

# A Study on Factors Influencing Cross-Border Tourism among Bruneians

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## Article Info

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## Abstract

Cross- border tourism is one of the emerging trends in the global market. More researchers are investigating the effects of cross-border tourism and the behavior of this tourist. As similar behavior is observed among Bruneian tourist that cross border to Eastern Malaysia, this research intends to identify and evaluate the factors influencing cross-border tourism among Bruneian tourist. There by, their potential variables product availability and destination attributes were studied. Past works of literature, primary and secondary data were used to investigate the relationship of the variables. For the primary research a web-based questionnaires were carefully designed and distributed to Bruneians who engage in cross- border tourism. The results of the data gathered were carefully analyzed and are comprehensively discussed on the relevancy of the findings and past research. The results of this research should assist the Ministry of Primary Resources and Tourism, Brunei to develop the industry of Brunei and retain its consumers to reduce any unfavorable effects from cross- border tourism on the economy.

## Article History

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## 1.0 Introduction to the study

Over the past years advancements in technology have made consumers more knowledgeable about the services and product consumed globally. Global tourism has encountered a major increase and significant growth. According to the latest United Nations world tourism organization's (UNWTO) World Tourism Barometer. The figures have reached a total of 1,322 million in 2017, which is an increase of 7%. It was declared that approximately 369 million tourist (overnight visitors) were discovered to travel globally in 2017 as compared to the travels made in the year 2016. The numbers has drastically increased to 7% compared to 2016, which is just 4.0% of tourist travel globally (Media.unwto.org, 2018). Cross-border travelling is one of the tourism

activities, which contribute to one of the fastest growing economic worldwide. By definition cross-border tourism is a line of separation and relation between two or more country. In some part of the world these geographical region becomes a tourist destination (Krainara and Routray, 2015). The growth rate of cross-border tourism between Brunei and East Malaysia has not resulted in attracting an increase number of Malaysian tourist to Brunei, but it has provided such a probability (Tourism.gov.bn, 2019) The Malaysian tourism department had revealed that in 2018, the number of Brunei tourist that visited Malaysia have reached 1,382,031 a slight decrease compared in 2017 where the number of Bruneian tourist are 1,660,506. This is the reason that it is important for the Brunei Government and

marketers to investigate and understand the motives behind the rise in the trend of Bruneians to engage in cross-border tourism. Moreover, studies on the subject matter would help the government to gather sufficient information regarding the need of its consumers. Which result it will assist in improving the retail industry. This study therefore aims to 1) profile the respondent's characteristics among the Bruneian tourist who engage in cross-border tourism; 2) To determine the strongest predictor between factors influencing cross-border tourism (dependent variable) and the independent variables.

## **2.0 Literature review**

### **2.1 Cross-Border Tourism**

The UNWTO defines cross-border tourism as residents travelling to another country from the perspective of the country of origin. When tourists visit a country one of their main motive is shopping which leads to one of the factors of product availability. Shopping cross-border is regarded as one of the most common and interesting activities carried out by tourist as it provides motivation to travel (Weidenfeld, 2013). Further more the focus of many studies investigating cross-border tourism however differ. Some studies the effects of cross-border purchases on the host and destination economies. Cross-border tourism also has an impact towards the retail sales of shops on both side of the border. In Brunei the decrease in retail sales is rather obvious during festive seasons when Bruneians flock to the border of Miri and Limbang, Sarawak. Cross-border towards shopping may impact on the country's economic revenue, where purchases made by tourist represent an export goods and services in the visited destination of the country and leads to an improvement in the balance of growth and payments (Hampton, 2010). Other studies on cross-border tourism evaluate the purchasing patterns of tourist and tourist motivation factors. Literature suggest significant

difference in price levels, factors if shopping and availability of higher quality or branded goods that are unavailable at the home country that drives consumers towards cross- border travel.

### **2.2 Destination Attributes**

The first factor examined in this study is the destination attributes. The attractiveness of a destination relies on it attributes. The variable is significant as to why consumers choose the specific destination over the numerous choices available to them. Some of the attributes studied by researchers include the safety and security of consumers, ability to communicate easily with locals, entertainment options, natural beauty of the destination and accommodation facilities. According to Crompton consumers are expected to analyze the destination based on multiple attributes before traveling, same goes to the evaluation of products attributes before consumes purchase the product (Um and Crompton, 1990).As mentioned above, the destination attributes plays a major role in determining the visiting destination. Despite the different perspectives in literature, it could be understood that majority of the destination attributes have an impact towards the destination for shopping. First is the safety of the consumers in terms of political stability in the country. Therefore, this study focuses on identifying how the safety of the tourist, interaction with locals, climate and natural beauty and other services such as entertainment and accommodation affects the destination choice of Bruneian consumers.

### **2.3 Product availability**

The second factor examined in this study is the product availability. By definition a product is anything that can be offered to the market for purchase, consumption or use that might satisfy there need and wants (Lubbe, Douglas, Fairer, Kruger, Geldenhuys and Francis, 2016). There are trillions of products being manufacture and supplied globally. Despite this, there are countries

where they're a shortage of variety of products. Since there is a shortage of products in the home country, this could be a one of the factors that driven consumer to engage cross-border tourism. Tourist who engages cross-border tourism is because that may perceive that the products available across border are better than what is available in the home country, which leads a motivation to travel abroad ( Tömöri, 2010). According to Tomori due to the prices advantages, a wide variety of products and a beneficial exchange rate may Hungarians travelled for shopping to the neighboring country. Moreover relating to the above literature, consumers could also be motivated to travel to gain an advantage of branded products that may not be available in the home country (Dmitrovic and Vida, 2007). The quality of products may be cheaper in quality in the home country that may cause consumers to travel to buy high quality products outside the country. Reflecting the Bruneian market, there are no shops that sell genuine branded footwear and clothing. The researcher has not observed top brand stores such as Uniqlo, H&M, Zara to be located in Brunei. These could me be motivational factors for Bruneian consumers to involve in cross-border tourism. Thus, the researcher aims to study this variable and identify the dynamic impact of this variable in making Bruneians consumers to engage cross-border tourism.

Hypothesis of this study is as following:

No.	Hypothesis Statement	Analysis Method
H1	There is a significant relationship between destination attributes and cross-border tourism among Bruneians	Multiple Regression Test
H2	There is a significant relationship between product availability and cross-border tourism among Bruneians	Multiple Regression Test

Table 1: Hypotheses for the study

## 2.4 Theories Application

### 2.4.1 Push and Pull Factors

Crompton (1979) describes motivation has a major effect towards the behavior especially, in the case of Bruneian tourists behavior, where they are specifically motivated by certain push and pull factors to engage cross the border. Push motivations are generally used to explain the desire for travel or motive that drives the Bruneians away from home, whereas, pull motivations are used to explain the drive that attracts Bruneian tourists to East Malaysia. (Crompton, 1979)

### 2.5 Research Framework

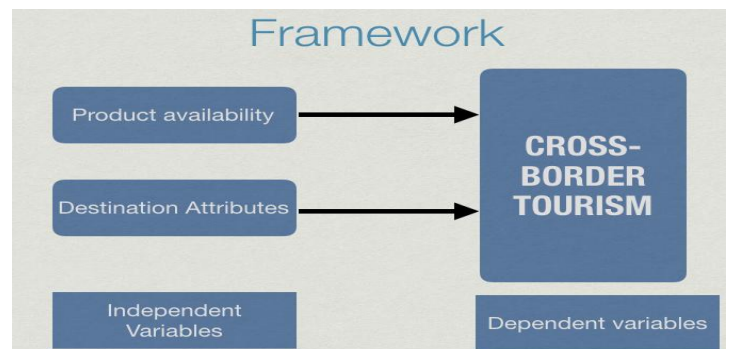


Figure 1 : Push and Pull Factors of influencing Cross Border Tourism among Bruneians

Source : Adapted from Clark 1994, Study of Motivation from the perspective of Bruneian to Malaysia

## 3.0 Research Methodology

Since this research is using positivism, survey method and deductive. The effective choice is by using quantitative research and analysis. Quantitative data needs to be analyzing to be useful and to find out the relationship between variables (Saunders et al. 2007). Quantitative analysis strategy such as charts, graphs and statistics can aid us to explore present, describe and examine relationships and trends within out data (Saunders et al. 2007).

### **3.1 Questionnaire Instrumentation**

Since this research is using quantitative data questionnaires and survey will be distributed using electronically through the Internet. Some of the main advantages of conducting this research study via the Internet were its nature in cost- and time-efficiency and the ability to access a large and diverse population of Bruneian respondents. These features were considered as an appealing option and very important for the researcher especially with little time and money available for conducting the research

Surveys and questionnaires are chosen because it is inexpensive, timesaving greater anonymity and less biases (Saunders et al., 2007). Furthermore, questions on demographics are designed by using a nominal and scale such as gender, age, monthly income, etc. The Likert scale in designing the questionnaires were appropriate for this research context and it has provided the researcher with various types of information required for this study. The researcher found it was easier to collate results from questionnaires and the outcomes were clear and concise which has made it much easier to manage in the analysis stage (McNabb, 2008). Apart from that, questionnaires with open-ended questions were deemed as flexible as the respondents were allowed to answer personally in their own views and opinions. Plus, it was tailored to address the objective of this research project by eliciting honest opinions from the respondents where they were given the opportunity to add any additional and personal information on the subject matter (McNabb, 2008; The Economics Network, 2017).

### **3.2 Types of data**

This research will collect primary data and secondary as its much more trustworthy compare to secondary data. With reference Uma Sekaran (2003), have stated that primary data refers to the information obtained firsthand by the researcher on the variables such as independent and

dependent variables for the purpose of the study. The primary data in this research is gathered through online questionnaire. In order to gather personal experiences, attitudes and expectation among the informants, as they provide information from the perspective of the respondents and yield rich insight and detail information about people's opinions, experiences, attitudes, feelings and aspirations. The secondary data is collected from previous studies and other organization for different purpose. Therefore, secondary data for this study were acquired from the Ministry of Primary Resource and Tourism (MPRT) and Ministry of Tourism and Culture Malaysia (MOTAC), journal articles, news and dissertations. The secondary data used in this research provide background information on the Bruneian tourist behavior traveling abroad. These source were useful in determining the contributions and problems of the tourism industry in Brunei.

### **4.0 Data Analysis and Representation**

In this chapter, the quantitative data has been collected from Google Forms responses after being distributed via Whatsapp application through the questionnaire URL generated by Google Forms. This study uses primary data collection method. There are approximately 385 respondents who participate in this research consists of Bruneian population who engage in cross-border travel in East Malaysia. All data were analyzed using SPSS tool.

#### **4.1 Respondents Demographic Characteristics**

Before doing a detailed analysis, it is important to understand the demographic characteristics of the respondents. Below is statistic with aid of visualizations, which include characteristic such as age, marital status, family members in household, profession and monthly income range used.



Table 2: Demographic frequency and Percentage

No	Demographic	Frequency	Percent (%)
1	<b>Age</b>		
	18-25	111	28.8
	26-40	119	30.9
	41-59	121	31.4
	Above 60	34	8.8
2	<b>Marital Status</b>		
	Married	214	55.6
	Single	171	44.4
3	<b>Family members</b>		
	02-Apr	101	26.2
	04-Jun	131	34
	Above 6	152	39.5
4	<b>Profession</b>		
	Entrepreneur	18	4.7
	Private Sector	88	22.9
	Public Sector	145	37.7
	Student	89	23.1
	Other	45	11.7
5	<b>Income Level</b>		
	\$1000 and below	124	32.2
	\$1,001 - \$2000	40	10.4

	\$2,001-\$3000	69	17.9
	\$3,001-\$4,000	55	14.3
	Above \$4000	97	25.2
4	<b>Brunei Residency Group</b>		
	Brunei Citizen (Yellow)	381	99
	Permanent Resident (Red)	2	0.5
	Temporary Resident (Green)	2	0.5

There were 385 respondents who participate in this study and the result of age group is shown in the table above. Based on the result, 31.4% of the respondents are age between 41 to 59, while respondents between 26 to 40 years old accounted for 30.9%. The respondents who were between 18 to 25 years old accounted for 28.8% and Above 60 years old accounted for 8.8%. The results showed that majority of the respondents were classified as 'middle adulthood' and 'teenagers'. Results indicate that majority of the respondents who engage in cross border travel were middle adulthood. The data in Table 5 revealed that majority of the respondent's profession were Public sector (37.7%), while 23.1% of the respondents were students, followed by 22.9% worked in the private sector, 11.7% work in other sectors and 4.7% are entrepreneurs.

In terms of income level, the data in Table 5 shows that majority of the respondents by 124(32.2%) were to receive a monthly income of \$ 1,000 and below. The least were to receive a monthly income of \$ 1,001 to \$ 2,000 involving 40 respondents with 10.4%. Followed by the ones the ones received from \$3,001 to \$4,000, which consist of 55 respondents. Next with 69 respondents (17.9%) are the ones that receiving a

monthly income of \$ 2,001 to \$3,000. Furthermore 97 respondents (25.5%) received a monthly income of above \$ 4,000. Table 5 shows the Brunei residency groups range of respondents from the data collected. The sample shows that 99% of the respondents are Bruneian citizen, 0.5% are temporary resident and 0.5% permanent resident. This research has Bruneian citizen as the highest population of respondents

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	0.156	0.367		0.425	0.671
(Constant)	0.195	0.018	0.33	10.974	0
SUM_DA					
SUM_PA	0.457	0.021	0.653	21.725	0

Table 3 : Dependent Variable: SUM\_CBT

**4.2 Multiple Regression**

Formula for multiple regression:

$$Y_i = \alpha + X_1\beta_1 + X_2\beta_2 + \epsilon_i$$

Where,

$Y_i$  = Cross-border travel

$\alpha$  = constant

$\beta_1 \dots \beta_3$  = Coefficients

$X_1$  = Factor score for Factor 1 (Destination attributes)

$X_2$  = Factor score for Factor 2 (Product availability)

$\epsilon_i$  = Random error term

In the column titled Beta under Standard Coefficients above shows the greatest beta coefficient is 0.643 whereas it placed under product availability. This indicate that Product Availability is the strongest involvement variable towards clarifying the significant with the

dependent variable; cross-border travel, in justification with other variables in the model. In the column titled **sig**, it is to imply whether the variables are making statistically significant unique contribution to the equation in dependent on which variables are involved in the equation and minimizing whether there would be overlapping among the independent variables. As stated by Pallent (2013), when the Sig value is less than 0.05. It is stated that the variable would make a significant unique contribution while if it is greater than 0.05, it would be that the variable would not make a significant unique contribution to the prediction of dependent variables.

The table above, however showed that destination attributes and product availability does make a significant unique contribution with cross-border travel due to the sig value is less than 0.05. This indicated that there is no overlap with other variables in the model.

Multiple regression was used to assess the effect of travel motivation factors towards cross border travelling. A benchmark of  $p < 0.05$  is used to decide whether they are determinants. The destination attributes was significant at 5% level of significance. It can be explained, as increase of 1 unit in destination attributes will cause an increase of 0.326 units in cross-border travelling among Bruneians. The p value between destination attributes and cross-border travel is 0.00. This shows that destination attributes is a determinant of cross-border travel. According to Lord, Putrevu and Shi (2008) destination attributes is a motivation for cross-border travel. Woyo and Slabbert (2019) had also stated the same statement.

The product availability was significant at 5% level of significance. It can be explained, as increase of 1 unit in product availability will cause an increase of 0.643 units in cross-border travelling among Bruneians. The p value between product availability and cross-border travel is

0.00. This shows that product availability a determinant of cross-border travel. As stated by Bar-Kořelis and Wiskulski (2012), Peoples travel to shop motivated by the products availability and price differences of other locations as well as from the need of entertainment they benefit from. Timothy, (2014) stated that product availability and service have a strong influence towards cross-border travel. All these literature agree with the findings that this study has identified. Destination attributes and product availability are significant determinants in influencing cross border travel among Bruneians. It has similar relationships with the cross-border tourism in other countries. According to the modeling done using multiple regression destination attributes and product availability are stronger determinants of cross-border travel. The Brunei Darussalam retail and tourism industry should focus more on the destination attributes and product availability to ensure or decrease the outflow of money going outside the country in a high amount.

### 4.3 Hypothesis Tests

Table 4: Hypothesis Tests

Null Hypothesis	Hypothesis Statement	Findings	Result
H1	There is a significant correlation between Destination Attributes and Cross-Border Travel	<b>P&lt;5% (0.05)</b>	Hypothesis accepted
H2	There is a significant correlation between Product Availability and Cross-Border Travel	<b>P&lt;5% (0.05)</b>	Hypothesis accepted

According to the table above the overall analyses that have been performed. All research hypotheses are proofed to have a significant correlation between dependent variable, which is cross-border travel. In addition to that, the hypotheses testing is overall being accepted. H1 hypothesis are being accepted due to the finding resulted with  $r = 0.607$   $p < 5\%$  (0.05). Similar with H2 hypothesis that is  $p < 5\%$  (0.05).

### 5.0 Recommendation and Conclusion

This research strongly focuses on attributes such as destination attributes and product availability and their factors towards cross-border travel. This research has explored the strength and direction of relationship between these variables and cross-border travel. It has also identified whether they were significant determinants of cross-border travel.

Based on findings, it is suggested that the Brunei Darussalam should focus more on their destination attributes and product availability. Some recommendations are made in this paper. First of all retailers should focus on market research to identify these wants, trends and preferences of the customers segments especially focusing on the youth and middle age adults as more percentage of the youth and middle age adult population have frequently engaged in cross-border travel for shopping. Secondly, majority of the respondents stated that they engaged in cross-border travel because retailers in Miri offers up to date products that are demanded by customers with a wide variety of entertainment and tourism products to choose from. Lastly the development of cross-border tourism between Brunei and East Malaysia has not resulted in attracting a huge number of Malaysian tourists to Brunei, but it has provided such a possibility. There is a few recommendation populated from primary research fro Brunei tourism industry's for future growth in terms of domestic tourism activities such as promote Brunei as a global tourist destination, organize more activities such as celebrations, carnivals or festivals, provide better social activities or entertainment and Brunei tourism could practice competitive action plan to motivate Bruneians to shop locally. These strategies can assist to retain a fraction of consumers from travelling abroad. Finally, the researcher advises Bruneians to understand the restrictions and the limitations faced by local retailers. The outcome of the research also shows that destination attributes, product availability and favorable exchange rate have moderate, strong and weak positive relationship towards cross-border travel. In conclusion the Brunei tourism board can benefit from understanding how destination attributes, product availability and favorable exchange rate have an impact towards cross-border tourism.

### 5.1 Limitation and future research considerations

This study only covered the three factors influencing Bruneians to engage in cross-border tourism and was limited to Bruneians living in the capital who engage in cross-border tourism. Furthermore, as only 385 questionnaires were gathered, the results may not be entirely accurate represents the view of all the tourists who travel aboard for cross-border travel. Moreover, the research instrument was reduced to 25 questions, considering the time constraint to complete the study and lastly future research can concentrate on conducting a similar research on a national level, if time and cost is not hindrance to further understand Bruneian tourist towards cross-border tourism. The outcome of the research would differ as other cities are brought into the picture.

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