



Face-saving and Seasonal Gifts: Analysis of Cultural Exchanges in the Confucian Market Place

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ABSTRACT

Contrasting views on whether gifts are undervalued or overvalued have featured in the Western literature. Most previous studies point to gift undervaluation, which leads to receivers re-gifting or returning what they have received from their loved ones. This study takes the discussion further by investigating the existence of Deadweight Loss (DWL) in gifts received during Valentine's Day. The study finds no evidence of DWL in the assessment of gifts, although, face-saving plays a role in the evaluation of cash-gifts. The absence of DWL in the valuation of gifts significantly implies that post-purchase returns of unwanted gifts are unlikely in the context of Vietnamese Valentine's gifts.

Keywords: Face-saving, Vietnam Economy, Psychological Marketing, Valentine Gifts, Lunar New Year

JEL Classifications: M2, M3, D91

1. INTRODUCTION

In general, gift-giving is either an innate virtuous trait, culturally bound or a religiously determined act. Much of the research a decade ago examines the theoretical position of gifts instead of in-kind exchanges (Waldfogel, 2002; Dunn et al., 2008). Still, in 2020, gifts are a popular way to reconnect with family and loved ones, except that the old conundrum, "*whether cash is preferred to in-kind gifts*," continue to controversially linger on in the marketing, economic and psychological discourse. In Western practice, two main events attract interpersonal gifts; Christmas (Waldfogel, 1996; Solnick and Hemenway, 2000; Clarke and McAuley, 2010) and Valentine's Day (Rugimbana et al., 2003) with both events tending to be influenced by culture. Despite Christmas gifts and deadweight loss (DWL) dominating the academic debate (Waldfogel, 1993; Solnick and Hemenway, 2000; Clarke and McAuley, 2010; Kemp et al., 2011), Valentine's Gifts have not; perhaps because both events are somehow similar in context in the West and among countries that follow the Abrahamic religions. In other parts of the world, Valentine's Day is a significant event for many as friends, and loved ones spend

a lot of time and money during the event in an attempt to find the best mementoes for their dearest and nearest. According to figures reported by Statista (2020), the spending on Valentine's Day in The United States has grown exponentially between 2009 and 2020, with 27.4 billion U.S. dollars being spent in the USA alone where billions of dollars are spent on or before the 14th of February each year on gifts, cards, and the celebration itself. Similarly, the spending in 2019 was projected at around 855 million British Pounds by 2019 (Statista, 2020). Most of the expenditure on gifts exchanged on Valentine's Day helps economic growth as on the aggregate, Gross Domestic Product (GDP) goes up during this time. In several cases, however, the gifts exchanged during festive seasons are not appreciated by recipients, in fact, most of the gifts are either returned or re-gifted as the recipients fail to assign the appropriate value to the gifts they receive. Like Christmas gifts and most other forms of gifts, a deadweight loss exists if the gifts tend to be undervalued by the gift recipient (Waldfogel, 1993; 1996; Davison et al., 2008). Deadweight Loss (DWL) is a construct used by economist to measure inefficiencies in an economic exchange and as pointed out much earlier, Christmas Gifts from friends and significant

others are the most efficient whilst non-cash gifts from members of the extended families are the least efficient (Waldfogel, 1996; Principe and Eisenhauer, 2009). In practice DWL can affect the efficiency of market exchanges and economic growth if several items are unwanted and therefore returned (Davison et al., 2008).

So far, unlike Christmas Gifts, no known investigation has been done to understand if Valentine's Gifts result in DWL. As both gifts are similar in the sense that, they tend to have an element of surprise and sentimentality in them, this study aims to explore and describe the magnitude of DWL caused by purchasing and exchanging Valentine gifts in the context of Vietnam, a country that has recently been identified as making tremendous progress in terms of its GDP growth (Benuyenah and Phoon, 2014).

Before delving into the literature, the discussion so far has established that a substantial chasm exists whereby the study of DWL and gifts in Vietnam is non-existent whilst research on the marketing of gifts in Vietnam is limited (Benuyenah, 2018) and to a large extent rare. Based on this assertion, this study will complement existing studies that have previously been carried out in the United States and Europe by addressing two main tentative questions:

- RQ1. Does Valentine's Day gift giving instead of cash giving arise in undervalued gifts which then leads to deadweight loss?
RQ2. Do received gifts on Valentine's Day generate deadweight loss and if so, what is the magnitude?

2. BACKGROUND AND LITERATURE REVIEW

2.1. Valentine's Day

Valentine's Day event and its practice have a religious connotation dating back to the Roman Empire era (Indian Express, 2018) however, the celebration itself has recently become highly commercialised whereby retailers and other commercial entities target, promote and profit from the event. According to (Groom, 2018) Valentine's Day has a long tradition dating back thousands of years, however, a vital element of the event is that it is celebrated by "lovers" and features exchange of gifts. Despite its popularity among the younger population of Vietnam, Valentines is not fully embraced among the older generation, especially those above 60 (Wafler and Badir, 2017). With the speed of acculturation taking place in Vietnam however, it appears that a lot more older folks will embrace sooner rather than later the celebration of Valentine's.

2.2. How Does the Culture of Vietnam Define Gift Valuation?

In the Vietnamese culture, a gift is sometimes not as important as the manner in which it is given, which indicates the importance of motives and feelings of the gift givers, not only the economic value of the gift itself (Nguyen and College, 2017). Gift giving has been an integral part of social interactions in Vietnam for many centuries and this tradition is reflected in various social events such as celebrating weddings, birthdays of elderly people, Teachers' Day and Lunar New Year (also known as *Tet*), with

specific guidance on whether a gift is appropriate or not for each occasion.

Since the 1980s, Vietnam has experienced substantial economic reforms that transformed the country from a centrally planned economy to a market-oriented, business-driven one; stimulating high GDP growth and rapid improvement in living standards (Benuyenah and Phoon, 2014). Despite its strong cultural roots (Hofstede, 2011) improvements in Vietnam's household income (Wafler and Badir, 2017), might eventually alter the perception of gift valuations and eventually how the question of inefficiency is addressed in the retail sector where gifts are generally traded. A trend that is already observable today is that more expensive gifts such as jewelry or branded fashion items are increasingly accessible to Vietnam's rising middle class (Diep and Pham, 2015; An and Kazuyo, 2018). The recent developments despite putting Vietnam at par with most emerging countries have failed to completely eliminate the cultural values and traditions, including how gifts are given and the element of 'face-saving' associated with almost all Vietnamese social transactions.

Besides economic change, historical links and globalisation have created new opportunities for gift-giving in the Vietnamese culture. Vietnamese people celebrate women day on the 8th of March every year, a legacy of historical bonds to the Soviet Union and other former communist countries. Despite largely remaining a communist country, Christmas and limited Christian values are slowly being recognised in Vietnam such that some streets in the bigger cities are lit up during the season of Christmas. Vietnamese celebration of Christmas, which used to be held exclusively among the Christian minority circles of Vietnam, is now treated as a cultural event popular among young adults and children, regardless of religious background. A rise in cultural exposure, particularly in the Anglo-speaking world and influential Asian cultures has seemingly introduced Vietnamese people to Valentine's Day, Halloween and even Holi, a cultural festival originating from South Asia (Mullins, 2010). With the current trend, Vietnamese are now more than ever treating gift-giving around the above occasions as their counterparts from the rest of the world except that it is theoretically impossible to ascertain the degree to which cultural and personal values influence the valuation of seasonal gifts.

2.3. Valentine's Day in Vietnam

The rapid acculturation taking place in Vietnam has seen Valentine's Day celebration joining the list of events that are currently shaping Vietnam's commercial and cultural outlook. The main difference however is that the younger generation mainly celebrates the season although the adults are remarkably aware of the event and recognise it in their own way. A few days before the 14th of February sees several shops advertising products associated with Valentine's Day whilst the restaurants and resorts noticeably adjust some of their products in line with the event. At the interpersonal level and particularly among lovers, however, the exchange of gifts is a key feature of the event and as direct offering of cash gifts are almost a taboo, non-cash gifts are spectacularly the options that people seem to prefer.

2.4. How are Cash Gifts Evaluated?

Despite some research affirming that cash is possibly the best option for holiday gifts (Waldfoegel, 2005), evaluation of gift giving involves complex economic and psychology theories that reveal different outcomes. For example, according to Waldfoegel, a gift's value can exceed equivalent monetary value only when the giver knows exactly what the receiver desires. However, not all individuals, particularly those at the early stages of their relationship, are able to select appropriate gifts for their spouse or partner due to the lack of information or time constraint. In his earlier work, Waldfoegel (1993) estimated that a third of spending of gifts was wasted, which resulted in significant re-gifting as undesirable gifts are likely to be passed on to other recipients (Guido et al., 2016). Pollak (1988) suggested that givers are not even aware of how the receivers will utilise the gifts in some cases. Consequently, giving cash is considered an alternative solution that minimises the risks of buying goods and services that the receiver is not interested in.

According to Gino and Flynn (2011), money can be considered a unique category of gifts. The conclusion drawn here is that although most recipients rarely express intention to receive money compared to specific products or services of a wish list, they appreciate cash more than the level givers often assign. It seems that for Valentine's Day, it is assumed by both partners that non-cash gifts are always more preferable since the event celebrates love, which is often portrayed as superior to any financial exchanges in popular culture. Additionally, even if one of the partners in the relationship sets lower valuation on gifts than usual standards, several factors can hinder the offering and acceptance of money as gift thereby resulting in failure in general (Epley et al., 2002).

2.5. The Dominance of Non-cash Gifts

Many researchers commit to finding out why gift-giving is still a preferred option in building relationships whilst exploring how wasteful gift-giving can be curtailed. Levi-Strauss (1969) emphasised that gifts serve a crucial social function in all cultures. Gift giving is a form of social exchange that facilitates both building and reinforcing relationships (Sunwolf, 2006). Similarly, Flynn and Adams (2009) stated that a positive correlation between gift prices and the level of consideration and care was assumed by gift-givers, culturally and sentimentally. The element of culture and sentimentality has been proposed as the backbone of gift-giving in Confucian societies, including China (Camerer, 1988). Such gifts are perceived as symbolic gestures that gift givers use to indicate their willingness to commit to a long-term relationship. In order to reduce the extend of DWL from unwanted gifts, therefore, it is crucial to focus on recipients' needs and preferences as well as their personal values, rather than attempts to find more expensive gifts to impress the recipients can mitigate the effect of unwanted gifts (Flynn and Adams, 2009).

However, the effect of DWL is minor with donations from holiday makers in major cities of Vietnam as is the case in several other developing countries, probably because the face-saving element (Nguyen et al., 2015) is absent in temporary interactions. Despite this, in the rural areas and smaller towns of Vietnam, giving cash

on holiday remains an unpopular choice for people celebrating Valentine's Day though money can be used more efficiently to satisfy the needs of receivers. To a vast majority of people with strong cultural position, cash may continue to be considered a thoughtless, impersonal, material and even disrespectful gift for a romantic event (Webley and Wilson, 1989; Khalil, 2004). Additionally, non-cash presents produce emotional effect that cannot be replicated by cash. Hence, giving money is perceived as not investing in understanding the receiver or seeking efforts to enrich the relationship. Similar to the face-saving argument, Ruth et al., (1999) argued that violations of gift norms can result in a jeopardised relationship, a consequence that not many people can afford on Valentine's Day. Waldfoegel (2002) suggested since stigma is attached to giving cash, givers tend to believe that recipients value non-cash more than cash gifts.

In spite of the above views on valuation of gifts, some believe that gifts can be valued as much as their purchasing price (Kaplan and Ruffle, 2009). Other scholars, such as Waknis and Gaikwad (2017) rejected the view that gift-giving always destroys value and posited that studying the subject based on entirely monetary value and disregarding cultural and ritualistic factors will probably lead to an exaggeration of the extent of DWL. As can be observed, this area of the literature does not fully agree with what happens in reality. For example, in the Vietnamese context (as well as some other East and Southeast Asian cultures), the fact that Valentine's Day is often proximate to the Lunar New Year (in which the ritual of giving lucky money is an intrinsic custom) should be noted with rapt attention (Benuyenah, 2018). The logic is that if Vietnamese people have already received cash in the New Year, the relevance of cash gift for the Valentine's celebration which follows right away is reduced hence a distortion in the effect of the DWL; this is an area far too wide to be covered in this research.

2.6. Deadweight Loss (DWL) Estimates

Standard measures for DWL are quite straightforward in economic theory however, since it is possible that gifts purchased by givers are not desirable when assessed by the receiver, DWL measurement can be slightly complicated when accounting for non-traditional variables such as culture (Hofstede, 2011) and sentimentality (Davison et al., 2008). So far, it has been established that several scholars, including Waldfoegel (1993; 1996; 1998) and Solnick and Hemenway (1996; 1998; 2000) have explored the effect of DWL in the context of Christmas with mixed results. While Waldfoegel (1993) argued that gift giving tends to result in DWL because holiday gifts may be unwanted and tend to be valued less than the market price, Solnick and Hemenway (1996; 1998) provided differing view, claiming that gift value perceived by receivers is substantially higher than in the Waldfoegel study and that most gifts might even generate positive value. Such confusions in the measurement of DWL in previous studies have been analysed and discussed by Ruffle and Tykocinski (2000) and Davison et al. (2008), who suggested that several methodological challenges prevented scholars from accurately measuring the extent of DWL thereby potentially either overestimating or underestimating the effects. Ruffle and Tykocinski (2000) concluded that order of presenting information and question wording can impact answers of respondents, hence leading to significantly divergent results and

findings between the work of Waldfogel (1993) and that conducted by Solnick and Hemenway (1996).

Drawing on the opposing viewpoints in the measurement of DWL strengthens the position to investigate Vietnam's gifting phenomenon in contrast to the studies previously done in the U.S. and Europe (Long, 2011; Selin, 2014). In the U.S. studies, Principe and Eisenhauer (2009) calculated that average deadweight loss for gifts was higher than 7%, while the figure for gift cards was over 14% based on market price in the Western studies. Elsewhere, findings exclusive to the United States (Waldfogel, 1993) corroborate Principe and Eisenhauer's work where the study concluded that Christmas gifts of respondents entailed DWL of at least 10%. Despite the subsequent criticism by Solnick and Hemenway (1996), pointing out that the sample size Waldfogel selected was not representative enough since his respondents were only students pursuing the same academic field and thus, his conclusion cannot be generalised for the whole population; still no known studies have been done to replicate earlier findings in the East. As such, disagreements between the view offered by Solnick and Hemenway (1996) and Waldfogel (1993) present both challenges and opportunities for any future studies including this one.

Other trials of DWL measurement were done in India recently. Despite, being quite different from Vietnam, the Indian festival of Diwali has attracted some attention in the research field where Diwali gifts have been said to produce a 15% DWL (Waknis and Gaikwad, 2017). It was also discovered that accessories and electronic goods produce a lower percentage of loss and the likelihood of higher loss if the generational distance increases. Specifically, gifts from siblings result in yield gain while those from grandparents cause greater DWL. Since closeness with categories of family relatives vary among different cultures, it can be misleading to conclude that studies from different culturally diverse parts of the world are identical to those of European or North American background.

As DWL researchers often use different techniques to determine valuations, such as willingness to pay (WTP) and willingness to accept (WTA) it is important to admit that inconsistent conclusions are always likely in testing DWL hypotheses. This view was earlier discussed by Knetsch and Sinden (1984) who reported that WTP method seems to produce higher deadweight loss result. This observation is also supported by Bauer and Schmidt (2012); DWL was 12% for WTP valuation while estimates employing WTA method was only 9%. While methodological issues abound, Solnick and Hemenway (1998) warned that respondents' demographics may undermine accuracy and applicability of deadweight loss research.

2.7. Hypotheses Development

2.7.1. *Valentine Gifts tend to be undervalued*

Despite efforts made by gift buyers to impress their loved ones, not all gifts are valued at the price at which they were purchased (Waldfogel, 1993). Therefore,

H₁: Valentine gifts, rather than cash, are under-valued.

2.7.2. *Valentine's day gifts can create DWL*

In situations where loved ones and friends are not significantly familiar with gift preferences (Dunn et al., 2008; Clarke and McAuley, 2010) the gift will likely result in returns or undervaluation (Principe and Eisenhauer, 2009) whereas gifts that have emotional content to them (Ruth et al., 2004) or have been discussed prior to purchasing (Gino and Flynn, 2011) will likely reduce DWL. Hence,

H₂: Gifts received on Valentine's Day would generate deadweight loss if preferences are not discussed prior to purchasing.

2.7.3. *Role of culture in gift valuation*

Symbolic value, sentimentality (Valentin and Allred, 2012) and social content of gifts are reported as key drivers of overvaluation (Howard, 1999; Davison et al., 2008; Pollen, 2014). According to several cultural experts (Trompenaars and Hampden-Turner, 1998; Hurn, 2007) societies with strong cultural attachment have the tendency to protect their "face" in social exchanges (Hofstede, 2011; Yahyagil, 2015) which invariably influence gift valuation and appreciation. Thus,

H₃: In Vietnam 'face' (culture) is associated with the decision to accept gifts instead of money.

3. METHODOLOGY

3.1. Respondents

Respondents were identified through a simple random sampling from among a population that gathers around the Old Quarter and Hoan Kiem Lake. The two coterminous locations are popular destinations in Hanoi -Vietnam for couples and families seeking a riparian evening relaxation in parks or restaurants. This location provides a rich mix of citizens of Hanoi who seek a celebration atmosphere during the Tet Festival and Valentine's Season. A total of 400 people were targeted with a survey questionnaire written in English and translated into Vietnamese. The respondents were contacted on the 14th and 15th of February to ensure that the memories of Valentine's were still present in their minds. Out of the 400 surveys, 351 were returned however, on checking the validity of responses, only 315 surveys had complete information whilst several had portions left blank. A further 112 surveys were deemed invalid as the respondents did not sign the ethical part whilst 3 had figures written illegibly, for example two questionnaires had a figure written in excess of VND 200,000,000 (\$8,650) as cash gifts- this is an impossible amount to give as Valentine's present in Vietnam. In the end 200 participants' responses concerning the value and cash of 206 gifts were deemed acceptable. Of the 206 gifts received, 95.63% (n = 197) were non-cash gifts. There were only 9 cash gifts received.

3.2. Design and Data

The research experiment was based on the 'DWL and Christmas experimental instrument' designed and used earlier by Waldfogel (1993). Participants provided information on gifts they received and gave during the period of Valentine's Day. Participants provided information on the estimated price of the gifts as well as the perceived value of the gift. The percentage ratio of average

value to the average price paid was calculated by dividing the average (or mean) value of the gifts by the average (or mean) price of the gifts. The average percentage yield, which is the average ratio of value to price, was also calculated for all gifts. These calculations were done for all gifts received, and then also by cash gifts and non-cash gifts. Deadweight loss of the gifts was calculated by conducting a regression of the log perceived value on the log estimated price as prescribed by Waldfogel (1993).

To examine whether value of gifts differed by individual differences, such as face/cultural expectation of the participant, correlations were conducted between the two variables, of face/culture and the decision to accept gifts instead of money.

Lastly, the average value, price, and yield of gifts was examined by identity of the gift receiver. The same calculations were conducted as above except now examined by identity of the gift receiver to identify if there were differences by who was receiving the gift.

4. DISCUSSION AND FINDINGS

4.1. Estimates of Cash and Non-cash Gifts

There was a difference in the amount receivers estimated the gifts to be: for non-cash gifts the average estimated price was 270,710.70 VND and the cash gifts were estimated to be worth 494,444.40 VND, $t(204) = 2.18, P = 0.03$. Thus, cash gifts were estimated to be worth more than non-cash gifts. However, there was no difference in the amount receivers estimated the value of the gifts to be: for non-cash gifts the average value was 384,690.70VND and the cash gifts were estimated to be worth 483,333.30VND (see row 2 of Table 1). Though the cash gifts were estimated, on average, to hold more value than non-cash gifts, a *t*-test confirms this difference is not statistically significant, $t(201) = 0.81, P = 0.41$. However, to understand if the gifts were over-valued, a ratio of average value is computed. The ratio of average value to the average price was 97.75% for cash gifts, but 142% for non-cash gifts, indicating that there is larger value in non-cash gifts (see row 3 of Table 1). However, the average yield between the two was different: 108% for non-cash gifts and 128% for cash gifts (see row 4 of Table 1). A *t*-test confirms this is a significant difference in average yield, $t(179) = 2.12, P = 0.03$. The difference between ratio of average value and average yield is puzzling and may be due to the fact that no one who received cash gifts undervalued their gifts.

A regression of log value on log price received that the relationship between value and price was:

Table 1: Average amounts paid and values of gifts, by receipt

Variable	All gifts	Cash-gifts only	Non-cash gifts only
Amount paid (VND)	280,485.40	494,444.40	270,710.70
Value (VND)	389,064.00	483,333.30	384,690.70
Percentage ratio of average value to average price paid	139%	97.75%	142%
Average percentage yield	1.08 (SD=0.27)	1.29 (SD=0.37)	1.08 (SD=0.27)
Number of Recipients/gifts	200/206	9 gifts	197 gifts

$$\text{Log (value)} = 0.86 + 0.93 (\text{log price})$$

$$(0.31) \quad (0.03)$$

with standard errors in parentheses and a R^2 of 86.91%. Thus, since the value of gifts are being over-valued, there is no support for either of the first two hypotheses.

The first hypothesis suggests that gifts, rather than cash, are under-valued. Neither type of gift was under-valued. The second hypothesis was that receiving gifts on Valentine’s Day would generate deadweight loss. Both gifts and money were overvalued, so no deadweight loss was generated. This discovery confirms earlier work by Solnick and Hemenway (1998) and refutes the hypothesis put forward by Waldfogel (1993).

Participants also wrote down gifts they had bought other people during Valentine’s Day. However, only 3 out of the 197 gifts reported were cash, making analyses of comparing cash gifts to non-cash gifts not possible.

A regression of log value on log price received that the relationship between value and price was:

$$\text{Log (value)} = 0.55 + 0.95 (\text{log price})$$

The third hypothesis asked if “face” (culture) is associated with the decision to accept gifts instead of money. One question asked “to what extent would you say that your cultural background influenced your decision” with the response options ranging on a 5-point scale from “to a very small amount” to “to a very large extent.” 5 participants answered “no opinion” and were excluded from this analysis. The average answer on the scale was 3.69 (S.D. = 0.80). The second question asked “to what extent would you have accepted cash instead of gift if you knew the giver for a very a long time.” The same 5-point answer scale was used for this question. 28 participants gave the answer “no opinion” and were excluded from this analysis. The average response for this question was 2.98 (S.D. = 0.96). To answer the research hypothesis that face is associated with decision to accept gifts instead of money, a correlation was conducted between these two variables. These variables were associated with one another, $r = 0.21, p = 0.01$. Thus, face, or culture, was related to preference of accepting money instead of gifts, which is the opposite direction of the hypothesis. Those who said they would prefer money over gifts were more likely to say their cultural background influenced them.

In effect, Vietnamese Valentine’s gift receivers do not undervalue received gifts and therefore it is impossible to estimate that DWL exists. At the same time, cultural influence on gifts is impossible to establish although it is interesting to note that face actually plays a role in cash gift valuations. Thus the predictions made in the hypotheses have gone in the opposite direction, at least, in this current study.

Percent yield is the average of the ratio (value/price). Percent exchanged is the number of gifts by identity by the total number of gifts exchanged (203).

4.2. Determinants of Gift Yield and Cash-giving

This section examines the average value, price, and yield of gifts by identity of the giver. Table 2 shows this information and breaks this information by cash and non-cash gifts. Only partners and friends received non-cash gifts for Valentine’s Day. The average yield for partners was 171% and the average yield for friend’s gifts was 139%. Row 5 of Table 3 shows these values. Siblings, parents, partners, and friends received cash gifts for Valentine’s Day. Parents had the only average yield that wasn’t 100% (see row 11 of Table 3), but this is based on only one gift (i.e., one person).

For gifts that participants bought for others during Valentine’s Day, Table 2. Most gifts were non-cash gifts given to partners and friends. All non-cash gifts have average yields of 100%, such that all perceived values and expected prices matched (see row 5 of Table 2). The 3 cash gifts given for Valentine’s Day also had average yields of 100% (see row 11 of Table 2).

5. IMPLICATIONS

5.1. Cultural Implications

Theoretically, it seems that face is associated with gift valuation (Waldfogel, 1993). The implication of H_3 – that sought to proof if face is associated with decision to accept gifts instead of money has major inferences for our understanding of aspects of culture that effect economic, emotional and marketing decisions. The group that said they would prefer non-cash gifts to cash gifts are

likely to appreciate gifts more and overvalue presents mainly due to the cultural attribute of “face-saving.” This supports the view that Vietnamese (Hofstede, 2011; Venaik and Brewer, 2016) and to a large extent, societies with Confucian orientation (Meng et al., 2016), have the tendency to be more polite when being offered a gift and less likely to return gifts or re-gift them even when the gifts have less valuation.

5.2. Implications for the Market and Economy

Over the past decade in the West especially the United States, Christmas and Valentine’s Day have seen a huge increase in purchases directly associated with the seasons (Statista, 2020). With the acceptance of the Valentine’s Day celebration permeating Vietnam’s cultural crevices, the projection for household spending can be substantial as purchases will not likely be returned. The implication for marketers is multifaceted: (1) Retailers can target the adult population of Vietnam by promoting products with emotional attachment as well as products with sentimental value even if such products are premium priced. (2) The more spending from households on Valentine’s Day gifts the higher the overall GDP would be for Vietnam; to achieve this, the government can boost aggregate spending prior to this period by either increasing the marginal propensity to consumer (mpc) through a downward tax rate or increasing household disposable income.

5.3. Limitations and Future Research

First, the depth of literature on the subject of DWL and gift-giving is limited as can be observed from the background and literature

Table 2: Gift yield and tendency to give cash, by identity of giver (recipient’s values)

	Aunt/Uncle	Sibling	Parents	Partner	Grandparent	Friend	Child/Grandchild
Non-cash Gifts							
Number of gifts	1	1	1	139	0	52	0
Price	100,000.00	50,000.00	30,000.00	284,460.40		152,307.70	
Value	100,000.00	50,000.00	30,000.00	284,460.40		152,307.70	
% Yield	100%	100%	100%	100%		100%	
% Exchanged	0.51%	0.51%	0.51%	70.56%		26.40%	
Cash gift							
Number of gifts	0	0	0	2	0	1	0
Price				325,000.00		100,000.00	
Value				325,000.00		100,000.00	
% Yield				100%		100%	
% Exchanged				1.01%		0.51%	

Value is the estimated value of gift to recipient. Price is the recipient’s estimate of the price the giver paid for the gift. Percent yield is the average of the ratio (value/price). Percent exchanged is the number of gifts by identity by the total number of gifts exchanged (197)

Table 3: Gift yield and tendency to give cash, by identity of giver (recipient’s values)

	Aunt/Uncle	Sibling	Parents	Partner	Grandparent	Friend	Child/Grandchild
Non-cash Gifts (194)							
Number of gifts	0	0	0	116	0	78	0
Price				330,932.20		181,153.80	
Value				481,293.10		241,025.60	
% Yield				171%		139%	
% Exchanged				57.14%		38.42%	
Cash gifts (9)							
Number of gifts	0	1	1	6	0	1	0
Price		200,000.00	200,000.00	666,666.70		50,000.00	
Value		200,000.00	100,000.00	666,666.70		50,000.00	
% Yield		100%	50%	100%		100%	
% Exchanged		0.49%	0.49%	2.96%		0.49%	

Value is the estimated value of gift to recipient. Price is the recipient’s estimate of the price the giver paid for the gift

of the research. The rationale for the limited available literature emanates from the fact that Vietnam is a very young country having previously fought a long devastating war up until 1975; consequently, whilst a lot is written on the war and Vietnam, the literature on consumer behaviour, DWL and economic efficiency remains a growing area.

Second, it should be noted that the experimental results do not fully agree with the hitherto assertion that gifts are always undervalued (Waldfogel, 1993) hence the first two hypotheses (H_1 and H_2) support the opponents' position as espoused by (Sunwolf, 2006; Gino and Flynn, 2011).

Third, with limited number of cash gifts compared to non-cash gifts, comparisons between these two types of gifts are might be seen as misleading. Although it is statistically impossible to estimate the reason why such limited numbers of cash gifts were registered by respondents, we cannot entirely rule out the effect of face-saving in reporting what has actually been received during the season.

Forth, there exists some bias in the data collected and its analysis. Whilst the data was obtained from only a segment of the residents of Hanoi, the structure and quantity of the data appeared to be slightly non-normal (Wolf et al., 2013) whilst the analysis could have benefited from either a PLS-SEM (Hair et al., 2014) to explore all associated variables that explain the effect of DWL in gift giving. Another possible solution could be to approach such studies using multiple regressions which could solve the problems associated with biasness that comes with the use of log value regression (Garson, 2016) and deal with non-normal data (Hair et al., 2014).

Therefore, for future research, a wider dataset could be generated from the wider population of Vietnam and also the countries that share Confucian values, that is; Malaysia, Philippines, Thailand, Laos, Cambodia and largely China. A cross-sectional survey might obtain a large amount of data on the subject of DWL, gift-giving and its appreciation with culture (face) as a mediating variable would provide a much better unbiased conclusion to the phenomenon in question.

To delve further into the phenomenon of face in the market for gifts (Nguyen et al.), as it impacts on inefficiencies, an interpretative phenomenological approach can be adopted whereby individual participants' experiences and revealed preferences are explored in-depth to discover why face-saving continues to play a significant role even in the market/economy.

Due to the limited number of cash gifts compared to non-cash gifts, comparisons between these two types of gifts are not possible and future research can be undertaken to explore their characteristics.

6. CONCLUSION

Based on empirical data collected in Vietnam, two out of the three hypotheses are rejected. Results indicate that there is no statistically significant difference between the estimated values of

cash and non-cash gifts. The findings show that the average yield for cash gifts is more significant than non-cash ones, which can be justified by the fact that the receivers did not undervalue cash gifts. The first hypothesis, which claims that gift-giving on Valentine's Day results in undervalued gifts, was not supported since neither cash nor non-cash gifts were undervalued. Meanwhile, there is no support for the hypothesis that Valentine gifts generate deadweight loss as empirical results demonstrated that both cash and non-cash presents were, in fact, overvalued. On the contrary, the third hypothesis reveals that cultural factors (face-saving) play a role in accepting cash as results from the study indicated that cultural background exerts influence on people who prefer money over a gift. With the latter assertion confirmed, targeting sentimental products in Vietnam could increase sales for retailers as well as boosting the GDP especially when cash gifts are converted into actual purchases.

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