

# Cross-Border Shopping Motivation, Behaviours and Ethnocentrism of Malaysian in Hatyai, Thailand

Wanwisa Kuncharin, Badaruddin Mohamed

**Abstract**—There have been few studies of cross-border shopping. However, many have focused on macroeconomic effects rather than on discovering the motivation and behaviour of cross-border shoppers who purchase abroad. Hatyai, Thailand is located about 30 km from the Malaysian border. The statistics reports that each year more than 400,000 Malaysian visitors visited Hatyai. The aims of this study are fourfold: (1) to investigate factors motivating cross-border shoppers to shop in Hatyai, Thailand; (2) to examine the relationship between ethnicity and shopper ethnocentrism; (3) to discover the impact of shopper ethnocentrism on foreign product judgment; and (4) to explore the impact of shopper ethnocentrism on the willingness to buy foreign products. The results reveal that the three most popular consumption items were food and beverages, clothing, and grocery products. Factor analysis shows that the three key reasons for choosing Hatyai as the cross-border shopping destination included product and store, close distance, and low exchange rate. Moreover, there were significant differences in ethnocentrism by three ethnic groups. Shopper ethnocentrism had a significant negative correlation with foreign product judgment, while shopper ethnocentrism was not significantly correlated with willingness to buy foreign products.

**Keywords**—Cross-border shopping behaviours, Malaysian shoppers, Ethnocentrism, Hatyai, Thailand.

## I. INTRODUCTION

BY definition, a tourist is someone who crosses a political boundary, either international or subnational. Many travellers are bothered by the “hassle” of crossing international frontiers, and thus, the type and level of borders heavily influence the nature and extent of tourism that can develop in their vicinity. In addition, boundaries have long been a curiosity for tourists who seek to experience something out of the ordinary [1]. A border-crossing trip may be concentrated on one activity or a trip may be a multipurpose trip. There are many cross-border activities such as enjoying unique landscape, visiting heritage sites, gambling, sex tourism, and one of the important activities is cross-border shopping [2]. There have been few studies of cross-border shopping and most of them have focused on macroeconomic effects rather than on discovering the motivation, behaviour, and personal characteristics of cross-border shoppers who purchase abroad.

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Hatyai is located in Songkhla Province, the largest city in southern Thailand and populated by nearly 800,000 Thais. The population of Hatyai is a mix of Thais, Chinese, and Muslims. Hatyai is located 950 kilometers from Bangkok and 30 kilometers from the Malaysian border (Bukit Kayu Hitam–Sadao Border). Hatyai is a commercial centre, a shopping centre, and an entertainment centre. There are at least six large shopping malls including Lee Garden Plaza, Odean Shopping Mall, Diana Shopping Mall, and Central Department Store, as well as Tesco Lotus and Carefour superstores. Furthermore, there are various street-side vendors and stalls found in the two main markets. Consequently, it is a popular destination for visitors from Malaysia. The statistics reports that each year more than 400,000 Malaysian visit Hatyai because the value of the Thai currency (the baht) is lower compared with the Malaysian currency (the ringgit). Thus, Malaysian residents cross the border to buy goods and services at cheaper prices. In 2011, Malaysian tourists who visited Hatyai totalled 631,345, compared with 431,056 in 2010.

This study has 4 objectives: (1) to explore factors that motivate cross-border shoppers to shop in Hatyai, Thailand; (2) to examine the relationship between ethnicity and shopper ethnocentrism; (3) to investigate the impact of shopper ethnocentrism on foreign product judgment; and (4) to investigate the impact of shopper ethnocentrism on willingness to buy foreign products. The result from this study would be helpful in designing and improving tourism strategies for both sides of borders and in increasing shopper’s satisfaction. In addition, Malaysian tourism marketers could also develop competitive strategies to motivate cross-border shoppers to shop locally, while neighbouring Thailand tourism marketers could also design competitive strategies for Malaysian shoppers to travel and outshop.

## II. LITERATURE REVIEW

### A. Cross-Border Shopping

Cross-border shopping is viewed as a special subcategory of “out-shopping” or “out-of-town shopping” [1], [3]. Cross-border shopping occurs when consumers travel outside their local area, cross a national boundary outside their local area into an adjacent country, to shop [3]-[5]. Furthermore, cross-border shopping is common in all parts of the world [6].

Cross-border shopping becomes very important to the governments and the retailers due to its great impact on retail sales on both sides of the border [1], [3], [7]-[10]. As [11] agreed that cross-border shoppers’ expenditures provide economic advantage to the local and regional economy. Cross-

border shopping has drawn growing interest from many scholars as it has significant impact on revenues on both sides of the border [12]. Moreover, research regarding cross-border shopping has been carried out in different regions, such as America, Europe, Asia, and other border regions. Research regarding cross-border shopping would include the study of income leakages from rural to metropolitan areas and would focus on the pattern of cross-border shopping and its impact on the economy of the host destination [1], [3], [8]-[10], [13]-[18]. Some researchers have also focused on the link between the motivation behind cross-border shopping and the behaviour of shoppers or other marketing mix [9], [16], [17], [20], [21].

### *B. Cross-Border Shopping Motivation*

According to [22], there are two important aspects of cross-border shopping motivation. First, motivation influences behaviour. Second, motivation can be represented in terms of its strength and its direction. Thus, cross-border shopping motivation in this study is defined as the energizing force that influences cross-border shopping behaviours through its strength and its direction. Furthermore, the concepts of motivation and behaviour are closely related, since behaviour acts as external activities and motivation refers to the internal process of promoting individual activities [23].

Many researchers suggest that the main motivation for cross-border shopping is economic advantage of product, price perceived product quality; service provided by sales person, store facilities and variety of product selections in the cross-border region [5], [10], [24]. Reference [25] found that cross-border shopper decisions to shop outside their local area are influenced by their desire for a greater assortment of merchandise. Exchange rate is one of the most significant push and pulls factors for cross-border shoppers [14]. Lower taxes have also long been considered as a driving force to cross-border, when sales and other taxes are lower in a neighbouring jurisdiction, people who are taxed more heavily will travel there to shop [8]. The major reasons that Bruneians cross-border to shop in Limbang, Sarawak, Malaysia, is because the goods are cheaper, reliable and the service providers are competent and easy to communicate with them [17]. According to [18], cross-border shopping is motivated by four main factors:

- 1) There is a shortage of goods, or the product variety of certain goods is limited, and can only be purchased in areas distant from home.
- 2) There is a significant difference in price levels of goods available between the home country and the host country.
- 3) The desire of buying high-quality goods or products of famous international brands.
- 4) The need to enjoy a different experience in shopping abroad.

### *C. Cross-Border Shopping Behaviour*

To understand the behaviour of cross-border shoppers, it is important to know the products that cross-border shoppers

buy, how often they travel, how much they spend per trip, and where they usually spend their money.

According to [4], 92% of respondents in Mexico came to the United States by automobile and planned to spend more than USD500 on their shopping trip. Similarly, [26] conducted a survey on Hong Kong residents who have made at least one cross-border trip to Shenzhen. The results showed that more than 50% of the respondents spent 300-500 HK dollars per trip, and 30% of the respondents spent 100-300 HK. By looking the total number of the trips, it showed that the Hong Kong residents spent a lot of money on low-end goods. Most of the Hong Kong cross-border shoppers are one-day shopper. The data also showed that 80% Hong Kong residents visit Shenzhen more than once in a month. Furthermore, as [12] examined cross-border shopping from mainland China to Hong Kong. The study found that in the past year, on average, the majority of respondents (74.7%) crossed the border from mainland China to Hong Kong to shop, for less than one trip per two month period.

### *D. What Products Do Cross-Border Shoppers Buy?*

According to [10], to understand the nature of cross-border consumption, it is important to know the products that cross-border consumers buy. As [27] stated, cross-border shoppers tend to purchase products having higher visibility, higher status, and specialty products. Furthermore, [27] elaborated that cross-border shoppers have bought sporting goods, furniture, appliances, and jewelry when shopping abroad.

A study by [2] found that the more distant the shoppers live from the border, the less frequent will they cross the border to shop. Therefore, the value of the merchandise they buy would probably be higher. In his study [2] separated shopping zone into three zones. The residents of the proximal shopping zone generally cross the border frequently and are willing to go shopping everyday. Thus, they may buy small ticket items such as gasoline, groceries, beer, tobacco products, and restaurant meals. Residents who live in the medial shopping zone cross the border less often and tend to buy higher-value goods. Finally, residents who live farthest from the borders, very distant from the shopping zone, they seldom cross the border for shopping. However, when they do, they tend to buy big-ticket items like clothes, appliances, and electronic products.

In Asia, as [16] found that the most popular of all items purchased are food and beverages, followed by groceries and fashion products, supporting earlier findings by [9] who said most Singaporeans went abroad and spent on clothes, handbags, shoes, cosmetics [9], food and grocery products [28]. However, [26] studied Hong Kongers who shopped cross-border in Shenzhen. Most Hong Kongers like to buy ordinary stuffs for living such as food, clothing, housing facilities, medical and healthy services, and so on. In conformity with a previous study by [10], he cited that the most popular outshopped items were foodstuff, followed by massaging, clothes, handbags, and leather products.

In the Americas, [29] and [30] found that Mexican nationals have shopped men's apparels, women's apparels, gifts,

children's apparels, children's accessories, perfumes, cosmetics, and souvenirs in the United States. Similarly, [14] also investigated cross-border shopping by Canadians in the United States and found that the popular shopping items were food and drinks, petrol, groceries, beer, tobacco products, restaurant meals, clothes, appliances, and electronics.

In Europe, Germans have shopped household products in Poland [18], dairy products, foodstuff, pornography in Denmark [18], and cigarettes in Netherland [31]. Austrian residents outshopped medicine, medical care, dental treatment, surgery, beauty care, hairdressers, custom tailors, car repairs, travel agents, alcohol products, food stuff, cleaning and hygienic products, tobacco, and groceries in Germany [32].

#### E. Shopper Ethnocentrism

Ethnocentrism was first introduced by [33], who defined it as tendency to regard one's own beliefs, standards, and code of behaviour as superior to those of other societies. As [34] elaborated, consumer ethnocentrism is a concept that represents consumers' beliefs in the superiority of products from their own country. From the perspective of high ethnocentric consumers, purchasing imported products is wrong because, in their minds, it hurts the domestic economy, it causes loss of jobs, and it is plainly unpatriotic.

In addition, the consumers with higher level of consumer ethnocentrism have better attitudes towards domestic products [34]. Consumer ethnocentrism focuses on the responsibility of purchasing foreign-made products and the loyalty of consumers to products manufactured in their home country [35].

The measurement of consumer ethnocentrism was made with the development of The CETSCALE (Consumer Ethnocentric Tendencies Scale by [34]. The CETSCALE comprises 17 items which measure the attitude of consumer towards foreign and domestic products. Furthermore, previous research regarding cross-border shopping and consumer ethnocentrism such as [9] and [36], cited that cross-border shoppers exhibit a low level of ethnocentrism, indicating a lesser tendency to view shopping and buying products from overseas, instead of at home, as inappropriate behaviour.

Therefore, [9] linked cross-border shopping to the concept of consumer ethnocentrism. Low ethnocentric customers usually travel and do shopping abroad. He investigated the relationship between three ethnic groups of Singaporeans (Chinese, Malays, and Indians) and shopper ethnocentrism. The result revealed that there is no significant difference between three ethnic groups and consumer ethnocentrism.

Marketers and retailers often study consumer ethnocentrism in order to develop strategic marketing plans for entering new foreign markets by understanding the attitudes and beliefs of the foreign consumers.

#### F. Relationship between Shopper Ethnocentrism and Foreign Product Judgment

The increase in cross-border shopping results because of customers' awareness about foreign products [37]. By definition ethnocentrism reflects consumer's intention to avoid

purchasing of all foreign products. As [38] elaborated, those who believe that it is wrong to buy foreign, and that only domestic products should be purchased, also tend to denigrate the quality of foreign goods. According to studies by [34], [39], [40], consumer ethnocentrism has been found to be negatively related to product judgments.

#### G. Relationship between Shopper Ethnocentrism and Willingness to Buy Foreign Products

Consumer ethnocentrism is thus, one of the factors which affect the willingness of consumers to buy foreign and domestic products [41]. As [42] found that ethnocentric individuals have a strong positive attitude towards their own country. This is similar to the finding by some studies [39], [40], consumer ethnocentrism has been found to be negatively related to the willingness to buy foreign products.

### III. METHODOLOGY

#### A. Sample Size

A simplified formula to calculate sample size has been provided by [43]. Refer to (1), this formula was used to calculate the sample size for 95% confidence level and precision = 0.5 are assumed. The formula is shown as follows;

$$n = \frac{N}{1 + Ne^2} \quad (1)$$

where  $n$  is the sample size,  $N$  is the population size, and  $e$  is the level of precision.

The sample size of this research was calculated from the number of Malaysians who visited Hatyai, Thailand in 2011 [44]. There were 631,345 of Malaysians visited Hatyai, Thailand on 2011. Thus, the sample size ( $n$ ) should not be less than 400 (2).

$$n = \frac{631,345}{1 + 631,345 (0.05)^2} \quad (2)$$

Besides, the respondents of this study were Malaysian citizens with age over 18 who went shopping at Hatyai, Thailand during January – March, 2013. All of them stayed for at least one night in Hatyai. Respondents who were not cross-border shoppers were not considered in the survey even though they are willing to fill the questionnaires.

## B. Conceptual Model

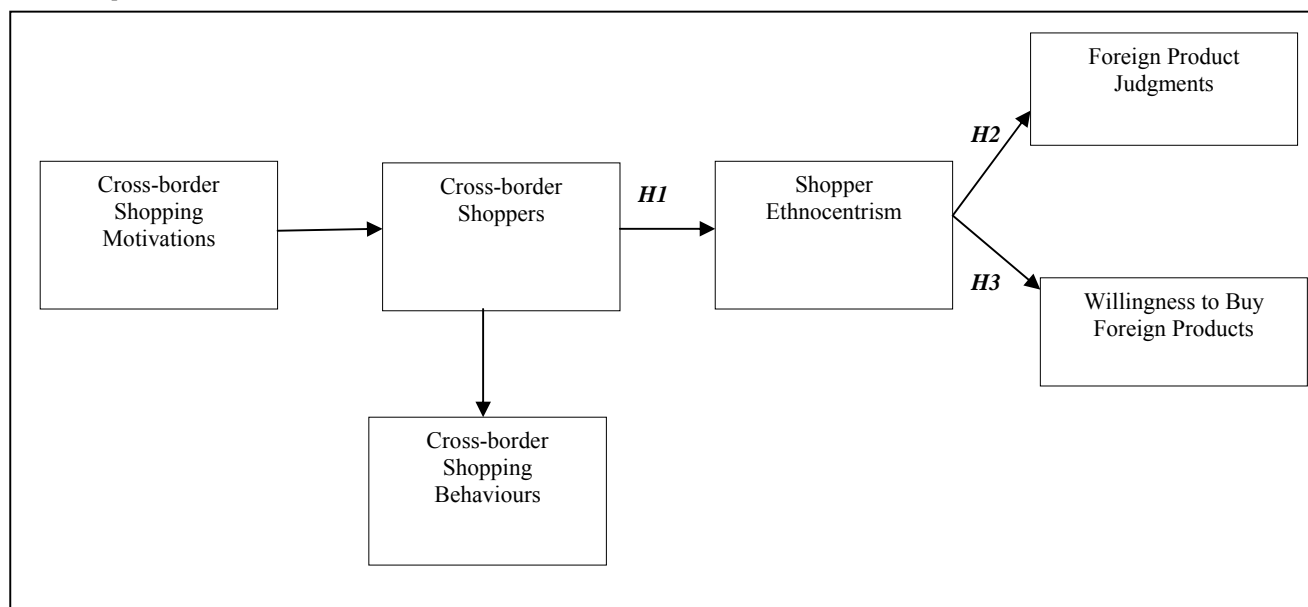


Fig. 1 Conceptual Model

## C. Research Hypothesis

From the literature reviewed, this study proposes the following hypotheses:

- H1. There is no significant relationship between ethnicity and shopper ethnocentrism.
- H2. There is a negative correlation between shopper ethnocentrism and foreign product judgments.
- H3. There is a negative correlation between shopper ethnocentrism and willingness to buy foreign products.

## D. Data Collection Procedure

For data collection, 460 questionnaires were distributed to Malaysian visitors who were tourists and have shopped in Hatyai. The samples were selected using the mall-intercept technique because a mall intercept is a kind of convenience sampling. This sampling technique is often used in marketing research. Furthermore, persons in a shopping mall are quite likely to be consumers.

According to [45], the sample will probably contain some bias. However, this can be reduced somewhat by conducting the sampling at different malls (reducing geographic bias) and at different times of day to get at different life styles of the population. All the 460 respondents were recruited in various shopping outlets located at Hatyai, Thailand. The shopping outlets included shopping mall, small retail stores, supermarkets, shopping streets, night markets, and local fresh markets. Furthermore, the sample units of study were interviewed personally. If they were unable to complete the questionnaires on the same day, they were requested to return them personally to the interviewers the following day, at selected shopping areas.

The questionnaires were distributed daily from 9.30 a.m. to 9.30 p.m. for 3 months from January till March, 2013.

## E. Research Instruments

Data were collected using questionnaires. According to [46], the questionnaire is a well-established tool for acquiring information on participant's social characteristics, present and past behaviour, standards of behaviour or attitudes and their beliefs, and reasons for action with respect to the topic under investigation, within social science research. Hence, the questionnaire was developed in English and was translated to Malay and Chinese by language translators. Prior to the survey, a pilot test was conducted with 20 respondents who were randomly selected. Apparently, the respondents could understand and answer the questions. Thus, only few minor changes were made to the questionnaire for clarity. The questionnaire in this study was designed based on the conceptual framework in Fig. 1; the questionnaire comprises six sections as explained in the following:

*Section 1 - Demographic variables:* Based on literature reviewed, there were 7 demographic variables in this study, namely, age, gender, ethnicity, highest educational level, occupation, marital status, area lived in Malaysia, and average income per month. The questionnaire in this section was developed based on previous relevant literature such as [5], [9], [16], [17], [21].

*Section 2 - Tourist behaviour:* This section included 5 questions: What is the purpose of your trip? How do you travel to Thailand? How long do you intend to stay in Hatyai? How do you arrive in Hatyai? Where is your exit point in Malaysia?

*Section 3 - Cross-border shopping behaviour:* This section consisted of 4 questions. How often do you visit Hatyai? How much did you spend for shopping? Where did you go for shopping? What did you buy?

*Section 4 - Cross-border shopping motivation:* Cross-border shopping motivations were determined by using 39 items, which were adapted from previous studies on cross-border shopping motivation such as [2], [17]-[19], [21]. Furthermore, 39 items were measured by a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

*Section 5 – Shopper ethnocentrism:* A 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) were utilized for the individual scales to measure shopper ethnocentrism using 10 items which were modified from the original CETSCALE by [34].

*Section 6 – Foreign product judgments and willingness to buy foreign products:* This section contained 8 questions to measure product judgments and willingness to buy foreign products by using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The questionnaire in this section was also adapted based on the previous studies by [37], [40].

#### *F. Reliability of Data*

To establish the reliability of this study, measurements used in the survey instrument were verified using the reliability coefficient (Cronbach's alpha). The constructs in the measurement had the estimated reliability-coefficient of 0.80 from 39 cross-border shopping motivation variables, 0.938 from 10 shopper ethnocentrism items, 0.703 from 4 foreign product judgment items and 0.791 from 4 items of willingness to buy foreign products. The minimum value for accepting the reliability test was 0.7 [47]. According to this rule, all of the constructs in the measurement instruments of this study thus fulfilled this requirement.

#### *G. Data Analysis*

The data were analyzed using the Statistical Package for the Social Science (SPSS 20). Descriptive analysis (frequency, mean, and standard deviation) were used to examine respondents' demographic characteristics, tourist behaviour and cross-border shopping behaviour. Furthermore, cross-border shopping motivational factors were identified by using the principal component analysis (PCA) to classify the total 39 cross-border motivational indicators. It was necessary to apply the KMO and Bartlett's Test to ensure that the data was suitable for a factor analysis. One-Way ANOVA was conducted to test the relationship between the 3 ethnic groups (Malays, Chinese, and Indians) and shopper ethnocentrism. Pearson's correlation and the simple linear regression were performed to test the correlation between shopper ethnocentrism, and foreign product judgments. Finally, to investigate the impact of shopper ethnocentrism on willingness to buy foreign products, Pearson's correlation and the simple linear regression were used.

### IV. RESULTS

Out of 460 questionnaires, 423 questionnaires were usable (92% response rate). Unusable questionnaires included those missing in some sections, while some others were incomplete.

#### *A. Demographic Variables of the Respondents*

Out of 423 respondents surveyed, 61% were females, while 39 % were males (see Table I). The ages of the respondents were divided into 5 categories. Table I shows that most of the respondents were under the age group between 25 and 35 years old (34.5%), followed by 27.9% from the age group between 36 and 45 years old. The other proportion of the respondents was between the ages grouping of 45 and 60 years old (17.5%), and followed by the age group of 18-24 (16.1%). The least were those being 61 years old and above (4%).

Majority of the respondents were Chinese (37.6), followed by Malays (37.4%), Indians which accounted 19.9%, and the least were others with 5.2%.

Majority of the respondents were Chinese (37.6), followed by Malays (37.4%), Indians which accounted 19.9%, and the least were others with 5.2%.

In terms of education level, more than half of the respondents (50.6%) were university graduates, 25.5% completed diploma, and 23.9% reported as nondegree education, primary school education, and secondary education.

In the category of occupation, the respondents were further categorized into 6 subgroups. Most of the visitors were private employees (29.6%), while 29.3% were vendors or businesspersons and 17.7% were government employees, followed by farmers or labourers. From the total respondents 7.6% were students. The group of respondents ranked lowest was the unemployed, housewives, and retired persons (5.4%).

Table I shows that more than half (56.7%) of the respondents were married, while 35.5% of the respondents were single, 5.7% were divorcees, and 2.1% were widowers.

Malaysia can be divided into five regions: Northern (Kedah, Penang, Perlis and Perak), Central (Kuala Lumpur, Selangor, Putrajaya, and Negeri Sembilan), East Coast (Pahang, Kelantan, and Terengganu), Southern (Malacca and Johor), and East Malaysia (Sabah, Sarawak, and Labuan). Out of the total respondents, 50.1% were from the Northern part of Malaysia because the northern region of Malaysia is bordered by Thailand. Next, come respondents from Central Malaysia with 19.1%. Another 12.1% comes from the Southern part of Malaysia, while, 11.6% comes from the East Coast. Finally, 7.1% of them comes from East Malaysian states of Sabah, Sarawak, and Labuan.

With regard to income, 43.7% of the respondents were earning between RM1,000 and RM2,999 per month, which is about the medium level of income by Malaysian standards. Another 25.5% of the respondents were earning higher than the medium level (between RM3,000 and RM4,999). Meanwhile, 14.9% of the respondents were earning higher than RM7,000, followed by 9.5% of the respondents having income lower than RM1,000. The smallest group (6.4%) of the respondents were having income between RM5,000 and RM6,999.

TABLE I  
DEMOGRAPHIC CHARACTERISTICS OF THE RESPONDENTS (N = 423)

Demographic Variables		Frequency	Percent %
Gender	Male	165	39.0
	Female	258	61.0
Age	18-24	68	16.1
	25-35	146	34.5
	36-45	118	27.9
	45-60	74	17.5
	≥ 61	17	4.0
Ethnicity	Malays	158	37.4
	Chinese	159	37.6
	Indians	84	19.9
	Others	22	5.2
Highest education	Non Degree/Primary school/ Secondary School	101	23.9
	Diploma	108	25.5
	University Graduated	214	50.6
Occupation	Government Employee	75	17.7
	Private Employee	125	29.6
	Labor, Farmer	44	10.4
	Vendor/ Businessperson	124	29.3
	Student	32	7.6
	Unemployed/Housewives/Retired	23	5.4
Marital status	Single	150	35.5
	Married	240	56.7
	Divorced	24	5.7
	Widowed	9	2.1
Area lived in Malaysia (State)	North	212	50.1
	South	51	12.1
	East Coast	49	11.6
	Central	81	19.1
	Sabah Sarawak, Labuan	30	7.1
Average income per month	Below RM1,000	40	9.5
	RM1,000 to RM2,999	185	43.7
	RM3,000 to RM4,999	108	25.5
	RM5,000 to RM6,999	27	6.4
	RM7,000 and above	63	14.9

### B. Tourist Behaviours

On the question regarding the main purpose of the current trip to Hatyai, 62% of the respondents answered for leisure and pleasure. Another 20% of the respondents chose shopping as their main purpose. Only 4% of them visited Hatyai for attending a seminar and a conference. The rest of the participants were travelling for their businesses.

As for the number of persons in their travel party, Malaysian travel parties to the Hatyai seemed to be dominated by groups of 3-5 persons (36.9%), while 23.9% contained 6-10 persons, and the other 21% of the respondents were travelling under the group of 0-2 persons. Few of them (18.2%) were travelling with a group of 11 persons and more.

Regarding length of stay in Hatyai, 82% of Malaysian respondents stayed in Hatyai for 1 or 2 nights. Only 13% spent of them spent 2 to 3 night, and few respondents stayed for more than 4 nights (5%).

In the category of the respondent's travel modes to Hatyai, most of the respondents arrived in Hatyai by private cars (37.8%), then by bus (32.6%), by train (7.8%), by van (7.6%),

by others means of transportation (6.4%), by motorcycle (5.2%), and by rented cars (2.6%).

More than half of the respondents (64.5%) have crossed into Thailand via Bukit Kayu Hitam border in Kedah, while 14.2% of the respondents crossed via Padang Besar border in Perlis. In addition, 9.9% crossed into Thailand via other borders: 2.8% crossed via Pengkalan Hulu border in Perak. However, the least number of respondents have crossed through the Rantau Panjang border in Kelantan.

### C. Cross-Border Shopping Behaviours

Frequent cross-border shoppers are classified as those who outshop at least once every three months. As for the respondents in this study, 35.5% of them were classified as frequent cross-border shoppers, while the other 64.5% outshopped in Hatyai less than once in every three months, thus could be classified as infrequent cross-border shoppers.

As for the amount of money spent on shopping during the cross-border trips, more than 39.2% respondents spent RM101 to RM300, 22.2% spent RM301 to RM500, 15.8% spent between RM 501 and RM 800. Approximately 11.3% planned to spend RM101 or above, 6.1 % spent RM100 or below and

5.2% spent RM801 to RM1000.

The most popular shopping destinations were street vendors or hawkers (18.2%), Kimyong market (15.8%), and Santisuk market (14.6%). These destinations were chosen because street vendors or hawkers are famous for their lower priced products, Kimyong market is famous for various foods and snacks, and Santisuk market is famous for several products such as perfumes, CD, MP3, Movies, handbags, and clothes. Of the total respondents, 13% went shopping at Lee Garden Plaza and 12.6% went to Central Plaza, because these two shopping malls are located nearby. Other shopping destinations visited were 7-Eleven (5.1%), Odean shopping mall (4.0%), Ocean shopping mall (3.2%), Carrefour (2.3%), Tesco Lotus (2.2%), Robinson (1.9%), Local Fresh Markets (1.3%), Tops Supermarket (1.2%), Greenway market (1.1%), Makro (1.0%), Diana shopping mall (0.9%), Others (0.8%), Watson (0.6%), and Boots retail shop (0.1%).

#### D. Products Purchased

Respondents were also asked to report the products they bought during their cross-border trips in Hatyai. These products were classified into 23 categories. The most popular consumption item was food & beverages (15%). This is not surprising because one of the undoubted attractions of Hatyai is the food. Hence, 14.2% of the respondents bought clothes, while 12.3% of the respondents reported that they bought groceries.

Apart from buying these three most popular items, some respondents also reported that they bought fruits and vegetables (8%), cosmetics, perfumes, and beauty products (7.8%), medicines and herbs (6.7%), souvenirs or crafts (6.5%), shoes and alcohol (4.5%), IT appliances (4%), cigarette lighters (3.7%), handbags or wallet (2.2%), leather products (2.1%), toys and games (2%), clocks or watches (1.8%), home furniture or accessories (1.4%), Movie, Music, CD, and MP3 (1.1%), cameras and photographic equipment (0.8%), electronics (0.7%), books, magazine, and recreational, sports goods (0.3%), and jewellery (0.1%).

#### E. Cross-Border Shopping Motivation

Research objective 1 is to explore factors that motivate Malaysian cross-border shoppers to shop in Hatyai, Thailand. The principal components factor analysis (PCA) was used to purify and to summarize the 39 cross-border shopping motivation items into underlying factors that explain patterns of correlations within the set of observed items as some that could likely be interrelated. The Cronbach's Alpha Coefficient of reliability yielded a value of 0.80 from the 39 cross-border motivation items, indicating that the data collected were consistent. The eigenvalues suggested that 10 factor solutions explained 62.255% of the overall variance. The factors with eigenvalues greater than or equal to 1.0 and items with factor loadings greater than 0.6 were reported. The overall significance of the correlation matrix was 0.000, with a Bartlett test of sphericity value of 7958.419. The Kaiser-Meyer-Olkin (KMO) overall measure of sampling adequacy was 0.816, which was meritorious [48].

Table II shows the results from the varimax-rotated factor matrix, 10 factors with 29 items were defined by the original 39 variables. There were 10 items dropped due to the failure of loading on any factor at the level of 0.6 (or higher). The communality of each item ranged from 0.268 to 0.624. After the principal components factor analysis (PCA) was used, each factor was then tested for reliability by Cronbach's alpha coefficients. The results showed that the alpha coefficients ranged from 0.510 to 0.943 for the 10 factors. The results were considered more than reliable, since 0.50 is the minimum value for accepting the reliability test [47].

The 10 factors underlying dimensions of Malaysian cross-border shopping motivation in Hatyai were as follows.

*Product and store (Factor 1)* contained 9 items and explained 17.013% of the variance in the data, with an eigenvalue of 6.635 and a reliability coefficient of 0.943. The items associated with this factor dealt with product and store including 'availability of products in Hatyai which are unavailable in Malaysia', 'good store decoration', 'souvenirs/handicrafts', 'good store atmosphere', 'fresh products', 'worthy of time and efforts', place popular for specific products', 'duty free shops/ products' and 'make me happy'.

*Close distance (Factor 2)* accounted for 9.000% of the variance, with an eigenvalue of 3.510, and reliability coefficient of 0.936. This factor was loaded with 4 items consisting of "close distance," "good transportation," "kill time," and "smooth passing through border".

*Low exchange rate (Factor 3)* was loaded with 3 items. This factor accounted for 6.013% of the variance, with an eigenvalue of 2.345, and reliability coefficient of 0.803. These items were 'low exchanges rate', 'low tax on products/services' and 'sense of status'.

*Rest and relax (Factor 4)* composed of 3 items that referred to relaxation and dining. This factor explained 5.659% of the variance, with an eigenvalue of 2.207, and reliability coefficient of 0.559. These items were 'excitement on dining', 'a better atmospheres to rest and relax' and 'to get away to reduce stress and pressure'.

*Customer services (Factor 5)* was loaded with 3 items. This factor accounted for 5.606% of the variance, with an eigenvalue of 5.606, and reliability coefficient of 0.641. These items were 'good after sale services', 'easy communications' and 'prompt customer services'.

*Wide choices of service (Factor 6)* contained 2 items. The factor explained 4.437% of the variance, with an eigenvalue of 1.730, and a reliability coefficient of 0.532. These items were 'wide choices of service' and 'more fashionable'.

*Price and bargain (Factor 7)* accounted for 4.200% of the variance, with an eigenvalue of 1.638 and a reliability coefficient of 0.510. This factor was loaded with 2 items which referred to price and bargain hunting. The 2 items were 'high prices at home low prices in destinations' and 'bargain hunting'.

*Salesperson's knowledge (Factor 8)* was loaded with 1 item. This factor accounted for 3.596% of the variance, with an eigenvalue of 1.402. This item was 'salesperson's knowledge'.

*Famous individual malls or centers (Factor 9)* contained 1 item and explained 3.430% of the variance in the data, with an eigenvalue of 1.338. This item was famous individual malls or centers

*Promotion offers (Factor 10)* loaded with 1 item. This factor accounted for 3.300% of the variance, with an eigenvalue of 1.287. This item was 'promotion offers'.

TABLE II  
FACTOR ANALYSIS RESULTS OF CROSS-BORDER SHOPPING MOTIVATIONS

Cross-Border Motivation Items	Loading	Eigen values	%Variance
<b>Factor 1: Product and store</b>		<b>6.635</b>	<b>17.013</b>
Availability of products in Hatyai which are unavailable in Malaysia	0.876		
Good store decoration	0.873		
Souvenirs/ handicrafts	0.871		
Good store atmosphere	0.822		
Fresh products	0.814		
Worthy of time and efforts	0.812		
Place popular for specific products	0.795		
Duty free shops/ products	0.771		
Make me happy	0.703		
<b>Factor 2: Close distance</b>		<b>3.510</b>	<b>9.000</b>
Close distance	0.952		
Good transportations	0.949		
Kill time	0.867		
Smooth passing through border	0.867		
<b>Factor 3: Low exchange rate</b>		<b>2.345</b>	<b>6.013</b>
Low exchanges rate	0.775		
Low tax on products/ services	0.743		
Sense of status	0.739		
<b>Factor 4: Rest and relax</b>		<b>2.207</b>	<b>5.659</b>
Excitement on dining	0.650		
A better atmospheres to rest and relax	0.641		
To get away to reduce stress and pressure	0.632		
<b>Factor 5: Customer services</b>		<b>2.186</b>	<b>5.606</b>
Good after sale services	0.720		
Easy communications	0.705		
Prompt customer services	0.699		
<b>Factor 6: Wide choices of service</b>		<b>1.730</b>	<b>4.437</b>
Wide choices of service	0.790		
More fashionable	0.695		
<b>Factor 7: Price and bargain</b>		<b>1.638</b>	<b>4.200</b>
High prices at home low prices in destinations	0.820		
Bargain hunting	0.637		
<b>Factor 8: Salesperson's knowledge</b>		<b>1.402</b>	<b>3.596</b>
Salesperson's knowledge	0.772		
<b>Factor 9: Famous individual malls or centers</b>		<b>1.338</b>	<b>3.430</b>
Famous individual malls or centers	0.759		
<b>Factor 10: Promotion offers</b>		<b>1.287</b>	<b>3.300</b>
Promotion offers	0.690		
<b>Total Variance Explained</b>			<b>62.255</b>

#### F. Relationship between Ethnicity (Malays, Chinese & Indians) and Shopper Ethnocentrism

A 5-point Likert scale was used to measure the total possible value of the CETSCALE for the 10 items. The 10 items of CETSCALE were summated as a new composite variable with value ranging from 11 to 43 (Mean = 27.620, SD = 7.712). In addition, the overall mean score of ethnocentrism was obtained as the average of the scores on the 10 component items. The mean of ethnocentrism score 2.762 (with a standard deviation of 0.771). Cronbach's alpha was calculated for the 10 items of CETSCALE ( $\alpha = 0.938$ ). The internal consistent reliability test produced a Cronbach's alpha coefficient of 0.900 showing good reliability [48].

To achieve research objective 2 and test the hypothesis 1 (H1), One-Way Anova was conducted to test the relationship between 3 ethnic groups (Malays, Chinese, and Indians) and shopper ethnocentrism. The mean scores for ethnocentrism were compared between the levels of mean scores of three ethnic groups (Malays, Chinese and Indians). The results are shown in Table III. The result indicated that there were significant differences in ethnocentrism by 3 ethnic groups: Malays, Chinese and Indians at 0.05 ( $F = 52.964$ ,  $p$  value = 0.000). Thus, hypothesis 1 (H1) was rejected.

From the results, respondents who were Malays had higher mean value (Mean = 3.1747) compared the Chinese (Mean = 2.6044), and the Indians (Mean = 2.2845).

TABLE III  
RESULTS OF ONE WAY ANOVA OF RELATIONSHIP BETWEEN ETHNICITY (MALAYS, CHINESE & INDIANS) AND SHOPPER ETHNOCENTRISM

Ethnic/ Race	N	Mean	F	Sig.
Malays	158	3.1747	52.964	0.000*
Chinese	159	2.6044		
Indians	84	2.2845		
Total	401	2.7621		

Note: \* $p < 0.05$

#### G. The Simple Linear Regression of Shopper Ethnocentrism on Foreign Product Judgments

Objective 3 of this study is to investigate the impact of shopper ethnocentrism on foreign product judgment. The simple linear regression will be used to achieve research objective 3. The goal in regression analysis is to create a mathematical model that can predict the values of a dependent variable based upon the values of an independent variable. In this study, shopper ethnocentrism was identified as the independent variable and foreign product judgment was the dependent variable. According to Table IV, the analysis suggests that shopper ethnocentrism explains only 6% ( $R^2 = 0.066$ ) of foreign product judgments. The  $\beta$  coefficient was -0.257,  $t$  value was -5.463 and significant  $p$  value is 0.000, which was lower than 0.05. Therefore, shopper ethnocentrism has an impact on foreign product judgments.



TABLE IV  
REGRESSION OF SHOPPER ETHNOCENTRISM ON FOREIGN PRODUCT JUDGMENTS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	SE.	Beta		
Shopper Ethnocentrism	-0.158	0.029	-0.257	-5.463	0.000**

Note:  $R^2 = 0.066$ ;  $F = 29.840$ ,  $**p < 0.05$   
Independent variable: Shopper Ethnocentrism  
Dependent variable: Foreign Product Judgments

To test hypothesis 2 (H2), Pearson correlation was performed to test the correlation between shopper ethnocentrism, and foreign product judgments (see Table V). Based on the values of the Pearson correlation, there is a significant negative correlation between shopper ethnocentrism, and foreign product judgment (p value = 0.000, Pearson correlation = -0.340) at 0.01. This explains that when the level of shopper ethnocentrism increases, the level of foreign product judgment decreases. Hence, hypothesis 2 (H2) was supported.

TABLE V  
PEARSON CORRELATION COEFFICIENTS BETWEEN SHOPPER ETHNOCENTRISM AND FOREIGN PRODUCT JUDGMENTS

Variables	Statistic	Foreign Product Judgments
Shopper Ethnocentrism	Correlation Coefficient	-0.340**
	Sig. (2-tailed)	0.000.
	N	423

Note:  $**p < 0.01$

#### H. The Simple Linear Regression of Shopper Ethnocentrism on Willingness to Buy Foreign Products

To address objective 4 of this study, a simple linear regression model was developed to investigate the impact of shopper ethnocentrism on the willingness to buy foreign products. The simple regression was used to examine the relationship between one dependent and one independent variable. In this case, shopper ethnocentrism was designated as the independent variable and willingness to buy foreign products was considered as the dependent variable. Table VI shows that shopper ethnocentrism had no impact on willingness to buy foreign products ( $F = 0.014$ , p value = 0.905).

TABLE VI  
REGRESSION OF SHOPPER ETHNOCENTRISM ON WILLINGNESS TO BUY FOREIGN PRODUCTS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	SE.	Beta		
Shopper Ethnocentrism	-0.005	0.044	-0.006	-0.119	0.905

Independent variable: Shopper Ethnocentrism  
Dependent variable: Willingness to Buy Foreign Products  
Note:  $R^2 = 0.000$ ;  $F = 0.014$

To test the hypothesis 3 (H3), Pearson correlation analysis was conducted (Table VII). The results exhibited that shopper ethnocentrism was not significantly correlated with willingness to buy foreign products (p value = 0.905, Pearson

correlation = -0.006). Therefore, hypothesis 5 (H5) was rejected.

TABLE VII  
PEARSON CORRELATION COEFFICIENTS BETWEEN SHOPPER ETHNOCENTRISM AND WILLINGNESS TO BUY FOREIGN PRODUCTS

Variables	Statistic	Foreign Product Judgments
Shopper Ethnocentrism	Correlation Coefficient	-0.006
	Sig. (2-tailed)	0.905.
	N	423

## V. CONCLUSION

### A. Conclusion and Implication

The study confirms that Malaysian cross-border shopping in Hatyai, Thailand is driven by factors such as products and store, close distance, low exchange rate, rest and relax, customer services, wide choice of services, price and bargain, salesperson's knowledge, famous individual malls or centres, and promotion offers. The first most important cross-border motivation factor is "product and store." The finding is in line with [10], who listed out various factors that people from Hong Kong crossed-border to Shenzhen for shopping. The list included goods not available locally. The second most important cross-border motivation factor is "close distance." This finding supports the finding of previous studies that people residing close to the border tend to have more cross-border trips [1]. The third most important cross-border motivation factor is "low exchange rate." This finding receives support from a similar previous finding [16], who found that exchange rate also has a significant positive relationship with travel frequency of Singaporean to Malaysia. Consequently, Malaysian tourism marketers could use the information obtained from this study to develop competitive strategies to motivate cross-border shoppers to shop locally, while neighbouring Thailand tourism marketers could also use the attitudinal and motivational characteristics identified by this study to properly segment their target cross-border shoppers.

There is significant difference among the 3 ethnic groups (Malays, Chinese & Indians) and Shopper Ethnocentrism. Malay respondents have higher mean value (Mean = 3.174) compared with Chinese (Mean = 2.604) and Indians (Mean = 2.284). Hypothesis 1 (H1) was rejected. The finding is in consistent with [9] who studied Singaporean cross-border shopping in Malaysia and found that there is no significant difference between 3 ethnic groups (Chinese, Malays and Indians) and consumer ethnocentrism. As a result, tourism marketers in Thailand should adapt marketing campaign relevant to subculture and ethnic in Malaysia. Whereas, to encourage Malaysian people to inshop in home country, tourism marketers in Malaysia should exert more attempts and promote the benefits of local products to the shoppers.

Shopper ethnocentrism has a significant negative correlation with foreign product judgment (p value = 0.000, Pearson correlation = -0.340) at 0.01. Hence hypothesis 2 (H2) was supported, and thus it can be concluded that when the level of shopper ethnocentrism increases, the level of foreign product judgments decrease. The finding is in agreement with

existing research. In another study of Malaysian consumers, [49] studied the tendency of consumer ethnocentrism among Malaysian Muslim consumers and cited that the level of consumer ethnocentric tendency among Malaysian Muslim consumers have a negative relationship with the judgment of US made products. Most studies have found that generally, consumers who have high level of ethnocentrism will evaluate foreign-made products negatively [34], [50] especially those from the developed countries. The findings of this study provide tourism marketers in Thailand to control the impact of shopper ethnocentrism on foreign product judgments by placing a greater emphasis on Thailand destination's image as well as brand image of products and services from Thailand to occupy the less ethnocentric segment of the market. On the other hand, this finding provides useful information for tourism marketers in Malaysia, in order to attract less ethnocentric segment of the market to inshop, the best approached using pro-Malaysian image to promote local products and local shopping destinations.

The results of this study show that shopper ethnocentrism was not significantly correlated with willingness to buy foreign products ( $p$  value = 0.905, Pearson correlation = -0.006). Therefore, hypothesis 3 (H3) was rejected. This finding is in consistent with those of previous studies. This result has been confirmed by [34], [39] because they too found that consumer ethnocentrism is related negatively to willingness to buy foreign products.

Finally, further research regarding cross-border shopping and ethnocentrism is recommended to be conducted on other regions of the world as well for comparison.

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