

# Perspective-Taking for Policy-Making: An Analysis of Canadian Cross-border Shopping

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## Abstract

Research plays an essential role in policy analysis and is a significant tool used to identify and prioritize alternatives for intervention. Yet public policy problems have a reputation for being complex because one problem (i.e. shopping behavior) can be viewed as part of a larger set of issues (i.e. trade policies, tax policy, border security, monetary policy, etc.). Accordingly, policy makers need research tools that allow them to understand how the system works. This research demonstrates a method for developing systems-level conceptual frameworks to support policy decision-making. Using archival techniques used by historical researchers in journalism, a 26-year period of news coverage of the cross-border shopping phenomenon in Canada has been conducted. Content assessment and content analysis methods are used to compare levels of topic visibility over time, exposing important changes in the landscape of cross-border shopping. The case study demonstrates how to use media coverage to develop integrative frameworks to organize issue topics, positions and policy options. Implications for public policy making and implementation are discussed along with study limitations and opportunities for future research.

**Key Words:** *cross-border shopping, historical analysis, discourse, framing analysis, news media, public policy*

Throughout history, consumers have crossed borders to hunt for bargains or to access unique or varieties of items that are not available locally. Though the phenomenon of cross-border shopping is nothing new, increases in international travel and the emergence of e-commerce and new payment methods have pushed levels of cross-border shopping to new heights. Globally, online shopping alone is worth US \$105 billion with 94 million consumers buying regularly from overseas websites (PayPal, 2013). Though consumers are clearly interested in cross-border shopping, is cross-border shopping in the public interest?

Public policy research has an important role to play in keeping decision makers focused on “matters of public interest and identifying mechanisms, whether public or private, for addressing these issues” (Stewart, 2013, p. 2). Insightful articles on specific topics related to cross-border shopping run the gamut from shopping and vacation travel and tourism (Moscardo, 2004; Sullivan, Bonn, Bhardwaj, & DuPont, 2012; Timothy & Butler, 1995), international out-shopping (Piron, 2002; Varshney & Goyal, 2005; Yeung & Yee, 2012) and the rise of internet shopping (Ballard & Lee, 2007; Lee, Paswan, Ganesh, & Xavier, 2009), to dark-side issues including smuggling (Joossens & Raw, 1995; Lavik & Nordlund, 2009), illicit alcohol consumption (Jarl, Gerdtham,

Lyttkens, Lithman, & Merlo, 2006; Rehm, Kanteres, & Lachenmeier, 2010), tax avoidance strategies (Gordon & Bo Nielsen, 1997; Scharf, 1999), and the impact on national (Hochman, 2005; Lucas, 2004) and border town economies (Ahmed, 1996; Bae, 2003; Lacharite, 2008). Studies have mainly focused on particular aspects of cross-border shopping, and as a result, the literature has neglected the multifaceted complexity of the phenomenon as a whole.

The purpose of this article is to offer an integrative framework to better understand the factors that give rise to and sustain various forms of cross-border shopping. Our research adopts a macroscopic and systems-level view of a market within which diverse forms of cross-border shopping have flourished, waned or persisted over the course of a generation. The aim in this study is to therefore discern the “big picture” formed by the tiles in the mosaic, providing policy makers with insight into the changes in cross-border shopping and the impact of those changes on the market over time. Accordingly, our research reflects the call for a broader, more integrated understanding of how markets develop or diminish over time (Humphreys, 2010; Johnson, 2000; Mittelstaedt, Kilbourne, & Mittelstaedt, 2006).

Using the Canadian market as a case study, in the following sections, we

review the context and history of the Canada-US cross-border shopping phenomenon and describe the key economic indicators used to track such trade flows. Then, using techniques used by historical researchers in journalism (Gamson & Modigliani, 1989; Zhongdang & Kosicki, 1993), we describe the data and the methods employed to investigate how cross-border shopping issues – as reported in Canadian newspapers and magazines – were framed and changed over the course of a 26-year period. Finally, we present an integrative framework to organize media accounts of cross-border shopping issues and policy options, and discuss their direct relevance to public policy making.

## **Cross-border Shopping: The Canadian Context Price Gap Perceptions**

Cross-border shopping has long been a popular pursuit among Canadians and is an issue that has stoked many heated policy debates over the years. Like other “hot button” policy issues such as affirmative action, nuclear power, and social welfare policy (Gamson, 1992), attitudes and discourse regarding cross-border shopping can be emotionally charged or adversarial depending on what side of the border you stand and whose perspective you adopt: government, local community, retailer, or shopper. Such conflict is expected when feelings of injustice are aroused and attributions of responsibility for negative outcomes are laid upon those deemed to bring harm and suffering to others (Johnson, 2000). A recent flurry of debate was sparked when the

Canadian dollar achieved parity with the U.S. dollar and consumers noticed that prices were typically higher at home than in the United States.

“Canadian consumers are feeling ripped off” proclaimed the lead of The Canada-USA Price Gap report prepared by the Senate Standing Committee on National Finance (2013, p. 1). Consumers’ tendency to judge fairness by comparing prices to salient reference points is well-documented in the marketing literature (Bolton & Alba, 2011) and knowledge that the prices paid by other consumers are lower can generate ill will, trigger attributions of causality, stir negative emotions, and prompt action (Xia, Monroe, & Cox, 2004). Relatedly, the prospect of price gouging is contra to the ideals of preventing financial harm to consumers, level competition, and free trade, prompting the Canadian government to review policies that explain price differences and the effect of cross-border shopping on the Canadian economy. Given the complexity of the issue, the committee sought expert testimony from: “government officials, consumer groups, retailers, manufacturers, importers, exporters, experts from the academic sector, accountants and independent economists” (p. iv) to inform their policy recommendations.

## **Levels of Cross-border Shopping**

Canadian consumers have a long history of seeking deals stateside, making tens of millions of trips to the U.S. annually. Travel to the US surges in periods when the Canadian dollar

is high and is helped by geographic proximity: an estimated three-quarters of Canadians live within 100 miles of the US border according to National Geographic (2014). A closer look at shifting levels of cross-border shopping is warranted. Statistics Canada, the national statistical agency, closely monitors levels and correlates of cross-border shopping. Traditionally, same-day trips and business- and vacation-travel to the US have served as indicators of cross-border shopping. The timeframe for our review, illustrated in Figure 1, spans a 26-year period (1988-2013), beginning with the signing of the Canada-US Free Trade Agreement (FTA) and ending with the release of the Senate’s report.

## **The fall and ascent of the Canadian Dollar.**

As might be expected, levels of cross border shopping are related to the strength of the Canadian dollar. However, this relationship changed in the early 2000s as the number of trips to the United States was not as responsive to movements in the exchange rate (Corbi, 2014). Though Statistics Canada did not pinpoint a reason for the declining volume of travellers, it acknowledged that a range of factors, such as price differentials, changes in the retail landscape, duty-free limits, tax changes and economic changes could alter the historical impact of movements in exchange rates. Interestingly, scholars proposed that a tightening in border security following the 9/11 attacks accounts for the drop in travellers (Andreas, 2003; Ferris, 2010).

**Figure 1: Canadian travellers returning from the United States and the exchange rate**



**The peak of traveller volume.** The economic conditions in 1991 created a perfect storm of circumstances favoring cross-border shopping. On January 1, 1991 as the FTA was implemented, a new and controversial value-added tax was imposed on goods and service purchases to replace hidden manufacturers' sales tax. Consumers responded with cross-border shopping, especially in border town communities where same-day trips increased significantly, driven partly by differences in the price of gasoline (Di Matteo & Di Matteo, 1996; Timothy & Butler, 1995). As Rowan (1991) vividly reported: "consumers fled the country like overtaxed rats from a scuttled department store, taking with them more than \$5-billion in retail sales and leaving the parking lots of U.S. shopping malls littered with wrapping and price tags." Predictably, leakages in the form of outshopping by community residents harmed Canadian retailers and border town economies (Chatterjee, 1991; Olfert & Stabler, 1994).

**The declining Canadian Dollar.** Beginning in 1991, the value of the Canadian dollar (nicknamed the "loonie" with reference to the image of the bird, a common loon, which appears on the coin) began a ten-year slide to an all-time low of US\$0.6179

in January 2002. As shown in Figure 1, the decrease in traveller volume mirrored the declines in the devalued dollar. Tourist and retailing profits declined at alarming levels in US border towns during this recessionary period (Ahmed, 1996).

**The ascent to parity.** Consumers become mindful of price gaps by making price comparisons. As the value of the Canadian dollar rose to achieve parity with the US dollar in 2012, it became much easier to notice price gaps, especially when shopping was part of a vacation experience in the US (Moscardo, 2004; Timothy & Butler, 1995) or shopping and purchases were made online from US websites (Alm & Melnik, 2012; Ballard & Lee, 2007; Lester, 2003). The fact that the volume of travellers did not rise at the same rate as the soaring Canadian dollar suggests that price disparities may not be the only consideration in shoppers' buying decisions.

## Media Coverage of Cross-border Shopping

Though anecdotes in the news media are abundant, there appears to be no research studies that systematically investigate news coverage of the practice and politics of cross-border shopping. Cross-border shopping, like

most policy issues, is a topic that can be studied historically via different types of media texts. Media discourse on a particular issue is especially visible following "critical discourse moments" when journalists, topic experts, and other observers provide commentary that "frame" and provide coherence to a set of idea elements (Caudill, 2010; Gamson & Stuart, 1992; Humphreys & Thompson, 2014).

Pan and Kosicki (1993, p. 64) assert that "news discourse is directly relevant to policy making" as it often reveals causal reasoning, including causal attributions of the roots of a problem, assignment of responsibility for treating the problem, as well as higher-level principles that structure and elucidate various policy options (Gamson & Modigliani, 1989; Iyengar, 1994). Differences in framing an issue together with changes in prominence over time, we argue, provides an essential context for making sense of the policy issue in the present.

## Research Questions

A top priority of public policy makers is to lead the government to take goal-oriented action to deal with societal problems (Cochran & Malone, 2005). To achieve this goal, we argue, policy makers must understand how the system works.

First, we need to understand all forces that impact the well-being of individuals, organizations, and society in the aggregate; we need to identify “who is harmed?” “who causes harm?” and “who regulates harm?” (Polonsky, Carlson, & Fry, 2003). Second, the way a problem is defined (a problem in itself versus part of a larger problem) will influence the policy debate (Stewart, 2014). We adopt a systems-level view that recognizes the dynamic interdependence of the elements in the system (Mittelstaedt et al., 2006). Finally, analysis should not focus exclusively on the “dark side” of issues, but should also endeavor to study the positive “bright side” of issues that contribute to the happiness and well-being of many people (Andreasen, 2005).

The purpose of this study is to conduct an investigation into the phenomenon of cross-border shopping as represented in Canadian news discourse over a 26-year period. These media accounts are important sources of information about consumers, retailers, industries, and other concerned parties (Johnson, 2000). Our research addresses two key research questions:

- (1) What thematic frames are conveyed in media coverage of cross-border shopping? And, can these themes be integrated into a framework that reveals causal inferences and responsibility attributions?
- (2) Are the themes conveyed consistently over time, or does the visibility of certain issues evolve or regress over a period of time?

## Archival Study

To study media framing of cross-border shopping and historical shifts in discourse about the phenomenon in Canada, we conducted an archival study of news coverage that

appeared in newspapers and magazines over a 26-year period (1988-2013).

## Time Period

A key issue in the historical analysis of continuity and trends is the choice of a time interval (Smith & Lux, 1993). The start date corresponds with the signing of the Canada-US Free Trade Agreement (FTA) in 1988 and contains other “critical discourse moments” including the ratification of the North American Free Trade Agreement (NAFTA) in 2002, the rise of e-commerce and the dot-com boom, phases of volatility in CAD-USD exchange rates, and ends with the publication of the Senate Committee report *The Canada-USA Price Gap* in 2003.

## Data Sources

From an historian's perspective, it is essential to compare and contrast an extensive quantity of articles in order to tell the whole story. Following Gamson (1992), a saturation sampling strategy was used to locate relevant articles published during the focal time period. Using the *Canadian Periodicals Index (CPI.Q)* database, we identified all articles that contained the keyword search expression “cross-border shopping” and had the appropriate geographic scope (Canada, USA, or a border province or state). The final sample consists of 1,437 newspaper and magazine articles from 101 sources with diverse readerships ranging from national or large metropolitan audiences (*Globe & Mail*, *Maclean's*, *The Toronto Star*) to local or niche audiences (i.e. *Fernie Free Press*, *Manitoba Business*, *Niagara This Week*). The aggregate content of multiple articles from varied sources is viewed as a reliable indicator of generalized public opinion by historical analysts (Gamson & Modigliani, 1989; Humphreys, 2010; Johnson, 2000).

## Analysis Methods

To help us understand the complexity of the cross-border shopping phenomenon, we conducted a multi-staged analysis of the news articles using two techniques that are widely adopted by historical researchers in journalism. The first stage of the research used content assessment, an inductive qualitative discovery-oriented technique that aims to uncover patterns of meaning not previously known. The second stage of the research relied on an automated quantitative content analysis to measure the presence/absence of thematic categories in the population of articles over time.

**Content assessment.** A hallmark of the inductive approach to data analysis is to not limit oneself to prior preconceived categories of meaning. The idea is to build and refine a set of codes, concepts, and categories to build theory and emphasizes the synthesis of concepts by “reading, sifting, weighing, comparing and analyzing the evidence to tell the story” (Marzolf, 1978, p. 15). Thus, the resultant interpretive account relies heavily on the author's ability to identify patterns in the data.

The aim of coding is “reducing data into meaningful segments and assessing names for the segments” (Creswell, 2013, p. 180). Two analysts performed independent content assessments of the dataset using different approaches. The first analyst conducted an event-centered analysis of news stories to identify critical events in cross-border shopping coverage. Following the “Five Ws” of journalism, the analyst focused on “when?” and categorized related facts of “who? what? where? and why?” to develop a historically-grounded chronology of events.

In contrast, the second analyst focused on the “what?” question to classify categories concerning the

cross-border shopping phenomenon. A basic, automated, and unrefined word count identified 2,604 unique words in the 1,437 documents. Yet our interest was only in the subset that could account for a large number and range of empirical observations describing the phenomenon of interest. The initial search used keywords suggested by the lead sentence of the Senate's report (price gap, higher prices, lower prices, compare, parity, gouged, ripped off, angry). Full-text versions of the thirty most relevant articles (based on term usage in the title; or number of distinct terms used in the article) were read in their entirety. The term list was expanded and refined as new aspects of the phenomenon surfaced. Multiple iterations of keyword search and improvement were performed using Atlas.ti, a qualitative data analysis program that assists with document management and coding, and fosters rigor and operational efficiency in the development of a coding dictionary. Yet, the software did not replace reflective human engagement in the endeavor of analysis and interpretation (Arnold and Epp, 2006).

Once the provisional dictionary was developed, it was refined using additional terminology found in the first analyst's event history report. The revised dictionary was sent to the first analyst for feedback. Changes were made to create the final coding scheme.

**Content analysis.** Coding of the dictionary words was performed using the software's auto-coding feature. Knowing that words (and their synonyms) are often mentioned more than once in a document, the data matrix (word counts x document) was dichotomized to indicate the presence or absence of a concept in an article. Articles were coded as being "about" a topic if it contained a subset of mentioned indicator words. Following

Humphreys (2010), the visibility or invisibility of a topic in public discourse can be measured by the number of articles published in a given time period. Also, for purposes of developing our conceptual framework, keyword co-occurrence was examined using the Jaccard Index, a commonly used measure to discover structure with a dataset (Borgatti & Halgin, 2011).

## Findings

The primary goal of this article is to map news coverage of cross-border shopping to help us understand its complexity and variability over time. Our framework illustrates the major frames that are used when speaking about cross-border shopping in Canada between 1988 and 2013. Some topics are widely reported in news coverage, while others are much less visible. Over time, we observe differences in the visibility of topics, with certain topics gaining prominence since 2000 while others are diminishing in prevalence.

## A Conceptual Framework of Cross-border Shopping

Figure 2 illustrates the relationships between the topics identified in our content assessment. The core part of the model shows how consumer perceptions of price gaps – impelled by negative emotions triggered by violations of the moral principle of fairness and/or attributions of greed – prompt consumers to engage in various forms of cross border shopping.

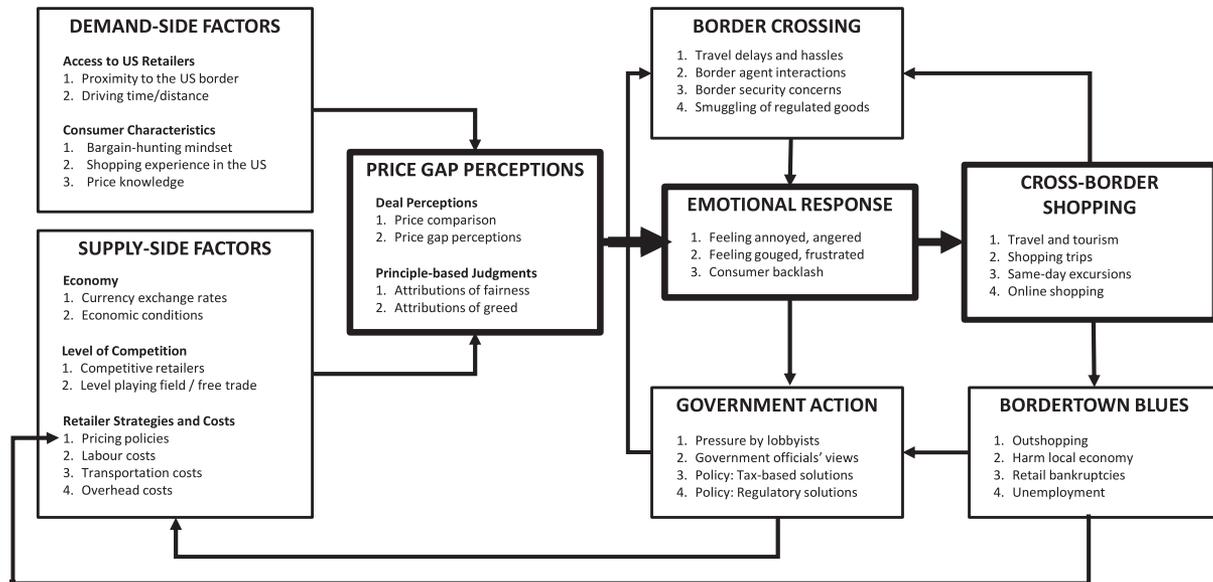
**Demand-side factors.** Consumers' capacity to perceive differences in prices requires comparative standards. Demand-side factors, such as living in close proximity to US retailers, foster an opportunity to make price comparisons firsthand by visiting stores and seeing the

differences. Excursions across the border to buy groceries, fill-up on gasoline, or to dine out are common and are often reported in border town news. The acquisition of price knowledge increases with US shopping experience and is motivated by a bargain-hunting mindset.

**Supply-side factors.** Consumer price perceptions are anchored in actual prices which are influenced directly by currency exchange rates and tempered by current economic conditions. The level of competition is often regarded as greater in the US in comparison to Canadian retailers who were typically slower to adopt discount, big box store and outlet retailing channels. Retailers on opposite sides of the border may adopt distinct pricing strategies, and when asked, retail spokespersons are quick to point out structural differences in the costs of doing business.

**Border crossing.** Travel to and from a cross-border shopping destination does not always go as planned. Delays caused by traffic volume, especially on holiday weekends, frustrates travellers who are anxious to get shopping or return home. Since the passage of the Patriot Act, travellers have noticed differences in crossing protocols. Keeping up with shifting documentation requirements leaves many feeling aggravated or discouraged, and interactions with border agents can be stressful, especially if one's vehicle is searched for contraband goods.

Figure 2: A conceptual framework of cross-border shopping



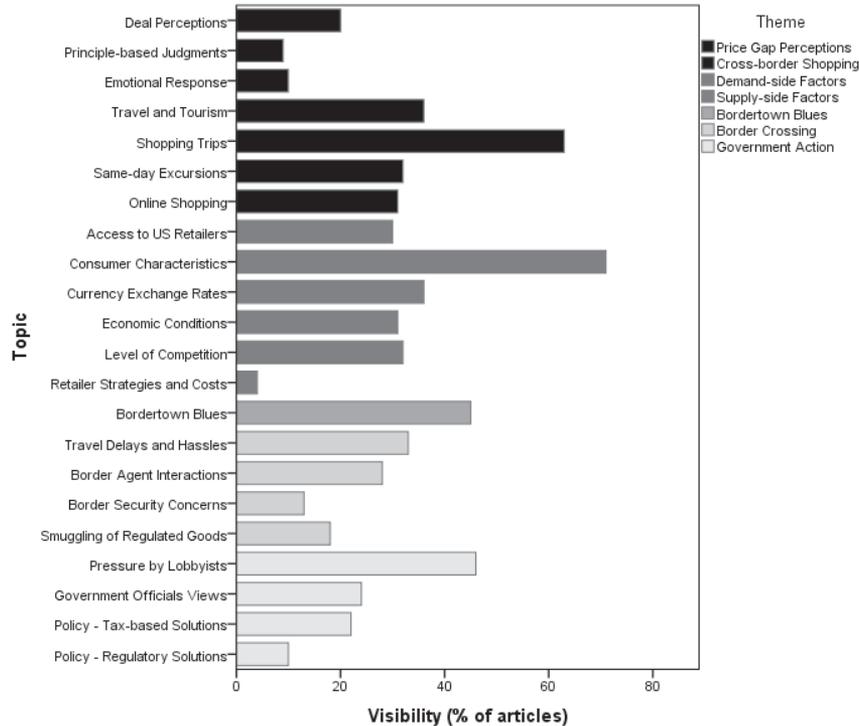
**Bordertown blues.** Out shopping occurs when shoppers leave the district where they reside and buy goods in another region. Canadians' cross-border spending amounts to billions of dollars annually, and the net trade deficit has a profound impact on border communities that are faced with store closings and unemployment when local retailers fail to compete with their cross-border counterparts. Sporadic resistance from patriotic consumers and politicians spurred "Buy Canadian" campaigns to emphasize the social and economic benefits of purchasing Canadian goods. Relatedly, blunt editorial cast cross-border shoppers as traitors ("Betrayal at the border: Cross-border shoppers are greedy snivellers who can't see beyond a price tag," 1991).

**Government action.** Officials at all levels of government (ministers, mayors, and councillors) may be pressured by citizens who are frustrated by Canada-US price gaps, or by industry players (Chambers of Commerce, manufacturing and trade associations, retailers). When consumers' views do not align with industry players', spokespeople and lobbyists work to advance their respective agendas. Policy solutions discussed typically center on tax-based solutions (duty-free allowances, elimination of tariffs, fuel taxes, GST/HST, import taxes), regulatory solutions (entry documents, labelling requirements safety standards, Sunday shopping), or a laissez-faire approach.

### Levels of Coverage by Topic

Not all topics achieved equal levels of coverage in the news over the 26-year period of the study. By far, the most visible topics were "consumer characteristics" and "shopping trips" (see Figure 3). A closer look at the verbatim quotes from the news articles depicts Canadian cross-border shoppers as enthusiastic bargain-hunters on a mission to secure deals stateside. Lured by sales and unrivaled selection, cross-border shoppers were characterized using metaphoric terms such as "exodus", "invasion", "tidal wave", "swarm", "epidemic", "thongs",

**Figure 3: Topic Visibility in News Coverage, 1988-2013**



“in droves”, “mania” and “frenzy” that emphasized collective action, strength in numbers, power, and fervor.

The adverse impact of cross-border shopping on border town economies was also quite visible in news coverage. Stories reporting the Bordertown Blues play a familiar refrain of imminent or actual store closings and impending unemployment and regret as the Canadian retail landscape is laid to waste. A chorus of policy influencers and politicians offer points and counterpoints on the impending economic apocalypse.

Periodic updates on currency exchange rates, border crossing delays, and travel trends provide readers with a macro overview of cross-border shopping trends and forecasts, while topics including legislative solutions, the moral underpinnings of judgements of price fairness, and explanations for the higher prices found in Canada are less common. Perhaps the most surprising

finding was the relatively low visibility of topics in the price gap perception and emotional response themes. Although the Senate report led with these concerns, it appears that the phenomenon of cross-border shopping has deeper and more complex roots than price differences alone – non-economic “frictions” also impact the level, frequency and forms of cross-border shopping pursued by Canadian consumers.

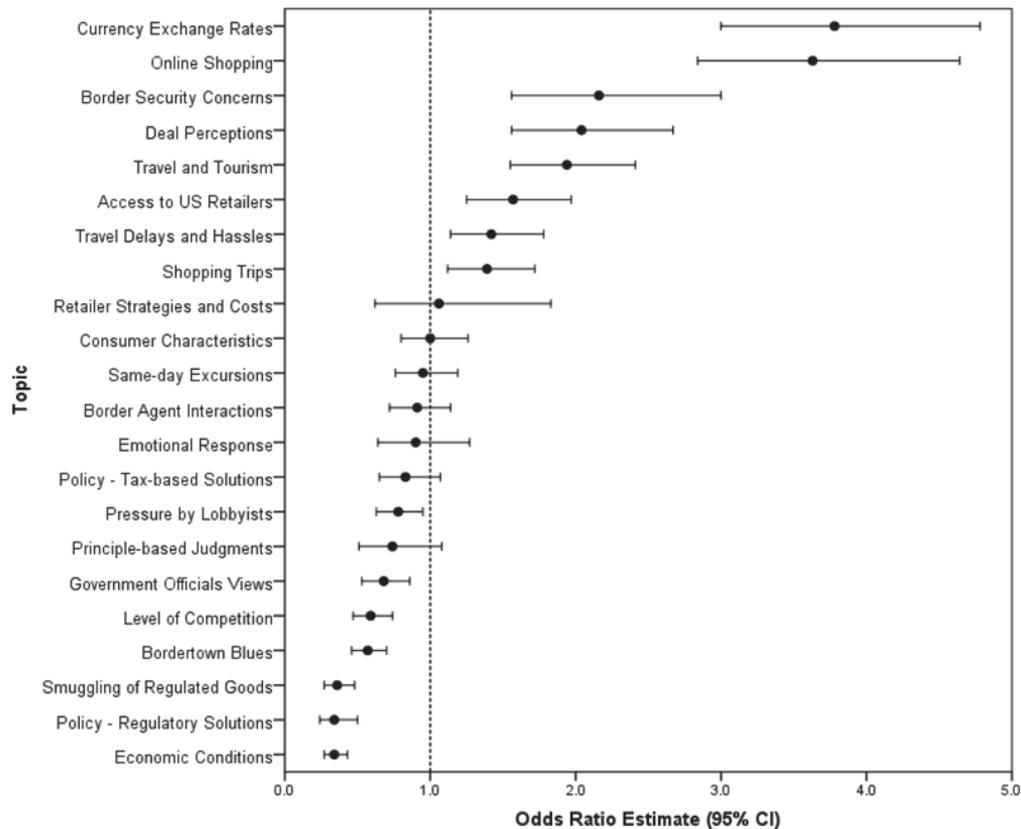
### Changes in Coverage over Time

Over the course of the 26-year period studied, many critical events shaped the experience of Canada-US cross-border shopping. In this section, we split the dataset into two time periods and compare earlier coverage (1988-2000) to later coverage (2001-2013). The split that roughly corresponds to: (a) the decline and rise of the Canadian Dollar, (b) life pre- and post- the 9/11 terrorist attacks, and (c) the launch and growth of the Internet, e-commerce shopping platforms, and adoption of

online payment services.

We used the IBM SPSS 23 statistical package  $\chi^2$  test to compare differences in coverage between time periods in the proportion of articles mentioning the topic, and to calculate the Mantel-Haenszel common odds ratio estimates. Figure 4 illustrates the odds ratio [OR] estimates and the lower and upper bounds of the 95% confidence intervals [CI]. An OR estimate of 1 indicates no association between topic visibility and time period. OR estimates that are greater than 1 indicate that the proportion of articles mentioning the topic was greater in 2001-2013 than 1988-2000; the result is statistically significant (95% CI) if the range does not cross the OR=1

**Figure 4: Topic Visibility by Time Period: Odds of Coverage in 2001-2013 (vs. 1988-2000)**



line. Conversely, OR estimate ranges less than 1 indicate that topic coverage was greater in the earlier period of 1988-2000.

The visibility of several cross-border shopping topics was significantly greater in the later time period. Notably, coverage of currency exchange rates rose as the Canadian dollar moved toward parity (OR, 3.8; 95% CI, 3.0 – 4.8) as did reports of price differences and deals to be found in the US (OR, 2.0; 95% CI, 1.6 – 2.7). By implication, these stories would inform Canadian consumers about the increased buying power of the Canadian dollar, price differences, and deals found in the US. Online channels for cross-border shopping also received greater attention (OR, 3.6; 95% CI, 2.8 – 4.6), familiarizing consumers with the possibilities of e-commerce, shipping options, and websites that facilitate information search and buying across borders.

Online shopping does not require the shopper to physically visit a store – a fact that likely accounted for some of the decline in cross-border travel.

Increased levels of coverage were observed for travel and tourism (OR, 1.9; 95% CI, 1.6 – 2.4) and shopping trips (OR, 1.4; 95% CI, 1.1 – 1.7). Yet making such trips costs money and time. Waiting times at busy border crossings were reported at an increased rate (OR, 1.4; 95% CI, 1.1 – 1.8) as was coverage of border security concerns and crossing frustrations (OR, 2.2; 95% CI, 1.6 – 3.0). As reported in the *Globe & Mail* ("Soaring loonie drives Canadians south," 2007), "the rise in the dollar has removed the biggest barrier to cross-border shopping, but others remain". Border crossing hassles and elevated border security and crossing requirements may account for declining rates of cross-border travel in the post 9/11 period, lending

support to arguments raised by Andreas (2003), Ferris (2010), and (Mittelstaedt et al., 2006).

The changing landscape of cross-border shopping was also marked by declining rates of coverage for topics including the potential role of government action via regulatory-based policy solutions (OR, 0.3; 95% CI, 0.2 – 0.4) and the views of government officials (OR, 1.4; 95% CI, 1.1 – 1.8) and policy influencers (OR, 0.8; 95% CI, 0.6 – 1.0). We found no definitive answers to explain why these shifts occurred, though the following reasons may be worthy of future research: (a) Crisis-driven engagement: the earlier time period was marked by a major recession, new taxes, and a sliding dollar – each of which is likely to prompt government action and explanation; (b) Laissez-faire policies: the governing parties that ruled during the earlier period may have been

more prone to intervention than the one that took charge in 2006 onwards – inaction, or a decision to let the market sort things out, is a viable policy alternative; (c) The party that ruled from 2006 through 2013 imposed tight controls on the communication of all public servants, creating a “chilling effect” that supposedly muzzled media interview participation (Ogden, 2016; Vogt, 2014).

Finally, the earlier time period was marked by more widespread coverage of the Bordertown Blues (OR, 0.6; 95% CI, 0.5 – 0.7) and discussions of competitive concerns (OR, 0.6; 95% CI, 0.5 – 0.7). A look at the headlines suggests that at least two forces contributed to the decline in competition-based concerns. First, Canadian businesses stopped portraying themselves as victims and made efforts to proactively compete with their American competitors. For instance, in the late 2000s, Canadian retailers adopted and adapted the American shopping holidays of Black Friday and Cyber Monday which occur over the US Thanksgiving weekend (“Black Friday spurs shopping war; Canadian stores offering steeper discounts as U.S. malls try to lure more cross-border shoppers,” 2008). Second, American retailer chains such as Walmart, Home Depot, Lowes, and others gained a greater presence in Canada in the second period, bringing an extensive assortment of branded merchandise to Canadian shoppers.

Early Bordertown Blues prophecies of the decline and closure of local businesses were realized; however, their absence created a vacuum that would soon be filled by new (typically American chain) retail outlets. As Johnson (2000) reminds us, store closing and retail shakedowns are an essential part of the wheel of retailing. Ironically, the presence of American retailers in Canadian markets exacerbated the price gap

problem because prices and product assortments were not identical on both sides of the border (“Managing expectations: Target’s problem of familiarity,” 2013). As companies like Target would soon learn, telling consumers that their “country-based pricing strategy” means “charging what the market will bear” is a sure-fire way to fuel feelings of getting gouged and to stoke consumer anger. In short, media coverage of competitive concerns continue across both time periods, but Canadian retailers have less to complain about now than in the past; a new era of consumer-centered concerns appear to have taken its place.

## Discussion

In the introduction section of this article, we stated that views regarding cross-border shopping can be “emotionally charged or adversarial depending on what side of the border you stand and whose perspective you adopt: government, local community, retailer, or shopper”. The conceptual framework we developed exposes the ways in which public debate concerning cross-border shopping issues can be framed from different viewpoints that suggest distinct policy options. Case in point, domestic retailers led an initiative to end Sunday sales bans with the goal of eliminating a structural advantage held by American competitors, and encourage consumers to shop at home (“Merchants foresee Sunday opening: Ontario law seen as failure,” 1991), an initiative that was opposed by certain family-owned businesses and religious groups who dreaded the prospect of “Bleak Sabbath”. This conflict reflects the classic sacred/profane tension that exists when commercial interests are pitted against work-life balance, family time, and religious beliefs (Belk, Wallendorf, & Sherry, 1989).

Similarly, the Senate’s 2013 report

was initiated in response to public outcry regarding the higher prices found in Canada (“Canadians are ‘feeling ripped off’,” 2013). Consistent with its mandate, the Senate committee asked one of the authors of the present article to provide testimony regarding consumer behavior and choice in this area. Soon after, critics objected to the report’s soft handling of retailers’ and manufacturers’ responsibility in sustaining higher prices and eviscerated the treatment of government tariffs or taxes on imports (“Trail of the cross-border price gap leads to the customs department,” 2013). Tariffs are a “hot button” issue because they are linked to matters of principle including transparency (tariffs are invisible to consumers), accountability (tariffs lead to higher costs and prices, which are subject to additional sales taxes), free trade (tariffs are viewed as protectionist), and fair trade (tariffs subsidize industries). In sum, our findings support our assertion that perspective-taking should precede policy-making.

Previous policy-focused research on cross-border shopping usually adopted a micro focus on a particular facet of the phenomenon (i.e. smuggling, gasoline prices, or exchange rates) and rarely adopted a networked view that focuses on the relationships between facets. This study examines the full network of topics that facilitate, inhibit, or regulate various forms of cross-border shopping and considers all who are directly or indirectly harmed (or helped) by the activity. Moreover, our qualitatively rigorous inductive study guards against the risk of missing or omitting pertinent issues by moving beyond anecdotes (i.e. a report lead, or a newspaper article headline) to evidence that is grounded in the concepts and structure found in the data. Following Gioia, Corley, and Hamilton (2013, p.

23), the meta-message of our approach to readers is: "We're not making this stuff up." Whereas methodological rigor assures research quality, establishing credibility is the precursor to the effective dissemination of findings and successful implementation of the prescribed public policy actions.

This article also contributes a research methodology that can serve as a template for analyzing other issues of interest to policy makers. Before developing our analysis approach and visualizations, we consulted the literature on statistical graphics and graphic perception theory (e.g., Gengler, Klenosky, & Mulvey, 1995; Tufte, 1983, 2006). In our view, "Figure 4: Topic visibility by time period" is an improvement on other designs that illustrate changes in frames over time and should be adopted in future studies. It represents the statistical data in a clear and simple fashion, and certainly facilitated our interpretations and reporting of study findings. Tufte (2006) remarks that "making an evidence presentation is a moral as well as an intellectual activity", and he insists on maintaining quality, relevance, and integrity for evidence. This advice certainly applies to the public policy domain where the evidence presented impacts decisions that affect the interests and well-being of so many.

Finally, the insights reported in this article are based on viewpoints reported in the news media. Given the old journalistic credo "If it bleeds, it leads", we considered the possibility that news coverage on cross-border shopping may emphasize its negative or sensationalist qualities and neglect the "bright side" elements of the experience that contributes to the happiness and well-being of many people. Certainly, as the dollars approach parity, reporters indulged in

the positive aspects ("A cross-border shopping queen," 2012; "Giving in to cross-border shopping; Cheaper clothes, gas and new allowances make the trip worth it," 2012; "Shopping for a home in the sunny south; Free seminar explains nuances of purchasing Florida real estate," 2011). It would be useful to pursue the recommendations outlined by Andreasen (2005) and investigate the potential positive impact on individuals and social welfare outside the economic domain. For example, does cross-border shopping forge social bonds between borderland peoples? Or, does it foster regional ethnocentrism that creates solidarity that transcends borders? Policy decision-makers in the heritage or cultural areas might consider research in these realms.

## Conclusion and Limitations

The discussion and conclusions should be viewed within the limitations of this study. First, the articles included in the study were sourced from CPI.Q, an electronic database that is regarded as a reliable source of Canadian content. However, it is possible that CPI.Q did not capture a representative set of Canadian newspaper and magazine reports. For example, the *Ottawa Citizen* and *Montreal Gazette* (newspapers published by Postmedia) are not indexed in the CPI.Q database. Given that we were unable to find any previous studies of index quality, it would be informative to replicate the content analysis using a set of articles sourced from another news database such as Factiva, LexisNexis, or ProQuest.

Second, the present article aimed to map out the roots and consequences of cross-border shopping trade flows. The macro-marketing approach we used recognizes the interdependence of elements in the system, yet the

level of analysis may have masked the nuances of elements operating within a subsystem. In line with research by Lever (2014), future studies could address important questions about the role of technology in cross-border shopping, for instance. New technologies have the power to disrupt the market and create new forms of service interactions (Padgett & Mulvey, 2007). At present, innovations are leveraging technology to speed border crossing time (RFID cards with eGates), facilitate travel planning (smartphones, GPS, travel agendas, and advice agents), promote word-of-mouth advocacy (social media), and alert consumers about sales (targeted advertising, opt-in emails and e-coupons). Do policy makers fully appreciate the potential role of technology as a tool to alter the system?

Third, our conceptual framework for cross-border shopping was tailored to the structure reported in Canadian newspapers and magazines. In replicating the present design in other nations, we would expect to obtain a similar model to that depicted in Figure 2. Whether or not this expectation is borne out remains an empirical question. Irrespective of future study outcomes, we hope that the present article will stimulate further efforts to understand the cross-border shopping phenomenon and assist policy-makers in thinking about the conflicts, complexities and connections in the system.

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