



Article Title

The influence of national culture on the strategic use of salesperson pricing authority: A cross-country study within the hotel industry

Citation

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Abstract

At some hotel properties individual catering sales managers are empowered with the authority to make price adjustments, but at other properties they must ascertain the permission before adjusting prices. This research collected and analyzed data from 392 hotels in 28 countries and found that national culture has an influence on the price empowerment decision.

Methods

4067 full-service hotel properties in 28 countries were e-mailed the following question: “At your hotel property are individual salespeople permitted to discount the price of meeting/conference space or meeting food and beverage without the approval of the Director of Sales or the Director of Food and Beverage?”

Results

Of the 4067 hotels queried, 392 usable responses were obtained which yields a response rate of 9.6%. Overall, 194 properties from across the globe – or 49.5% of the responding hotel properties – indicate that they delegate pricing authority to the sales staff. The data reveal that catering price empowerment is more likely to be found in individualistic nations as opposed to collective nations.

Conclusion

This research suggests that executives desiring to give sales managers more pricing authority will face some culturally based resistance in nations with low individualism, high power distance and high uncertainty avoidance.