

# **PERSONAL SELLING MANAGEMENT IN HUNGARY, PORTUGAL AND NEW ZEALAND – IS THERE A LINK BETWEEN PERSONAL SELLING AND COLLECTIVISM**

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## **ABSTRACT**

This study examines the link between personal selling and collectivism found in small clothing and shoe retailers in New Zealand, Portugal and Hungary. These three culturally similar and predominately Anglophone countries are selected for this research as most of the prior researches with a cultural factor are conducted in culturally dissimilar nations, hence the results can hardly be generalised across the countries with similar culture. This research reveals that there is a sufficient link between choice of personal selling as a promotional tool and the collectivist orientation on the part of the retailers. The results shows that the retailers who orientate towards collectivism in their cultural value structure will perceive personal selling as an important promotional tool and therefore, spend more of their promotion budget on personal communication tools such as personal selling and will continue to do so. It is concluded in this paper that there is a definitive link between personal selling and collectivism in small clothing and shoe retailers. The results showed in this research allow the retailers to have a better understanding of how personal selling can be used effectively in their promotion plans.

*Keywords: Collectivism, cross-culture, personal selling, retailing*

## **I. INTRODUCTION**

In today's highly technical and fast paced market, consumers are increasingly becoming aware of the need to gather more information regarding products and services before they make a final purchase decision, especially customized messages. From the company's perspective, they tend to customize their product or service information in order to increase the value offered to the customers and gain a competitive advantage over their competitors. This information is often available mainly through the form of sales personnel, who act as communicators of a company's market offerings and are seen as somewhat more reliable as the less personal forms of promotion tools such as print and broadcast advertising.

Related to this, the competencies of salespersons such as the attitude and manner of dealing with a customer, physical appearance and the extent of the knowledge regarding a company's merchandise is seen to essentially reflect the company's actual market positioning and the image that they wish to impart to their customers. As the personal contact that a salesperson engages with the current and potential customers, personal selling is increasingly perceived as a critical contributor to a company's success (Boone and Kurtz, 1992).

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To small firms, who may find that their other promotional efforts go relatively unnoticed in the mass of media communication already in the market, personal selling may be a way to differentiate themselves or to build and maintain effective customer-firm relationships that will benefit the company in the long run (Manning and Reece, 1998). A satisfied customer is seen as the key to success for the company, which is particularly important to small businesses as they rely more on the referred customers. Personal selling adds a certain amount of extra value to the sales itself and also highlights other product or service needs that the company may not have easily identified without the two-way communication that personal selling brings (Manning and Reece, 1998).

Substantial studies have examined why retailers choose promotional tools such as personal selling, identifying several reasons such as the nature of the business (Greenley and Shipley 1992), the target audience (Nowak, *et al.*, 1993), the cost effectiveness of the tool (Jackson, Hawkes and Hertel, 1979) and the media attributes (Otnes and Faber, 1989). Few studies however, as pointed out by Fam and Merilees (1998), look at possible cultural influence behind promotional tool choice.

In this paper, we investigate the main cultural influences that drive small retailers to focus on personal selling as an important promotional tool for their business in the context of clothing and shoe retailing across three predominantly Anglophone countries, i.e. New Zealand, Portugal and Hungary. The research examines the choice of the personal communication method and seeks to illustrate a connection between this form of promotional tool use and the cultural nature of the retailers who employ it. The study also attempts to establish what it is that makes retailers dedicate more of their promotional budget to employing sales force rather than to other promotional tools. Small and independent retailers have been chosen as the literature purports that they have been "the numerically dominant retail form in many countries for a very long time" (Smith and Sparks, 2000).

## II. LITERATURE REVIEW

### *Personal Selling*

Personal selling can be defined as "the personal communication of information to persuade a prospective customer to buy something – a good, service, idea, or something else" (Futrell, 1992) which is coined by Marks (1997) as to be on a face-to-face basis. Considering advertising and other promotional tools which are largely "non-personal sales presentation paid for by an identified sponsor, usually directed go a large number of potential customers (Marks, 1997), the main attribute of personal selling pointed by the literature is the fact that, in a personal communication method such as this, the flow of communication is essentially two-way between the seller and the potential buyer (Manning and Reece, 1998).

Personal selling is important in the business environment as it plays production role (satisfying the short-term needs of the company when competition is limited and demand is greater than supply) and sales role (stimulating demand for products or services by using aggressive selling techniques to persuade customers to buy) (Weitz and Bradford, 1999). The ability on the part of the customer to obtain their understanding of the product or service offered and request further information from the sales person highlights the difference between other promotional tools such as advertising and the personal selling method. Personal selling as a promotional communication method is inherently more flexible in its ability to be tailored to an individual consumer which can have a greater impact on that consumer and has the advantage of being able to impart a much more complex message to potential customers.

Despite the advantages of personal selling, a firm would not invest its entire promotional budget in the personal selling medium. The high effectiveness of personal selling is achieved at significant costs. The cost of delivering a message per person contacted through personal selling far surpasses the cost of delivering messages through mass media (Stanton, 1984). Therefore, firms will employ an integrated marketing communication strategy by selecting both personal and impersonal promotional tools simultaneously, with a different proportion of their available budget allocated to each. Essentially, firms that do concentrate on personal selling are likely to invest a portion of their promotional budget in impersonal promotional forms to reinforce the efforts of their sales force (Marks, 1997).

### ***Personal Selling as a Promotional Tool***

Personal selling is regarded as the only communication vehicle that allows a marketing message to be adapted to the specific needs and beliefs of each customer because other promotion tools such as mass media and sales promotions are restricted to delivery of messages targeted toward a “typical” customer in a market segment (Spiro and Weitz, 1990). A substantial literature reveals the unique adaptive capability of personal selling which allows it to be the most effective communication vehicle. Apart from its adaptive nature of tailoring information to meet the needs of each customer, the competencies of salespersons to the selling process have been widely researched (Moore, *et al.*, 1986; Spiro and Weitz, 1990), such as the appearance of salespersons, their knowledge of products, approaches to selling and their friendliness, which are proved to be equally effective compared to the other promotional tools available when communicating information regarding a firm and the products and services it offers. Hawes, *et al.* (1993) believes that consumers are increasingly turning to salespersons as a source of information and reliability when making purchase decisions. The use of personal selling as a promotional tool is therefore important for retailers and in line with the above view, “salespersons can be used to convince the consumers that the more expensive products possess attributes which justify their premium prices” (Fam and Merrilees, 1998, p. 248). In the case of smaller retailers, where the very nature of being a small business often precludes them from being able to match the cheaper product or service offerings of larger firms (Smith and Sparks, 2000), the use of personal selling in this way is particularly more important to the success of the business in this case.

Personal selling, using experienced and approachable salespeople, can help create a more friendly and helpful shopping environment for the consumer, which gives the impression that the retailer *cares* about their current and potential customers. Retailers who do care about customers in this way can be said to be those who believe their existence is dependent on the community and vice versa. Essentially, these retailers desire to cultivate and maintain a relational exchange with members of the community, which is considered to be achieved by working closely with their target market.

Retailers therefore, who value promotional tools that stem from the personal communications media such as personal selling and judge them to be more effective in promoting their cause, are deemed by the existing literature to possess cultural values such as collectivism, a community-based value that encourages relationship building amongst its members (Fam and Merrilees, 1998).

### ***Personal Selling and Small Retailers***

Smith and Sparks (2000) believe that small retailers have an inherent sense of self-preservation that causes them to work very hard at their business to succeed. The authors state that this may be manifested in a small retailer's greater understanding of the local market and an appreciation of the service requirements of customers. This underlies the idea that small retailers would find the promotion tool of personal selling as greatly suited to their needs in maintaining this understanding of the retail market that they operate in.

The literature also concedes that the competitive pressures that a small retailer faces have increased in recent years due to factors such as poor site location, reduced customer flow and increased activity by larger competitors who are able to offer more and more products and services, often at lower prices (Smith and Sparks, 2000). This concession highlights the need for small retailers to establish a distinctive competence for their firm to differentiate itself from the competition the basis of and personal selling may be the most obvious way of doing this.

### ***Personal Selling and Culture***

The culture concept has been borrowed from anthropology, where there is no consensus on its meaning and it is defined in very different ways in different academic disciplines. The term generally refers to a “pre-programmed enduring set of values that are shared and transmitted within a society”. It is a collective idea that is associated with self-defined “imagined communities” (Benedict, 1983), and it is necessary for one to adapt to the other's environment successfully. There are many definitions of culture, but all seem to focus on the way in which culture *influences* the behaviour of those who belong to a cultural group (McCort and Malhotra, 1993) and the impact that cultural values have on perception and choice within these groups (Runyon and Stewart, 1987; Pecotich, Yang and Liu, 2000). A large body of researches on culture focused on the concept of “national culture” or “character”, emphasizing the components of culture such as the communication system (Hall, 1959), the value-orientation

system (Kluckhohn and Strodtbeck, 1961), the meanings systems (Geertz, 1973) and the “collective mental programming” (Hofstede, 1980). Personal and national culture depends essentially on personal cultural values (Hofstede, 1980). This view was further elaborated by Byrne and Bradley (2006) who state that essentially, national culture is seen as the integrated personal values of people in society. It reflects aspects of people’s personal culture integrated in a national identity; hence, this research examines the culture in a broader sense – national culture, relating to retailer’s choice of the promotion tools.

Culture has many interrelated parts which are derived from family, language, communication, religion, government, politics, education, transformation, technology and social and economic structures and activities (Baligh, 1994). These parts all shape the way an individual from a particular culture perceives various things – essentially, one of the main functions of culture is to “provide a highly selective screen between man and the outside world” and “what an individual chooses to take in...is what gives structure and meaning to his or her world” (Hall, 1976). This means therefore, that things that are more acceptable to a cultural group are likely to have a stronger influence on their actions and thus promotional tools that reinforce cultural norms or values are likely to have a better effect than those that are culturally foreign to a specific group.

### ***Collectivism***

Culture is a fuzzy construct and it is required to analyse it by determining dimensions of cultural variation. One of the most promising such dimensions is individualism-collectivism (Triandis, *et al.*, 1988). Hofstede (1980) describes collectivism as one of the core cultural values that influence the form of social arrangements, customs and practices of society. Hofstede’s approach is to deal with the ‘work-related’ values and according to the author, collectivist values are characteristic of a society in which people are integrated into strong, cohesive ingroups that protect them through their lifetimes in exchange for loyalty. Collectivism indicates a closely-knit, social framework, that is built on trust and sharing between in-group members (Macquin, *et al.*, 2000). In collectivist societies, strength comes from the belonging to the group. People tend to concern about the results of their actions on member of their ingroups (Triandis, 1989), and also tend to work as a team and therefore strive for team recognition (Hofstede, 1980). In terms of promotional tool choice, retailers in a collectivist society would believe more in working closely with their target markets than their individualistic counterparts (Fam and Merrilees, 1998). The study by Fam and Merrilees (1998) shows that there is indeed a link between the cultural disposition of retailers and their perceptions of the different promotional tools available. As suggested by their study that collectivism in a retailer’s cultural environment indicates a preference for the personal selling promotional tool, this research focuses on the cultural dimension of collectivism, looking at if it has a link with the choice of personal selling within collective countries.

### ***Collectivism and Personal Selling***

Researchers have found that cultural values affect the preference for inter-personal communication tools, such as personal selling. In a cross-cultural study, Fam and Merrilees (1998) reveal the differences in Australian and Hong Kong retailers’ perceptions of personal selling, which are attributed to differences in the retailer’s degree of cultural orientation. They measure the differences by using Hofstede’s (1997) collectivism index. They argue that a high score on the collectivism index means that a retailer’s preference for interpersonal promotional tools such as personal selling will be increased. Personal selling on the whole is more flexible than the other promotion tools as two-way communication is an integral part of its use. It allows the process of “positioning of goods or services in the mind of a particular prospective customer” Brooksbank (1995, p. 63) to occur. Along with this, customers can use the salesperson as a source of information and reliability (Hawes, *et al.*, 1993). These attributes of personal selling make it an important tool in bridging the buyer/seller gap in collectivist societies.

Many studies exist in the marketing literature on the diversity and scope of cross-cultural issues (Jaramillo and Marshall, 2004). To date however, a considerable literature has focused on the construct for cross-cultural comparison suggested by Hofstede (1980) where a country of highly collectivist culture (usually an Asian country) would be compared with one of a strong individualistic nature (usually the United States) (Money, *et al.*, 1998; Aaker and Maheswaran, 1997). These previous studies seem to make the assumption that most citizens of eastern countries are collectivist and most citizens of western countries individualistic. A number of literatures (Bond, 1991; Fiske, 2002)) however, question this idea by suggesting that there may be differences in the levels of collectivism within a particular country. The focus of this study therefore is to investigate that if there is a link between collectivism and preference for promotional tools in clothing and shoe retailers in New Zealand, Portugal

and Hungary. If so, how the different levels of collectivism effect promotional tool choice and if, as suggested by Fam and Merrilees (1998), the more collective a retailer, the more likely they are to choose interpersonal promotional tools such as personal selling over the other tools available.

### III. HYPOTHESIZED RELATIONSHIPS

As the competitions grows rapidly in recent years, retailing is no longer "a nice, cosy business environment" and small independent retailers especially, are said to have to be as effective and efficient as possible, exploiting whatever advantages they can obtain (Smith and Sparks, 2000, p. 210). Small retailers find that it is necessary to differentiate themselves from their competitors, whilst maintaining the community and social role that being a small retailer demands.

Since collectivism is very much about developing and maintaining group harmony, the literature asserts that one can expect that retailers who possess the cultural value of collectivism will perceive personal communications methods like personal selling as *more* important than traditional, impersonal promotional tools (Fam and Merrilees, 1998). Hence we hypothesize:

**H1:** *That retailers who are culturally collectivist in nature will perceive personal selling as more important than other promotional tools.*

Linked to this hypothesis, retailers who are collectivist will use a greater proportion of their budget for personal selling purposes than they do on other promotion tools (Fam and Merrilees, 1998). Where small retailers are often seen as a contribution to the community or a sense of identity for locals (Smith and Sparks, 2000), personal selling emphasises the retailer's commitment to this ideal. This suggests the following hypothesis:

**H2:** *That retailers who are culturally collectivist in nature will spend more of their promotion budget on personal selling than on other promotion tools.*

### IV. METHODOLOGY

#### ***Data Collection***

The sampling frame for the New Zealand data set was the respective cities' Yellow Pages list of clothing and shoe retail stores including Auckland, Wellington, Christchurch and Dunedin. These are major cities in New Zealand. Two sets of mailings occurred, three weeks apart. In each mailing, a cover letter with the University letterhead, a questionnaire and a reply-paid envelope were directed to the manager of each retail store or to head office for large retailers. The Portugal questionnaires were administered personally and the sampling frame was the most recent Retailers Union and Franchising Institute Directories. Most of the interviews were completed in the five main cities of Portugal, i.e. Porto, Lisbon, Braga, Aveiro and Coimbra. The Hungarian questionnaires were administered in the same way as those in Portugal, in 10 cities throughout the country, including Budapest, Zalaegerszeg, Tatabanya, Debrecen, Veszprem. These five towns are regional capitals with approximately 60-210,000 inhabitants.

#### ***Response Rates***

The New Zealand sample yielded a response rate of 39% (287 responses), the Portugal of 94% (161) and the Hungarian sample a response of 96% (328). The differences in response rates between the two European countries and New Zealand is attributed to the fact that in New Zealand the questionnaires were sent by post to the respondents, yet in Portugal and Hungary they were personally delivered. This allowed the researcher to explain the program personally and resulted in a much higher response rate.

#### ***Research Instruments***

The first set of items on the questionnaire relates to retail demographics. The second relate to promotional tool perception (i.e. perception of personal selling, print advertising, broadcast advertising, in-store promotion, direct mail, price mark-downs, public relations, sponsorship and sales promotion) [note that price mark-downs and in-

store promotions are separated from the sales promotion element]. In order to determine the size of the advertising and promotion budget, retailers were asked to specify the actual amount they spent on the other promotional tools and on personal selling (see Burnett, 1993, p. 28). The collectivism variables were measured by three items which were drawn from studies undertaken by Kirbride and Chaw (1987), and Kelley, *et al.* (1986). Each statement was measured with a seven-point Likert scale (1=strongly disagree/very unimportant to 7=strongly agree/very important). A check item was included in the questionnaire to establish each respondent's job responsibility within the retail firm. The questionnaire was pre-tested before being sent to respondents. The Portuguese and Hungarian questionnaire sets were translated into their respective languages using Del Greco's back-translation technique to ensure the accuracy of translation. Although there are common aspects between European and New Zealand economies and social reality, some minor changes to the questionnaire were introduced after a pre-test involving a small group of retailers in each country.

### Sample Characteristics

Table 1: Demographics of Respondents

Demographics	NZ		Portugal		Hungary	
	n=287		n=161		n=328	
	n	Percent	n	Percent	n	Percent
Clothing Stores	213	74.2	146	90.6	291	88.7
Shoe Stores	74	25.8	15	9.4	37	11.3
Independent Retailers	256	89.2	110	68.3	314	95.7
Chain Stores	31	10.8	51	31.7	14	4.3
Use an advertising agency?	Yes	12.0	Yes	16.0	Yes	20.0
# Of Sales Staff	5		4		3	

Note: # denotes full-time staff, calculated by  $(ft + (pt * 0.4)) / ns$ , where ft = full time, pt = part time staff and ns = number of stores.

The participants were the managers of retail stores because they (in a smaller store environment) usually have the final say in the choice of promotion tools that a retail store employs. Small, independent retailers were defined as retailers with between one and five outlets (with the majority of the sample having just one outlet) and less than ten employees. The sample choice is similar to that used by Smith and Sparks (2000) in their analysis of the role and function of small firms in Scotland, where they define a small firm as "a retail establishment of any form of organisation (but most commonly independently owned)...and having fewer than 10 FTE employees" (p. 207).

## V. RESULTS

**H1:** *That retailers who orientate towards collectivism in their cultural value structure will perceive personal selling as an important promotional tool.*

Table 2: National Differences in Work-Related Cultural Values

	NZ n=287	Portugal n=161	Hungary n=328
Collectivism	Mean	Mean	Mean
Q1	5.36	–	5.25
Q2	6.06	6.47	5.90
Q3	6.63	6.31	6.13
Alpha	0.71	0.52	0.70
Cumulative Variance	69%	57%	63%

Notes: Likert Scale 1 = very unimportant, 7 = very important. – Item was deleted. Q1 = I prefer to work together and share rewards more than to strive for individual recognition, Q2 = I believe in sharing responsibilities, helping each other, learning from each other and Q3 = I believe in mutual trust and respect.

Table 2 shows that all three countries studied exhibit a collectivist nature in terms of their cultural orientation and that Hungary's collectivism scores are slightly lower than those of New Zealand and Portugal. The analysis of variance and post hoc test shows that this observed differences in cultural values is significant at the 5% level (Table 3). This can be somewhat explained by the fact that Hungary has recently moved from a communist society and Hungarian retailers are still coping with the changes this has brought to their industry to some extent.

Table 3: Post Hoc Test of Cultural Differences

Multiple Comparisons							
Bonferroni							
Dependent Variable	(I) country	(J) country	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
I believe in sharing responsibilities	New Zealand	Portugal	-.409*	.117	.001	-.69	-.13
		Hungary	.160	.096	.286	-.07	.39
	Portugal	New Zealand	.409*	.117	.001	.13	.69
		Hungary	.570*	.114	.000	.30	.84
	Hungary	New Zealand	-.160	.096	.286	-.39	.07
		Portugal	-.570*	.114	.000	-.84	-.30
I believe in mutual trust and respect	New Zealand	Portugal	.317*	.092	.002	.10	.54
		Hungary	.502*	.076	.000	.32	.68
	Portugal	New Zealand	-.317*	.092	.002	-.54	-.10
		Hungary	.186	.090	.120	-.03	.40
	Hungary	New Zealand	-.502*	.076	.000	-.68	-.32
		Portugal	-.186	.090	.120	-.40	.03

\*. The mean difference is significant at the .05 level.

The comparison of retailers' promotional tool choices and their levels of collectivism in Table 4 supports hypothesis H1 that retailers who are collective in their cultural nature will choose personal selling over other promotional tools. This hypothesis is supported across all three countries to a similar level and the choice of alternative promotional tools is relatively less than that of personal selling in New Zealand, Portugal and Hungary.

Table 4: Collectivism and Promotional Tool Choice

	NZ	Portugal	Hungary
	n=287	n=161	n=328
	Mean	Mean	Mean
Collectivism	6.00	6.39	5.71
Personal Selling	6.75	6.06	6.48
Print Media	4.68	3.39	4.70
Broadcast Media	3.67	2.68	3.72
Public Relations	3.05	1.98	3.69
Price Markdowns	4.25	5.06	3.51
In-store Promotion	5.14	5.49	5.52
Direct Mail	4.25	4.53	3.86
Sales Promotion	2.20	2.68	3.24
Sponsorship	1.60	1.02	4.52

Note: Likert Scale 1 = very unimportant, 7 = very important.

**H2:** *That retailers who are culturally more collectively orientated will spend more of their promotion budget on personal communication tools such as personal selling.*

Table 5: Spending on Promotional Tools (% of Budget)

Promotional Tools	NZ		Portugal		Hungary	
	n=287		n=161		n=328	
	%	Std. Dev.	%	Std. Dev.	%	Std. Dev.
Personal Selling	57.47	16.23	74.79	13.09	63.87	34.16
Mass Media	11.27	3.09	5.92	4.01	8.42	3.30
Public Relations	4.12	2.08	1.93	1.64	3.67	2.05
Price Markdowns	5.74	1.87	4.93	1.76	5.13	1.77
In-store Promotion	6.94	1.82	5.35	1.91	5.52	1.59
Direct Mail	9.28	7.81	3.84	5.85	4.37	4.36
Sponsorship	2.16	3.47	1.00	2.25	4.49	4.52
Sales Promotion	3.02	4.22	2.24	4.07	4.53	4.56
TOTAL	(100%)		(100%)		(100%)	

Table 5 supports hypothesis H2 that collectively orientated retailers will allocate more of their available promotional budget on personal selling than on other promotion tools. As Table 1 shows, small clothing and shoe retailers in New Zealand, Portugal and Hungary are highly collective in their cultural value structure and all of these countries spend over half their promotion budget on the personal selling tool. Portuguese retailers, who were seen to be the most collective (with a mean score of 6.39 for collectivism - see Table 4), spend the most on personal selling (approximately 75% of their available budget) which further supports hypothesis H2.

Mass media receives the next largest portion of New Zealand, Portuguese and Hungarian retailers' promotional budget, and this is consistent with the view stated in the literature that often retailers who are focused on a personal selling orientation will use mass media tools to reinforce the messages they impart through their salespeople (Marks, 1997).

## VI. DISCUSSION

One might question that the very nature of small businesses requires personal selling as a promotional tool. If this were so, then these findings are of little value. We conjecture however, that the fact that the finding is consistent across all three countries studied proves that there is indeed a linkage between collectivism and choice of personal selling. It may be true that personal selling is an inherent part of small businesses due to its ability of interpersonal relationship building, the results exhibited in Table 1 and Table 5 show that retailers in collectivism culture not only choose personal selling as a more important tool for their business, but also are inclined to spend more of their resources on this tool as well as maintain a relatively high number of sales force.

Of the three work-related cultural values that centre on collectivism (see Table 2), question two and three were consistently rated most highly by retailers in the three countries studied. Question two, a belief in working sharing responsibilities, helping others and learning from others encapsulates the essence of a good personal selling focus. Sales people should work together, not only with other sales staff, but also with their customers, to achieve and maintain lasting relationships within the retail environment. Question three, the belief in mutual trust and respect also fits well with the essence of personal selling in that the sales person should represent a trustworthy and reliable source of information for the customer and the customer-salesperson relationship should therefore be based on a mutual amount of respect.

In terms of promotional tool choice (Table 4), personal selling fits the nature of collectivist societies as it reinforces the concept of relationship building (an important concept in relationship marketing) and tailors a promotional package to fit the needs of individual consumers. Comparing to the other promotional choices available to retailers in the three countries studied, personal selling, as mentioned previously, was seen to be the most chosen method of promotional communication. This reinforces the link outlined in the literature between personal selling and collectivist cultures, whilst showing that this link indeed holds true across three, somewhat culturally similar, predominately Anglophone nations.

The fact that all three groups of retailers studied chose to spend more of their promotional budget on personal selling than any other promotional tool reinforced the above point that personal selling is indeed the most popular promotional communication method amongst these retailers. Personal selling in all three countries accounted for over half of the available promotional budget. Although this result could be somewhat attributed to the fact that personal selling is a relatively expensive form of promotion, Table 4 qualifies this by showing that personal selling, regardless of its associated costs, is still the most popular promotional tool of the retailers involved in this study. This essentially tells us that these retailers will continue to apportion a larger percentage of their available promotional budget to personal selling despite its relatively high cost compared to other more impersonal forms of promotion.

## VII. MANAGERIAL IMPLICATIONS

These results have important managerial implications. Small clothing and shoe retailers who exhibit a strong collectivist orientation tend to prefer personal selling as a major mean of promoting their products and services. This link highlights the fact that, for these collectivist retailers, skills in the personal selling area as well as competent sales staff are critical to the success of their business. As indicated in this study, small and collectivist

clothing and shoe retailers tend to spend more on personal selling than on any other promotion tool, and are also likely to maintain a relatively larger number of sales staff (see Table 1) despite of limited financial resources.

We suggest then, that small clothing and shoe retailers need to conduct an audit of their abilities in terms of the personal selling communication tool and to consider whether the current objectives of their business meet the requirements of a personal selling focus. This may indicate that small retailers of this type are encouraged to learn new skills in terms of using the personal selling tool more effectively in their business and will come to consider personal selling as a competitive advantage in the clothing and shoe market.

It is of no use to a retailer to simply choose a promotional tool over others available without making the best use of this tool possible for their firm. We reinforce the point then, that if small and collectivist clothing and shoe retailers emphasise personal selling so heavily, they need to be aware of the most valuable ways in which it can be used to benefit their business long term development.

### VIII. FUTURE RESEARCH IMPLICATIONS

It is suggested that this study be expanded to other countries to further test the reliability of the results and also be tested on other small retailers outside of the clothing and shoe market. Authors also suggest that a similar study be conducted with larger retailers in the clothing and shoe market, which would help to define whether the results of this study are generalisable to a larger population of retailers or whether the results are more indicative of smaller retailers in general. It is also suggested that future research can look at the cultural linkage among personal selling management aspects concerning recruitment, motivation, direction, etc., which would provide further managerial implication for practitioners apart from retailer's choice of promotion tools.

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