

CROSS-BORDER SHOPPING AT POLISH BORDERS. TRI-CITY AND THE RUSSIAN TOURISTS

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Abstract: The following paper brings into debate the cross-border shopping tourism activities, which develop slowly but steady at Polish borders, as a new leisure activity for a numerous number of tourists. Tri-City, an urban area in the north of Poland, comprising three major cities, Gdańsk, Gdynia and Sopot, fulfils the conditions for being a good shopping destination for Russian tourists coming from the Kaliningrad Oblast.

Key words: Tri-City, shopping tourism, Kaliningrad, shopping centres

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INTRODUCTION

In current times, shopping has become for many people a leisure activity, involving elements of selection and purchase of goods. Most shoppers choose to travel in order to complete the shopping activities, being interested in finding new things, not present in the proximity of their homes or work places. In many one-day-trips, holidays or business trips, shopping has become nowadays an important issue. On every seventh occasion, shopping is a decisive reason for a trip; this “*hard core*” of shopping tourists represents 70% of all tourists’ expenses in retail commerce (Werner and Kai, 2005).

Tourism industry develops according to the new needs and interests of its customers, offering holidays packages that include among the attractions shopping tours or in some cases, holidays packages focused exclusively on shopping activities.

In addition to being a source of income and employment, tourism is frequently a source of amenities for the resident population of the tourist destination. Because of visitor traffic, residents may enjoy a higher standard of public transport, shopping, and entertainment facilities than they would be able to support otherwise (Burkart, 1976). Shopping tourism started as a vacation activity, a distraction for people that were on

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holidays. From small souvenirs to expensive clothes items, shopping while on vacation is mainly privileged by the contrast of the local merchandise and the one back at home, as well as by people's relaxation and freedom to spend money while on vacation. This activity gradually developed, answering to people's needs, until it became one of the main reasons to take a trip.

To separate the tourists that purchase goods as a vacation activity, from the ones that are motivated to make the trip for the shopping activity itself, Friedrich Werner and Sattler Kai, proposed in a study conducted for ISG (Institut für Sozialforschung und Gesellschaftspolitik), "*Shopping tourism in Germany*", a distinction between two main categories of shopping tourists, according to the purpose of their journey:

- Shopping tourists in a restricted sense, for which shopping represents the main objective of the trip. They included in this category internal and foreign one-day tourists, as well as internal and foreign tourists requesting accommodation.

- Shopping tourists in a wider sense, for which shopping does not represent the main objective of the trip, regardless if the tourists are internal or foreign, in a one-day or several days trip, with or without accommodation.

In other words, we can describe shopping tourism as an activity, which implicates a trip, made for the purpose of a shopping action and the entertainment offered by it.

Shopping tourism refers exclusively to goods that are purchased for personal usage, regardless of the type of goods or location of acquisition.

Shopping tourists can be both, domestic as well as international, their origin and the location from where they make the acquisition of the goods, having a big impact on the assortment they chose. However, on the top of the acquisition list we will always find products as clothes, shoes, leather goods and food.

The types of destinations for shopping tourism vary a lot, according to the offer from the market and the people's needs.

Among the most popular destinations, we can identify:

- Famous cities with a shopping reputation, like Dubai, London, Paris, New York or Hong Kong. Some of these destinations built their reputation on a shopping theme, like fashion or electronic goods, while others offer low taxation.

- Cities and big towns, that represents a classical destination for shopping, especially during weekend's or with the occasion of different trade festivals. People from small towns and villages are travelling to the big city, in order to make different acquisitions, which are not available in their locations. The trips are usually short, one or two days, and more frequent during the vacation period or just before the holidays.

- Commercial centres and shopping malls, that gain popularity due to their wide variety of products and brands, as well as the wide range of entertainment activities they offer, like cinema, playground for children, coffee places, restaurants and fast foods.

- Rural areas with touristic tradition, which adopted shopping tourism as an auxiliary activity, benefiting from the big inflow of tourists to stimulate local commerce and to support local products.

The positive impact of shopping tourism is not limiting on retail business, but it is extending over branches of the local economy, like accommodations, food, transport and services. A very popular form of shopping is cross-border shopping tourism, a flourishing activity at the borders of European Union, where price and diversity of goods attracts many tourists.

CROSS-BORDER SHOPPING TOURISM

Cross-border shopping is a unique type of shopping tourism, very common in all parts of the world, consisting in people travelling beyond the boundaries of their own

nation specifically to shop in a neighbouring country. For people who live near a border, the trip may be short, lasting from minutes to hours, but for people who live farther from the border, the trip usually has a longer duration, sometimes, lasting days and tends to be more leisure oriented (Timothy & Butler, 1995).

The cross-border shopping tourism can be describe as an activity that starts with a trip, which involves a border cross activity, for the purpose of shopping and the entertainment emerged from it.

According to Timothy (2005), there need to accomplish four primordial conditions for cross-border tourism to appear and develop, contrast, awareness, willingness to travel and border cross procedures.

1. Contrast – there needs to be sufficient contrast between the local offer and the offer from the other side of the border. The difference has to be noticeable at least regarding one of the following thinks: selection of goods, quality of goods and price of acquisition.

2. Awareness - people have to be aware of what exists on the other side of the border, in order to get motivation for crossing the border.

3. Willingness to travel - emerge from curiosity, interests, wishes and personal mobility. Many people consider shopping abroad as an entertainment activity, which they can practice together with their families. Their motivation for crossing the border can be stimulated or not, by the transport infrastructure and safety they would benefit on the other side.

4. Border cross procedures - have to be rather easy and unproblematic. Nowadays, there are more and more borders that can be cross with little formalities and even without visas, however their situation is not always stable, depending arbitrarily on the political changes. A big number of formalities can be very discouraging for people to make the trip to the other side, regards of the market contrast and their willingness to travel.

The reasons that contribute to the creation and maintenance of the cross-border shopping tourism are miscellaneous and changeable; however, they often give us the direction of the movement, from one country towards another. Sometimes the movement can go strictly in one direction and other times in both directions. The reasons for cross-border shopping obviously include the price benefits that are expected, but this is not the only criterion (Optem, 2004).

According to Timothy the most common factors that contribute to cross-border shopping are:

- Price level;
- Tax rates;
- Opening hours;
- Exchange rate between currencies;
- Availability of a wider range of products and services;
- Fame and marketing;
- Proximity to the border;
- Language.

From the economical point of view, in the border regions, cross-border shopping can have an important impact over the local commerce. Its flow of purchase power, although frequently goes unobserved by the local retailers, sometimes shapes the market demand. Tourism strengthens a community's retail base. Communities that sell to tourists have significantly more retail establishments and a diverse mix of products and services (Ryan, Bloms, Hovland, Scheler, 1999). A business focus strictly on cross border shopping tourists it is a risky one, and will probably prove unprofitable in time, as the movement can always change direction or the customers

can face unexpected difficulties in crossing the border. However, a business focus on both local demand and on shopping tourist's requests and expectations can be the winning card for a good development in cross-border region.

CROSS-BORDER SHOPPING TOURISM IN POLAND

Cross-border shopping tourism is the main form of inbound shopping tourism in Poland, being present at both types of Polish borders, inside and outside European Union. Cross-border shopping tourism in Poland can be characterized as an irregular, sporadic and random activity. Despite the lack of a concrete offer of goods focused exclusively on tourists, shopping tourism in Poland is registering a slow, but stable increase, during the past years.

Shopping is not one of the main reasons of inbound tourism in Poland, however, according to Polish Institute of Tourism recent statistics, shopping as main purpose of visit increased from 5% in 2008 to 10% in 2010 (Figure 1). Ten percent is little, compare with other reasons for travel, like business or leisure, but the stable increase it is a sign that cross-border shopping activities gradually diversify.

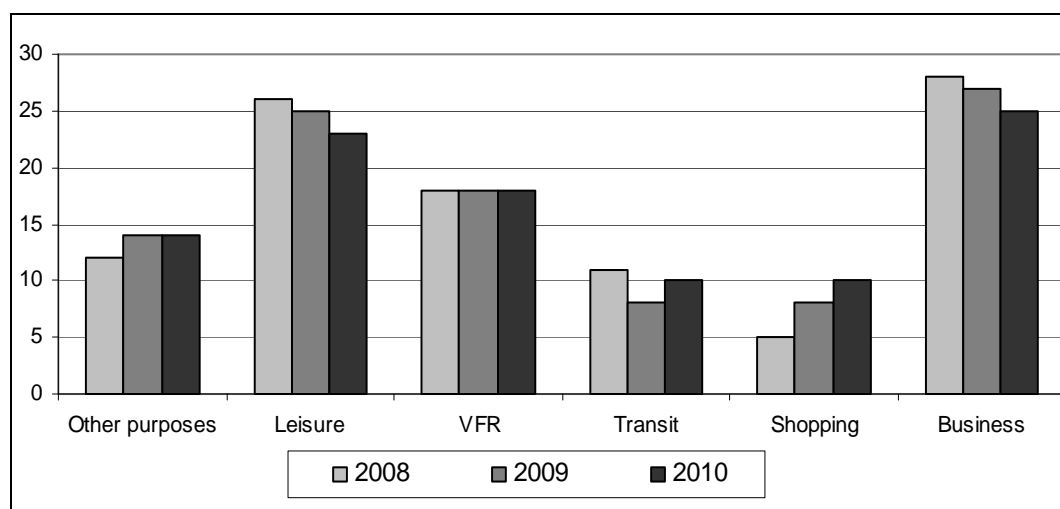


Figure 1. Inbound tourism main purpose of visits (%)
(Source: Polish Institute of Tourism, Skalska, Bartoszewicz)

The most active shopping tourists are coming to Poland from outside the European Union. For Russians, Byelorussians and Ukrainians, shopping represented the main reason to visit Poland in 2010.

The contrast offered by Polish market in comparison to its neighbours does not limit itself to local traditional products, like a wide variety of vodka or different types of polish cheese, but extends to other types of merchandise, from food to clothes or childcare products.

Awareness of Polish market offer is spread around in its neighbouring countries, usually by oral way, from one tourist to another. Some particular regions though, choose to promote themselves directly on the other side of the border, using promotional campaigns or advertisement billboards.

Cross-border shopping tourists willingness to travel it strongly stimulated by factors connected with the exchange rate of polish zloty (which sometimes can be favourable and other times not), flexible opening hours (with big commercial centres and shops open on Sunday) and language similarities between Slavic speaking countries.

The border-cross procedures are strictly depending on the political factor, making Poland much more accessible for tourist coming from inside the European Union, than for tourist coming from outside the European Union. In this context, cross border shopping tourism in Poland, it is more open for visitors from Germany, Czech Republic, Slovakia and Lithuania, in the detriment of Russian, Ukrainian and Byelorussian tourists.

Regardless of the border cross difficulties, the most active shopping tourists coming to Poland are from outside the European Union. For Russians, Byelorussians and Ukrainians, shopping represented the main reason to visit Poland in 2010 (Figure 2). This demonstrates that the contrast in the products offer and the willingness to travel, overcomes the border cross formalities and difficulties.

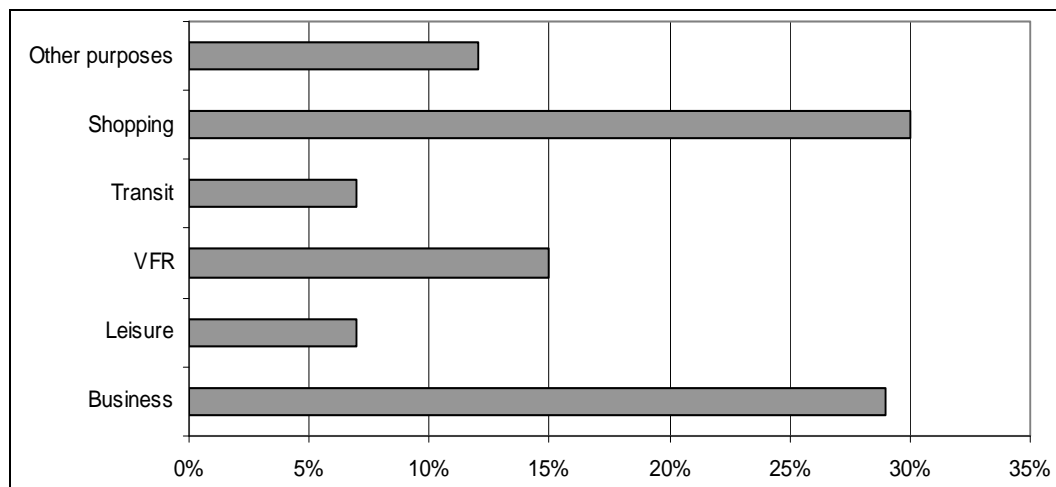


Figure 2. Russians, Byelorussians and Ukrainians tourist main purpose for travel (%) in 2010
(Source: Polish Institute of Tourism, Skalska, Bartoszewicz)

TRI-CITY RETAIL POTENTIAL

Tri-city is an urban area situated in the north of Poland, on the coast of the Bay, consisting of three major Polish cities , Sopot and Gdynia. The urban area has a population close to 745,000 residents.

Currently the area is going through a transition period, with the historically strong marine industry in recess, being increasingly replaced by the services sector as well as urban tourism and Baltic seaside leisure industry.

The Tri-City city range and quality of shopping has enormously improved over the last decade. When once the old-style Hala Targowa was the main source for all types of goods, nowadays the area has a modern retail stock of over 641 000 sq m, and it is still increasing.

In Gdańsk, the high street retailing was previously concentrated along Długa Street in the Old Town, but banks and service units now dominates the area of the city, along with restaurants, jewellery and souvenir shops. The new shopping street moved to Grunwaldzka Street, in Wrzeszcz district.

The Old Town remains the host of the largest in Poland, internationally known seasonal market, market Jarmark Dominikański (St. Dominique's Market), which lasts for a period of three weeks, in the summer season.

In Gdynia, Świętojańska is the high street for shopping, being the home to many luxury stores and offering a wide pallet of goods.

Sopot, it is strictly focuses on leisure tourism. Restaurants, clubs, art galleries and small souvenir shops dominate its high street, Ulica Bohaterów Monte Cassino.

The Tri-City area is also recognized for its amber trade business, here being manufactured some of the most beautiful amber jewellery and decoration objects. 's Old Town is the most representative location for this business, with lots of shops and workshops, offering a wide variety of products.

The hard core of retail business in Tri-City is however, the shopping commercial centres and malls. These types of retail developments spread mainly in two areas of Tri-City (Figure 3), on the administrative territories of Gdynia.

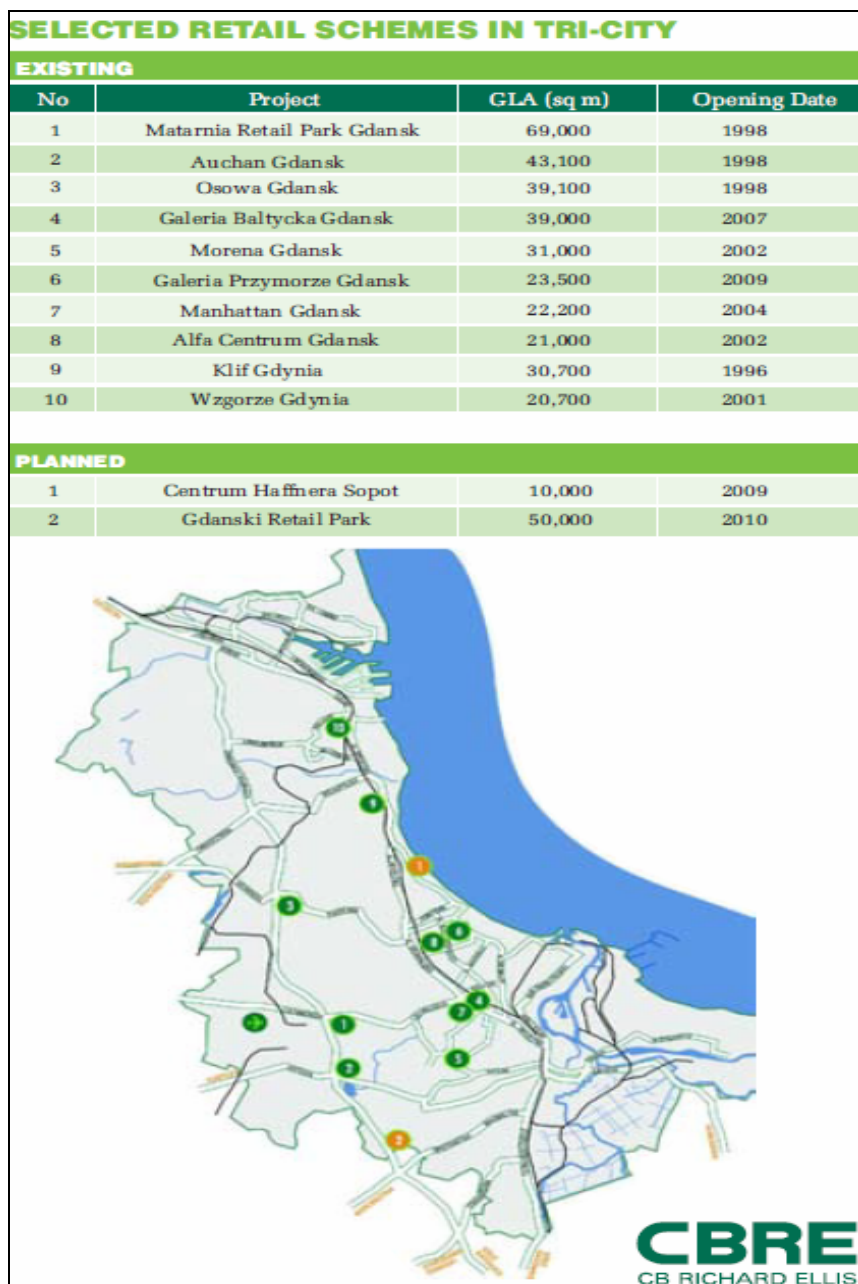


Figure 3. Main shopping centres locations in Tri-City
(Source: CB Richard Ellis)

The first favourable area for the expansion of shopping centres is located along the junctions of the Tri-City ring road. These locations are easily reachable by drivers, which usually have a quick access from the main road to the shopping centre parking. Being located near the ring road, these retail developments are targeting people from Tri-City and its surroundings, offering a big variety of products for all family members. Their range of products extends from groceries, furniture, clothing, electrics and children items to DIY utilities, being rather popular on weekends or in the afternoons.

The second location, favourable for shopping centres, is in the heart of the urban area of Gdynia, along the main streets connecting Tri-City, which are Aleja Grunwaldzka in, Aleja Niepodległości in Sopot and Aleja Zwycięstwa in Gdynia. Alongside or in the nearby proximity of these streets in Gdańsk and Gdynia there is a big variety of commercial centres, electronics shops, supermarkets, furniture shops and DIY stores.

Despite its big retail stock, Tri-City is little exploring its shopping tourism capacities, being almost exclusively focused on the development of leisure and cultural tourism. Polish tourists along with foreign European Union tourists (mainly from Germany) come to Tri-City to enjoy the sea during the summer season or the cultural and musical events, rather than to shop.

CROSS-BORDER SHOPPING TOURISM IN TRI-CITY

Tri-City is located approximately at 170 km from Kaliningrad Oblast, the Russian exclave between Poland and Lithuania on the Baltic Sea. The oblast has a population of 955 281 people according to the 2002 Census, which is mostly focused around the city Kaliningrad. Although the region was strongly affected by the geographical separation from Russia, after Lithuania independence, and the isolation brought by the access to European Union of Poland and Lithuania, the Oblast has currently a strong economical growth and a rising industrial output.

The average GDP growth is of more than 10% per year, which makes Kaliningrad the fastest growing region in Russia.

Regardless of visa requirements for entering European Union territory, many Russians from Kaliningrad frequently travel to and through Poland. Parts of these visits are focusing on leisure and shopping activities.

For shopping visits, Russian tourists from Kaliningrad mostly prefer to go to Tri-City, due to its big variety in offer, disregarding other towns closer to border, but smaller. In this way, along the years in Tri-City developed an intermittent, rather randomly cross-border shopping tourism.

The favourable conditions created in this border region, for attracting Russian shopping tourists are mainly sustained by the sufficient contrast in matter of selection, quality and price of goods that exists between Kaliningrad and Tri-City. Although Kaliningrad benefits from the presence of shopping centre, their offer still does not have the big variety, which exists in Poland, some companies refusing to enter Russian market due to issues like safety and corruption. The Kaliningrad Oblast has a small area of only 15,100 sq km, so the people living there are anxious to travel outside its borders. For them a one-day shopping trip represents a great entertainment, which combines the pleasure of acquisition with the excitement of crossing the border. The border cross procedures are not easy, visas being necessary after Poland joined the European Union, but are neither impossible.

The limited area of Kaliningrad Oblast motivates the people living there to be well informed regarding the opportunities, offers and merchandise of their neighbours, so most of the Russians are familiar with Tri-City shopping possibilities.

The main factors that have a positive impact in developing shopping tourism activities between Tri-City and Kaliningrad are:

- Proximity between the two areas;

- A satisfactory transport infrastructure, which is actively developing;
- The accessible opening hours of the Tri-City shops, especially during the weekend time;
- Price, especially for specific products like childcare items, which are much more cheap in Poland, due to large quantities that are trade here;
- Similarities between the two languages, which facilitates the communication;
- The good connection of culture, leisure and shopping opportunities, offered by the Tri-City, from which emerge great opportunities for spending free time.

Russian cross-border shopping tourists travel to Tri-City usually by car or bus, in a one or two days shopping and leisure trips, together with their family. The visits are more often during the summer period and just before the holidays. Russian shopping tourists come to Tri-City with the precise purpose of purchasing goods and enjoying the area entertainment opportunities. They target big shopping malls from the centre of Tri-City, family focus shopping centres located around the ring road and specialised stores, usually wholesalers, with a diverse and cheap offer focused on a particular type of product, like childcare, furniture or construction.

When the tourists travel by bus, they are frequently transiting through Poland, coming from other parts of Europe, and they stop for the last shopping acquisitions in Tri-City, before they return home. In this case, their target is mainly the shopping centres spared around the Tri-City ring road with big parking lots.

The existence of cross-border shopping in Tri-City stimulated some local shopping centres to initiate and conduct marketing campaigns in Kaliningrad Oblast, for attracting more tourists. These campaigns had positive effects among Russians, managing to attract more tourists to their locations.

CONCLUSIONS

Shopping tourism is a new, developing form of tourism, with great potential, mostly unexplored in Poland. Since shopping has become a leisure activity, strongly supported by a big variety of products and shopping centres that successfully combine shopping with other entertainment activities, shopping tourism started to replace the traditional forms of tourism. On weekends, family cars, loaded with parents, children and in some cases grandparents, instead of heading for the mountains or sea, they take the direction of commercial centres and shopping malls.

The shopping tourism activity does not always focus strictly on the purchase of the goods, but also take is consideration the entertainment given by the selection of the goods and the enjoyment of the trip.

People 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, during the trip.

In Poland, the shopping tourism is a primitively developed business, mainly focus on local products and gift shops. Properly exploited, this type of tourism could be of great success, especially in the cross-border regions.

Tri-City is a great area for developing cross-border shopping tourism, combining successfully elements of culture, history and shopping opportunities. Cross-border shopping tourism has the great advantage of not depending on the weather forecast, a very problematic indicator when it comes to the success of touristic season in the North of Poland.

Russian tourists from the Kaliningrad Oblast have a small but stable and increasing impact in Tri-City retail industry. Unlike local customers, their visits are rarer, but each of them finalize with consistent acquisitions. Their presence can be stimulated by a good cooperation between the local authorities, touristic agencies and

retailers that would motivate them to increase their visits. A good step towards the development of cross-border shopping tourism in Tri-City is the visa-free agreement, signed in December 2011 by the Polish and Russian authorities, which allows Russians from Kaliningrad Oblast to travel without visas to Tri-City. This step will certainly increase the number of shopping tourist.

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