

Bargaining an Under-Appreciated Adventure in Open-Air Markets

Value for money is the key factor in attracting tourists to Hong Kong's open-air markets, according to the SHTM's Nelson Tsang, Henry Tsai and Fiona Leung in a recently published research article. Examining "tourists' enjoyment of their bargaining adventure", the researchers also find that bargaining intensity and psychological well-being are crucial elements of the attitudes and behaviour on display in these markets. Yet the benefit of marketing strategies designed to tap this enthusiasm for a good deal is little recognised, with the researchers suggesting that the Hong Kong Tourism Board (HKTB) should pay more attention to it in vigorously promoting open-air markets.

Open-Air Markets as Tourist Attractions

Shopping has long been acknowledged as an indispensable tourist activity around the world, but nowhere is that more apparent than in Hong Kong. Attracting around 30 million tourists a year, the city offers its visitors a plethora of shopping experiences in upscale malls lined with internationally renowned designer outlets. Yet the researchers also note that Hong Kong's open-air markets are important tourist attractions in their own right, offering dynamic environments in which tourists can observe "the unique local capitalism".

Tourist visits to Hong Kong's three main markets – Ladies' Market, Temple Street Market and Stanley Market – have increased significantly every year for the past five years. The researchers cite HKTB statistics to the effect that visitors from Australia, New Zealand and other parts of the South Pacific visit the three markets most frequently during their stays, followed by those from South, Southeast and North Asia. Southern hemisphere tourists also rate the value-for-money experience they gain at the markets most highly.

The researchers go as far as to suggest that bargaining should be considered a feature of these markets because it enhances the shopping experience. Drawing on research in sociology and psychology, they argue that shopping in general and bargaining in particular generate "intrinsic enjoyment". Obtaining discounts through haggling

could even "generate a sense of pride, intelligence, and achievement".

This should have obvious implications for the promotion of bargaining as a tourist activity, but little effort has been made in Hong Kong to highlight the attractiveness of its open-air markets. The researchers mention that the markets are completely overlooked in the HKTB's shopping tips for tourists, which instead emphasise the identification of creditable retailers recognised by the Quality Tourism Services scheme.

In a broader sense there is also the unanswered question of whether tourist shoppers bargain "simply as a result of the satisfaction they feel in acquiring a product" or due to a "sense of gratification generated on the basis of perceived fairness" in the bargaining process. Understanding which of these factors predominate would allow the HKTB to devise an appropriately tailored marketing campaign.

Tourists at Hong Kong's Open-Air Markets

The researchers gathered information on tourist bargaining behaviour by conducting a survey at Ladies' Market, Temple Street Market and Stanley Market. The questionnaire included five sections, with the first designed to screen out non-tourists or tourists who did not bargain. The second section focused on factors related to the intention to bargain, and the third on the extent of bargaining behaviour and how that behaviour and tourist attitudes affected satisfaction with the whole process. The fourth section obtained overall impressions of the bargaining context in the markets and the fifth was used to construct a demographic profile of the respondents.

Of the 203 tourists who completed questionnaires in the three markets, just under half were from mainland China, Taiwan, other parts of North Asia, South Asia or Southeast Asia. The remainder were from the Americas, Europe, Africa, the Middle East, Australia, New Zealand or the rest of the South Pacific. Just under half were male, the largest group was aged 21-30 years old, around three

quarters had university degrees and most were on vacation but not on guided tours.

Value for Money and Psychological Well-Being

Having reviewed the results of their survey the researchers found that the intention to bargain in a market was most heavily affected by selling price, product quality and perceived value for money. The most obvious implication here is that the HKTB should “develop an advertising campaign on open-air markets in Hong Kong that emphasises value for money”. To broaden that effort, the researchers also suggest that “an online platform allowing tourists to share their shopping experiences and effective bargaining tips could be linked with the HKTB website”. This would reduce the search costs of first-time tourists seeking information about bargains in Hong Kong, and would have the potential to spread that information out to the “global community via the Internet”.

In terms of the bargaining process itself, the tourists were most interested in taking part for their own psychological well-being. Happiness about being able to ask for low prices against expectations of higher prices offered to tourists and satisfaction with actually obtaining a bargain were the most important factors. The tourists also felt a sense of excitement in the process, and thought that their own ability rather than luck determined their success.

The Importance of Satisfaction with Bargaining

When looking specifically for what determined the tourists’ overall satisfaction with bargaining the researchers found that “bargaining intensity”, or “tourists’ preference for haggling as a way of doing business” was the most important factor. This concept encompasses the competitiveness displayed when seeking a bargain as revealed by choosing open-air markets over malls, negotiating for ‘extras’ when goods are sold at fixed prices and the actual effort put into the bargaining process.

Bargaining intensity also had a significant influence on the likelihood of subsequent visits to the markets and recommending them to others. Yet even more important was the fact that the tourists bargained to enhance their own psychological well-being. This, suggest the researchers, indicates that “the more tourists seek to gratify their intrinsic need for a bargain, the more likely they are

to visit the market again and recommend it to their friends and family”.

Advertising Needed

With bargaining intensity and psychological well-being at the core of what satisfies tourists at Hong Kong’s open-air markets, the researchers argue that the HKTB should advertise the markets as shopping alternatives at which pleasure can be gained. Such a campaign could emphasise the psychological rewards to be had from bargaining and value for money available, and thus present “a compelling case for visiting open-air markets”. This, the researchers argue, will help “Hong Kong to maximise its tourism receipts” amidst increased competition from other tourist destinations.

Points to Note

- Open-air markets are under-promoted tourist attractions in Hong Kong.
- The enjoyment of bargaining is an important tourist experience.
- Tourists at Hong Kong’s markets appreciate the value for money and are driven by bargaining intensity and their own psychological well-being.
- Advertising that highlights these factors will help Hong Kong maximise its tourism receipts.

Tsang, Nelson, Tsai, Henry and Leung, Fiona (2011). A critical investigation of the bargaining behaviour of tourists: The case of Hong Kong open-air markets. *Journal of Tourism Marketing*, Vol. 28, pp. 27-47.