Research on the Characteristics of Spatial Behavior of Hong Kong Cross-border Consumer

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Abstract—**Cross-border is an important phenomenon in Shenzhen and Hong Kong. To Shenzhen, It has been developed ever since the Special Economic Area was built. Hong Kongers are attracted by the low price commodities in Shenzhen. This research is focused on the spatial behavior pattern of Hong Konger in Shenzhen. According to the investigation, transportation is an important factor that impacts the spatial behavior of the cross-border consumers.**

Keywords- Hong Kong; Shenzhen; spatial behavior; cross-border;

I. INTRODUCTION

Border is a kind of political boundary which is set to separate different regions [1]. National boundaries are lines that mark distinct differences in political and ideological systems, economic and social structures, and quite simply, ways of life. Thus, the function of an international border can significantly influence the tourist experience [2]. Borders are physical, or actual, barriers when inhospitable fortifications and demarcation markers (e.g., walls, barbed-wire fences, and mine fields) are erected. Many people will be more inclined to cross the border if the language on the other side is the same as their own [1]. Likewise, questions of personal safety arise, for if people fear for their safety, a relatively trouble-free border can become one that people are reluctant to cross [3]. Border itself sometimes do attract tourists for its unique landscape, the heritages, the shopping opportunities, gambling, sex tourism [4] [5]. Border can be barrier of tourism [6], through creating genuine barriers to travel, for example visa, and also psychological, or perceptual/functional barrier. From the tourists to travel to border: uncontrollable demand, searching for the "explored places", "otherness".

Quite a few researchers have done many researches about the cross-border phenomenon. Most of them want to explain how this flow happens. Demand factors were the most frequently cited, followed by destination competitiveness. A number of studies have identified specific issues that affect bilateral flows [7]. Culture is one such issue that has been identified by numerous researchers [8]. Relatively few US residents drive in Mexico because "a scarcity of highway signs discourages motor travel, because many Americans, already troubled by the language barrier frequently get lost" [9].

United States and Canada is a good example to do research on cross-border behavior. Studies [10] have examined cross-border consumption and shopping in these countries. According to the result, lower prices, greater variety, and better service are the main motivations for cross-border shopping [11]. Sullivan and Lavoie [12] found that language is another culture factor that affects the cross-border consumers. Those who speak English are more likely to cross-border to shop. Dimatteo and Dimatteo [10], in their study of cross-border consumption in the seven Canadian provinces bordering the United States, found that per capita income, the appreciation of the Canadian dollar, the ratio of Canadian to US gasoline prices, and the onset of the Goods and Services Tax, although there were regional variations are the main reasons that affect the cross-border shopping. Bygvr"a found that Danes shop across the border in Germany for lower prices, while Germans do the same in Denmark for more variety and better quality [13]. Smith recognized this phenomenon in tourism terms and suggested that "the volume of travel between adjacent US states and Canadian provinces more closely resembles travel patterns between two distant regions" because in the minds of travelers the international boundary represents an added distance a person must travel [14].

II. BACKGROUND

Shenzhen is a very famous city, located in Guangdong Province, south China, not only for its neighbor region Hongkong, but also it's a glamorous achievement of Chinese Economic Re-inform. Before 1979, Shenzhen was a small village belonged to Baoan District, which was a far distant unknown region of Guangdong Province. In 1979, China began lay emphases on economic works. Shenzhen was lined out to be an Economic Special Area, where different but flexible economic policies were applied. In order to manage its "special" effect, some customs were set to separate Shenzhen inner city and outer city. Nonresidents came from the outer city should apply for an "Economic Special Area Passport". These customs were called second-line customs.

Surely there must be some first-line customs, which is set between Hong Kong and Shenzhen. Hong Kong and Shenzhen are separated by "Shenzhen River" which is a border and is visualized. The second-line customs is a economic border, on the two sides of borders are different economic regions. But the first-line customs is a political border before 1997. Hong Kong is the colony of the Greet

British which is ceded by the Qing Dynasty in Opium War of 1840. After the return of Hong Kong in 1997, Hong Kong Special Administrative Region was set. To some content, the first-line customs is still a political border. Due to its special position in China, the border is a sub-national border. But the second-line customs are sub-regional borders.

With the development of Shenzhen, and the rapid development of mainland China, large amount transportation between inner-outer Shenzhen and economic flows has urged the second-line customs to perish. The second-line customs are now just all empty, which are used to recall us the having experienced rein form and rapid economic development. But the first-line customs are still there controlling the flows from both sides.

The following study is to figure out how the border between Shenzhen and Hong Kong affected the cross-border visitors. The interviewees are specially Hong Kongers who are intend to visit Shenzhen usually and to most of the Shenzhen officials, it can be taken as a phenomenon of integrity of Shenzhen and Hong Kong. To some of the researchers the border will disappear sooner or later. This paper will explain in the end how much we can count on the totally fusion of the adjacent two cites.

III. DATA SOURCE

This paper reports is based on questionnaires taken from face to face interview. To understand the character of spatial behavior of cross-border consumption, it is important to know the goods that what the consumers buy, how often they travel, how much they spend per visiting or during certain period, where they usually spend the money. To collect such information, a questionnaire was designed. It consisted of three parts: The first part was designed to collect information about consumption patterns and traveling information. Questions included the frequency of visits and the major purpose, expenditure, day of travel, duration of visit as well as the time needed to cross the border of their last visits to Shenzhen. The second part asked the places they spend their money and general optional choice of transportation. Part three included questions about personal characteristics of respondents, including gender, age, education level, and marital status, the number of children, occupation, personal monthly income, household monthly income, and living district.

The data were collected through at the main customs between Shenzhen and Hong Kong: Luohu, Huanggang, Futian and Shenzhenwan. These are the main passages that Hong Kongers use to get on board Shenzhen. On their way back to Hong Kong, it is easy to collect the information that we need. Specifically, the target population was defined as Hong Kong residents who had made at least one cross-border trip to Shenzhen, and it is obviously that almost each one is repeated shopper. The whole process is controlled by the same team, which is trained before doing investigation. And the sampling is done at the same time at the three customs. This study might have some bias introduced by the data collection method in the selection of respondents on the interview site. However, because the goal of the study was to better understand the behavior and motivations of cross-border consumers and shoppers, the potential drawbacks of this survey design are of less concern.

TABLE I.   PROFILE OF SAMPLE

	Luohu Custom	Futian Custom	Shenzhenwan Custom
Gender			
Male	54	54	48
Female	46	46	52
Marital status			
Married	38	52	59
Unmarried	62	48	41
Age			
< 18	4	8	6
18-25	21	11	9
26-35	28	22	20
36-45	26	35	38
46-55	14	32	23
> 55	7	2	4
occupation			
officer	11	12	4
company employee	48	46	44
Private company owner	2	6	4
Engineer	10	12	12
Student	4	10	6
No occupation/housewives	17	12	27
Retired	8	2	3
Family size			
1	3	2	0
2	26	22	28
3	35	37	41
4	29	35	29
5 or above	7	4	2
Household income			
< 5000	4	2	4
5001-10000	6	12	21
10001-20000	42	39	43
20001-30000	38	33	27
30001 or above	10	14	5

Limited financial and manpower resources confined the study to 300 successfully completed interviews. This sample size should be large enough to serve the purpose of this study. As Table 1 shows, there were 57% females and 43% percent of males in the sample. Most of the respondents were between 20 and 50 years old. Only 5% were younger than 20 or older than 60 years of age. In terms of occupation, about 32% are managers serving in corporations and 27 are staffs in corporations. And the sizes of their families are mainly focus on the married and above 2 or 3 people. Approximately 31% of the respondents had a household income between 20,000 and 29,999 HK dollars per month, which was about the medium level. That is to say that most of the visitors are belong to the medium level, i.e., 30,000 or more.

In addition, as part of the same project, in-depth interviews were conducted with 5 Shenzhen and Hong Kong border officials and professionals in January 2010. The data collected from these interviews are key factors in setting the content of questionnaire. Interviews consisted of a combination of open-ended questions and semi structured probing. Interviews with border officials were particularly

important in understanding policies. Professors are important to get a whole picture of the cross-border consumers.

IV. CHARACTERISTICS OF SPATIAL BEHAVIORS

A. Shopping Patterns

According to our own life experience, shopping can no be the only reason for Hong Konger to cross the border. Certainly there are much more thing attract Hong Kong residents. It is goes without saying that the basic life standard of Hong Kong is higher than Shenzhen. When respondents were asked about the main purpose of their trip to Shenzhen, Of 289interviewees, 77 replied that their major purpose of visiting Shenzhen was shopping; 77 recreational activities; 30 sightseeing; 83 working, 19 visiting relatives, and 30 sightseeing, only 1 for the other target.

This was expected because we deliberately targeted on the visitors with shopping as their main purpose. According to most interviewees, because of the low housing price in Shenzhen, most Hong Konger like to buy ordinary living staff. Most of the shopping items are food, clothing, hosing facilities, medical and healthy service, and so on.

Most Hong Konger will go to the nearest custom to cross the border. When time permitted, they will try to visit different districts. Compare with Luohu and Futian districts, Nanshan district has few shopping facilities and under developed. So the Hong Konger seldom will visit Nanshan District. Because of the unbalanced economic development in different space, the tourist is congested in certain familiar and developed space.

As for the amount of money spent on the cross-border trips, Table 3 shows that more than 50% respondents spent 300-500 HK dollars per trip. 30% of the respondents spend 100-300 HK. The total amount of the trip shows that the Hong Kong residents spent much money on the low end goods. Compare with these three customs, Lohu and Futian are much like the same. But the Shenzhenwan is a little different from their amount structure. When was asked the expenditure content, the respondents said that "Nanshan district is a new part of Shenzhen, and most of the service and good is more expensive than Futian and Luohu".

TABLE II.   TOTAL AMOUNT OF SHOPPING

	Luohu Custom	Futian Custom	Shenzhenwan Custom
100-300	30%	33.3%	30.7%
301-500	50%	52.4%	38.5%
501-800	13.3%	14.3%	23.1%
801-1000	6.7%	0	7.7%
1000 above	0	0	0

The expenditure patterns differ between family sizes. The single family is more like to shopping in Luohu and Futian district. Families with only one child are intending to do shopping in Nanshan district which is near to Shenzhenwan custom. Respondents revealed that Luohu and Futian are fit for single and young people to shop around, where the shopping malls are much more convenient and luxury. But

Nanshan district is more like a suburb of Hong Kong. They like to take families to have fun there.

B. Spatial Behavior

This research also focused on the spatial behavior of Hong Kong residents, which is more like to discover the costs related to space and distance which will affect the decision of cross-border tourists. Space means distance and cost of tome and money. The spatial behavior will be determined from questions below: which custom they will chose to pass through; what product they will buy; how long they will stay; what the image of shopping destinations is; how they get to the destination.

According to the investigation, the most popular shopping detonations are: Dongmen Market, Book city, and Huaqiang Road. Dongmen is famous for its varied supply of all kinds of goods with the lower price. Huaqiang Road is the most famous electronic products in China. The book city is the biggest book store in Shenzhen. Compare with the book sold in Hong Kong, the book in Shenzhen is much cheaper. Dongmen Market and Book City are so popular is also bebefit from their convenient location, which is connect by the metro. It is also seen that each one that passed from Luohu Custom is a shopper. But those who cross the border through Futian Custom and Shenzhenwan Custom are not necessarily do shopping. That means Futian and Nanshan is more like a work or recreational places to Hong Konger.

The convenient transportation system helps the Hong Konger to shop around. Most of them will take public transportation to get to the destination. And the investigation revealed that most of them can get the shopping destinations in an hour. Among the respondents, about 60% are from New Territories where metro and bus can easily connect to Shenzhen. The convenient transportation system also shortens their stay in Shenzhen, which is no more than two days. Most of the HongKonger is a one-day-shopper. So, the Hong Konger relies much on the transportation system which makes the lower price goods even more accessible.

TABLE III.   SHOPPING DESTINATIONS IN SHENZHEN

Shopping destinations in Shenzhen		Luohu Custom	Futian Custom	Shenzhen wan Custom
Luohu District	Luohu Market	4	0	0
	guomao	7	2	0
	Dongmen Market	26	16	5
	Fenghuang Road	8	0	0
	Book city	21	20	4
Futian District	Huaqiang Road	15	17	9
	Zhongxincheng	2	8	1
	Gouwugongyuan	4	3	0
Nanshan District	Yitian Mall	3	1	3
	Haiancheng	3	7	14
	others	7	2	8

C. Repetitive Buying

When we asked how people felt about their consumption and shopping experiences in Shenzhen, respondents were asked to mainly four reasons: (1) price; (2)accessibility; (3) word of mouth; （4）security. 80% the respondents visit Shenzhen more than once in a month. This shows that Hong Konger knows that in Shenzhen they can buy fake famous commodities with lower price, and they care more about the price than the quality. In terms of repeated buying, the respondents are higher than what has been observed in other border areas. However, the frequency was not high enough that the activities could be considered as regular shopping trips for daily goods. So when we talk about the integrity of Shenzhen and Hong Kong, there is still more to do.

V. DISCUSSION AND CONCLUSIONS

This paper studied the consumption patterns of Hong Kong cross-border consumers and shoppers. The findings of this study suggest that cross border consumption and shopping by Hong Kong residents in Shenzhen can best be viewed as a combination of both. The activity patterns of the respondents show evidence of shopping for lower prices. Most respondents praised the lower prices in Shenzhen, and to them Shenzhen is a market with lower price and poor quality, which is not so good in the long run for Shenzhen to set an international city.

Transportation is an important factor that impacts the Hong Konger to visit Shenzhen. Developed area in Shenzhen which means that the older districts, is more popular than new developing districts, even though the local government set convenient transportation system.

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