youth, a Chinese person is taught the value of moral character, so as to act in accordance with cosmic harmony (Cotterell, 1988). Apart from this insistence on moral character, Confucianism also includes the concepts of filial piety (hsiao), benevolence (jen) and righteousness (yi). In “hsiao”, one is bound to the duty of honoring the family by displaying scholastic brilliance or acquiring economic wealth that might enhance the parents’ name. One must also practice ancestral worship. “Jen” emphasises the concept of not imposing on others what you yourself do not desire and “Yi” is part of the communal good, mutual interests and social goodwill (Hu, 1948).

Gift Giving

Gift giving becomes relevant to the study in the context of the way it is seen to establish and develop relationships or friendships amongst the Chinese. Gifts symbolise an earnestness to cultivate and maintain inter-personal goodwill (Chu, 1991) and according to Bond and Hwang (1986), the notion of long term
relationship calls into play other Chinese cultural traits such as face, personal relationship, favors and reciprocation. Through gift giving, the Chinese give face to the recipient, and thus initiate friendship and establish rapport. A discount or price reduction by the retailer in Hong Kong is seen essentially as a gift of money and is thus a generally acceptable way of building rapport with customers.

Monetary discounts and the like are also seen as a form of reciprocation, as if the retailer is saying ‘if you buy an item from my store, in return you’ll receive a discount’. By exchanging these gifts (i.e., paying for an item and receiving a discount in return), the business relationship in Hong Kong is elevated to a higher level, necessitating further rounds of exchange in the future – e.g. in the form of a gift voucher or a money-off coupon. These act as a form of gift and usually the more established retail outlets in Hong Kong are the ones that issue them. These sales promotion tools fit well with the Chinese concept of gift-giving, face saving and relationship building.

The New Zealand consumer does not have gift giving ingrained as an essential part of their value system, and is thus less likely to perceive retailer discounts or price reductions as ‘gifts’. They are also less likely to feel the need to reciprocate these ‘gifts’ by continuing to purchase at that particular store.

**Hypothesis**

Chinese cultural history is strongly based around a hierarchical system, which has often meant, in an effort to obtain favors, you have to ‘sweeten up’ so to speak, the higher levels of the hierarchy, or the consumers, if you are in business (i.e., through gift giving). This system is still a large part of Chinese culture and is widely practiced, unlike in New Zealand, where gift giving is left more to one’s personal discretion, and New Zealanders are less likely to feel a moral obligation to give and reciprocate gifts. Gift giving plays a large role in the development and maintenance of a respectful relationship in the Chinese culture, be it between an employer and an employee, or between the seller and the buyer. Gift giving is also used frequently in the place of gratefulness, and it is very common for the Chinese to give gifts in appreciation. Considering the large body of evidence provided with regards to Chinese cultural values, there is a strong case then that:

Hong Kong retailers are more likely to favor sales promotion tools than their New Zealand counterparts, and that the particular sales promotion tools used are closely related to culture in Hong Kong as opposed to in New Zealand.

**Research Design**

Given the research goals, we set out to identify the promotion tools that the clothing and shoe retailers in each country used most frequently. To do this, we carried out lengthy discussions with a number of small retailers located in Dunedin, the fourth largest city in New Zealand. For Hong Kong retailers, identifying the promotion tools was based on the author’s experience as a media
planner. Altogether, we identified seven commonly used promotion tools—namely print advertising (newspapers and magazines), broadcast advertising (televisions and radios), press releases, direct mails, attractive prices, money-off coupons and vouchers and contests and sweepstakes (see Belch & Belch, 1998; Rossiter & Percy, 1997). We also asked the respondents to state the amount they spent on each of the seven promotion tools relative to per dollar spent on personal selling (see Burnett, 1993, p.592). This method of sizing the promotion mix budget was to ensure that any differences in promotional costs across the two national markets were taken into consideration. Also included in the questionnaire were variables relating to retail store characteristics.

Each statement was measured with a seven point scale (1 = strongly disagree/very unimportant to 7 = strongly agree/very important). A check item was included in the questionnaire to gauge each respondent's job responsibility within the retail firm. The questionnaire was pre-tested before being mailed to the respondents. We used bilingual (English/Chinese) questionnaires in Hong Kong (Brislin, Lonner & Thorndike, 1973).

The study participants were the managers of retail stores because they usually have the final say among other things, in the choice of promotional tools. For large retailers (with six or more outlets in the chain), the questionnaire was directed to the general managers. Note that, chain stores include franchise retailers. Small independent stores are defined as retailers with between one and five outlets and the majority of the sample has just one outlet. Although we made this distinction based on size, even the larger retailers were usually independent and medium size at the most. The sampling frame was the respective cities' Yellow Pages list of clothing and shoe retail stores.

Two waves of mailing, three weeks apart, were undertaken. In each mailing, a cover letter with the University letterhead, a questionnaire and a reply paid envelope were directed to the manager of each retail store. For the larger retailers, the questionnaire was mailed to the head office. A response rate of 16 per cent for Hong Kong (169 responses) and 39 per cent for New Zealand (287 responses), was achieved through the two mailings. The Hong Kong response rate was typical as business people tend not to response because of secrecy of firm data (Keown, 1987).

To test for possible non-response bias, useable questionnaires were nominated as early or late depending on whether they were received before or after dispatch of the follow-up letter (i.e., second mailing). Responses for all the questions were tested for possible non-response bias using chi-square test to compare early and late responses. No significant differences between the two groups were uncovered. This suggests that non-response bias is unlikely to be a major problem in this study (Oppenheim, 1966).
Results

Characteristics of Respondents

The sample consisted of predominantly clothing retailers, but shoe retailers were well represented (Table 1). In terms of store affiliation, independent (5 or less outlets under common centralized ownership) retail stores were the major respondents. These were mostly owner operated retail outlets with a majority of them employing between 1 and 3 part-time staff.

Table 1: Characteristics of Respondents

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Hong Kong n = 169</th>
<th>New Zealand n = 287</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Per cent</td>
</tr>
<tr>
<td>Clothing Stores</td>
<td>124</td>
<td>73.3</td>
</tr>
<tr>
<td>Shoe Stores</td>
<td>45</td>
<td>26.7</td>
</tr>
<tr>
<td>Independent Retailers</td>
<td>116</td>
<td>68.6</td>
</tr>
<tr>
<td>Chain Stores</td>
<td>53</td>
<td>31.4</td>
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</tbody>
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Differences in Sales Promotion Tools Perceptions and Spending

Summarized in Tables 2 and 3 were the retailers perceptions and spending on the respective promotion tools. In Table 2, it seems the retailers in Hong Kong were more inclined to use the sales promotion tools (i.e., attractive prices, money-off coupons, vouchers, contests & sweepstakes) than their counterparts in New Zealand. For instance, the Hong Kong retailers ranked the ‘attractive prices’ promotion tool much higher than New Zealand retailers did \((p > 0.01)\). Significant differences in promotion tool perceptions were also found between the two national markets’ retailers in relation to money-off coupons and vouchers, and contests and sweepstakes. These observations were reinforced in Table 3 where collectively, the Hong Kong retailers spent almost half \((47.31\%)\) of their advertising and promotion budget on sales promotions. In contrast, the New Zealand retailers spent about a quarter \((23.7\%)\) of the advertising and promotion budget on sales promotions.
Table 2: Choice of Promotion Tools – A Comparison

|                                    | Hong Kong N = 169 | New Zealand N = 287 | F-Value  
|------------------------------------|-------------------|---------------------|-----------
| Attractive prices                  | 5.04 (1.75)       | 4.25 (1.87)         | 19.537**  
| Money-off coupons & vouchers       | 3.34 (1.99)       | 2.38 (1.87)         | 27.074**  
| Contests & sweepstakes             | 2.55 (1.69)       | 2.00 (1.56)         | 12.395**  
| Print Advertising (newspapers & magazines) | 4.02 (2.03)  | 4.68 (1.91)          | 12.108**  
| Direct mails                       | 3.43 (1.81)       | 4.26 (2.35)         | 15.395**  
| Broadcast Advertising (televisions & radios) | 3.38 (2.00) | 3.67 (2.16)          | 2.027  
| Press releases                     | 2.78 (1.88)       | 3.05 (2.08)         | 1.973  

Note: Scale : 1 = very unimportant, 7 = very important to my business

Table 3: Promotion Tools Spending – A Comparison

|                                    | Hong Kong N = 169 % | New Zealand N = 287 % | F-Value  
|------------------------------------|---------------------|-----------------------|-----------
| Attractive prices @                | N/a                 | N/a                   |           
| Money-off coupons & vouchers       | 14.04               | 5.18                  | 54.811**  
| Contests & sweepstakes             | 33.27               | 18.52                 | 62.596**  
| Print Advertising (newspapers & magazines) | 20.81             | 25.98                 | 3.436  
| Direct mails                       | 13.03               | 15.53                 | 0.677  
| Broadcast Advertising (televisions & radios) | 10.89             | 16.45                 | 7.598**  
| Press releases                     | 7.96                | 18.34                 | 26.678**  

Note: @ = not available.
Differences in Mass Media Promotion Tools Perceptions and Spending

As shown in Table 2, there were significant differences between Hong Kong and New Zealand in terms of print advertising ($p < 0.01$) and direct mails ($p < 0.01$). However, there was no statistical difference for broadcast advertising and press releases between the two national markets. Nevertheless, the results showed New Zealand retailers were more inclined to use mass media promotion tools relative to those retailers in Hong Kong. In Table 3, the spending on mass media (i.e., print, broadcast, direct mails and press releases) by New Zealand retailers was higher relative to Hong Kong retailers. In total, the retailers in New Zealand spent approximately 74% of the advertising and promotion budget on mass media versus approximately 53% by Hong Kong retailers.

Discussion

The results of our study provide an interesting insight into how national culture can influence retailers’ choice of not only using promotional tools, but also the type of promotional tools that they choose. Our claim is based on comparing like with like that is, clothing and shoe retailers, who, as explained earlier, tend to carry similar product items. The only difference between these retailers thus is national culture, in particular the cultural value differences between Hong Kong Chinese and New Zealand Europeans.

Basically there are four cultural values on which we can focus to explain the differences in the perception of sales promotion versus mass media tools between the retailers in Hong Kong and New Zealand. They include a desire to build relationships, risk aversion, attitudes towards bargaining and belief in luck and fate.

Building Relationships

As outlined earlier in the study, relationship building, both among friends and business acquaintances, as much as between buyer and seller, is of great importance in the Chinese-based Hong Kong. Sales promotion tools such as coupons and vouchers are a form of loyalty programme. The use of these tools could help the seller to build and maintain a relationship with its buyers and could also prevent the latter from going to the competitors. This concept is not so important in New Zealand, where consumers are more likely to act as individuals, and do not place such emphasis on building and maintaining successful relationships as their Chinese Hong Kong counterparts do.

Risk Aversion

It is a common practice amongst Hong Kong consumers to spend many hours window shopping in shopping complexes rather than relax in their often crowded homes and to them, time does not count as a factor. A typical Chinese shopper tends to engage in habitual comparison shopping rather than impulse buying and there is a Chinese saying which emphasises this - "Never make a
purchase until you have compared three shops,” (Cui, 1997). Hofstede (1980) claims that most Asian culture rates strongly on the uncertainty avoidance dimension. The upshot of this value is that Hong Kong consumers tend to exhibit a high brand-name consciousness, a greater insistence on quality, an active use of reference groups and opinion leaders and prefer group shopping.

In addition, Asians as a whole tend to be more sensitive to social risk than are Western consumers. This sensitivity leads Asian (including Hong Kong) consumers to a greater hesitancy in trying new products. Based on this cultural backdrop, it seems the retailers in Hong Kong are more inclined to use various sales promotion tools to entice the consumers to come into their retail outlets relative to New Zealand retailers. Sales promotion tools like price marked-down and discounts are attractive tools that could be used to reduce either monetary and/or social risk(s). For instance, Asian (including Hong Kong) consumers prefer group shopping. Therefore, any consumption of discounted items would save the purchaser some money and at the same time not make the purchaser ‘lose face’ as the items were purchased from an established retail outlet and not from the street hawkers.

Attitude towards Bargaining

In a Western context, the prices of most consumer goods are clearly displayed on shelves or in shop windows. Prices are therefore fixed - an outcome appreciated both by retailers interested in efficiency and control and manufacturers of brands interested in the stability of sales and positioning. The use of mass media therefore is particularly attractive amongst New Zealand retailers. In Asia, besides the modern retailing system, most prices are not openly displayed and are thus negotiable. Chinese consumers value bargaining. Bargaining involves the purchaser in a role-play that may be enjoyable. Time is not always pressing in Asia, or the notion that ‘time is money’ does not always apply. Succeeding in negotiations can boost the morale of the purchaser.

In the more modern retailing context, bargaining need not be in the form of spending hours trying to get a dollar deducted from the list price. A purchaser might feel equally satisfied when he/she was able to purchase a reduced item especially after visiting and comparing the prices of several retail outlets. Hong Kong consumers are often considered to be quite involved shoppers, displaying a combination of strong suspicion for cheap products and a desire for bargains. Given the inclination amongst Hong Kong consumers to shop for a bargain, most retail outlets in Hong Kong are located close to one another. This reduces the need to use mass media tools to communicate their offerings. In New Zealand, because it is sparsely populated, mass media tools such as print and broadcast advertising become an effective and cost efficient way to communicate the retailers’ offerings.
A Belief in Fate and Luck

Chinese people believe in fate and luck. They also like to gamble. These behaviours are particularly common amongst the people of Hong Kong. For instance, whenever there is a special occasion such as opening a new shop, wedding, or moving to a new house, they tend to choose an “auspicious day”. They believe that when the special occasion was performed on that auspicious day, it will not affect their future and prosperity. Also on this special occasion gift like vouchers and money-off coupons are usually given out by those celebrating the occasion. Perhaps this was the reason why vouchers and money-off coupons were popular tools amongst Hong Kong retailers.

Gambling in horse racing, government sanction lotteries or other form of contests/competitions have become a common form of entertainment amongst the people of Hong Kong. Hence the use of contests and sweepstakes by the retailers in Hong Kong are becoming relatively common and popular compared to New Zealand.

Managerial Implications

This study has attempted to investigate the underlying dimensions of Chinese cultural values and promotion strategies. We started off by comparing Hong Kong and New Zealand retailers’ cultural values in relation to promotional tool preferences. The results indicated that there is a high correlation between the Chinese cultural values of building relationships, risk aversion, bargaining, and a belief in fate and luck and the retailers’ preference for sales promotion tools like price marked-down, money-off coupons, vouchers, contests and sweepstakes. These things indicate two main managerial implications from this study.

First, although the two sets of retailers were from the same retail category, they nevertheless used a different set of promotional tools. This is in line with the call for localisation of promotion strategies. Obviously, the retailers in Hong Kong were using the promotional tools which best suit the local consumers’ needs and wants. Likewise the New Zealand retailers were using the appropriate tools to reach their target market. Hence, for a foreign retailer thinking of transplanting their business into Hong Kong, our advice is to give more attention to sales promotion tools. This implication does not only apply to Hong Kong - it could also apply to other Chinese dominated societies such as Singapore, Taiwan, and even China itself.

The second managerial implication relates to the value and quality of the sales promotion tools used, in particular the type of gifts to give, related to the Chinese-based culture of Hong Kong. Gifts should always be given in even numbers and the gifts should be circular. For instance, one could offer an 8.88% discount, where ‘8’ to the Chinese language sounds prosperity. Roundness is auspicious and signifies completeness. Giving a clock as a gift to Hong Kong Chinese is not recommended because this shows the giver is telling the receiver
that his/her death is imminent. Gifts of knives and scissors represent the severing of a friendship, while herons and stocks represent a woman's death. All of these should not be used as a gift. In addition, when establishing the value of the gift, one should make sure that either the giver or the receiver will not 'lose' face. This means the retailers or marketers need to ensure that the value of the gifts does not embarrass either the receiver or the purchaser.

Our findings suggest that Chinese cultural values have an influence on the retailers' choice of sales promotion tools. These findings need to be tested in other countries, but until then, one can conjecture Chinese dominated countries like Singapore, Taiwan and China favor the sales promotion tools approach. Other countries like Australia, Canada, USA and European countries favor the mass media tools approach. However, these are just conjectures at this stage until the research is conducted.

Bibliography


