

Consumption Pattern of Visitors at Serikin Market, The Border of Malaysia-Indonesia

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ABSTRACT

Serikin market located at the border of Malaysia-Indonesia has drawn a high public attention indicated by many visitors going there to buy Indonesian products. This paper attempts to investigate the consumption pattern of visitors shopping at the Serikin, Sarawak. The primary data were collected from 110 respondents who ever visited Serikin market. The findings indicate that the frequency of visit to Serikin, income and traveling cost influence the consumption pattern of visitors. In addition, a low price of Indonesian product is the main factor affecting motivation for shopping at the Serikin.

Keywords: cross- border market, visitor, Malaysia, Indonesia

1. INTRODUCTION

Malaysia has at least five cross-border markets, three markets at the border of Malaysia (Kedah, Perlis and Kelantan) and Thailand, one market at the border of Malaysia (Sarawak) and Brunei and one market at the border of Malaysia (Sarawak) and Indonesia. Among these markets, at least two cross border markets (Wong Kelian-Perlis and Thailand) and Serikin-Sarawak-Indonesia) have a similar characteristic in term of Thai and Indonesian traders enter Malaysia to sell their products. Objective of this study is to describe the behavior of visitors at Serikin market, Sarawak Malaysia. This paper consists of five sections. The next section is a literature review, followed by research method, finding and conclusion.

2. LITERATURE REVIEW

Cross-border economic activity can be classified into cross-border shopping or shopping tourism (Timothy, 2005) and cross-border trading. Cross-border shopping is people who across the border for shopping in a neighbouring country (Timothy, 2005) while informal cross-border traders are traders who bring their merchandise to be sold in a neighbouring country (Minde and Nakhumwa, 1998). People from Austria, Slovenia and Croatia across the border to Hungary for shopping enjoys price differences, a wider range of products and favourable exchange rates (Hardi, 2001 cited in Tomori, 2010).

3. RESEARCH METHOD

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This present study focus on cross-border shopping but the people do not need to cross the border for shopping the foreign product. The cross border shopping in this study is defined as people (local or non-local people) who shop foreign products at the local market sold directly by the foreign traders. The location of the research is at Serikin Market, Bau, Sarawak. The data were collected through a preliminary survey conducted on 20 October 2012. Respondents were visitors at the Serikin market on that day selected based on a convenience sampling method. As many as 110 respondents were interviewed.

The questionnaires include four aspects which are individual characteristics, frequency of visit, consumption pattern and motivation. The data are analysed descriptively by using percentage. The independent variables include frequency of visit, income and traveling cost while consumption pattern is a dependent variable.

4. EMPIRICAL RESULTS

Serikin is an attractive market for local and foreign visitors to shop Indonesian products. The proportion of female visitors (50 per cent) and male visitors (50 per cent) is relatively the same. Around 50 per cent of the respondents are married. The visitors are mostly (92 per cent) having secondary education or higher. They are mostly from Kuching (41 per cent) and Malaysia Peninsula (28 per cent) while the rest are visitors from Sabah (4 per cent), Indonesia (3 per cent) and the places other than Kuching in Sarawak. The respondents are mostly (55 per cent) employees followed by students (22 per cent) and self-employed (16 per cent).

Most of the respondents went to Serikin by group either with their friends (50 per cent) or their families (55 per cent). They bought variety of products from clothing (62 per cent), food (35 per cent), accessories (25 per cent) and souvenirs (25 per cent) due to cheap price (50 per cent). Table 1 shows the trend of consumption respects to frequency of visit to Serikin. The trend of consumption increases when the frequency to visit Serikin is lower. This indicates that the one who rarely visit Serikin will buy more goods there because they don't have much opportunity to go for shopping at Serikin. Once they have an opportunity, they will utilize their time for shopping. For each visit to Serikin, respondents with more than 11 times visit per year consumed roughly RM147.50 while respondents who rarely go for shopping at Serikin consumed roughly around RM200.00.

Table 1. Frequency of Visit to Serikin and Consumption

Frequency of visit peryear	Consumption (RM)
Not Every Year	198.46
1-3 times	223.46
4-6 times	157.48
7-10 times	185.00
>11 times	147.50

Source: Preliminary survey, 2012

Table 2 shows the trend of consumption respect to level of income. It shows that the higher the income the higher the consumption. It follows the law of demand where a higher income will lead to a higher consumption.

Table 2. Income and Consumption

Monthly Income (RM)	Consumption (RM)
<499	126.22
500-999	166.67
1000-1499	116.92
1500-1999	131.25
2000-2999	274.41
3000-3999	209.27
4000-4999	390.00
>5000	383.33

Source: Preliminary survey, 2012

Table 3. Travelling Cost and Consumption

Cost of Travelling (RM)	Consumption (RM)
<50	179.37
51-100	218.00
101-150	250.00
> 151	286.00

Source: Preliminary survey, 2012

Table 3 shows how the consumption responds to the cost of travelling to Serikin. The finding shows that the higher the cost the higher the consumption. Theoretically, higher cost will reduce the level of consumption as their proportion for consumption on shopping become lower. However, the finding is contradictory with the theory. The reason might be visitors who paid for a higher traveling cost to Serikin stay far away from Serikin or even stay outside Sarawak.

Serikin may be only one out of many places visited in Sarawak. The respondents will spend much on shopping in Serikin because they rarely have an opportunity to travel to there. The travelling cost is not only the explicit cost such as transportation, accommodation and so on but also the implicit cost or an opportunity cost. The opportunity cost here refers to forgone the other opportunity because of visiting Serikin. Thus, once they have the opportunity to go for shopping at Serikin, they spend much for shopping.

5. CONCLUSION AND RECOMMENDATION

This study attempted to observe the consumption pattern among local citizen as well as tourist at Serikin market. A plenty of goods especially from Indonesia with a cheaper price is offered by the trader. The market has attracted not only local citizen but also foreign visitor to enjoy shopping at Serikin market. The findings indicate that the frequency of visit to Serikin, income and traveling cost influence the consumption pattern of visitors. In addition, a low price of Indonesian product is the main factor that motivates them to go for shopping at the Serikin market. A holistic study on the informal cross border trade in the future specifically in Serikin market can give a good

input to the policy maker in order to develop the cross border market which provides an economic benefit to the local citizen of Serikin.

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