Journal of Consumer Marketing

Emerald Article: Gender differences in the response to unfair prices: a cross-country analysis

Sarah Maxwell, Sanghyun Lee, Sabine Anselstetter, Lucette B. Comer, Nicholas Maxwell

Article information:

To cite this document: Sarah Maxwell, Sanghyun Lee, Sabine Anselstetter, Lucette B. Comer, Nicholas Maxwell, (2009), "Gender differences in the response to unfair prices: a cross-country analysis", Journal of Consumer Marketing, Vol. 26 Iss: 7 pp. 508 - 515

Permanent link to this document:

<http://dx.doi.org/10.1108/07363760911001565>

Downloaded on: 28-01-2013

References: This document contains references to 26 other documents

Citations: This document has been cited by 1 other documents

To copy this document: permissions@emeraldinsight.com

This document has been downloaded 833 times since 2009. *

Users who downloaded this Article also downloaded: *

Sarah Maxwell, Sanghyun Lee, Sabine Anselstetter, Lucette B. Comer, Nicholas Maxwell, (2009), "Gender differences in the response to unfair prices: a cross-country analysis", Journal of Consumer Marketing, Vol. 26 Iss: 7 pp. 508 - 515

<http://dx.doi.org/10.1108/07363760911001565>

Sarah Maxwell, Sanghyun Lee, Sabine Anselstetter, Lucette B. Comer, Nicholas Maxwell, (2009), "Gender differences in the response to unfair prices: a cross-country analysis", Journal of Consumer Marketing, Vol. 26 Iss: 7 pp. 508 - 515

<http://dx.doi.org/10.1108/07363760911001565>

Sarah Maxwell, Sanghyun Lee, Sabine Anselstetter, Lucette B. Comer, Nicholas Maxwell, (2009), "Gender differences in the response to unfair prices: a cross-country analysis", Journal of Consumer Marketing, Vol. 26 Iss: 7 pp. 508 - 515

<http://dx.doi.org/10.1108/07363760911001565>

Access to this document was granted through an Emerald subscription provided by FRIEDRICH ALEXANDER UNIVERSITAET ERLANGEN-NUERNBERG

For Authors:

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service.

Information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

With over forty years' experience, Emerald Group Publishing is a leading independent publisher of global research with impact in business, society, public policy and education. In total, Emerald publishes over 275 journals and more than 130 book series, as well as an extensive range of online products and services. Emerald is both COUNTER 3 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Gender differences in the response to unfair prices: a cross-country analysis

Sarah Maxwell

Fordham University, New York, New York, USA

Sanghyun Lee

Dongguk University, Seoul, South Korea

Sabine Anselstetter

University of Erlangen, Nuremberg, Germany

Lucette B. Comer

Purdue University, West Lafayette, Indiana, USA, and

Nicholas Maxwell

The Maxwell Statistics Corp., Mill Creek, Washington, USA

Abstract

Purpose – The research questions are whether there is a difference in how men and women respond to unfair prices and, if so, whether this gender difference extends across national cultures. Is the difference due to nature or to nurture? This paper aims to answer these questions.

Design/methodology/approach – The study uses scenarios to conduct a survey-based analysis of the effects of gender and country on responses to personally and socially unfair prices.

Findings – The results indicate that the response to price unfairness is due more to nurture than to nature. Although American females tend to be more sensitive than men to price unfairness, there is little or no difference between men and women in Germany and South Korea: both sexes there react negatively to an unfair price, particularly when the seller has acted unjustly.

Practical implications – In the USA, the gender difference in response to unfair prices suggests that different pricing tactics should be used for men than for women. However, since males in South Korea and Germany are just as sensitive as females to unfair prices, pricing tactics acceptable to American men may not work in other countries.

Originality/value – This paper takes a look at the manner in which a price increase for a frequently purchased but essential product is viewed as unfair. The paper examines the issue in three contrasting countries – Germany, South Korea and the USA – to determine if any observed differences are universal or culture-specific.

Keywords Gender, Prices, National cultures, Germany, South Korea, United States of America

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

In today's climate of rapidly rising prices, the manner in which consumers view price increases is of considerable concern to marketers. Consumers who feel a price has become too high for their budgets are likely to search for a lower priced alternative. Consumers who feel a price has been raised unfairly are likely to respond more emotionally and may even be motivated to punish the offending company by boycotting them or, at the very least, limiting the purchase of their product. Such actions can potentially be disastrous for a company (e.g. Douglass and Cohn, 2005; Fedor, 2005; Franklin, 2007). We are interested in examining whether

there are differences in the way male and female consumers react to prices that they perceive to be unfair.

It has been reported that when shopping, men are primarily interested in such things as convenience and service, while women search for the better price (*Progressive Grocer*, 2008), which suggests that different considerations may be at work in male and female minds. This paper takes a look at the manner in which a price increase for a frequently purchased but essential product is viewed as unfair. The questions that are of interest to us are whether gender differences exist and whether such differences – if they exist – extend across national cultures. We examine the issue in three contrasting countries – Germany, South Korea and the USA – to determine if any observed differences are universal or culture-specific.

Fair price

A “fair” price is defined in English as a price that is both “reasonable” and “just.” Languages other than English do not combine these two meanings. It usually takes two words to translate “fair” into foreign languages. For example, in German one translation of fair is *angemessen* meaning “reasonable” and the other is *gerecht* meaning “just.”

The current issue and full text archive of this journal is available at www.emeraldinsight.com/0736-3761.htm

Journal of Consumer Marketing
26/7 (2009) 508–515
© Emerald Group Publishing Limited [ISSN 0736-3761]
[DOI 10.1108/07363760911001565]

The difference between a “reasonable” fair price and a “just” fair price corresponds to the difference between personal and social fairness (Maxwell, 2008). In many cases, customers consider a price fair simply because it is less than anticipated. If it is low enough, it is fair. As Darke and Dahl (2003, p. 334) have commented:

Saying a price is fair may be another way of saying it is lower.

It is what customers prefer because it meets their own personal expectations. That price is considered to be reasonable and personally fair. If a price is unexpectedly increased, the price is considered to be personally unfair.

But a price is also considered unfair when it does not meet society's expectations. Society expects a price to adhere to the social norms of equity, equality, and need. A price is expected to be set in a manner that is both transparent and consistent: that is considered “just” to society in general. However, if the seller violates a social norm by taking advantage of the customer – by lying or cheating – that is considered to be “unjust” to society.

For example, in the US gasoline prices over \$4 a gallon are considered by individuals to be personally unfair (too expensive for their budgets); zone pricing of gasoline – where some people have to pay more than others – is considered to be socially unfair. The response to social unfairness is likely to be stronger than to personal unfairness because social unfairness is backed by the strength of social consensus.

Gender differences in response to unfair prices

Behavioral economics evidence

There is evidence from the behavioral economics literature that suggests men and women are different in how they judge and respond to personal unfairness. Researchers have used the “ultimatum game” to look at the differences. In an ultimatum game, the first player is given a sum of money – for example, ten dollars – which they are told to divide with a second player. If the second player accepts the distribution, then both players get the amount specified. However, if the second player rejects the distribution, then neither player gets anything. Offers less than 20 percent are typically rejected because they are perceived to be socially unfair: the first player has not adhered to the social norm of an even split. In a study by Solnick (2001), men rejected only 7.1 percent of the offers whereas women rejected 20.0 percent, indicating their greater sensitivity to unfairness and supporting gender differences in response to it.

Role model evidence

A possible reason for gender differences is the different roles of men and women. For example, the responsibility for household shopping has traditionally been assumed by the woman so that the activity of shopping may be generally considered a female role. There is strong evidence for shopping being historically a female role:

As early as 200 years ago, American society already had begun to concede that the acquisition and use of domestic goods was within a woman's sphere of responsibility (Witkowski, 1999).

The idea that shopping is part of the female role was also supported in a study by Mazumdar and Papatla (1995, p. 21). Their work was based on a qualitative study (Hwang, 1994), which gave credence to the stereotype that men are “confused

and disinterested shoppers” whereas women are “more prudent, organized and value-oriented shoppers who enjoy the task.” Their results showed that the difference in shopping was due to women doing more pre-purchase planning than men, which indicates a more serious concern for shopping on the part of women.

The findings of Mazumdar and Papatla conflict with those of Otnes and McGrath (2001) who found that men are very involved in pre-purchase search for a good price, particularly when they search for electronics over the internet. Otnes and McGrath (2001) contend that shopping is becoming more gender neutral.

Shopping may be becoming more gender neutral, but the old traditions appear to still prevail. For example, in his qualitative research of shopping, Campbell (1997) found that women tend to be more positive about shopping than are men. Men tend to look at shopping as “effeminate.” As Fischer and Arnold (1990, p. 343) concluded:

It still appears that women are more involved than men.

Indeed, recent literature suggests that there is still great social pressure for women to be seen as feminine and, therefore, to adhere to the feminine role, and that this is so deeply rooted in the culture that it is largely unconscious (Fels, 2004).

Since women are more likely to be the family member responsible for shopping, it follows that they would be more sensitive to unfair price increases. This suggests that the differences in the way males and females react to unfairness in pricing is a function of their respective gender roles. Any variance among countries would be due to the differential way gender shopping roles have developed in their particular cultures.

Psychological evidence

There is evidence from the psychology literature that suggests that men and women make decisions in different ways. As early as 1925, Freud concluded that women are more often influenced in judgments by emotional factors (Freud, 1962). Males have a sense of individuation while females have a stronger basis for empathic feeling of the needs or feelings of another person (Chodorow, 1978). Males define themselves by separateness and women by connectiveness (Gilligan, 1982). All this suggests that females would be more concerned than are men about the impact of unfair price increases on the society as a whole (social unfairness) rather than just on themselves (personal unfairness).

Supporting evidence for this viewpoint comes from studies of early childhood, in the games children play (Lever, 1976). Boys tend to play competitive games. They quarrel, but enjoy the process of settling the conflict. Girls tend to play turn-taking games where competition is only indirect (like jump rope) in which everyone has a turn and no one wins or loses. Boys seem to seek out and deal with conflict; girls try to avoid situations when conflict might arise, and when it arises quickly retreat from it.

Management studies have reinforced the idea that women are more sensitive to issues of social fairness. In a meta-analysis of 48 such studies by Franke *et al.* (1997), business women were found generally to have higher ethical standards than men. Other studies, however, have given mixed results. In the 25 studies reported by Roxas and Stoneback (2004), women were shown to be more ethical in only 11 studies. In the other 14 studies, however, there were either no significant

differences between genders, or the results were inconclusive. Perhaps these mixed results are a function of failure to take into account the differential process of making such judgments by males and females.

Gilligan (1982) presented compelling qualitative examples of differences in the manner in which men and women approach moral reasoning. Men tend to follow a clear set of rules in judging what is right or wrong. Women respond in a more complex manner, taking more factors into consideration, and seeking out alternative solutions in an effort to be fair to everyone. For men, things are either right or wrong. For women, things are less clear-cut. They tend to seek out ways to satisfy everyone – indicating a greater concern for maintaining harmonious relationships among the parties involved. Brizendine (2006) supports this view when she contends that women arrive at the same conclusions as men, but use different brain circuits in getting to them. All this suggests that women might react more strongly and emotionally to what they perceive to be socially unjust prices than do men, viewing the issues as more complex and as unfair to others, as well as to the self.

Recent research into brain physiology suggests that these gender differences are biologically determined and reflect more than adherence to gender stereotypes. The way men and women think has been shown to be strongly impacted by the way sex hormones differentially impact their brains (e.g. Brizendine, 2006). The area of the brain that fuels a sense of individualism and separation is fueled by testosterone and is more highly developed in men than in women. In contrast, the area of the brain that triggers empathy and concern for others is fueled by estrogen and is more highly developed in women. This suggests that there are biological reasons that the differential reaction to unfairness to others is stronger in women than in men. If this is true, there should be little differences in the way the genders respond to social unfairness in pricing across national borders.

National differences in the response to unfair prices

The three countries included in the study – Germany, South Korea, and the USA – were selected because of their geographic and cultural differences. They are located on three different continents, one in Europe, one in Asia, and one in North America. According to Hofstede (1991), the US is the most individualist country in the world. In contrast, South Korea is highly collectivist. And Germany is somewhere in the middle: although Germany is considered individualist by Hofstede (1991), it is also collectivist, but not as collectivist as Asian countries (Nees, 2000).

If any observed gender differences are based on biological differences in the thought processes between the sexes, we would expect that the responses in all three countries to be similar. If, however, the differences are based on cultural factors that affect the way gender roles are defined in a particular country, the responses will vary among the cultures.

Research questions

Because of the preliminary nature of this research, research questions were posed rather than theoretically-derived hypotheses. Two general research questions were addressed:

- RQ1.* Will there be gender differences in the degree to which male and female responders perceive a price increase to be personally unfair? Will the same differences be seen across the three countries?
- RQ2.* Will there be gender differences in the degree to which male and female responders perceive unjust reasons for a price increase to be socially unfair? Will these same differences be seen across the three countries?

Study

The study was conducted with 390 subjects: undergraduates in Germany, South Korea and the USA. Their average ages and the sample sizes are given in Table I. Participants completed self-administered questionnaires. The questionnaire was designed to elicit responses to both types of price unfairness (personal unfairness and social unfairness). It was first pre-tested with 35 participants. It was then translated into Korean and German. Equivalence across countries was evaluated using a back translation procedure. Any inconsistencies were discussed and resolved.

Procedure

As has long been recommended for fairness research (Alexander and Becker, 1978), the questionnaire used a scenario to establish the context. The scenario was in two parts. The first part presented a sudden price increase, which was designed to be viewed as personally unfair; the second part presented the seller giving a false reason for the increase, which was designed to be viewed as socially unfair. The product involved was gasoline, a frequently purchased, but essential product.

Part I (personal unfairness):

You get gasoline (petrol) for your car from the only supplier in town. You have been paying \$50 a month. This is comparable to the price others near you pay. You receive a notice that the rate is going to be increased by \$7.50 a month (a 20 percent increase).

Participants indicated the degree that they felt this to be personally unfair on a six-point scale ranging from 1 (very reasonable) to 6 (very unreasonable).

Part 2 (social unfairness):

A knowledgeable friend who works in the gasoline (petrol) industry says that what the industry spokesperson said [that the price increase was due to an increase in the cost of insurance] was nonsense: the gas companies are just taking advantage of the public's perception that insurance costs have gone up. Actually gas insurance is no more expensive than it has been.

Participants indicated the degree that they felt this to be socially unfair on a six-point scale ranging from 1 (very just) to 6 (very unjust).

Results

The data were analyzed by multivariate analysis of variance. Responses were blocked into sex (male/female) and nationality (German, South Korean, US). The interaction between sex and nationality was also examined. Multivariate

Table I Demographics of sample

	Age	Number	Males (%)	Females (%)
Germany	22	148	43	57
South Korea	24	147	52	48
USA	20	95	43	57
Total	22	390		

significance was established for the main effect of nationality (Wilkes $\Lambda = 0.88$, $F_{4,740} = 12.12$, $p = 0.00$). The main effect of sex of respondent was marginally significant (Wilkes $\Lambda = 0.99$, $F_{2,370} = 2.53$, $p = 0.08$). There was also a significant interaction between sex of respondent and nationality (Wilkes $\Lambda = 0.96$, $F_{4,742} = 3.50$, $p = 0.01$). Thus, the sex of respondent does appear to have some relationship to the perception of fairness.

After multivariate significance is established it is appropriate to examine the univariate effects (when an interaction effect is statistically significant, the main effects become less useful). Looking at the univariate interaction effects (see Table II), the interaction between sex of respondent and nationality is statistically significant for personal fairness ($F_{2,376} = 5.89$, $p = 0.00$) and marginally significant for social fairness ($F_{2,376} = 2.849$, $p = 0.06$).

Research questions

The first research question dealt with the question of whether there are gender differences in the degree to which male and female responders felt a price increase to be unfair and whether these differences would hold across the three contrasting countries. Figure 1 shows the mean values of the responses to personal unfairness. It is clear that the

Figure 1 Interaction of gender and country in response to price increase (personal unfairness)

expected gender differences appeared only in the sample from the US. Female responders did, indeed, react more strongly to the personal price increase in the US. The difference between men and women in Germany, however, was not statistically significant. The responses in South Korea were quite dissimilar to the other two countries. Male responders appeared more personally disturbed about the price increase than were the female responders. But here again, the difference between men and women was not significant.

Examining Figure 2, the responses for individuals to social unfairness in the US showed the expected gender differences. Female responders were more disturbed by a price increase that was perceived to be socially unfair than were male responders. The responses from Germany and South Korea, however, were quite different. Indeed, in both countries it appears that males were more concerned about social unfairness than were females, but the difference was marginally significant only with the South Koreans ($p = 0.08$). Males and females in both Germany and South Korea seemed more angered by social unfairness than were those in the US. As anticipated, in all three countries,

Figure 2 Interaction of gender and country in response to seller lying (social unfairness)

Table II Multivariate effects

Source	Dependent variable	Type III sum of squares	df	Mean square	F	Sig.
Corrected model	Personal unfairness rating scale	32.370 ^a	5	6.474	6.831	0.000
	Social unfairness rating scale	34.469 ^b	5	6.894	6.763	0.000
Intercept	Personal unfairness rating scale	6,896.372	1	6,896.372	7,277.141	0.000
	Social unfairness rating scale	9,563.770	1	9,563.770	9,382.155	0.000
Sex	Personal unfairness rating scale	4.145	1	4.145	4.374	0.037
	Social unfairness rating scale	0.019	1	0.019	0.019	0.891
Nationality	Personal unfairness rating scale	21.485	2	10.743	11.336	0.000
	Social unfairness rating scale	30.745	2	15.373	15.081	0.000
Sex × nationality	Personal unfairness rating scale	11.155	2	5.578	5.886	0.003
	Social unfairness rating scale	5.698	2	2.849	2.795	0.062
Error	Personal unfairness rating scale	351.588	371	0.948		
	Social unfairness rating scale	378.182	371	1.019		
Total	Personal unfairness rating scale	7,924.000	377			
	Social unfairness rating scale	10,843.125	377			
Corrected total	Personal unfairness rating scale	383.958	376			
	Social unfairness rating scale	412.650	376			

Notes: ^aR squared = 0.084 (Adjusted R squared = 0.072); ^bR squared = 0.084 (Adjusted R squared = 0.071)

responders seemed more disturbed by social unfairness than they were by simply personal unfairness.

Discussion

What does this all mean? First, it appears that gender differences in reactions to unfairness in pricing are culture specific, being seen only in the US. Since the prior research underlying the design of the study was conducted in the US culture, it is not surprising that this occurred. It does suggest, however, that responses to unfairness in pricing are not derived from the differential way in which males and females think, but are probably derived, at least in part, from the way the gender roles are differentiated within the particular country in which the individuals are living.

Overall, both male and female South Koreans were the most negative to the personally unfair price increase, thus confirming the findings of Jin and Sternquist (2003) that Koreans are highly price sensitive. Both male and female Americans were the least negative with the responses of Germans somewhere in the middle. Since a reaction to a personally unfair price increase is likely to be related to the concern of the responder with the household budget, a relative affluence explanation might be appropriate. Economic statistics support this view. Americans are affluent. According to the *CIA Fact Book*, per person GDP = \$45,800. People in Germany are also relatively affluent, but not as affluent as those in the US. Their per-person GDP = \$34,200 (based on purchasing power parity). South Korea is a developing country and less affluent. The per-person GDP is \$24,880 (also based on purchasing power parity). These differences in relative affluence correspond directly with the strength of negative responses of respondents in each country to a price increase.

The reaction to social unfairness due to the perceived unjust reason given for a price increase involves more universal issues than merely one's own pocketbook. It may reflect the degree to which consumers are morally concerned about the greater good within their social system and are, therefore, offended by what they perceive to be an unfair action. Looking at the responses, overall, to social unfairness in price, it appears that the Germans are the most incensed by social injustice, South Koreans are next, and Americans are last.

The responses in Germany to social unfairness were particularly interesting because both males and females respond much more strongly than those in the other two countries. Apparently, there is a keen sense of morality operating in the German mentality. According to Vehrkamp and Kleinstein (2007), social justice is the most important theme in today's political debate in Germany. Hence, Germans are incensed by any sign of social injustice. Koreans also responded vigorously to social injustice. The reason may be the sensitivity that has developed there due to the socially irresponsible actions of some business persons. The Korean people have learned to respond forcefully to any perceived injustice. Only the Americans are less than vigorous in their objections to injustice. A possible reason is that the US, according to Hofstede (1991), is the most individualist country in the world. Since Americans are so highly individualistic, they are less sensitive to social injustice than more collectivist countries like Germany and South Korea.

Of particular interest to this paper are the responses of males and females within the individual countries. The males and females in the American sample tend to confirm the gender differences indicated in the literature: females appear to be more sensitive to price unfairness. But the differences are apparent only in the US. In both Germany and South Korea, males and females responded equally negatively to price unfairness with males, if anything, appearing to be more concerned about social fairness than were females.

Managerial implications

Understanding how consumers respond to prices is basic to marketing. If a company cannot command the necessary price, it will fail; if it can command a premium, it will flourish. It is consequently urgent that companies understand how different segments in different cultures respond to prices.

What this research demonstrates is that males and females in the US respond to a price in quite different ways. The data indicate that American males are less price sensitive than American females; but this difference is not evident in other cultures. Both men and women in countries as diverse as South Korea and Germany are equally sensitive to prices.

What this implies is that a pricing tactic that might be acceptable to American men must be implemented with care in other countries. For example, one of the package delivery companies is now charging a surcharge for gasoline. When a package is delivered later than promised, they normally refund the entire amount. But they have now decided not to return the gasoline surcharge. Such a practice might be acceptable to American men, but might very well not be acceptable to men in other countries.

A pricing tactic that is acceptable to American women, however, seems to be equally acceptable to women in other countries. So if American women accepted paying the surcharge even if the package were late, then women elsewhere would be likely to accept it ... at least women in Germany and South Korea.

In addition, the data reinforce the Germans' extreme sensitivity to anything that suggests that a company is taking advantage of the customer. Lying about the reason for a price is much more unacceptable to Germans than to Americans or South Koreans. Germans demand that businesses act in a socially responsible manner. A company selling in Germany, therefore, must be especially careful in how they justify their prices.

Limitations and suggestions for future research

The study is limited in that the sample was made up of university students. These students, both males and females, are often supported by their parents and, thus, less conscious of household economics and of the gender roles connected with them. Such gender differences might be more pronounced when they graduate, get jobs, marry, and assume their family responsibilities.

As college students, they also might be better educated than many others in the country and, therefore, not reflect the thinking of the less well educated. Future research should make an effort to include a broader spectrum of responders who might be better representative of the general population of the country.

However, students who are still in the formative years of their lives might be considered to be the future leaders of a

country and, therefore, their responses might be predictive of cultural changes within a country. Longitudinal research should be conducted to determine whether there is any value to this possibility.

Given this information, a theoretical framework should be constructed that might be used to position contrasting countries in order of their priorities. As a start to this, qualitative information needs to be obtained from both males and females within each individual culture in order to understand the different factors that are taken into consideration when evaluating the fairness of price increases. These factors might be economic, cultural or both.

Research also needs to be directed toward understanding the deleterious impact of consumers' negative responses to a price increase on the offending businesses. For example, how likely are consumers to boycott the businesses or to engage in other negative activities? Marketers who are aware of the potential impact of rising prices on the economics of their businesses might be reluctant to initiate a price increase that might be perceived as unfair. Information could be found that might give them insights when introducing such a price increase so as to soften any negative impact on their operations.

References

- Alexander, C.A. and Becker, J. (1978), "The use of vignettes in survey research", *Public Opinion Quarterly*, Vol. 52, Spring, pp. 93-104.
- Brizendine, L. (2006), *The Female Brain*, Broadway Books, New York, NY.
- Campbell, C. (1997), "Shopping pleasure and the sex war", in Falk, P. and Campbell, C. (Eds), *The Shopping Experience*, Sage, London, pp. 166-75.
- Chodorow, N. (1978), *The Reproduction of Mothering*, University of California Press, Berkeley, CA.
- Darke, P.R. and Dahl, D.W. (2003), "Fairness and discounts: the subjective value of a bargain", *Journal of Consumer Psychology*, Vol. 13 No. 3, pp. 328-38.
- Douglass, E. and Cohn, G. (2005), "Zones of contention in gasoline pricing", *Los Angeles Times*, June 19.
- Fedor, L. (2005), "Airlines might be ready to close fare gap", *Minneapolis Star Tribune*, January 4.
- Fels, A. (2004), "Do women lack ambition", *Harvard Business Review*, April, pp. 50-60.
- Fischer, E. and Arnold, S.J. (1990), "More than a labor of love: gender roles and Christmas gift shopping", *Journal of Consumer Research*, Vol. 17, December, pp. 333-45.
- Franke, G.R., Crown, D.F. and Spake, D.F. (1997), "Gender differences in ethical perceptions of business practices: a social role theory perspective", *Journal of Applied Psychology*, Vol. 82 No. 6, pp. 920-34.
- Franklin, P. (2007), "Kodak launches printer to compete with HP, others", *Washington Post*, February 6.
- Freud, S. (1962/1926), "Some psychological consequences of the anatomical distinction between the sexes", in Strachey, J. (Ed.), *The Standard Edition of the Complete Works of Sigmund Freud*, The Hogarth Press, London.
- Gilligan, C. (1982), *In a Different Voice*, Harvard University Press, Cambridge, MA.
- Hofstede, G. (1991), *Cultures and Organizations: Software of the Mind*, McGraw-Hill, New York, NY.
- Hwang, S.L. (1994), "From choices to checkout: the genders behave very differently in supermarkets", *The Wall Street Journal*, p. B1, March 22.
- Jin, B. and Sternquist, B. (2003), "The influence of retail environment on price perceptions: an exploratory study of US and Korean students", *International Marketing Review*, Vol. 20 No. 6, pp. 643-61.
- Lever, J. (1976), "Sex differences in games children play", *Social Problems*, Vol. 23, pp. 478-87.
- Maxwell, S. (2008), *The Price is Wrong!*, Wiley, Hoboken, NJ.
- Mazumdar, T. and Papatla, P. (1995), "Gender difference in price and promotion response", *Pricing Strategy and Practice*, Vol. 3 No. 1, pp. 21-33.
- Nees, G. (2000), *Germany: Unraveling an Enigma*, Intercultural Press, Yarmouth, ME.
- Otnes, C. and McGrath, M.A. (2001), "Perceptions and realities of male shopping behavior", *Journal of Retailing*, Vol. 77 No. 1, pp. 111-37.
- Progressive Grocer (2008), "Men favor convenience and service, women price: study", available at: www.progressivegrocer.com
- Roxas, M.L. and Stoneback, J.Y. (2004), "The importance of gender across cultures in ethical decision-making", *Journal of Business Ethics*, Vol. 50, pp. 149-65.
- Solnick, S.J. (2001), "Gender differences in the ultimatum game", *Economic Inquiry*, Vol. 39 No. 2, pp. 189-200.
- Vehrkamp, R.B. and Kleinsteinuber, A. (2007), *Soziale Gerechtigkeit 2007 – Ergebnisse einer repräsentativen Bürgerumfrage*, Bertelsmann Stiftung, Gütersloh.
- Witkowski, T. (1999), "The early development of purchasing roles in the American household", *Journal of Macromarketing*, Vol. 19, December, pp. 104-14.

About the authors

Sarah Maxwell is Associate Professor of Marketing at Fordham University and Co-Director of the Fordham Pricing Center. She is Associate Editor of the *Journal of Product & Brand Management*. Her research interests are pricing, cross cultural marketing and sales. She has published in journals such as the *Journal of Marketing Research*, the *Journal of Personal Selling and Sales Management* and the *Journal of Economic Psychology*. Sarah Maxwell is the corresponding author and can be contacted at: smaxwell@fordham.edu

Sanghyun Lee is Assistant Professor of Marketing at Dongguk University, Seoul, Korea. He received his PhD from Purdue University. His teaching and research interests are in the areas of retailing, services marketing, and customer relationship management.

Sabine Anselstetter is Research Associate and Doctoral Candidate at the Chair of Marketing at the University of Erlangen-Nuremberg. She is doing research in different aspects of pricing, i.e. price fairness. Her PhD topic is Price Dispersion and Retail Price Maintenance.

Lucette B. Comer is Professor Emerita of Consumer Sciences and Retailing at Purdue University. Her research interests include diversity issues (women, cross-cultural issues) and salesperson behavior/psychology (listening, empathy, motivation). Her publications have appeared in such journals as the *Journal of Personal Selling and Sales Management*, *Industrial Marketing Management*, *Psychology and*

Marketing, *Sloan Management Review* and other marketing journals.

Nicholas P. Maxwell is President of the Maxwell Statistics Corporation. He has written a textbook, *Data Matters: Conceptual Statistics for a Random World*, and consulted on the analysis of data regarding marketing, direct mailing list selection, healthcare cost drivers, employee satisfaction, hospital safety, and product design. He has published in journals such as *The Journal of Statistics Education*, *The Journal of Business Research*, *Psychology and Marketing*, and *The Journal of Behavioral Decision Making*.

Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.

The issue of price increases is a sensitive one to both consumers and marketers alike. When consumers perceive a price increase as excessive or unjust, likely responses include searching for a cheaper alternative or punishing the company in question. In the emotionally-fueled latter case, consumers can totally boycott the offending firm or significantly reduce their patronage.

Perceptions of fairness: factors to consider

Previous research has ascertained the existence of both personal and social fairness. In relation to a price, consumers may perceive it as fair if it is low enough to meet their personal expectations. A price is also likely to be regarded as unreasonable if it is not transparent and consistent with societal norms measured in terms of equity, equality and need. Vendors that fail to meet these social expectations are accused of exploiting the consumer and treated with suspicion. Because strong social consensus is present, it is believed that social unfairness will elicit a more fervent response than personal unfairness. Many analysts do point out, however, the possibility that any response may be subject to moderation from gender and/or cultural factors.

Supposed differences between males and females have been well documented. In a shopping context, for example, men are concerned with such as convenience and service, while price-consciousness is more typically associated with women. Behavioral studies have also suggested respective differences in the response to perceived personal unfairness. Women in one key study involving participation in a specific game displayed considerably greater sensitivity to unfairness than did men.

That certain gender roles prevail has been cited as a possible reason for these apparent differences in response. Of particular relevance here is the common assumption that shopping is a woman's responsibility. Many analysts continue to purport this view that has prompted the conclusion that men adopt a disinterested approach to shopping whereas women are more cautious and driven by a quest for value. Others challenge such beliefs and argue instead that shopping is developing into a more "gender neutral" activity. Even

though this notion has substance, certain traditions still seem to remain where gender roles are concerned.

Researchers likewise point to psychology for evidence of how men and women differ. Widespread conviction exists that men are competitive and individualistic as opposed to women's desire to connect with others. Because women are also prone to make emotional judgments, the suggestion is that they will be more concerned than men about social unfairness. Management studies have corroborated such ideas. Further support for differences between men and women is provided by research into moral reasoning. It was concluded here that women regard the issue as complex and examine a greater number of factors than men, who characteristically analyze a situation using more narrowly defined criteria. Another suggestion is that gender differences may be "biologically determined" in the sense that men and women are influenced by different parts of the brain.

Study and findings

Whether a culture is primarily individualistic or collectivist may also determine response to perceived unfairness. For this reason, the US, South Korea and Germany were chosen as countries for the present study because of their disparate cultures. The strong collectivist nature of South Korea contrasts sharply with the US, which is recognized as being the world's most individualist nation. By and large, Germany is considered somewhere between the two in this respect. However, Maxwell *et al.* noted beforehand that any cultural difference could be anticipated to be minimal if gender differences are determined biologically.

Undergraduates in South Korea, Germany and the US participated in the study. The 390 respondents completed self-administered questionnaires relating to both personal and social unfairness. Two scenarios were used to represent both unfairness types and the product involved was gasoline. Participants were asked to respectively indicate how personally unfair or socially unfair they regarded the described price increase in each scenario. Responses were organized by gender, nationality and analysis of the relationship between the two variables was also conducted.

In view of previous research, it was anticipated that females would be more concerned than males about perceived unfairness in both scenarios. In relation to personal unfairness, however, this occurred only within the sample from the US. Males in South Korea appeared more perturbed than females, while the findings from German respondents were not statistically meaningful.

For social unfairness, some findings were again contrary to expectation. With males, reaction was stronger among German and South Korean respondents, although the only significant difference occurred in the latter sample and that was only marginal. Both genders appeared more passionate about social unfairness than those from the US, where a greater reaction among females occurred as predicted. Concern was higher for social unfairness than for personal unfairness in all three nations.

Based on these findings, the authors conclude that differences in how the genders react to perceived unfairness of prices seems to be partly shaped by cultural rather than biological factors. South Koreans were most negative about personal unfairness and their evident price-sensitivity was deemed a reflection of the country's status as a developing economy. America's recognized affluence is likewise stated as

a key reason for lower levels of concern about personal unfairness among this sample.

The individualistic-collectivist continuum is cited as shaping response to social unfairness. Strong South Korean feeling was anticipated as was the lower sensitivity apparent among Americans. The most passionate reaction was recorded within the German sample and this is considered interesting by the authors as it reflects current concerns about social injustice in that nation.

Suggestions for marketing and additional study

Maxwell *et al.* urge marketers to be aware that the reaction to price levels is likely to vary among different cultures and segments. Specifically, they suggest caution if trying to implement pricing strategies in other nations that are primarily intended for American males. Where women are concerned, however, it may be feasible to employ the same

strategy within different nations. A need to acknowledge consumer demand for socially responsible business practices in Germany is likewise pointed out.

A sample more representative of the general population may increase the validity of findings. However, the possibility that student responses may predict future cultural change within a specific nation is also worthy of further investigation. This may help identify the different factors that influence perception of fairness, while additional research may also equip marketers with important knowledge of how consumers are likely to respond when they perceive a price increase as unjust.

(A précis of the article “Gender differences in the response to unfair prices: a cross-country analysis”. Supplied by Marketing Consultants for Emerald.)