

Cross-Border Shopping: Examining Motivations from the Perspective of Bruneian Visitors in Limbang, Malaysia

(Membeli-belah Merentas Sempadan: Meneliti Motivasi dari Perspektif Pelawat Brunei di Limbang, Malaysia)

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ABSTRACT

A tourism generating activity that is becoming increasingly important in border-towns of Malaysia is cross-border shopping. The present study investigates the cross-border shopping behavior of Bruneian visitors in Limbang, Sarawak, Malaysia. The objective is to profile the demographic characteristics of the visitors; their spending patterns; and analyze the motivating factors for cross-border shopping. The present study makes three principal findings. First, most of the Bruneian cross-border shoppers are found to be day trippers from the lower income group. Second, the analyses reveal that the purchasing behavior of day trippers differs from that of short-term visitors. The former tends to spend more on food and beverages, whilst the latter are attracted to services in Limbang, such as entertainment outlets. Third, the three major motivating factors from the nine underlying dimensional influences of Brunei-Limbang cross-border shopping are the favourable exchange rate; the various/reliable services available; and the retail atmosphere, which are compensated for by the safe and easy access to Limbang and the low transport costs associated with the travel.

Keywords: Cross-border shopping; motivation; Brunei, Limbang

ABSTRAK

Satu aktiviti yang menjana pelancongan yang semakin penting dalam bandar-bandar sempadan di Malaysia adalah membeli-belah merentas sempadan. Kajian ini menyingkap tingkah laku membeli-belah merentas sempadan pelawat Brunei di Limbang, Sarawak, Malaysia. Tujuan kajian ini adalah untuk memprofilkan ciri-ciri demografi pelawat; corak perbelanjaan mereka; dan menganalisis faktor-faktor pendorong kepada gelagat membeli-belah merentas sempadan. Kajian ini menemui tiga dapatan penting. Pertama, kebanyakan warga Brunei yang merentas sempadan terdiri daripada pelawat harian daripada golongan berpendapatan rendah. Kedua, analisis menunjukkan bahawa tingkah laku pembeli pelawat harian berbeza daripada pelawat jangka pendek. Pelawat harian lebih cenderung untuk berbelanja ke atas makanan dan minuman manakala pelawat jangka pendek pula lebih cenderung kepada penggunaan perkhidmatan di Limbang iaitu seperti pusat-pusat hiburan. Ketiga, tiga faktor utama daripada sembilan dimensi asas yang mendorong gelagat membeli-belah merentas sempadan Brunei-Limbang ialah pertukaran yang menggalakkan; kewujudan pelbagai perkhidmatan yang disediakan; dan suasana membeli-belah yang menyenangkan, yang mana ianya disokong oleh akses yang selamat dan mudah ke Limbang serta kos pengangkutan yang rendah yang timbul daripada perjalanan berkenaan.

Kata kunci: Membeli-belah merentas sempadan; pendorong; Brunei; Limbang

INTRODUCTION

Malaysia is located in the heart of Southeast Asia and borders many other countries. The North of Peninsular Malaysia borders Thailand, whilst the South borders

Singapore. Likewise, East Malaysia borders Brunei Darussalam and Indonesia. The borderland itself creates political and economic conditions that are conducive to certain types of tourism (Gelbman and Timothy 2010). Border towns in the north of Peninsular Malaysia, such



as Padang Besar, Bukit Kayu Hitam and Rantau Panjang, benefit from cross-border shopping (a subcategory of out shopping, where shoppers travel out of their town to a neighbouring country for shopping of goods, services and leisure (Lau et al. 2005)), which, in turn, contributes to the development of tourism.

Many towns and cities in the borderland have witnessed tremendous growth arising from the movement of foreign tourists. The arrival of Singaporean tourists triggered the economic growth of Johor Bahru in the south of Peninsular Malaysia. Another border town that continues to record remarkable economic growth following cross-border economic activity is Limbang, Sarawak, due to the presence of tourists from Brunei Darussalam. Based upon recent statistics, the number of tourist arrivals to Malaysia from Brunei Darussalam in 2009 was 1,061,357, making Brunei the fourth largest tourist generating market for Malaysia after Singapore, Indonesia and Thailand (Tourism Malaysia 2010).

Although a growing body literature exists concerning the importance of border towns borderlands as tourist destinations, the research relating to cross-border movement in Malaysia (Hampton 2009) and, more specifically, cross-border shopping (Anaman and Rose 2002; Tak and Wan 2008) remains sparse. Given the importance of this segment of the tourism industry for border towns, the present paper considers the perspective of visitors from Brunei and examines the motivating factors for their shopping trips to Limbang, Sarawak. The Brunei-Limbang cross border movement is particularly interesting within the Malaysian context, as it can be considered as an integrated borderland with limited restrictions on the movement of people. As such, the cross-border interactions are generally high in the Brunei-Limbang case.

The present paper has a two-pronged objective. First, the present paper seeks to identify the category of Bruneians that frequently visit the town of Limbang and compare the consumption habits between day trippers and short-term visitors. Second, the present paper seeks to analyze the major factors that drive Brunei-Limbang cross-border shopping activities based upon the spending patterns of the Bruneians.

LITERATURE REVIEW

Shopping is one of the primary elements in tourism for some destinations (Timothy and Butler 1995). The four prerequisite conditions for cross-border shopping, based on Leimgruber (1988) are the contrast between the home and neighboring countries; the awareness of purchase opportunities across the border; the ability and willingness to travel across the border; and freedom to cross the border. Furthermore, the European Commission (2004) highlights some features specific to cross-border shopping. Cross-border purchases are generally found

to be made on the spot, chiefly during holidays, and to a lesser degree during business trips. Alternatively, purchases can also be made during trips explicitly aimed at shopping (European Commission 2004; Lau et al. 2005).

The focus of various studies examining cross-border shopping, however, varies. Some studies investigate the effects of cross-border purchases on the host and destination economies. Cross-border shopping is of interest because of its significant impact on retail sales of shops on both sides of the border, as noted by Piron (2002), Sullivan and Kang (1997) and Timothy and Butler (1995). Piron (2002) finds that every month, there are about 900,000 day trippers from Singapore crossing the border to Johor Bahru (southern Peninsular Malaysia) for shopping, recreation and food. This huge drainage of retail sales is a serious concern for the Singaporean government (Piron 2002). In Brunei, the decline in retail sales is relatively obvious during festive seasons when Bruneians flock to the border towns of Limbang and Miri, Sarawak (Anaman and Rose 2002; *The Brunei Times*, 24th October 2007). Cross-border shopping may, therefore, have profound implications for a country's revenue (Espland et al. 2005; Lau et al. 2005). Purchases made by foreigners represent an export of goods and services in the destination country, leading to an improvement in the balance of payments and growth.

Other studies on cross-border shopping examine the purchasing patterns of visitors and visitor motivation factors. Many motivating factors are alluded to as drivers of cross-border shopping. Major reasons for cross-border shopping include the price benefits expected from visitors from a higher gross domestic product (GDP) per capita host country (Rohwedder 1994; European Commission 2004; Piron 2002); and the existence of a favorable exchange rate between currencies and higher taxes in the host country (Di Matteo and Di Matteo 1996; Nielsen 2002). Other non-price factors are important drivers of cross-border shopping, including the original or exclusive nature of the item; the extent of the choice and range available; the quality or the authenticity; the pleasure of shopping (Timothy and Butler 1995; European Commission 2004); and accessibility (Tak and Wan 2008). A few studies (see for example Hampton, 2009) also consider structural drivers, such as market size; culture and language; and border permeability, and psychological influences on cross-border shopping.

Though cross-border shopping is common in various parts of the world, most academic attention focuses upon its development in North America and Europe (Leimgruber 1988; Timothy and Butler 1995; Di Matteo and Di Matteo 1996; Gelbman and Timothy 2010). The present study, therefore, contributes to extant literature by considering cross-border shopping from a South East Asian perspective, following an examination of the behavior of shoppers from a high income country

(Brunei) to a middle-income country (Malaysia). In 2010, Brunei and Malaysia recorded gross national income per capita of USD 31,180 and USD 7,900, respectively (World Development Indicators database - World Bank 2011).

METHODOLOGY

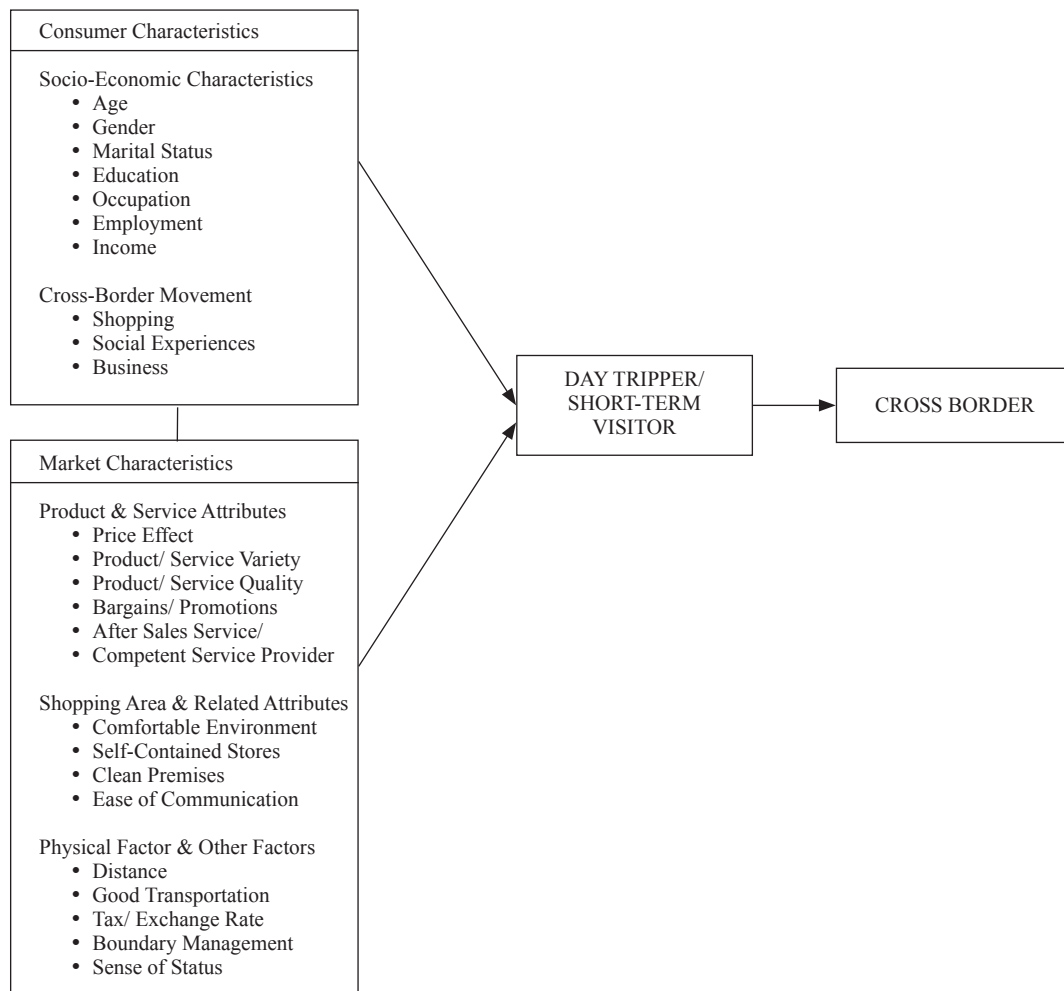
The theoretical framework for analyzing cross-border shopping behavior is adapted from Clark (1994) and Lau et al. (2005). Cross-border shopping is influenced by both consumer and market characteristics. Consumer characteristics include socio-economic characteristics, whilst market characteristics are comprised of the attributes of products and services; attributes related to the shopping environment; physical factors; and other related factors. Figure 1 caricatures the analytical framework for examining the patterns in cross-border shopping.

A questionnaire (a survey-based approach is employed given that, to date, there are no official records on Bruneian visitors to Limbang) is designed for the present study based on the motivating framework

in Figure 1. The questionnaire is comprised of three sections: the socio-economic characteristics of the respondents and the nature of cross-border movements; cross-border activities, which refers to the types of goods and services solicited and the amount spent on those purchases; and factors that drive the cross-border purchases of goods and services. The last section on motives seeks respondents agreements (self-perception approach, see Songshan 2010) on 43 motivational statements using a 5-point Likert type scale (1 = strongly disagree and 5 = strongly agree).

The survey is carried out between two sub-groups comprised of day-trippers and short-term visitors, as their shopping patterns are expected to differ. Day-trippers (also known as excursionist or same-day visitors) refers to visitors who enter and leave the country in less than 24 hours without an overnight stay, while travelers that stay at least a 24 hours are categorized as short-term visitors (Di Matteo and Di Matteo 1996).

Direct observations were initially made on the inflows of Bruneian visitors (these visitors were identified based on their car registration) at the check-point in



Source: Modified and adapted form clark (1994) and lau et al. (2005)

FIGURE 1. Framework for Analyzing Cross-Border Shopping Patterns

Tedungan, Limbang, during weekdays and weekends. A pilot study was then conducted in Limbang, Sarawak, over a period of about a week. Thereafter, questionnaires were fielded to the Bruneian tourists that enter the Limbang town. The pilot test was performed to ensure that the questions were clear and easily understood by the respondents. In general, it was observed that the selected respondents had no major difficulties in filling out the questionnaire. However, a few minor changes were made to the questionnaire to improve its format and facilitate analysis. The survey was largely carried out at the largest mall in Limbang, known as the Limbang Plaza. Several other touristic spots were included and the survey was carried out at different times of the day and/or week to reduce any form of bias. The surveys conducted were determined by what was expedient and not by ensuring randomness. The trade-off made for ease of sample acquisition is the representativeness of the sample. A total of 189 completed self-administered questionnaires were collected during three different research trips over a two-month period of fieldwork.

Data analysis is performed by generating percentages, mean, chi-square and factor analysis. The motivational factors for cross-border shopping are identified using factor analysis, whilst factor loading is used to identify the surrogate variables.

FINDINGS

PROFILE OF RESPONDENTS

Table 1 profiles the respondents with respect to age, gender, marital status, highest educational attainment, occupation and income. There are some distinct demographic features of the Bruneian visitors in Limbang. Most of them are relatively young, as they fall under the age group of 25-29 years old. Approximately 74 percent of the respondents are male and 70 percent of them are married.

With respect to background information concerning the occupation and income of respondents, most visitors are from the working group. The respondents are employed mainly in clerical occupations, followed by technical and supervisory categories. No clear evidence exists suggesting that cross-border Bruneians are generally more-educated. This is further attested to by the fact that most respondents surveyed are from the lowest income group, receiving personal incomes of less than B\$3,000 and with monthly household incomes of less than B\$5,000. Cross-border movement in the Brunei-Limbang case may be relatively more popular among the general masses of the Bruneians than among the rich elite groups. Higher income Bruneians are more likely to visit Peninsular Malaysia, Singapore and Indonesia.

Most of the cross-border tourists from Brunei are basically day trippers, who make their trips to Limbang

TABLE 1. Background of Respondents

| Items | Percentage |
|---|------------|
| <i>Age (N = 189)</i> | |
| 18-24 years | 17.5 |
| 25-29 years | 22.2 |
| 30-34 years | 14.8 |
| 35-39 years | 13.2 |
| 40-44 years | 9.0 |
| 45-49 years | 9.0 |
| 50 years and above | 14.3 |
| <i>Gender (N = 189)</i> | |
| Male | 74.1 |
| Female | 25.9 |
| <i>Marital status (N = 189)</i> | |
| Single | 28.6 |
| Married | 70.4 |
| Others | 1.1 |
| <i>Highest educational attainment (N = 189)</i> | |
| Primary | 4.8 |
| Secondary | 57.7 |
| Certificate/ diploma/ degree | 37.6 |
| <i>Occupation (N = 189)</i> | |
| Student | 3.7 |
| Employed | 79.9 |
| Housewife | 9.5 |
| Unemployed | 4.2 |
| Retired | 1.6 |
| Others | 1.1 |
| <i>Employment category (N = 189)</i> | |
| Professional and managerial | 16.9 |
| Technical/ supervisory | 18.5 |
| Clerical occupations | 23.8 |
| Production/ operatives | 14.3 |
| Self-employed | 8.5 |
| Others | 18.0 |
| <i>Personal income (monthly) (N = 189)</i> | |
| Less than B\$3,000 | 90.4 |
| B\$3,000-B\$5,000 | 7.9 |
| B\$5,001-B\$7,000 | 0.5 |
| B\$7,001-B\$10,000 | 0.5 |
| <i>Household income (monthly) (N = 189)</i> | |
| Less than B\$5,000 | 86.3 |
| B\$5,001-B\$10,000 | 13.2 |
| B\$10,001-B\$15,000 | 0.5 |

during the weekends. In 2009, Brunei was ranked second, after Singapore, for its contribution of day-trippers to Malaysia (Tourism Malaysia 2010). The day trippers, who reside close (less than 50km, such as in Brunei and Muara and Bandar Seri Begawan) to the border, spend approximately 3 to 6 hours (51 percent) in Limbang. Transportation costs are not a deterrent to these travelers, given the low costs of fuel in Brunei Darussalam. Of the total number of short-term visitors surveyed, about 79 percent of the respondents cross the border at least once a month (Table 2).

TABLE 2. Features of Cross-Border Movement

| Items | Percentage (N=189) |
|---|-----------------------|
| <i>Day tripper</i> | |
| Yes | 92.6 |
| No | 7.4 |
| <i>Frequency of border movement of short-term visitors</i> | |
| Once a week | 12.2 |
| Once a fortnight | 25.4 |
| Once a month | 41.8 |
| Once in two months | 7.9 |
| Once in six months | 4.2 |
| Once a year | 6.9 |
| <i>Place of residence in Brunei Darussalam</i> | |
| Bandar Seri Begawan | 38.1 |
| Belait | 3.7 |
| Temburong | 22.2 |
| Tutong | 10.1 |
| Brunei and Muara | 25.9 |
| <i>Exit point in Brunei Darussalam</i> | |
| Kuala Lurah | 77.2 |
| Kg. Puni | 22.8 |
| <i>Entry point in Malaysia</i> | |
| Tedungan | 77.2 |
| Batu 8 | 22.8 |
| <i>Distance from residence to nearest exit</i> | |
| Less than 50km | 89.9 |
| 50km-100km | 9.1 |
| More than 100km | 1.0 |
| <i>Legal documents required</i> | |
| Yes (Passport) | 100.0 |
| No | - |
| <i>Current immigration procedures (cumbersome, lengthy or/and time consuming)</i> | |
| Yes | 40.2 |
| No | 59.8 |
| <i>Mode of transportation</i> | |
| Own transport | 92.1 |
| Public transport | 0.5 |
| Car pooling | 7.4 |
| <i>Number of hour spent per trip (N = 189)</i> | |
| Less than 3 hours | 41.3 |
| 3-6 hours | 50.8 |
| More than 6 hours | 7.9 |

The background information on the Bruneian tourists to Limbang in Table 2 is useful when one considers the reasons such tourists cross the border (Table 3). Shopping (79 percent) and recreation/leisure (35 percent) are the main reasons for both day trippers and short-term Bruneian visitors to Limbang. The reasons cited by the Bruneian tourists are similar to the findings of that of the Singaporean tourists in Johor Bahru (Piron 2002). This finding further confirms that shopping is the main borderland tourist activity of Bruneians in Limbang.

TABLE 3. Reasons for Crossing the Border

| Reasons | Yes (%) | No (%) |
|---|---------|--------|
| Shopping | 78.8 | 21.1 |
| Recreation/leisure | 34.9 | 65.1 |
| Visiting relatives | 11.1 | 88.9 |
| Business | 5.3 | 94.7 |
| Transit | 11.1 | 88.9 |
| Medical service, postal services and etc. | 3.7 | 96.3 |

Retailers in Limbang are generally better off than those in the interiors of Sarawak, as the former thrive on Bruneian tourists. The proximity of Limbang to the densely populated area in Brunei Darussalam, allows for a steady flow of Bruneian shoppers to Limbang. This, in turn, creates regular demand for locally produced goods and services, thereby causing businesses and entrepreneurial activities to flourish. Responding to this demand, a one-stop centre for Bruneians has been established at the Limbang Plaza, which houses all major retailers (approximately 50 shopping outlets). In fact, shopping travel packages are organized by Malaysian tour operators to lure the Bruneian visitors, particularly during the annual (July-August) nationwide Malaysia Megasale Carnival.

As Limbang continues to be regarded a shopping haven to the Bruneians, the township continues to grow at a steady and sustainable rate. This, however, occurs at the expense of the retailers in Brunei. The exodus of Bruneian shoppers to Eastern Malaysia affects the financial sustainability of modern shopping centres in Brunei, as they continue to face weak demand for their goods and services (Anaman and Rose 2002).

SPENDING PATTERNS

Tables 4 and 5 list the spending patterns on goods and services by day trippers and short-term visitors, respectively. On average, most day trippers (64 percent) are found to spend on average RM201 to RM300 for each trip to Limbang. As for the short-term visitors, they normally stay at paid accommodation. All respondents interviewed were coincidentally staying at Purnama Hotel in Limbang at the time of the survey. Purnama Hotel (the biggest hotel in Limbang) is located within the vicinity of Limbang Plaza (the largest mall) and is, therefore, the accommodation of choice for most short-term visitors.

Some clear differences exist in the spending behavior of day trippers (Table 4) from that of short-term visitors (Table 5). Most of the day trippers spend mainly on food and beverages. About 72 percent of day trippers spend less than RM50 on food and beverages and about 21 percent of them spend about RM51-RM100 during every trip to Limbang. Expenses on other items, such as clothes, shoes/ handbags, books and household goods, are found to be less important. Unlike day-trippers, short-

TABLE 4. Spending Patterns on Goods and Services by Day Trippers

| Goods | Percentage |
|--|------------|
| <i>Food and beverages (non-durables) (N = 138)</i> | |
| Less than RM50 | 72.5 |
| RM51-RM100 | 21.0 |
| More than RM100 | 6.5 |
| <i>Clothes (N = 39)</i> | |
| Less than RM100 | 59.0 |
| RM100-RM150 | 20.5 |
| More than RM150 | 20.5 |
| <i>Shoes/handbags (N = 29)</i> | |
| Less than RM100 | 82.8 |
| RM100-RM150 | 3.4 |
| More than RM150 | 13.8 |
| <i>Books (N = 29)</i> | |
| Less than RM100 | 89.7 |
| RM100-RM150 | 6.9 |
| More than RM150 | 3.4 |
| <i>Household items (N = 14)</i> | |
| Less than RM100 | 78.6 |
| RM100-RM150 | 14.3 |
| More than RM150 | 7.1 |
| <i>Others goods (N = 48)</i> | |
| Less than RM100 | 64.6 |
| RM100-RM150 | 8.3 |
| More than RM150 | 27.1 |
| Services | Percentage |
| <i>Personalized (beauty or hair salon) (N = 6)</i> | |
| Less than v100 | 50.0 |
| RM100-RM150 | 16.7 |
| More than RM150 | 33.3 |
| <i>Bill payments (N = 4)</i> | |
| Less than RM100 | 50.0 |
| RM100-RM150 | 50.0 |
| More than RM150 | 0.0 |
| <i>Vehicle servicing (N = 11)</i> | |
| Less than RM100 | 63.6 |
| RM100-RM150 | 18.2 |
| More than RM150 | 18.2 |
| <i>Entertainment outlets (N = 3)</i> | |
| Less than RM100 | 66.7 |
| RM100-RM150 | 33.3 |
| More than RM150 | 0.0 |
| <i>Professional services (N = 1)</i> | |
| Less than RM100 | 100.0 |
| RM100-RM150 | 0.0 |
| More than RM150 | 0.0 |
| <i>Others services (N = 9)</i> | |
| Less than RM100 | 44.4 |
| RM100-RM150 | 22.2 |
| More than RM150 | 33.3 |
| <i>Average spending per visit (N = 179)</i> | |
| Less than RM100 | 17.9 |
| RM100-RM200 | 28.5 |
| RM201-RM300 | 34.1 |
| RM301-RM400 | 5.6 |
| More than RM400 | 14.0 |

TABLE 5. Spending Patterns on Goods and Services, by Short-Term Visitors

| Items | Percentage |
|---|------------|
| <i>Place of stay (N = 13)</i> | |
| Paid accommodation | 92.3 |
| Relative/friend | 7.7 |
| <i>Payment per night (N = 12)</i> | |
| Less than RM60 | 25.0 |
| RM60-RM80 | 41.7 |
| More than RM80 | 33.3 |
| <i>Duration of stay in Limbang per visit (N = 13)</i> | |
| 1 day | 30.8 |
| 2 days | 69.2 |
| <i>Food and beverages (N = 11)</i> | |
| Less than RM20 | 9.1 |
| RM20-RM40 | 54.5 |
| More than v40 | 36.4 |
| <i>Clothes (N = 1)</i> | |
| RM50 | 100.0 |
| <i>Shoes/handbags (N = 1)</i> | |
| RM30 | 100.0 |
| <i>Books (N = 2)</i> | |
| RM10 | 50.0 |
| RM17 | 50.0 |
| <i>Household items(durable) (N = 1)</i> | |
| RM100 | 100 |
| <i>Other goods (N = 3)</i> | |
| RM12 | 33.3 |
| RM20 | 33.3 |
| RM41 | 33.3 |
| <i>Entertainment outlets (pubs, karaoke joints, cinema) (N = 5)</i> | |
| RM50 | 80.0 |
| RM100 | 20.0 |
| <i>Vehicle servicing(N = 2)</i> | |
| RM10 | 50.0 |
| RM500 | 50.0 |
| <i>Average spending per visit (N = 10)</i> | |
| Less than RM100 | 10.0 |
| RM100-RM200 | 10.0 |
| RM201-RM300 | 20.0 |
| RM301-RM400 | 40.0 |
| More than RM400 | 20.0 |

term visitors tend to frequent the entertainment outlets in Limbang. From personal interviews conducted with short-term visitors, it is found that some restrictions on entertainment that prevail in Brunei stimulate cross-border movement as a means to enjoy such services provided in Limbang. Particularly, the ban on the sale and consumption of alcoholic drinks in Brunei, enacted in December 1990 and fully implemented at the beginning of 1992, has resulted in an increase in the level of visits to Limbang. Caution should be taken not take the results as conclusive given the small sample size of short-term visitors. However, the results are still reflective of the type

of Bruneian visitors that frequent the stores in Limbang. It is common knowledge that day-trippers constitute a fair share of Bruneian tourists to Limbang.

FACTOR DIMENSIONS OF MOTIVATIONS

To ascertain whether factor analysis is viable, the Kaiser-Meyer-Olkin measure of sampling adequacy is applied. The measure produced a value of 0.571. The factor

analysis approach is therefore found to be a suitable method to analyze the data, given that the value falls within the range of 0.5 and 1.0. The Cronbachalpha coefficient of reliability yielded a value of 0.826, further indicating that the data collected is consistent.

Subsequently, the data is analyzed using the factor analysis approach to extract the main attributes that attract Bruneian visitors to cross the border for shopping purposes. Table 6 shows the factor dimensions and the

TABLE 6. Motivations for Cross-Border Shopping

| Factors | Factor loads | Eigenvalue | % Variance explained | Cumulative Per cent |
|--|--------------|------------|----------------------|---------------------|
| <i>Favourable Exchange Rate and Safe/Easy Access</i> | | 3.059 | 12.234 | 12.234 |
| Low exchange rate | 0.786 | | | |
| Ease of communication | 0.694 | | | |
| Safe/no unwanted incidents | 0.534 | | | |
| Good road system | 0.524 | | | |
| Easy access | 0.469 | | | |
| <i>Various/ Reliable Services</i> | | 2.497 | 9.988 | 22.222 |
| Wide choice of services | 0.682 | | | |
| Close to place of residence | -0.674 | | | |
| Low oil prices in Brunei | 0.574 | | | |
| Reliable and competent service provider | 0.553 | | | |
| <i>Retail Atmosphere</i> | | 1.945 | 7.780 | 30.002 |
| Comfortable shopping environment | 0.782 | | | |
| Cheaper goods | 0.552 | | | |
| Clean business premises | 0.488 | | | |
| <i>Social Status</i> | | 1.734 | 6.936 | 36.939 |
| Sense of status | 0.849 | | | |
| Lax boundary management | 0.568 | | | |
| <i>Multiple Facilities</i> | | 1.576 | 6.304 | 43.243 |
| Various restaurants | 0.734 | | | |
| Variety of goods | 0.604 | | | |
| Self-contained store facilities | 0.537 | | | |
| <i>Transit Point</i> | | 1.419 | 5.676 | 48.919 |
| As a transit point | 0.738 | | | |
| Lower cost of services | 0.478 | | | |
| Cheap cost of obtaining passport | -0.428 | | | |
| <i>Quality of Services</i> | | 1.261 | 5.044 | 53.963 |
| Better quality services | 0.800 | | | |
| Friendly sales personnel | 0.470 | | | |
| <i>Tax Gains and Bargains</i> | | 1.186 | 4.744 | 58.707 |
| Low tax on goods/services | 0.788 | | | |
| Good bargains/promotional offer | 0.536 | | | |
| <i>After Sales Service</i> | | 1.011 | 4.042 | 62.749 |
| Good after sale services | 0.855 | | | |

Notes: Principal components factor analysis with varimax rotation. K-M-O Measure of sampling adequacy = 0.571; Bartlett test of sphericity=961.741; $p < 0.0000$

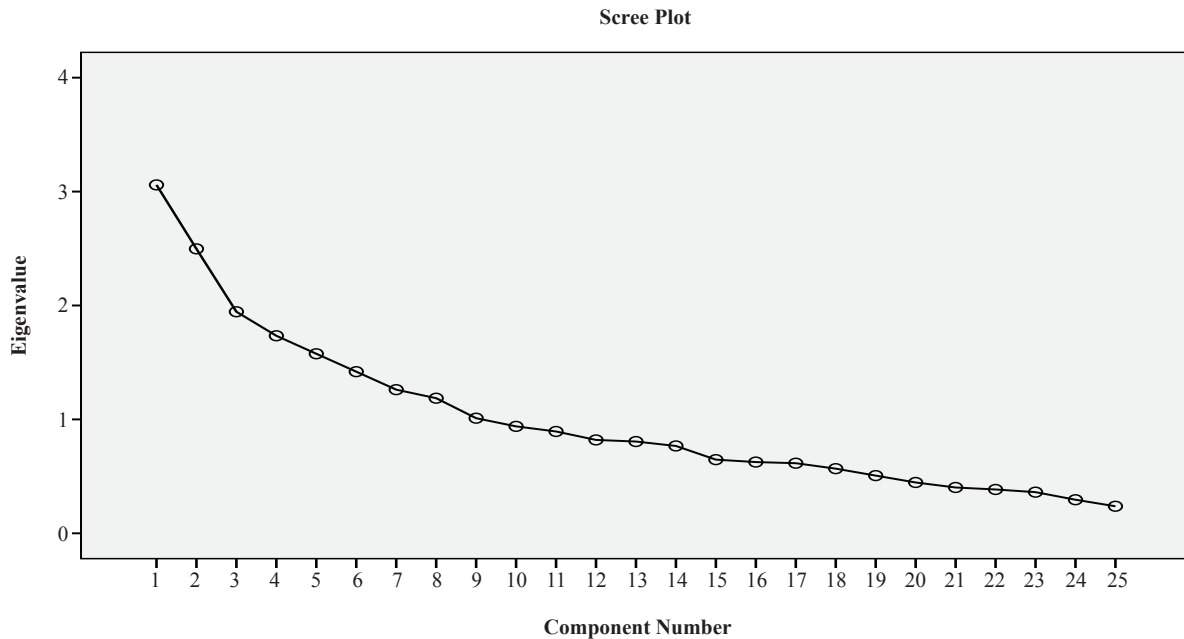


FIGURE 2. Scree Plot

total variance explained. The nine main factors with an eigen value of one or more (as reported in Table 6) are extracted based on the scree plot shown in Figure 2. The nine dimensions collectively explain about 63 percent of the variation.

Table 6 also ranks the nine main factors that influence the purchasing behavior of Bruneians in Limbang by clustering the variables. The “favourable exchange rate and safe/easy access” dimension is ranked first among the factors and groups the following variables: ‘low exchange rate’, ‘easy communication,’ ‘safe/no unwanted incidents,’ ‘good road system’ and ‘easy access.’ With an exchange rate of RM2.46 for every Brunei dollar, goods and services in Limbang are much more affordable and cheaper for Bruneian visitors. Limbang continues to see a regular stream of tourists and excursionists from Brunei visiting in order to take advantage of the lower value of the Malaysian Ringgit. Furthermore, the safe and easy access to Limbang is also an important factor given that most of these shoppers are day trippers (Anaman and Rose 2002).

The second major factor that motivates the movement of shoppers from Brunei to Limbang is the “various/reliables services” dimension, which encompasses variables including ‘wide choice of services’; ‘closer to place of residence’; ‘low oil prices in Brunei’; and ‘reliable and competent service provided’. The third major factor that encourages cross-border shopping is labeled “retail atmosphere” and consists of three variables: ‘comfortable shopping environment’; ‘cheaper goods’; and ‘clean business premises’.

The fourth major factor for cross-border shopping is labeled “social status” and is comprised of ‘sense of status’ and ‘lax boundary management.’ Sense of status essentially relates to ones affordability to shop

abroad. The mere fact that straddling a border provides an experience of being in more than one place at once, something not physically possible in any other context, is a considerably important motivating factor for low-income Bruneian visitors.

The other 5 dimensions – namely ‘multiple facilities’; ‘transit point’; ‘quality of services’; ‘tax gains and bargains’; and ‘after sales service’– are, likewise, important motivating factors for Brunei-Limbang cross-border shopping. The variety of goods and services available in Limbang is an added attraction, as well as its position as a transit point on the route to Bandar Seri Begawan (the capital of Brunei). As Brunei is divided into two halves, travelers from Temburong must use Limbang as their transit point before continuing to Bandar Seri Begawan. Normally, a stopover is made by Bruneians at Limbang for shopping purposes, either on the way to Bandar Seri Begawan from Temburong or on their return trip. Many Bruneians also prefer to purchase consumer durables in Limbang because of the lack of customer service (in terms of guarantee and warranty conditions) in stores in Brunei.

Overall, the factor analysis clearly points out that Limbang is not known much for its quality of goods/services, but more for its competitive prices (The Brunei Times 2007). The favorable exchange rate; the variety of goods and services; and the retail atmosphere in Limbang are compensated for by the safe and easy access to Limbang and the low transport costs associated with the travel. Though Limbang is generally not an exciting destination for tourists, cross-border shopping remains an important tourist generating activity for this township, as the Bruneian day trippers of the low-income group have already acquired a taste for this activity and are fully aware of the shopping opportunities given the lower

value of the ringgit. Leimgruber's (1988) prerequisite conditions for cross-border shopping appear relevant for the decision of the Bruneians to shop in Limbang.

CONCLUDING REMARKS

Given the increased attention that shopping is receiving as a motivating force in tourism flows in border towns of Malaysia, the present study, based upon a case study of Brunei-Limbang cross-border shopping, provides insights into the forces that drive shopping as a tourist activity. The characteristics of cross-border shoppers, in terms of demographic structure, employment and income, are examined alongside their spending patterns to identify the key motivating factors for cross-border shopping.

The present study brings forward the following findings. First, most Bruneian cross-border shoppers are day trippers from the lower income group. Second, clear differences exist between the purchasing behavior of day trippers and that of short-term visitors. Most day trippers purchase food and beverages, whilst short-term visitors are attracted to services in Limbang, such as entertainment outlets. Third, the factor analysis reveals the existence of nine dimensions, of which the three principal reasons for choosing Limbang as the shopping destination by cross-border tourists from Brunei include the favorable exchange rate and safe/easy access; various/reliable services available; and the retail atmosphere. The three factors identified in the present study are largely consistent with motivation factors identified in previous studies on cross-border shopping (Rohwedder 1994; Di Matteo and DiMatteo 1996; Tak and Wan 2008). The exchange rate is obviously one of the decisive factors in cross-border shopping from the perspective of Brunei-Limbang.

To further leverage on the tourism potential of Limbang, particularly *via* cross-border shopping by the Bruneians, the challenge identified for the former is to get more short-term visitors from the neighboring country. To achieve this end, the government has introduced the Brunei Frequent Travellers Card, a substitute for the passport, specifically for regular visitors to Limbang. Regular visitors from Brunei can now cross the boundary without encountering extensive border formalities.

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