



Article Title

The use of odd-ending numbers in the pricing of five tourism services in three different cultures

Citation

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Abstract

The study measured the extent to which the 1 through 9 digits were used as price endings by suppliers of five tourism services in three different cultures represented by New York City, Seoul, and Shanghai. Four results emerged. The first confirmed the hypothesis, but the other three results were contrary to expectations. First, 9 and 8-ending prices were dominant in New York City and in Shanghai, respectively. Second, these culture specific endings were complemented by the universality of the 0 and 5- digit endings of prices which were ranked first and second, respectively, in Seoul, second and third in Shanghai, and third and second in New York. Third, 9-ending prices were not used more frequently when they resulted in a lowering of the leftmost digit. Fourth, dominant cultural specific price endings were not used more frequently in lower than in higher priced tourism services.

Methods

the hotel prices that were used were those suggested by booking.com which is perhaps the most popular global travel aggregator and travel metasearch engine for accommodations. The number of hotel prices used in New York City, Seoul and Shanghai were 567, 459 and 492, respectively. These numbers represented all of the hotels that were offering rooms for sale for the two day period selected for the study.

Results

The most frequent price endings in each city were culturally specific. In New York City, 9-endings were 22.13% of the total. In Shanghai 8-endings were dominant (43.07%). In Seoul 0 (32.75%) and 5 (15.00%) endings dominated. Among the global chain hotels 8-digits were the most frequent price ending in Shanghai (27.50%); the 6-digit (20.00%) in New York City; and the 5 digit in Seoul (37.5%). The 0 and 5- digits were prevalent in all three cities, suggesting they are universal heuristics that cross cultures. 9-endings were not used more frequently when the leftmost digit was lowered by the use of the 9-ending price than when it was not. The dominant culturally specific endings (9 in New York City; 8 in Shanghai; and 0 in Seoul) were not used more frequently in lower than in higher priced tourism services.

Conclusion

The study's results suggest a managerial conundrum. The use of the 9 and 8 digits in New York City and Shanghai are likely to be effective in attracting visitors from these cities' home

cultures, but they may be unappealing to visitors from other cultures. The findings suggest that prices in New York City, for example, should emphasize the 8-digit endings when they are targeted at Chinese visitors, but the 9-digit endings when promoting to U.S. visitors, and the 0 and 5 digits when targeting other high context cultures. A possible resolution of the conundrum may be to price online sales of performance tickets, flights, or hotels in the currency of the targeted consumers. Indeed, most international tourism websites for online sales (e.g. booking.com, expedia.com, kayak.com) allow consumers to choose a preferred currency to pay for services. Framing the same price in different currencies, so it incorporates the odd-ending heuristic most acceptable in each culture would enable prices to be accepted more easily by visitors from respective foreign cultures.