

UNIVERSITI TEKNOLOGI MARA

**BEHAVIOURAL INTENTIONS TOWARDS OWNING
CROSS-BORDER SECOND HOMES: THE ROLE
OF COUNTRY RISKINESS**

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ABSTRACT

The role of country riskiness in the 'country attractiveness → overall satisfaction → behavioural intentions' path, also known as the *CBSH BI Model*, towards long-term tourism in owning cross-border second homes (CBSH) remains unknown despite the increasing world-level catastrophic events that are affecting the tourism industry. The event ranges from wars, terrorism, outbreaks of deadly contagious diseases, natural disasters, to economic fluctuations, currency instability and energy crises. The CBSH BI Model is modified from models advanced by previous researchers on country attractiveness, behavioural intentions and country riskiness (Baker & Crompton, 2000; Kozak, 2001; Reisinger & Mavondo, 2005; Roehl, 1988; Roehl & Fesenmaier, 1992).

In an effort to understand its role in the CBSH BI path, this study first establishes the dimensions and items of country riskiness. Secondly, the researcher empirically investigates country riskiness role by testing it as a predictor, mediator or moderator variable. In the process, the study embarks on establishing the dimensions and items of country attractiveness, which is the predictor of this research. Additionally, the effect of overall satisfaction in the CBSH BI path, whether partial or complete, is also being determined.

The investigation begins with a qualitative method using a panel of experts to identify further the items and dimensions of country riskiness and country attractiveness, in the context of having a CBSH in Malaysia. As a result, country riskiness and country attractiveness have five dimensions each, with 19 and 21 items respectively. The findings are used in the research measurement of variables. Pilot test shows that only rewording of statement were required. The research is followed up with a self-administrative questionnaire survey, seeking response from samples who are the working expatriates. The working expatriates were found to be potential customers of CBSH in previous studies.

Both the panel of experts and samples are chosen through judgement sampling design. The population is estimated to be about 39,700, while the sample obtained is 397. A cross-sectional design is adopted, with two modes of administration: mail survey, where questionnaire and return-address envelope are inserted in *The Expat* magazine distributed to all its 5,000 subscribers; and additional 400 questionnaires are distributed at events attended by the working expatriates.

The data analyses are conducted through a process of multivariate analysis using structural equation modelling (SEM) via Analysis of Moment Structures (AMOS) software. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) are performed to validate the scales. A total of 10 hypotheses are tested, of which seven are supported and three are not supported. The final results on dimensions of country riskiness as a host to CBSH from the perspective of potential second homers showed that there are three dimensions and their rankings of importance are as follows: *safety and*

security risk, social risk, and property risk. Meanwhile, country attractiveness too, has three dimensions and their rankings of importance are as follows: *climate and nature, value for money, and leisure.* Additionally, overall satisfaction is shown to be a complete mediating variable between 'country attractiveness → behavioural intentions' in the CBSH BI Model. Finally, results strongly indicates that country riskiness moderates the path 'country attractiveness → overall satisfaction → behavioural intentions'. All the three dimensions of country riskiness moderate stronger between the link 'country attractiveness → overall satisfaction' compared to link between 'overall satisfaction → behavioural intentions' in the CBSH BI Model.

The establishment of country riskiness as a moderating variable in the CBSH BI Model contributes and implicates both theoretically and practically. Theoretically, it completes the proposed CBSH BI Model and the *Phase Dynamics Theory of Cross-Border Second Home Behavioural Intentions* by placing country riskiness as a moderating variable between 'country attractiveness → overall satisfaction' link. One of the dimensions, *social risk*, is supporting the Theory of Reasoned Action (TRA) through its similar role as subjective norm of the theory. It shows that opinions of people that are close to the decision maker is important even in matters pertaining to long-term tourism. Meanwhile, overall satisfaction is a complete mediator in this behavioural intentions study. In terms of items and dimensions of country attractiveness and riskiness, this research expands the GSV Model.

Practically, the information provides by this research is able to assist both the public and private sectors in effective planning, development and marketing of MM2H, the programme supporting the ownership of CBSH. The discovery of country riskiness as a moderator in the CBSH BI Model which reduces the strength of overall satisfaction towards living in the host country is an important information. From the findings, effort can be taken to reduce the country riskiness which is of concern to potential buyers. Additionally, it is equally important to focus on country riskiness, not only on country attractiveness in marketing the MM2H programme. This is to alleviate potential second homers' concern towards owning a CBSH in the host country.

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