Cross Border Shopping from the Perspective of Domestic Tourists in Padang Besar, Perlis

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Abstract

Padang Besar is a border town in Malaysia and it is located in the northern part of Perlis, which shares a border with the province of Songkhla, Thailand. This border town is popular for shopping activities among Malaysian and Thai. Most visitors and tourists come during the weekends, sometimes up to thousands at one time. This research paper examines the motivations of cross border shoppers from the perspective of domestic tourists in Padang Besar, Perlis. The objective is to identify the consumer characteristics and analyze the relationship between market characteristics with cross border shopping. This study employs quantitative method and the data were collected using self-administered questionnaires. Statistical software was used to analyze the 375 returned questionnaires. The findings revealed that most of the domestic tourists came from the lower income group and most of them were day tripper. They tend to spend more on food and beverages, while their average spending is more than RM300. Moreover, market characteristics show strong positive relationship towards this shopping activity. The information gathered is beneficial for both neighbouring countries as the government can help to improve the shopping area by facilitating the development with related tourism infrastructure and amenities.

Keywords: shopping tourism, border town, consumer characteristics, market characteristics

Introduction

Tourism is known as a social, cultural and economic phenomenon that involves a visitor's movement to destinations. The visitor travels from one destination to another for leisure or business purposes. Trippers may experience different environment while they are away from home. Meanwhile, tourists have intention to return home after visit and they stay for short term periods at the destinations [1]. In addition, many tourists visit Thailand on business leisure, or shopping trips. Padang Besar, Perlis, is a border town that lies between north Malaysia and south Thailand, and is famous for border shopping activities since the early 1950s. Padang Besar offers a huge market which houses varieties of items for sale and it is known as Padang Besar Business Arcade Complex or PBAC. Previous study indicates that the main attraction of tourism activities in Padang Besar is centered at PBAC as it hosts most shopping activities. Based on observations in Padang Besar, most visitors tend to shop at PBAC than the other shopping venues[2, 6]. Observation also reveals that most visitors were domestic tourists. Domestic tourists in this study are Malaysian visiting Padang Besar or specifically, those tourists travelling within a country and do not need passport or visa.

To date, there are few studies conducted in Malaysia based on the cross border shopping activities such as the study on behaviour of Bruneian in Limbang, Sarawak[2] and Singaporean outshopping activities in Johor [14]. Thus, only a number of

studies were conducted on cross border shopping pattern in the borderland in between Malaysia and Thailand. Previous researches on Padang Besar were focusing on shopping development and trading activities[6, 7]. Hence, this study is conducted to fill in the gap on cross border shopping activities of domestic tourists specifically those in Padang Besar, focusing on the consumer characteristics and market characteristics. Consumer characteristics are often used to predict how likely a group of people to purchase a product, while market characteristics are referring to cheaper price, variety of goods, lower tax, accessibility, communication, social status and opening hours [4] that attracts visitors to cross border shopping destination. Herein study, consumer characteristics are discussed based on the demographic profile, travel pattern, and spending pattern of the respondents in Padang Besar.

In line with the above notion, this study seeks to answer the following research questions:

1. What are the consumer characteristics in Padang Besar?

2. What is the relationship between market characteristics with cross border shopping activities?

Malaysia Cross Border Shopping

Malaysia is located in the heart of Southeast Asia and neighboring with nations like Thailand, Singapore, Indonesia, and Brunei. Most of the border towns between Malaysia and Thailand are famous with shopping activities due to duty free areas. Malaysians cross the border to enjoy the tasty Thai food in Thai restaurants or stalls and also a lot of choices for shopping, meanwhile Thai tourists come to Malaysia to buy unique products. The duty free items offered to guests are clothing, cigarettes, alcohols, chocolates, cameras, beauty products, souvenirs, and others[5, 6, 7].

Furthermore, the main factor that influenced the border movement between Malaysia and Singapore is the availability of the transportation links between the countries such as trains, buses, taxis, and cars[8]. For Malaysia and Indonesia, the border town is located at Serikin, Sarawak. Ever since long time ago, individuals from both sides have relations and social association, thus enabling people from both nations enjoyed shopping in the border areas in Serikin, Sarawak[9]. They like to shop due to such remunerations as affordable price which they can bargain price and variety of goods to be chosen from.

Apart from that, another border town in Malaysia that is known for cross-border activities is located between Malaysia and Brunei. Malaysian and Bruneian cross the border for tourism activities. Most Bruneian cross the border to Limbang to buy groceries. The factors that determined Bruneian to cross the border to Limbang, Sarawak, is a result of the higher discretionary cash flow as there is no wage charge for them in their nation[3, 10]. Furthermore, Limbang is known as the center for people to run illegal activities like prostitution. This activity attracts more Bruneian to visit Limbang and encourages them to fulfill their desire.

Research Methodology

In this research, the researcher used simple random sampling in choosing the sample of respondents. The samples of the subject matter involving the domestic tourists who came from every state in Malaysia and having their own reasons to come to Padang Besar. It is mentioned that populations are characterized as individuals, people, associations, gatherings or groups that the researchers hope to answer the questionnaires[11].

This research focused on local tourists who travel to North Malaysia especially to Padang Besar, Perlis, which is famous of its shopping areas. The researcher received 375 valid responses out of 400 self-administrative questionnaires distributed in the border town of Padang Besar. The respondents were randomly selected while they were shopping at major shopping arcade in Padang Besar. The instrument design for this study was adapted from prominent researchers[12, 13].

Result and Discussion

From the simple random sampling method, the result was obtained and 375 questionnaires were analyzed. For the demographic profiles, it showed that male tourists make up 48. 8% and 51. 2% female. Previous study mentioned that most Singaporean traveled to another country for shopping reason and spent on clothes, handbags, shoes, cosmetics, and household items[14]. It shows that cross border shopping can undoubtedly attract female shoppers because of the specialty of the items which are offered to them. Most of the respondents are aged between 18 – 24 years old.

Majority of the tourists answered that they are single in terms of their marital status. 75. 7% of the respondents have certificate/diploma/degree for their education background level. With two highest ranked, 44. 5% are students and 36. 5% are employed respondents which showed that these two groups always come to the researched area. Employment category (others) showed half percentage value (51. 5%) as compared to other categories. Students and housewives are included in the other employment categories based on the survey. Most of the respondents were in the lower income group which was less than RM3000 per month while most of the respondents' household income was less than RM5000.

Table 1: Demographic Profile of Domestic Tourist

Variable	Response	Frequency	Percentage
Gender	Male	183	48. 8
	Female	192	51. 2
Age	18-24	170	45. 3
	25-29	98	26. 1
	30-34	49	13. 1
	35-39	29	7. 7
	40-44	12	3. 2
	45-49	4	1. 1
	50 and above	13	3. 5
Marital Status	Single	251	66. 9
	Married	94	25. 1
	Others	30	8. 0
Education Level	Primary	7	1. 9
	Secondary	57	15. 2
	Certificate/Diploma/	284	75. 7
	Degree	27	7. 2
	Others		
Occupation	Student	167	44. 5
	Employed	137	36. 5
	Housewife	28	7. 5
	Unemployed	16	4. 3
	Retired	10	2. 7
	Others	17	4. 5
Employment Status	Professional and Managerial	46	12. 3
		27	7. 2
	Technical/Supervisory	38	10. 1
		19	5. 1
	Clerical	52	13. 9
	Production/Operatives	193	51. 5
	Self-employed		
	Others		
Personal Income	Less than $3000	298	79. 5
	$3000-$5000	66	17. 6

	$5000 and above	11	2. 9
Household Income	Less than $5000	314	83. 7
	$5000-$10000	48	12. 8
	$10000 and above	13	3. 5

Table 2: Travel Pattern

Items	Frequency	Percentage
Day tripper		
Yes	264	70. 4
No	111	29. 6
Frequency of border movement	11	2. 9
Once a week	13	3. 5
Once a month	22	5. 9
Once in two months	127	33. 9
Once in six months	202	53. 9
Once a year		
Distance from residence to border town	33	8. 8
Less than 50km	46	12. 3
50km-100km	296	78. 9
More than 100km		
Mode of transportation		
Own Transport	212	56. 5
Public Transport	44	11. 7
Car Pooling	119	31. 7
Number of hour spent per trip	74	19. 7
Less than 3 hours	117	31. 2
3-6 hours	184	49. 1
More than 6 hours		
Purpose of visit	276	73. 6
Shopping	39	10. 4
Visiting friends and relatives	38	10. 1
Business	21	5. 6
Transit	1	. 3
Others		

For the travel pattern, most of the domestic tourists basically were day trippers, who make the trips to Padang Besar, Perlis. From the survey, about 53. 4% of the respondents cross the border at least once a year. The percentage of samples that resides more than 100km from border town was 78. 9%, while 49. 1% would spend their time more than 6 hours in Padang Besar (). The respondents using public transport has the least percentage (11. 7%). Although the availability of high-speed train of KTM, Electric Train Service (ETS) has routes from Kuala Lumpur, Ipoh, and Butterworth to Padang Besar, the tourists tend to use their own transport.

Shopping is the main purpose for domestic tourists to visit Padang Besar. As noted by many researchers, every author noticed that shopping was the primary reason why huge number of travelers taking their outings every year[14, 15, 16, 17]. It is also a stated that 51% of the travel study mentioned that the main purpose in having trips in the past year is for shopping activity [1]. In fact, similar results were discovered, which evaluated that 47% of all those shopping trips taken by visitors asserting shopping as their essential or optional purpose for travel [18, 19]

Table 3: Spending Pattern

Items	Frequency	Percentage
Food and beverages (N=362)		
Less than RM50	198	54. 7
RM51-Rm100	124	34. 3
More than RM100	40	11. 0
Clothes (N=359)	127	35. 4
Less than RM100	151	42. 1
RM101-RM150	81	22. 6
More than RM150		
Shoes / handbags (N=256)	121	47. 3
Less than RM100	62	24. 2
RM101-RM150	73	28. 5
More than RM150		
Household items (N=62)	41	66. 1
Less than RM100	12	19. 4
RM101-RM150	9	14. 5
More than RM150		
Cosmetics and beauty products (N=109)	66	60. 6
Less than RM100	17	15. 6
RM101-RM150	26	23. 9
More than RM150		
Toys (N=41)	35	85. 4
Less than RM100	3	7. 3
RM101-RM150	3	7. 3
More than RM150		
Perfumes (N=84)	64	76. 2
Less than RM100	8	9. 5
RM101-RM150	12	14. 3
More than RM150		
Jewelries and accessories (N=75)	50	66. 7
Less than RM100	15	20. 0
RM101-RM150	10	13. 3
More than RM150		
Others (N=145)	91	62. 8
Less than RM100	46	31. 7
RM101-RM150	8	5. 5
More than RM150		
Average spending per visit (N=375)	22	5. 9
Less than RM100	86	22. 9
RM100-RM200	96	25. 6
RM200-RM300	171	45. 6
More than RM300		

On average, most of the domestic tourists are found to spend more than RM300 per visit to Padang Besar. Domestic tourists tend to spend mainly on food and beverages. About 54. 7% of 362 of the respondents spent less than RM50 on food and beverages. Besides, tourists spent RM101-RM150 on clothes and less than RM100 on shoes/handbags. For the rest of the items, like household items, cosmetics and beauty products, toys, perfumes, and jewelries and accessories showed that tourists spend less than RM100 while they bought the products. Around 145 tourists also spent on other items.

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The relationship between market characteristics with cross border shopping activities

There is a significant correlation between market characteristics and cross border shopping which significant value equal to 0. 00 less than 0. 01 (sig. value = 0. 00 < 0. 01). The result shows that all of the factors in market characteristics showed the value less than 0. 01. This is further supported by the positive coefficient of correlation value. The highest positive coefficient is physical factor and other factors (r = 0. 765**) continued by product and service attributes (r = 0. 708**), and shopping area and related attributes showed positive value of 0. 699**.

Therefore, market characteristics showed strong positive correlation to cross border shopping activities. Three main factors in the market characteristics strongly motivate shoppers to travel to border town. Table below reveals information on border shopping activities. Border shopping activities had strong relationship with market characteristics (p-value=0. 000, r =0. 803**). The Correlation Coefficient shows the excellent relationship between the variables.

Table 4: Relationship between market characteristics with cross border shopping activities.

Market Characteristics   Correlation   . 803**

Coefficient   . 000

Sig. (2-tailed)

** Correlation is significant at the 0. 01 level (2-tailed).

Table 4 shows there is a significant correlation between market characteristics and cross border shopping. All of the factors in market characteristics like product and service attributes, shopping area and related attributes, physical factor, and other factors show the significant value of 0. 000. The finding is further supported by the positive coefficient of correlation value which is less than 0. 01. Therefore, cross border shopping activities had strong relationship with market characteristics (p-value=0. 000, r =0. 803**). The Correlation Coefficient shows the excellent relationship between the variables.

Conclusion

There are a few studies on cross border shopping throughout the world, but limited studies are found in Malaysia and most of them only focused on retailer, trading rather than on discovering the motivation, behavior, and personal characteristics of cross border shoppers who purchase at the border town. In this study, the review is on the domestic tourist profiles, their spending patterns, border movement, and the factors motivating the tourists to travel. The relationship between the variables is discovered.

As a result, the product and service attributes, shopping area and related attributes, and physical factors are the factors perceived by the respondents, thus noting that the major factor that influenced shopping activities is product and merchandise offered in that place. This statement is also supported by other researchers who observed the range of prices as the factor that makes shopping activities as a pleasurable experience [20].

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