

European Research Studies Journal
Volume XXIII, Issue 3, 2020

pp. 238-248

Shopping Tourism as a Factor in the Development of Peripheral Areas: The Case of the Polish-German Borderland

Submitted 14/03/20, 1st revision 11/04/20, 2nd revision 17/05/20, accepted 01/06/20

Arkadiusz Malkowski¹, Bartosz Mickiewicz², Agnieszka Malkowska³

Abstract:

Purpose: The article presents selected results of research on the impact of shopping tourism on the development of peripheral areas illustrated by the case of the Polish-German borderland. The purpose of research was to determine whether shopping tourism can be a factor in the development of peripheral areas.

Design/Methodology/Approach: The research was based on data from publicly available statistics and the analysis of available literature on the subject. It covered 8 powiaty (counties) located along the Polish-German border.

Findings: The heavier border traffic and the increasing expenses of foreigners in the border area point to the potential development of various forms of economic activity in the area of the Polish-German border.

Practical Implications: The research has demonstrated that the development of shopping tourism requires an integrated tourist product. Shopping tourism is a significant factor in the development of regional enterprise.

Originality/Value: The suggested solutions are to contribute to higher quality of services offered to shopping tourists crossing the Polish-German border.

Keywords: Shopping tourism, peripheral areas, Polish-German borderland.

JEL Codes: O12, O18, R11, R58.

Paper type: Research article.

Conflict of interest: The authors declares that there is no conflict of interests regarding the publication of this manuscript.

¹West Pomeranian University of Technology Szczecin, Faculty of Economics, ORCID ID: 0000-0003-2769-245X, amalkowski@zut.edu.pl

²West Pomeranian University of Technology Szczecin, Faculty of Economics, ORCID ID: 0000-0002-4787-2477, bmickiewicz@zut.edu.pl

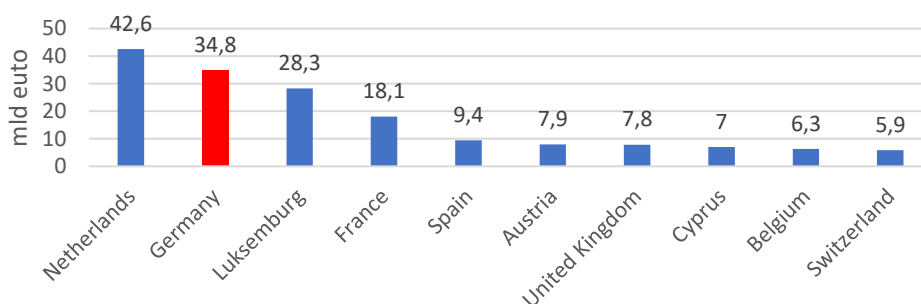
³University of Szczecin, Faculty of Economics, Finance and Management, Szczecin, ORCID ID: 0000-0002-3857-8946, agnieszka.malkowska@usz.edu.pl

1. Introduction

The time of growing consumer society is associated with an increased interest in different forms of travelling, such as shopping tourism. This type of tourism allows travellers to get products that are completely different from those offered on the domestic market. They are often cheaper as well. Shopping tourism is becoming a significant economic phenomenon affecting the socio-economic development of multiple local communities. Due to their location and socio-economic potential, cross-border areas are quite often referred to as peripheral areas. They have been repeatedly presented as areas that need support (Miszczuk, 2013).

In this age of globalisation and the accompanying liberalisation of border crossing regulations, the social and economic conditions for peripheral areas change significantly (Cheba *et al.*, 2017). This is in favour of various types of activities, including those involving crossing the border. The Polish-German borderland is an extremely interesting area of socio-economic research. Germany is Poland's strategic economic and political partner. The political and economic changes of the 1990s made this country the main consumer of Polish products and services. At the same time, Germany increased its direct investments in Poland. Since changes in the political system at the turn of 1989 and 1990, their value has reached EUR 34.8 billion (Figure 1).

Figure 1. Value of FDI liabilities in Poland in 2018



Source: Own study on the basis of NBP data.

In 2018, Germany's direct investments in Poland increased by EUR 1.58 billion. Exports of Polish goods to Germany in 2018 was valued at USD 73.7 billion, and imports – at USD 60.0 billion. In comparison with 2004, exports have grown by 233%, and imports by 179% making Germany the largest foreign outlet for Polish goods and Poland's biggest foreign supplier. In 2018, 28.1% of all goods sold abroad went to the German market.

Germany's share in Polish imports was smaller than its share in exports. In 2018, Germany was responsible for 22.4% foreign supplies to Poland. Germany is the largest consumer of Polish food. Over 20% of Polish agri-food exports ends up in that country. Since becoming the member of the EU, Poland has maintained a positive commercial

balance with Germany, both for goods (USD 13.7 billion in 2018) and services (USD 5.1 billion in 2018). Polish-German trade exchange is of major significance for the economies of both countries. The demand of end users in Germany was responsible for approximately 10% of added value generated in Poland (GDP), over 9% of employment, and 8% of gross remuneration. On the other hand, final demand in Poland created around 1.2-1.3% of Germany's added value, number of employees, and salaries (Ambroziak, 2019).

However, basic macroeconomic data on economic cooperation between Poland and Germany do not fully reflect the benefits it has offered to the peripheral areas. Thanks to the changing function of the border, the Polish-German borderland is seen as a region of active social, political, and economic cooperation. The cooperation between Poland and Germany is multifaceted. It involves government-level activities, as well as regional and local initiatives. The development of cross-border cooperation on the Polish-German border is an example of a difficult process of removing administrative and social barriers in the European Union. Despite the often-obvious resentment and mutual fears, the Polish-German borderland has become an example of active social and economic cooperation.

Development of the cross-border area during the period of Poland's integration with the EU depended crucially on border trade and shopping tourism. Greater freedom of Polish and German citizens when crossing the border increased enterprise of border residents, forming the basis for the development of local markets and regional economy.

2. The Scope and Methods of Research

The aim of the article is to show shopping tourism as a factor in the development of the Polish-German borderland. The presented research is part of a broader scientific project aimed at verifying the following hypothesis: *"Shopping tourism is a significant factor in the development of peripheral areas."* The research was based on data available in public statistics, including Statistics Poland (GUS) and Polish Border Guard, as well as the analysis of available literature on the subject. In order to verify the research hypothesis, it was crucial to carry out survey based on CATI methodology, which involved 160 interviews with entrepreneurs from the Polish-German borderland. Another survey was aimed at local governments located within 50 km of the Polish-German border. The research was conducted between June and October 2018⁴.

3. Shopping Tourism in Cross-Border Areas

Cross-border areas are usually characterized by extremely unfavourable socio-economic features, and the changing function of borders becomes a factor that stimulates social and economic processes in peripheral areas (Malkowski, 2013). Such

⁴The research was carried out in the following powiats: Świnoujście, Police, Gryfino, Gorzów, Ślubice, Krosno, Żary, and Zgorzelec.

changes are usually accompanied by the development of border trade and shopping tourism (Spierings *et al.*, 2013). Shopping tourism is seen as a factor conducive to the socio-economic development of areas that have been considered peripheral so far. The development of the trade sector and the accompanying increase in purchases is becoming an essential link in the tourist value chain as part of the global value chain (GVC). This chain is defined as all activities of entrepreneurs aimed at delivering a product or service to end users. In the case of cross-border areas, shopping tourists are often the ones who are end users (UNWTO, 2014).

The issue of shopping and tourism has been analysed in economic literature for a long time. Until now, they have been usually focused on spatial problems of the development of shopping districts, airports, and accompanying infrastructure (Getz, 1993; Geuens *et al.*, 2004). They have been less often focused on the motivations of shopping tourists (Littrell *et al.*, 1995; Tosun *et al.*, 2007). Recently, the research has started to touch on the issue of identifying the specific features and scope of shopping tourism.

Literature on the subject offers at least several definitions of shopping tourism (Timothy, 1999; Rogerson, 2011; Saayman *et al.* 2012). The definition developed by the World Tourism Organization (UNWTO) has been adopted as crucial for further research. According to the said definition, shopping tourism should be seen as a modern form of tourism chosen by people who decide on their travel destination based on their ability to shop for goods outside their usual environment (UNWTO, 2014). This means that a shopping tourist is mostly guided by their need to buy goods and services. The calculation of the favourable ratio of price, quality, variety, and depth of the offer determines the travel destinations. Therefore, the motives are strikingly different from classic tourist trips that are accompanied by shopping, but not determined by it.

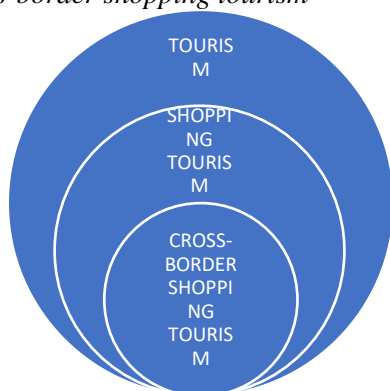
When discussing the essence of shopping tourism, the key is to specify those factors that determine the purchase and the decision to leave one's home country in order to make that purchase. In this context, it is worth pointing to the division of tourist motivations suggested by Goossens (2000) and Swanson *et al.* (2006). They talk about a 'push' strategy that encourages people to travel, and a 'pull' strategy to buy. The push factors are based on the Maslow's hierarchy of needs. The pull factors include tourist attractions, infrastructure quality, as well as the prices and promotion of the region itself. The push factors can also be found in the typology of hedonic shopping motives (Arnold *et al.*, 2003). It mentions the following motivations for shopping trips:

- adventure shopping for stimulation and excitement,
- social shopping to experience pleasure from interacting with others,
- gratification shopping for stress relief,
- idea shopping to stay current with trends,
- role shopping to gain pleasure from buying for others,

- value shopping to gain pleasure from finding deals.

The study carried out by Timothy shows that shopping tourism is practised in cross-border areas in Europe, North, and South America, becoming an important factor in the development of the economy (Timothy, 2005). It is confirmed by the works of Dimanche (2003) and Bygvra (1998) carried out in the USA and on the Danish-German border. Shopping tourism is also developing on the African continent (Saayman *et al.*, 2012) and in Asia (Henderson *et al.*, 2011). The literature on the subject also analyses shopping tourism within the context of cross-border shopping tourism (Figure 2).

Figure 2. *Cross-border shopping tourism*



Source: *Own study.*

It is defined as tourism of residents of a neighbouring country when the difference in price, quality, and diversity of goods between neighbouring countries is noticeable (Studzińska, 2014). Long-term research carried out by the authors in Polish border areas reveals a high dynamic of quantitative and qualitative changes in the field of shopping tourism in Poland (Malkowski, 2019; Malkowska *et al.*, 2018).

Currently, the development of shopping tourism in the cross-border region is highly influenced by creating an attractive range of integrated shopping tourism products. A tourism product is a wider concept that includes infrastructure, natural values, and a package of services to meet the needs of shopping tourists. In terms of marketing, a shopping tourism product also includes:

- the image of the area as a tourist destination, which is created by targeted advertising,
- the level and structure of prices for particular components and the whole product, which are offered to consumers.

The tourism product is becoming more and more significant as an instrument used in activities aimed at the development of shopping tourism. This is especially important in the era of the increasing market competition. Only those areas that have

a comprehensive offer of attractive and diverse products can enjoy market success. Shopping tourism can be a crucial element of a wide tourism product of the cross-border area.

What is an important attribute of a shopping tourism product is the quality of all the elements making up such a product. The assessment of developmental abilities of a shopping tourism product should be preceded by thorough analyses of the expectations of its consumers, and shopping tourists. This also applies to potential barriers that may have an adverse effect on border traffic, and thus the number of shopping tourists visiting the cross-border area. This applies in particular to border regimes that have a considerable influence on the possibility of crossing borders and making purchases in another country. In the case of cross-border areas in the European Union, there are no significant barriers to the movement of people or restrictions upon cross-border purchasing of goods, which leads to conditions that are very favourable for the development of this form of tourism (Tömöri, 2010).

The research carried out on shopping tourism show that the customer's decision is influenced by a variety of direct and indirect factors resulting from the conscious or unconscious needs of tourists. Shopping tourism seen this way is based on the concept formulated in 1980 by T. Levitt. That research into buying motives allowed to distinguish 4 levels of products: core level, expected level, augmented level, and potential level (Levitt, 1980). The conscious and unconscious needs of shopping tourists are addressed in different ways at different product levels. The benefits that tourists obtain by consuming these products are the most important element here (Yu *et al.*, 2003). What undoubtedly guides the decisions made by tourists visiting cross-border areas is the price (Turner *et al.*, 2001). The universal access to information and the relative ease of comparing prices are major factors in the development of shopping tourism in the cross-border area.

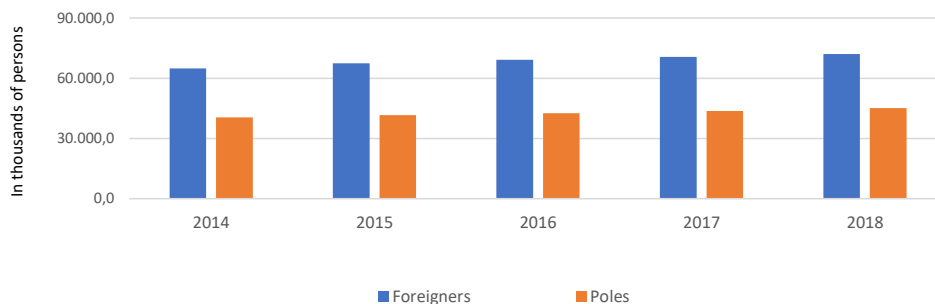
Shopping tourism is part of a symbiotic partnership between the benefits received by tourists, the region, and the city (UNWTO, 2014). This symbiosis is a coexistence of multiple goods and services which can be attractive to consumers from outside the region. This cooperation should involve numerous entities, including NGOs (Hernik, 2009). The nature of many elements that fit into the tourism product of the cross-border region can be attractive to its residents as well, improving the quality of life in the peripheral area.

4. Shopping Tourism and the Development of the Polish-German Borderland

The Polish-German border is currently 467 km long. Germany is one of the seven countries bordering Poland, and Poland is one of the nine countries bordering Germany. The Polish-German borderland covers the following voivodeships: West Pomerania, Lubusz, and Lower Silesia. The dynamic integration processes taking place on the Polish-German border have a far-reaching effect on the activity of

borderland residents and on the nature of cross-border regions. The changing functions of the border, which turned from an impenetrable barrier into a merely administrative line on the map, have led to increased border traffic and to the development of shopping tourism (Figure 3).

Figure 3. *Border traffic on the Polish-German border*



Source: *Own study based on the data of the Border Guard.*

Border traffic is a significant factor affecting the socio-economic situation of peripheral regions. According to data of the Polish Border Guard, the number of crossings at the Polish border in 2018 amounted to 296.4 million. The borders were crossed by over 175.4 million foreigners and 121.0 million Poles. In 2018, border traffic (from Poland and to Poland) grew by over 3% compared to the previous year. The border traffic increased in relation to the neighbouring countries of the European Union (by 2%), on the sea border (by 2%), and at airports (by 17%). The heaviest border traffic in 2018 was on the land border of Poland with EU countries.

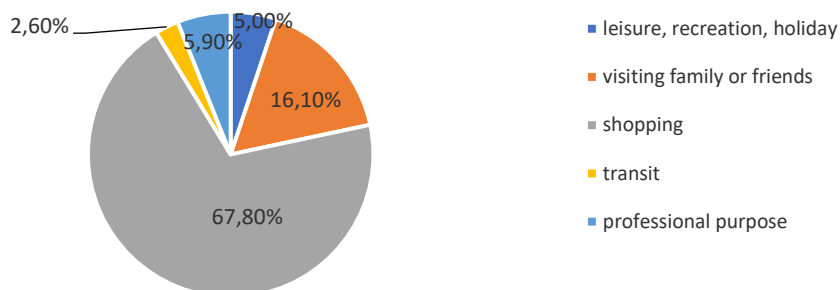
Most people crossed the land border of Poland on the Polish-German section (46.2% of total crossing of Polish land border in 2018), then on the border with the Czech Republic (23.7%), Slovakia (13.2%), Ukraine (8.5%), Belarus (3.5%), Latvia (3.4%) and Russia (1.4%).

The research carried out by the authors shows a close relationship between the level of border traffic of foreigners and the socio-economic situation of cross-border areas. The surveyed entrepreneurs from the Polish-German borderland with their headquarters in powiats located right next to the border found that the increased border traffic produced a beneficial effect on the economic situation in the region. Entrepreneurs from powiats of the West Pomeranian Voivodeship noticed the biggest impact of border traffic on the economic situation of the Polish-German border region (95% of respondents). In the case of entrepreneurs from powiats of Lubusz and Lower Silesian voivodships, it amounted to 94%.

In 2018, the vast majority of foreigners crossed the border for a noticeably short period of time. Over 77% of foreigners and 72% of Poles left and returned within one day.

As many as 67% of foreigners who crossed the Polish-German border and visited Poland in 2018 mentioned shopping as the purpose of their visit (Figure 4).

Figure 4. Purpose of the visit of foreigners crossing the Polish-German border in 2018



Source: Own studies based on *Border Traffic and Spending by Foreigners in Poland and Poles Abroad in 2018*, GUS, Warsaw, 2019.

The shopping nature of border traffic on the border with Germany is mostly an effect of attractive prices and wide range of different products and services. According to 92% of the surveyed local governments from the West Pomeranian, Lubusz, and Lower Silesian voivodeships, foreigners' spending habits are treated as a significant factor in the development of regional enterprise. As a result, the Polish-German borderland, despite no developed industry, is characterized by low unemployment. Border traffic and foreigners spending their money in Poland have had a particular impact on the development of trading companies and a broad range of services in the border area.

In 2018, foreigners crossing the Polish-German border spent PLN 16.7 billion when shopping in Poland. The vast majority was spent on non-food products (more than PLN 7 billion), as well as on food and non-alcoholic beverages (over PLN 2 billion). Most of the non-food products purchased by Germans included clothing and footwear, as well as materials for the construction, renovation, and maintenance of an apartment or house. Estimated expenses of a foreigner crossing the Polish-German border in 2018 amounted to PLN 467.74 and were higher than the 2017 expenses by 1.3%. Foreigners spent the most PLN 379.18 (81%) on the purchase of goods. Foreigners crossing the Polish-German border usually make their purchases at a distance of less than 30 km from the border, they spent over PLN 7.5 billion on the Polish side of the border. For comparison, in the area within 51-100 km of the border, foreigners spent nearly PLN 7 million.

As part of shopping tourism, the western border of Poland was mainly visited by Germans living at a distance of up to 30 km from the Polish border. They make up 56.7% of all foreigners crossing the Polish-German border. As many as 72% of shopping tourists lived within 50 km of the border. The popularity of shopping tourism amongst German border residents is obvious when we see that 26.7% of them declare

that they come to Poland to do the shopping several times a week. Almost 8% do it every day and over 36% - several times a month. The quality of products is another factor behind their purchases in Poland. Over 56% of surveyed foreigners visiting border shopping centres say that products purchased in Poland have both an attractive price and good quality (Malkowski, 2019).

Further development of shopping tourism in the region is threatened by shopping centres being built on the outskirts of large cities (Szczecin, Zielona Góra, Wrocław, Gorzów Wlkp). They are becoming more and more popular with foreigners shopping in Poland. They offer a high standard of services and a diverse range of products. It is, therefore, necessary to develop a tourist product associated with shopping tourism in the cross-border region, so that shopping tourists would stop in the cross-border area to continue their shopping there. Over 68% of surveyed entrepreneurs said that they were interested in participating in creating a comprehensive tourism product based on shopping tourism. According to respondents, the expected results of such actions will be as follows (by popularity):

- support for the local economy thanks to expenses for the construction and development of tourism infrastructure,
- creation and maintenance of jobs,
- increased income of the local community,
- promotion of the cross-border region.

5. Recommendations

According to authors, the research has proven that shopping tourism is a significant factor contributing to the development of cross-border areas. Spending habits of shopping tourists encourage the development of local enterprise. They have an influence on the economic situation in the cross-border area and the economic structure of the region. The specific nature of this area requires further studies at the level of particular local government units. Local governments should see shopping tourism as a crucial part of the local economy and support it with their strategic activity.

The more and more intense competition of large shopping centres requires the creation of a competitive, high-quality tourism product in the cross-border area. Shopping tourism should be an integral part of the regional tourism product. This will lead to the limited outflow of shopping tourists to large shopping centres. It is necessary to develop new products and services in the cross-border region, which will attract further shopping tourists. This should be accompanied by the development of technical infrastructure improving the quality of service provided to shopping tourists. The region's appeal in terms of tourism should be part of the promotion of the Polish-German borderland, including the broad range of services and products offered in the region.

Creating a tourism product based on shopping tourism requires an inventory of the existing tourist potential and identifying the needs of shopping tourists and the possibilities of satisfying them.

6. Conclusions

The changing function of the border and the accompanying increase in border traffic create an opportunity for more intense development of the Polish-German borderland. The research has revealed that shopping tourism and the accompanying border trade can create a beneficial impact on the development of the Polish-German borderland. This applies, in particular, to the area located within 30 km of the border, where German shopping tourists visiting Poland make their purchases. This is why shopping tourism on the Polish-German border leads to blurring the administrative borders and creating a sense of cross-border community. Shopping tourism is becoming a vital element of information policy and regional/local marketing. It creates a wide range of tourism products, stimulating the increase of competitiveness of the cross-border region. The development of shopping tourism will be possible by creating a new dimension of tourism products in cross-border areas.

References:

- Ambroziak, Ł. 2019. Nowe oblicze handlu Polski z Niemcami. Polski Instytut Ekonomiczny, Warszawa.
- Arnold, M.J., Reynolds, K.E. 2003. Hedonic shopping motivations. *Journal of Retailing*, 79.
- Bygvra, S. 1998. The road to the single European market as seen through the Danish retail trade: Cross-border shopping between Denmark and Germany. *International Review of Retail, Distribution and Consumer Research*, 8(2), 147-164.
- Dimanche, F. 2003. The Louisiana tax free shopping program for international visitors: a case study. *Journal of Travel Research*, 41(3), 311-314.
- Cheba, K., Szopik-Depczyńska, K. 2017. Multidimensional comparative analysis of the competitive capacity of the European Union countries and geographical regions. *Oeconomica Copernicana*, 8(4), 487-504. DOI: 10.24136/oc.v8i4.30.
- Getz, D. 1993. Tourist Shopping Villages: Development and Planning Strategies. *Tourism Management*, 14(1), 15-26.
- Geuens, M., Vantomme, D., Brengman, M. 2004. Developing a typology of airport shoppers. *Tourism Management*, 25(5), 615-622.
- Goossens, C. 2000. Tourism Information and Pleasure Motivation. *Annals of Tourism Research*, 27(2).
- Henderson, J.C., Chee, L., Mun, C.N., Lee, C. 2011. Shopping, tourism and retailing in Singapore. *Managing Leisure*, 16(1), 36-48.
- Hernik, J. 2009. Marketing mix w działalności organizacji pozarządowych. *Współczesne Zarządzanie*, 1, 57-69.
- Levitt, T. 1980. Marketing success through differentiation-of anything. Graduate School of Business Administration, Harvard University, 83-91.
- Littrell, M.A., Anderson, L.F., Brown, P. 1995. Souvenir-purchase behavior of women tourists. *Annals of tourism research*, 22(2).
- Malkowska, A., Malkowski, A. 2018. Assessment of the development of a border area using

- Poland's eastern borderland as an example. *Economic Science for Rural Development*, 48, 306-312.
- Malkowski, A. 2013. Rola zarządzania strategicznego w budowaniu konkurencyjnego regionu transgranicznego na przykładzie programu operacyjnego współpracy transgranicznej R. *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu*, 315(1), 513-522.
- Malkowski, A. 2019. Border Trade as a Factor in the Development of Peripheral Areas-the Example of Poland's Eastern Borderland. *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu*, 6(63), 75-85.
- Miszczuk, A. 2013. Uwarunkowania peryferyjności regionu przygranicznego. *Norbertinum*.
- Rogerson, C.M. 2011. Urban tourism and regional tourists: Shopping in Johannesburg, South Africa. *Tijdschrift voor economische en sociale geografie*, 102(3), 316-330.
- Ruch graniczny oraz wydatki cudzoziemców w Polsce i Polaków za granicą w 2018 roku, GUS, Warszawa 2019.
- Saayman, M., Saayman, A. 2012. Shopping tourism or tourists shopping? A case study of South Africa's African tourism market. *Tourism Economics*, 18(6), 1313-1329.
- Spierings, B., Van der Velde, M. 2013. Cross-border differences and unfamiliarity Shopping mobility in the Dutch-German Rhine-Waal Euroregion. *European planning studies*, 21(1), 5-23.
- Studzińska, D. 2014. Ruch bezwizowy a rozwój turystyki na pograniczu polsko-rosyjskim. *Przegląd Geograficzny*, 86(4), 525-540.
- Swanson, K.K. Horridge, P.E. 2006. Travel motivations as souvenir purchase indicators. *Tourism Management*, 27.
- Timothy, D.J. 1999. Cross-border shopping: tourism in the Canada-United States borderlands. *Visions in Leisure and Business*, 17(4).
- Timothy, D.J. 2005. *Shopping tourism, retailing and leisure*. Channel View Publications.
- Tömöri, M. 2010. Investigating shopping tourism along the borders of Hungary: a theoretical perspective. *GeoJournal of Tourism and Geosites*, 6(2), 202-210.
- Tosun, C., Temizkan, S.P., Timothy, D.J., Fyall, A. 2007. Tourist shopping experiences and satisfaction. *International Journal of Tourism Research*, 9(2), 87-102.
- Turner, L.W., Reisinger, Y. 2001. Shopping satisfaction for domestic tourists. *Journal of Retailing and consumer services*, 8(1), 15-27.
- UNWTO. 2014. *Global report on shopping tourism*. World Tourist Organisation. AM Reports, 8.
- Yu, H., Littrell, M.A., 2003. Product and process orientations to tourism shopping. *Journal of Travel Research*, 42(2), 140-150.