

## Discerning Differences in Cross-border Shopping Occasions

Michael S. Mulvey  
*University of Ottawa*

Michael Lever  
*University of Guelph*

Follow this and additional works at: <https://scholarworks.umass.edu/ttra>

---

Mulvey, Michael S. and Lever, Michael, "Discerning Differences in Cross-border Shopping Occasions" (2017). *Travel and Tourism Research Association: Advancing Tourism Research Globally*. 3.  
[https://scholarworks.umass.edu/ttra/2017/Qual\\_Research\\_Papers/3](https://scholarworks.umass.edu/ttra/2017/Qual_Research_Papers/3)

This Event is brought to you for free and open access by ScholarWorks@UMass Amherst. It has been accepted for inclusion in Travel and Tourism Research Association: Advancing Tourism Research Globally by an authorized administrator of ScholarWorks@UMass Amherst. For more information, please contact [scholarworks@library.umass.edu](mailto:scholarworks@library.umass.edu).

## Discerning Differences in Cross-border Shopping Occasions

### Introduction

Throughout history, consumers have crossed borders to hunt for bargains or to access unique or varieties of items that are not available locally, a phenomenon known as cross-border shopping. Even though the phenomenon of cross-border shopping is nothing new, the emergence of e-commerce and digital technologies has made it easier than ever for people to shop online with merchants across the world. Moreover, growth in affordable international travel has immersed business- and tourist-travelers in foreign marketplaces populated with distinctive retailers.

The purpose of this research is to take stock of traditional and emergent forms of cross-border shopping, with a focus on Canadian shoppers. Despite well-argued analyses of the economic drivers and “multiplier effect” impact of cross-border shopping, surprisingly little research has been undertaken to understand the *actual properties* of various forms of cross-border shopping occasions. Furthermore, few studies have ever attempted to understand and map the cross-border shopping experience from the customer perspective, which requires input from *actual shoppers*.

In this paper we address these deficiencies by creating and analysing a rich new data source including 413 one-on-one interviews with cross-border shoppers. Our two-phase study begins by identifying the key structural properties that distinguish different cross-border shopping occasions. Next, the properties of day-, overnight-, and vacation-trips are compared to develop a better understanding of similarities and differences that exist across various cross-border shopping occasions. We then relate these results to previous research that examines the interplay between travel and shopping experiences.

### Literature Review

#### *International Outshopping*

Cross-border shopping is synonymous with international outshopping, which we define as “the purchase of goods or services in another country by a consumer who foregoes local retailers and identifies shopping as a major motive for going abroad.” Marketers and retailers have long been interested in the “leakage” of customers from the local market to surrounding trade areas. Historically the focus of outshopping studies was on the exodus of shoppers from small communities to larger urban communities to visit shopping malls and service providers (Reynolds & Darden, 1972; Taylor, 1997). Also of interest was consumers’ willingness to travel to fulfill their shopping goals (Papadopoulos, 1980). Although the term international outshopping is favored by certain researchers (Piron, 2001; Wang, Doss, Guo, & Li, 2010), we adopt the term cross-border shopping which is more commonly used in the Canadian marketplace (Chatterjee, 1991; Di Matteo & Di Matteo, 1996; Ferris, 2010).

#### *Cross-border Shoppers*

Cross-border shoppers, like shoppers in a general sense, do not follow a single pattern of behaviour on the path-to-purchase. However, they do tend to follow certain routines that make the cross-border shopper different from the general shopper, and these routines are worth noting. The current

literature, both academic and media, depict cross-border shoppers as fiscally-concerned deal-seekers in the pursuit of categories of goods such as groceries (Quaale, 2013; Writer, 2013), car parts (Pritchard, 1991), clothing (Strauss, 2010; Dundas, 2012), gasoline (Di Matteo & Di Matteo, 1996), tobacco (Leal, López-laborda, & Rodrigo, 2010), or alcohol (Hellman & Ramstedt, 2009). Cross-border shoppers often exhibit adventure-seeking tendencies, have a penchant for encountering new cultures, and involve longer trips that tend to be more leisure oriented (Timothy, 2005).

### ***Shopping Occasions***

This research focuses on the shopping occasions as the unit of analysis. The use of the word “episode” refers to the incidence of a single category or type of cross-border shopping occasion. The focus on occasions as a unit of analysis allows us to examine how each instance of cross-border shopping is indicative of a more general type of experience that is shared by other consumers. By understanding each episode as an occasion, we can better compare and contrast it with others in the universe of cross-border shopping occasions.

### **Methodology**

This research strives to understand and map the variety of consumers’ cross-border shopping experiences from the consumer perspective, and therefore required consumer input. The two coauthors and 413 student collaborators contributed to this study. The first data set consists of depth interviews conducted with travellers who engaged in cross-border shopping. The second data set consists of surveys that coded properties of each cross-border shopping episode.

#### ***Phase 1 – Identifying the Structural Properties of Occasions***

Fifty-six one-on-one personal interviews were conducted with cross-border shoppers in early 2014. The interviews (conducted by student collaborators for credit in a consumer behaviour course in which decision-making and path-to-purchase were substantive topics in the curriculum) were aimed at providing emic perspectives on the customer experience. A semi-structured interview guide focused on auditing diverse elements of consumer choice including: destination choice, trip and purchase motivations, spatial travel patterns, temporality, the decision-making unit, related past experience, decision triggers, and satisfaction and future intentions. The interviewer summarized the key insights and findings in a 1-2 page brief.

Next, using a structural approach commonly used in anthropology and interpretive consumer research (Levy, 1981; Ryan & Bernard, 2003), the senior author analyzed the textual dataset, comparing and contrasting the episodes, to identify underlying properties that distinguished different occasions. The provisional list of properties was used to code the set of 56 interviews. The codes were reconciled with the literature and definitions refined. Then, following Ryan (1999), the second author repeated the coding process to assess the coding scheme’s ability to identify typical or exemplary examples from the corpus of texts. The authors agreed that most interviews fit our list of codes and could be easily and accurately replicated by other coders.

#### ***Phase 2 – Comparing Occasion Properties by Trip Duration***

An additional 356 interviews were conducted in the same manner in 2014 to 2016. Upon submission of the 1-2 page brief, the student-collaborators were asked to code the properties of the interview they conducted using the categories generated in Phase 1. Also, they were asked to provide a “nickname, label or hashtag to classify the type of cross-border shopping occasions described by the shopper”. A total of 323 cross-border shopping occasions (of 356 = 90.7%) were rated and used in the next phase of analysis.

Chi-square tests of independence was performed to examine the relationship between the occasion properties and trip duration. To account for the number of pairwise comparisons, the two-sided tests were conducted using the Bonferroni correction.

## **Results**

### ***Phase 1 – The Properties of Cross-border Shopping Occasions***

We identified properties, organized into five broad themes with sub-themes, which captured the similarities and differences between the 56 reported cross-border shopping occasions. The results, summarized in Table 1, reveal that there exists considerable variance in the mix of cross-border shopping occasions and that the properties of these occasions often vary systematically depending on trip duration (day, overnight, or vacation). Next, we explore the results in tandem with the statistical tests reported in Table 2 which compare the incidence of properties by trip duration.

**Focal goal.** The goal of shopping is the key driver (90%) of same-day trips. As trip duration increases from overnight (65%) to vacation (42%), shopping increasingly gives way to other goals that motivate the trip. Reports of purposeful day trips included “back to school buyer” “on a mission” “Cheap Beer” and “#Buffalobondingandshopping”. That being said, the results also speak to the importance of shopping as a focal activity of interest for longer trips – our database includes 73 occasions where travellers organized vacations around the goal of shopping, including tales of “girly tour” “holiday shopping” “#FashionCentral” and “cheapfakefinds”.

**Social unit.** Shopping trips, regardless of duration, are most likely to be conducted in groups. In fact, the dominant theme of many trips was centered on social units including “#familyevent” “#friendship” “retiree ladies trip” “gaming bro” and “girlstrip”. Interviews with solitary travelers were less common, including “niche shopper” “business-buying trip” and “online guru”.

**Event-driven.** It is not uncommon for shopping trips to correspond to calendar-based events, yet such examples are balanced across trips of various durations. Instances of day trips include “Back-to-school shopping” and “Turkeydeals”, overnight trips include “#BlackFridayDeals” “#labourdayweekend” and “#xmasshopping”, while vacations involve “Springbreak” “Vacationspree” “#birthday” and “Wedding shopping”.

**Table 1.** *Properties of Cross-border Shopping Occasions*

Property	Description	Related Literature
<b>Trip Duration</b>		
Day	Same-day trips for staples (i.e. groceries, fuel) are common in border towns.	Ferris (2010) Papadopoulos (1980)
Overnight	Getaway trips to shopping destinations (i.e. outlet malls) generate hotel stays.	Ahmed (1996) Sullivan, Bonn, Bhardwaj, and DuPont (2012)
Vacation	Visitors from abroad often include shopping (i.e. luxury goods) into their travel plans.	Moscardo (2004) Wang et al. (2010)
<b>Episode Properties</b>		
Focal goal	Shopping can be the focal goal of a trip, or be embedded within a broader agenda that is focused on another activity of interest (i.e., tourism, visiting relatives, work trip).	Lue, Crompton, and Fesenmaier (1993) Rasouli and Timmermans (2013) Tax, McCutcheon, and Wilkinson (2013)
Social unit	Shopping is an activity can be done alone or with others. Shopping companions can alter the experience in many ways.	Castaño, Perez, and Quintanilla (2010) Epp and Price (2011) Prus (1993)
Event-driven	Shopping occasions may align with calendar dates, for instance, holidays including Black Friday, back-to-school, or March Break.	Siguaw and Simpson (1997) Swilley and Goldsmith (2013)
Cyclic event	A shopping episode can be a one-time occurrence or a periodic visit or tradition.	Belli (1998)
<b>Internet Use</b>		
No online	The rise of e-commerce, the Internet and related technologies offer consumers unprecedented information-seeking and sharing capabilities, impacting all stages of the customer experience (pre-purchase, purchase, post-purchase).	Kozinets, De Valck, Wojnicki, and Wilner (2010) Lemon and Verhoef (2016) Padgett and Mulvey (2007) Parasuraman and Grewal (2000)
Some online		
All online		
<b>Product Properties</b>		
Low price	Price gaps cause cross-border shopping.	Standing Senate Committee on National Finance (2013)
Quality	Product/service quality prompt outshopping.	Guo, Vasquez-Parraga, and Wang (2006)
Selection	A wide variety of choice drives outshopping.	Wakefield and Baker (1998)
Unique	A mix of unique products drives outshopping.	Burns and Warren (1995)
Illegal	Shoppers may seek and smuggle illegal goods.	Lavik and Nordlund (2009)
<b>Retail Properties</b>		
Atmosphere	The physical & social environments spur patronage.	Pan and Zinkhan (2006)
Convenient	Shopping ease fosters store patronage.	
Efficiency	Time-savings and expedient service makes the process less stressful, influencing store choice.	
Friendliness	Interactions with staff support patronage.	
Store image	Perceptions of brand image guides patronage.	

**Table 2.** Comparison of Cross-border Shopping Occasion Properties by Trip Duration

Properties	Trip Duration		
	<i>day</i> n = 93	<i>overnight</i> n = 57	<i>vacation</i> n = 173
<b>Episode Properties</b>			
Focal goal: shopping	90% <sup>a</sup>	65% <sup>b</sup>	42% <sup>c</sup>
Social unit: group	78%	89%	84%
Event-driven	46%	63%	57%
Cyclic event	68% <sup>a</sup>	40% <sup>b</sup>	46% <sup>b</sup>
<b>Internet Use</b>			
No online	39%	33%	29%
Some online	57%	67%	66%
All online	4%	0%	4%
<b>Product Properties</b>			
Low price	80% <sup>a</sup>	75% <sup>a, b</sup>	65% <sup>b</sup>
Quality	39%	54%	52%
Selection	70%	79%	68%
Unique	45% <sup>a</sup>	49% <sup>a, b</sup>	62% <sup>b</sup>
Illegal	2%	4%	0%
<b>Retail Properties</b>			
Atmosphere	35% <sup>a</sup>	61% <sup>b</sup>	66% <sup>b</sup>
Convenient	65% <sup>a</sup>	49% <sup>a, b</sup>	45% <sup>b</sup>
Efficiency	44%	32%	34%
Friendliness	14%	12%	21%
Store image	40% <sup>a</sup>	63% <sup>b</sup>	58% <sup>b</sup>

Note: Values in the same row and not sharing the same subscript are significantly different at  $p < .05$  in the two-sided test of equality for column proportions. Tests assume equal variances. Tests are adjusted for all pairwise comparisons within a row using the Bonferroni correction.

**Cyclic shopping.** Day trips are more likely to have a repeated or periodic quality to them than overnight or vacation trips. Same-day “#borderrun” “grocery shopping” “hopping spree” “Syracuse shoppin” and “Buffalo Adventures” are shopping tales that have been repeated and updated over the years. Other shoppers reported longer-term trips such as “#InternationalRetailTherapy” “mother-daughter getaway” “Black Friday Craze” and “#crossbordershopperforthewin”.

**Internet use.** Interestingly, use of the internet did not vary significantly by trip duration. Perhaps the most telling result here is that 61% to 70% of shopping trips involved at least some use of the internet. Use of the internet was paramount to “item driven shopping” “bargain hunter” “buybuybuy” “#electronics” and “there goes my bank account”.

**Product properties.** Low price is more likely to be mentioned in stories of same-day trips than vacations as reflected by labels including “#GetTheDeal” “Die Hard Shopper” “Let’s spare money” “saving money” and “quick and spontaneous and on a budget”.

The incidence of quality did not vary significantly across trip durations – perhaps its influence is more stable among quality-minded shoppers. No labels accentuated quality as the defining feature of an occasion.

Product selection is valued in shopping occasions across all trip durations. Aside from “WideVariety” it rarely featured in shopping occasion labels.

Unique goods played a more prominent role in longer trips, as reported by “wine collector” “knife enthusiast” “Nowhere in Canada” “trendy” and “aSailorsBoozeRun”.

There were very few reports of illegal purchases. The small sample precluded testing for differences by trip duration. An anecdotal example, referring to the import of a banned herbicide is “weed-killing shopping”. Social desirability likely explains the rare incidence of such purchases.

**Retail properties.** The retail atmosphere is most prevalent in longer-term trips and was noted by “windowing” “Big Apple” and “#ExoticShopping”.

Convenience factored more heavily in day trips, as noted by “#QuickShopper” “on a mission” and “quick and spontaneous and on a budget”.

Efficiency achieved a moderate level of mentions across trip durations and surfaced in “#Necessary” “shopping while visiting” and “time value trip”.

The prevalence of friendliness was constant across trip durations, but was valued by “fun shopping” “pleasant” and “a month in Paradise”.

Store image plays a more prominent role in longer trips. The impact of brand reputation was evident in “Duty Free Lover” “label driven” “Prom shopper” “#NewLifeNewWardrobe” and “#FashionCentral”.

## **Conclusion and Discussion**

Paradoxically, researchers have rarely, if ever, provided a systematic, empirically-based audit of the variety of cross-border shopping occasions. This study demonstrates that not all cross-border shopping trips are alike. To be more precise, the study findings show that each cross-border shopping episode can be characterized by an array of properties including duration (same-day, overnight, vacation), purpose (shopping as focal goal versus incidental), social unit (shopping alone versus with others), use of the Internet (no, some, all), as well as temporal qualities including periodicity (one-time versus recurrent) and landmark-anchors (tied to a calendar-based event or not). Cross-border shopping occasions are also marked by distinct sets of salient motives related to product choice (low price, quality, selection, uniqueness, and illegal goods) and preferred retail destinations (atmosphere, convenience, efficiency, friendliness, store image). As a consequence of the combinations of these properties, there exists a wide assortment of distinct types of cross-border shopping occasions.

The contemporary viewpoint advanced by this research approach will make a significant contribution to the literature on cross-border shopping, and will benefit marketing academics and practitioners alike. Our findings are particularly relevant to players in the tourism sector and policy makers who appreciate how effective strategy and decision-making emanates from understanding both the subtle and the dramatic variations that exist in modern cross-border shopping occasions.



## References

- Ahmed, Z. U. (1996). An international marketing perspective of Canadian tourists' shopping behaviour: Minot (North Dakota). *Journal of Vacation Marketing*, 2(3), 207-214.
- Belli, R. F. (1998). The Structure of Autobiographical Memory and the Event History Calendar: Potential Improvements in the Quality of Retrospective Reports in Surveys. *Memory*, 6(4), 383-406.
- Burns, D. J., & Warren, H. B. (1995). Need for uniqueness: Shopping mall preference and choice activity. *International Journal of Retail & Distribution Management*, 23(12), 4-4.
- Castaño, R., Perez, M. E., & Quintanilla, C. (2010). Cross-border shopping: Family narratives. *Qualitative Market Research: An International Journal*, 13(1), 45-57.
- Chatterjee, A. (1991). Cross-border shopping: Searching for a solution. *Canadian Business Review*, 18(4), 26-28+.
- Di Matteo, L., & Di Matteo, R. (1996). An analysis of Canadian cross-border travel. *Annals of Tourism Research*, 23(1), 103-122.
- Epp, A. M., & Price, L. L. (2011). Designing Solutions Around Customer Network Identity Goals. *Journal of Marketing*, 75(2), 36-54.
- Ferris, J. S. (2010). Quantifying non-tariff trade barriers: What difference did 9/11 make to Canadian cross-border shopping? *Canadian Public Policy*, 36(4), 487-501.
- Guo, C., Vasquez-Parraga, A. Z., & Wang, Y. (2006). An exploratory study of motives for Mexican nationals to shop in the US: More than meets the eye. *Journal of Retailing and Consumer Services*, 13(5), 351-362.
- Hellman, M., & Ramstedt, M. (2009). Cross-border purchase of alcohol in the Nordic countries. *NAT Nordisk Alkohol & Narkotikatidskrift*, 26(2), 111-115.
- Kozinets, R. V., De Valck, K., Wojnicki, A. C., & Wilner, S. J. (2010). Networked narratives: Understanding word-of-mouth marketing in online communities. *Journal of Marketing*, 74(2), 71-89.
- Lavik, R., & Nordlund, S. (2009). Norway at the border of EU-cross-border shopping and its implications. *NAT Nordisk Alkohol & Narkotikatidskrift*, 26(2), 205-231.
- Leal, A., López-laborda, J., & Rodrigo, F. (2010). Cross-Border Shopping: A Survey. *International Advances in Economic Research*, 16(2), 135-148.
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. *Journal of Marketing*, 80(6), 69-96.
- Levy, S. J. (1981). Interpreting consumer mythology: a structural approach to consumer behavior. *The Journal of Marketing*, 45(3), 49-61.
- Lue, C.-C., Crompton, J. L., & Fesenmaier, D. R. (1993). Conceptualization of multi-destination pleasure trips. *Annals of Tourism Research*, 20(2), 289-301.
- Moscardo, G. (2004). Shopping as a destination attraction: An empirical examination of the role of shopping in tourists' destination choice and experience. *Journal of Vacation Marketing*, 10(4), 294-307.
- Padgett, D., & Mulvey, M. S. (2007). Differentiation via technology: Strategic positioning of services following the introduction of disruptive technology. *Journal of Retailing*, 83(4), 375-391.
- Pan, Y., & Zinkhan, G. M. (2006). Determinants of retail patronage: A meta-analytical perspective. *Journal of Retailing*, 82(3), 229-243.
- Papadopoulos, N. G. (1980). Consumer Outshopping Research: Review and Extension. *Journal of Retailing*, 56(4), 41-41.

- Parasuraman, A., & Grewal, D. (2000). The Impact of Technology on the Quality-Value-Loyalty Chain: A Research Agenda. *Journal of the Academy of Marketing Science*, 28(1), 168-174. doi:10.1177/0092070300281015
- Piron, F. (2001). International retail leakages: Singaporeans outshopping in Malaysia. *Singapore Management Review*, 23(1), 35-58.
- Prus, R. (1993). Shopping with companions: Images, influences and interpersonal dilemmas. *Qualitative Sociology*, 16(2), 87-110.
- Rasouli, S., & Timmermans, H. (2013). Assessment of model uncertainty in destinations and travel forecasts of models of complex spatial shopping behaviour. *Journal of Retailing and Consumer Services*, 20(2), 139-146.
- Reynolds, F. D., & Darden, W. R. (1972). Intermarket patronage: A psychographic study of consumer outshoppers. *Journal of Marketing*, 36(4), 50-54.
- Ryan, G. W. (1999). Measuring the typicality of text: Using multiple coders for more than just reliability and validity checks. *Human Organization*, 58(3), 313-322.
- Ryan, G. W., & Bernard, H. R. (2003). Techniques to identify themes. *Field methods*, 15(1), 85-109.
- Siguaw, J. A., & Simpson, P. M. (1997). Effects of religiousness on Sunday shopping and outshopping behaviours: A study of shopper attitudes and behaviours in the American south. *The International Review of Retail, Distribution and Consumer Research*, 7(1), 23-39.
- Standing Senate Committee on National Finance. (2013). *The Canada-USA Price Gap*. Ottawa: Government of Canada.
- Sullivan, P., Bonn, M. A., Bhardwaj, V., & DuPont, A. (2012). Mexican national cross-border shopping: Exploration of retail tourism. *Journal of Retailing and Consumer Services*, 19(6), 596-604.
- Swilley, E., & Goldsmith, R. E. (2013). Black Friday and Cyber Monday: Understanding consumer intentions on two major shopping days. *Journal of Retailing and Consumer Services*, 20(1), 43-50.
- Tax, S. S., McCutcheon, D., & Wilkinson, I. F. (2013). The Service Delivery Network (SDN): A Customer-Centric Perspective of the Customer Journey. *Journal of Service Research*, 16(4), 454-470. doi:10.1177/1094670513481108
- Taylor, S. L. (1997). Outshopping: The battle between rural and urban medical services. *Marketing Health Services*, 17(3), 42-44.
- Wakefield, K. L., & Baker, J. (1998). Excitement at the mall: Determinants and effects on shopping response. *Journal of Retailing*, 74(4), 515-539.
- Wang, Y. J., Doss, S. K., Guo, C., & Li, W. (2010). An investigation of Chinese consumers' outshopping motives from a culture perspective. *International Journal of Retail & Distribution Management*, 38(6), 423-442.