



Pricing for Researchers: **Price Endings in Asia**

Introduction

- This 'Pricing for Researchers' newsletter is a review of an article that looks at price endings in Asia and how they differ from price endings in the U.S. market.
- The paper is titled 'Price Endings in Asia', and is written by two researchers at York University; Roger Heeler and Adam Nguyen.

The Research Purpose

To understand:

- Whether the proven popularity of the digits 0 and 9 for price endings transfers to Asian countries.
- If any other price endings, besides the digits 0 and 9, have a higher incidence in Asian culture.
- Why, if any, of the aforementioned differences occur.

Research Method

- Online prices were collected from retailers in the U.S., Hong Kong, Singapore, Malaysia, China, and Japan.
- Cultural differences were adhered to as to which digit in the price was viewed at the "ending" of the price, as it differed by country.
- Various categories and retailers were included in the sample.

Findings

- Similar to the U.S., in China the rightmost digit is considered the "ending digit", whereas in Hong Kong and Malaysia it is the rightmost non-decimal digit. However, in Singapore it is the second rightmost digit that is viewed as the price-ending.

- The research found that while 0 was still a popular price ending, the digit 8 was a more frequent price ending than the digit 9, specifically in Japan, Malaysia, China and Hong Kong.
- In the US, the digits 0 and 9 were used, 43% and 37% of the time as price endings, respectively. On average in Asia, the digit 8 was used 18% of the time as a price ending vs. 8% of the time in the U.S.
- The second finding shows that prices ending in 8 were much more common in the Asian market than in the U.S.
- The reason for the differences in these countries is the digit 8 has a positive association.
- In areas where Cantonese is the dominant language, (Hong Kong, China, and Malaysia) the sound of the digit 8, is similar to the sound for the word "multiply".
- In Japan, the symbol for the number 8 is similar to the shape of a mountain, signifying growth.
- In Singapore, where there was less prevalence of the digit 8, Mandarin & English are spoken more than Cantonese.
- The last finding was that for categories including gifting, hosting, good wishes, etc, there was more of a dominance of the number 8. The digit 8 was seen 3.3 times more often in Hong Kong restaurants compared to other categories.



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Practical Implications

- When conducting a global pricing research study the significance of price-endings and local culture cannot be underestimated.
- Setting your price so it ends in the digit 8 can be more appealing to an Asian market that has positive cultural associations with the number, especially if your category is in the restaurant and hospitality segment.
- By understanding your customers' perception of price based on the ending digit, you will be better equipped to find a price point that is appealing to them to maximize your revenue.