



Finnish travellers' perception of travel-related risk and how it affects their consumer behaviour when purchasing travel insurance

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Abstract

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<p>The background and objective for this 8-chapter thesis were that the author, with his interest in the travel and insurance industry, wanted to support potential readers and industry professionals in achieving a greater understanding of the Risk Phenomena and the Perception of Risk while also investigating Finnish Travellers' attitudes towards Travel-Related Risks and how those impacts on their Consumer Behaviour and Decision-Making when purchasing Travel Insurance.</p> <p>The literature review, where the author intended to examine already existing academic work, studies and/or research found that international travellers are facing various risks when travelling abroad. Most discussed are the Risk of Health and Well-being, Risk of Delay or Cancellation of the trip, and Risk of Crimes and Violence. However, the risks from Animal and Wildlife, Natural Disasters, and Terrorism also play a vital role in shaping these travellers' overall perception of travel-related risks.</p> <p>Moreover, the literature review discovered different theories around Consumer Behavior and Decision-Making which helped the author to better understand the various factors behind such as the purpose of the travel, previous travel experience, socio-demographics and cultural characteristics which potentially also influence these attitudes towards travel-related risks and ultimately the dimensions of consumer behaviour.</p> <p>With 104 survey participants, the utilization of a quantitative research method has been a great foundation in the empirical data collection process and has also supported the author in exploring the actual diverse attitudes towards travel-related risks from Finnish Travellers and how in reality it affects whether or not they purchase travel insurance. The results from the research found that a high proportion of Finnish Travellers are more likely to purchase travel insurance if the policy would cover them against a risk that they perceive as a bigger threat to them when travelling. Specifically, the Risk of Health and Well-Being (Medical Emergencies), Risk of Delayed, Lost or Damaged luggage, and Risk of Delay or Cancellation of your trip which can all lead to unexpected disruptions of travel plans are in the eyes of Finnish travellers the most important to protect themselves against.</p> <p>It was also evident from the results, that Finnish Travellers are relying on information from Official Websites, Social Networks and Family Members when collecting further information on a given risk factor. Gathering information from these different sources sets the frame of their risk assessments and underscores the importance of risk perceptions concerning Finnish Traveller's consumer behaviour in relation to travel insurance purchases.</p>
Key words Travel Insurance, Risk Perception, Consumer Behaviour, Travel-related Risks, Finnish Travellers

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1 Introduction

The experience of travelling has increasingly captivated humans throughout the years thus becoming a necessity for a lot of individuals around the world who wish to discover new destinations and locations by various means of transportation. The risks, however, associated with these activities are often beyond our understanding and outside of our imagination. Risks that are often unforeseen but often need cautious preparation and great risk management to ensure safety during these journeys, now and in the future. Certain risk factors are easier to mitigate but also risks that cannot be controlled or ignored by the tourism industry's stakeholders.

In other words, risk incidents will always be a factor in our overall understanding of the risk phenomena. Generally speaking, we are facing risk factors that can be reduced by careful travel planning and preparation to some degree from an industry- or traveller's perspective. Despite great actions, there are also risk factors which we cannot mitigate sufficiently enough but will lead to negative incidents during travel on a continuously larger scale. Not only do incidents caused by travel-related risks seem to affect the mindset of individuals but has also shown to have a great negative impact on the whole tourism industry and the global, national and local economy. (Mansfeld & Pizam 2006, 1-2.)

In an era where the tourism sector has seen great ups and downs, and where the need for financial safety while travelling has increased, the Finnish insurance market has experienced significant growth. In 2022, the number of insurance policies sold in Finland increased by 4% from the previous year, resulting in a total revenue of 27,2 billion euros (Finance Finland 2022, 4). Simultaneously, according to Statistics Finland (2023a), the number of Finnish Leisure trips abroad tripled in the same year compared to the previous year with almost 7 million trips abroad in 2022 (Appendix 1).

With this thesis, the author wishes to examine the scientific understanding of the risk phenomenon and the general factors that influence people's perception of risk in the context of travel. More specifically, this thesis initially seeks to explore the various travel-related risk factors that Finnish travellers may experience when traveling abroad. In addition, the author wants to investigate whether there could be a potential correlation between Finnish travellers' perception of these travel-related risks, and their consumer behavior and decision-making when they choose or refrain from buying travel insurance.

1.1 Specifying the Research Project's Aim and Objectives

The purpose of this thesis projects can be defined as: To research Finnish traveller's perception of travel-related risk and how it affects to their behaviour towards purchasing a travel insurance policy, in the context of international travel-planning. In supplement, the study aims to explore which factors that might or might not affect to the perceptions of travel-related risks.

To support the author in his work, the thesis project will be carried out with the following objectives:

- To explore the different travel-related risks a Finnish Traveller might be exposed to when travelling abroad by conducting a literature review on the subject.
- To determine the possible factors that may affect to the Finnish Traveller's consumer behaviour when purchasing travel insurance.
- To collect empirical data from Finnish travellers to discover their attitude and perception towards travel-related risks when travelling abroad.
- To analyse these perceptions of risks and identify how it affects to Finnish Travellers consumer behavior when purchasing travel insurance.
- To compare the current market offering of travel insurance policies in Finland.

Based on the objectives of the study, the author has given the following research problem statement for this thesis project:

How do Finnish Travellers perceive travel-related risk and to which extent does this have an influence on their consumer behaviour when purchasing a Travel insurance Policy?

To support the author to find answers to this statement, the following research questions have been designed:

- 1) How do Finnish travelers perceive travel-related risks?
- 2) What are the external factors that influences Finish Travelers' perception of risk?
- 3) How does these factors affect to their consumer behavior when purchasing a travel insurance policy?
- 4) What are the common insurance policies and coverage preferences among Finnish travelers when purchasing a new travel insurance policy?

1.2 Thesis delimitations

In this section, the author wishes to present the delimitation of the thesis work. The delimitations concentrate mostly on factors which are not essentially outside of the author's control but are active decisions taken to secure a narrow but highly relevant scope of content towards reaching the research goals.

Since the objectives and aims of this thesis does not intend to present the insurance market from the point of view of an insurance business perspective. The underlying methods and strategies employed by insurance companies to promote their products and influence consumer decision-making by advertising, pricing, placement and product customization is not taken into consideration when conducting this research. At the same time, these factors to the author's understanding, naturally will also affect consumer behaviour. Furthermore, the thesis does not seek to give the reader a greater understanding of the complicated technical conditions and instruments behind the insurance product, which is why the author will try to carefully process and assess the collected data, to provide a simple but sufficient understanding of the insurance product in its entirety and with main focus on travel insurance.

While this thesis work relies both on an examination of existing theory, literature and research on the subject, combined with empirical data collection, it is important to understand, that this research will have a limitation in capturing the full complexity of consumer behavior and the decision-making process. Thus, efforts have been made by the author to ensure that the chosen sources, examination of literature and the data collection methods are well-designed to reach the full potential for this study. The author is acknowledging the dynamics of the tourism industry. An industry, which is fast paced which can result in a sudden change to our travel patterns, perceptions of risk and general preference for insurance. The data which this thesis relies on is historical data as well as data which is available now and up to the cut-off date, at this thesis publication. Thus, knowledge and data which will become available post that date are not considered in this project.

Additionally, the author has found a language limitation, as some of the sources from the Finnish Travel Insurance companies were either more detailed or only to be found in Finnish or Swedish Language. While the researcher's native language is Danish, this has resulted in a linguistic barrier that can have affected the comprehensive understanding and interpretation of these data. The author has tried to minimize this limitation by heavily basing the research on data which has been available in the English Language or to overcome these limitations through an external translation tool, however, language nuances and context may not be fully visible.

1.3 Definitions and concepts

To give the reader a better contextual understanding of the concepts and terms used in this thesis, the author will in this section give a more comprehensive definition of these words, and hence give the reader a better foundation for understanding the author's thoughts behind the different concepts.

Tourism – is the complex summary of activities taking place when individuals or groups of people are travelling with the intention to stay in places outside their usual environment and do not spend more than a consecutive year away in these locations (Statistics Finland 2023c.)

Outbound tourism – refers to the activity of a residents who is travelling to, and spending time in a place outside their country of residence and does not spend more than 12 consecutive months on their trip, independent of the purposes of their trip. (Statistics Finland 2023c.)

Tourist – in the context of this thesis, a refers to an individual who stays one or more nights in a collective or private accommodation in the place visiting. When referring to an international tourist, it is a visitor who stays one or more nights away from the country of their residence. (Statistics Finland 2023c.)

Consumer - refers to the person who discovers the desire to act on the need for fulfilment and as a result, decides to acquire a product or service and in the end takes responsibility for the disposal of the product, as a part of the three stages of the consumption process (Solomon 2020, 23.)

1.4 General methods

In this section, the author wants to achieve a preliminary presentation of the methods utilized in this research. This is meant to secure a higher level of clarity of the research process for potential readers of this thesis and also allows other researchers to be inspired or replicate the study for further investigations into this field.

This thesis draws its foundation on both primary and secondary data. The secondary data is collected and processed with a review of existing literature and theory models collected by the author and analysed with a qualitative analysis approach by typing and summarizing the data. (Thesis Coordinators 2022, 1). It has been a great focus for the author to find a research method which would support in optimizing the data processing. By doing so, the author has increased the opportunity for the reader of the thesis to believe in the validity of the research (Walliman 2010, 7-8).

Moreover, the author has chosen the aspect of relativism rather than positivism as the approach to this work. While the positivist approach is a scientific method, based on sensory experience gained through experiments or comparative analysis, by using inductive and value-free data, the relativist approach is more subjective and uses value-laden data through for example surveys and qualitative analysis to seek a deeper relative connection between different phenomena (Walliman 2010, 22).

This approach is chosen, both because the author believes we experience the world through our perceptions formed by our behaviour, our preconceptions, beliefs and values which can best be understood by this approach. Also, because it suits the objective of finding a potential correlation between the studied perception of risk, Finnish Travellers may carry with them and their consumer behaviour characteristics, which is hopefully established later in the research. By implying this relativism research approach, the author is building this research in respect of human experiences and different human perspectives gained through life. Arguably by doing so, it is giving this research a philosophical basis, where the chance for a more comprehensive understanding of the risk-perception phenomenon is increased. (Walliman 2010, 22.)

Additionally, the author intends to include empirical data in the research, which is presented later in this thesis. A quantitative data method is showcased by the preparation of a survey structured and designed to collect a random and convenient sample from a population. A more detailed presentation of the survey design, implementation and analysis methods will be found from Chapter 6.

1.5 Structure of The Thesis

The author has decided to work with the traditional report structure rather than the zipper report style for this thesis. The author has concluded that this structure makes more sense, supporting the author's writing style, prior report writing experience and the desired outcome of the study. This research thesis consists of a total of 8 chapters excluding the source- and appendices list which can be found after the last chapter, relevant to support and increase the thesis validity.

The general introduction of the thesis will support the entire thesis foundation by providing context, giving background information, and setting the stage for readers of this report. It aims to give valuable insight for the reader to get a better understanding of the motivations, purpose, relevance, and significance of this work. The introduction chapter also consists of the main aim and objectives of the research which will help clarify the specific knowledge that this research is trying to obtain.

Subsequently, the author will present the theoretical part, including a literature review and findings of existing theory, to demonstrate a deeper understanding of the subject. As well, that a critical evaluation of previous academic studies and preexisting material has been completed. This part will also include a discussion of the theoretical framework, which will contribute to a nuanced view of the research findings and for evaluating them within the context of the study's objectives.

In the empirical part, the author will present the target group of the research, the problems and development tasks of the chosen research methodology. In the section, the reader will also find justification and further descriptions of the working methods, data collected, and analysis methods used to present a result summary.

Finally, the author will present some of the most significant research findings and examine these in relation to the research questions. Additionally, these findings will be discussed, and their significance will be compared to the theory which has previously been presented in the thesis.

In terms of referencing the author have decided to work with the main guidelines and rules provided by Haaga-Helia University of Applied Science. The references and list of sources can be found after the last chapter, listed in alphabetic order according to author's surname. It has been a focus area for the author to formatting the references in a way that would make them unambiguous, accessible, and easy to understand for the reader and people interested in this research. (Haaga-Helia Library and Information Services 2023.) The guidelines take into consideration the different types of sources: electronical – printed and oral sources. Additionally, there is found guidelines on referencing illustration, laws and EU directives which is also a part of this thesis research. (Haaga-Helia Library and Information Services 2023.)

2 Understanding risk and the perception of risk

Arguably, risk and the perception of risk play a great factor in our travel behaviour. Today the concept "to travel" has evolved into a more complex process of decision-making and considerations both pre-, under and post-travel. For a richer understanding of this complex process, the following chapter aims to give a broad insight into the concept of risk and risk perception. A further investigation of risks related to travelling will commence later.

2.1 The concept of Risk

As a term, risk finds its meaning across various kinds of scientific literature and known as a concept we use in our everyday lives, thus applied in numerous contexts. Despite its diverse use and different aspects which need to be taken into consideration, it is hard to find a generally recognized definition of the term.

The Cambridge Dictionary (2023) gives different offers on defining 'risk', one of them being: "the possibility of something bad happening" or "something bad that might happen". Notably, both of these definitions are based on a discourse or imply that risk has something to do with an unfavourable outcome. Renn and Rohrmann (2000) also describes, the term 'risk' associated with the result of a negative or undesired outcome, which is often caused by major unforeseen events (e.g., natural phenomena like hurricanes or tsunamis), or due to human activities (e.g., general behaviours, politics, consumerism and tourism). In a more nuanced speech, 'risk' arises when the possible outcome deviates both positively and negatively from the predefined expectations (Baranoff 2004, 12-14).

In 1983, a report from Great Britain's Royal Society Study Group made a distinguishment between objective or subjective risk, the first one referred to, as the data variables which in its nature can be established or reviewed before a particular event. From those variables, the portion of risk can be measured and determined from a statistical analysis. It was concluded that objective risk does not consider emotions, feelings, or similar intangible factors, but is purely based on facts, statistics and data. Based on these measurements, it is possible to conclude the degree of risk, which is often translated into terms of probabilities, frequencies and statistical values. On the contrary subjective risk relates to an individual or a groups perception and their attitudes towards risk. Thus, the perception of risk can be influences by emotions, biases and/or personal prejudgements. With this argument, one person may perceive something as risky, but other people in similar situation may view it as without any risk at all. (Society 1983,150-152.)

As argued by Hansson (2020) focusing on these two definitions of risk only, will result in a limited understanding of the whole concept. It has been discussed that neither of these two aspects is justifiable in its use if no other considerations or aspects are also included in the evaluation of the concept. The great challenge of a comprehensive understanding of 'risk' is identifying and understanding the various natures of factual and valuational components of objective and subjective risk and how they are combined in a more complex totality. (Hansson 2020, 1-2.)

Baranoff (2004, 17) mentions that most insurance professionals use the term 'risk' as a way to signify that a property or a person by their vulnerability is susceptible to or can be exposed to potential losses, thus, 'exposure' is often employed with the same meaning as 'risk'. Those risks or exposure to potential losses can be separated further into sub-categories for a much clearer understanding. For instance, it will help to divide these 'risks' of potential losses into "Financial Risks" or "Non-Financial risks" as well as "Pure risks" and "Speculative risks". (Gupta 2007, 6.)

"Financial Risks" involve the possibility of an individual or organisation being affected by a financial loss in case of an event, which differs from the expected outcome. Moreover, financial risk includes the possibility that assets or income will likely be exposed to financial instability. In contradiction to financial risk, non-financial risk evolves when the possibility of an unexpected outcome does not result in a financial loss. (Gupta 2007, 5.)

"Pure risks" refers to a situation where there are only two outcomes of an event. Either a loss or no loss. In this type of risk, there is no chance for an individual or organisation to gain or profit from the nature of the risk (Gupta 2007, 6). If insurance is bought to cover these kinds of risks, the insurance company will indemnify the losses which are caused by the events happening due to such risk. (Gupta 2007, 6.)

"Speculative risks" deal with those situations where the outcome of an event can result in either a loss or a profit. An example of this kind of risk would be through stock investments, betting or purchasing cryptocurrency. (Gupta 2007, 6.)

Within the scope of insurance, pure risks are generally insurable, while speculative risk is either impossible to insure or there is a minimal possibility to insure (Gupta 2007, 6). Therefore, we can divide 'pure risk' into 3 different types (see Figure 1.), which for this research makes it easier to distinguish between the different risks which potentially confront individuals, groups or organisations (Baranoff 2004, 17).



Figure 1. Three types of risk (Baranoff 2004, 17)

The exposure to personal risk occurs when events have a direct impact on individuals or groups of people, and their capability to earn income (Gupta 2007, 7). Such events may cause heavy injuries, sickness, instances of unemployment or similar, thereby resulting in greater personal loss. These occurrences can be divided into either a catastrophic or accidental. An example of a catastrophic happening which lead to huge exposure of personal loss for both individuals and groups of people, could be the happenings on September 11, 2001, whereas a more incidental loss could simply be someone falling and breaking a leg by an accident or causes due to sports activities. (Baranoff 2004, 17.)

The property risk involves the evaluation of the chance, that an uncontrollable force is causing damage to one's own property. These forces are not caused by human influence but rather external events, such as: fire, lightning, hurricanes or similar (Kagan 2021). The property risk, or the exposure to it, are both connected to loss or damage of "real" property, like buildings, facilities and non-private belongings and "personal" property such as one's car, mobile, television, bike etc. (Baranoff 2004, 17).

The liability risk arises because we as humans or organizations are held responsible for our actions. Under the law, private persons or organizations can be held liable for causing damage to others. Thus, the decision of whenever someone is to be held liable is to be decided in a lawsuit. This could result in a party being legally obligated to pay money for injury to other people or their property. (Baranoff 2004, 17.)

2.2 Risk perception

Messner and Mayer (2006, 154) give a concise definition of risk perception, described as the intuitive judgement from individuals and social groups in the context of situation-based behaviour with limited and uncertain information. When we dig deeper into the existing body of research on the concept, it becomes clear that risk perception is a complex phenomenon consisting of a combination of cognitive and emotional processes which affect the result of individuals' and groups' decision-making behaviour. Similarly, Renn and Rohrmann (2000) argue that the perception of risk highly involves assessing the cognitive structure of an individual's personal beliefs, feelings and judgements towards an expected outcome.

In support of this definition, the recognized author and professor in psychology at the University of Oregon, Poul Slovic, elucidates under the framework of "*the psychometric paradigm*" that we judge the probability of a risk based on two key characteristics: the degree of knowledge of the risk and the level of dread linked with it (Slovic 2000). In other words, risk perception refers to our subjective judgment on the possibility of an unwanted occurrence of an injury, sickness, or even death.

Furthermore, in 2015, a study found that there is an increasingly connection between the perception of risk and tourism. It was concluded that the perception of risk evidently affects our nature of travel, as travel itself implies several forms of risk, related to future uncertainty, destination unfamiliarity and possible negative outcomes of travel. (Yang, E. C. L., Sharif, S. P., & Khoo-Lattimore, C. 2015, 2.)

According to Mansfeld & Pizam (2006, 7) the tourists' perception of risk is additionally affected by the amount of security incidents (e.g., *crime, terrorism, war, geographical incidents and civil/political security interest*) at the tourist destination. Often, this change in risk perception can be translated directly into active actions in the general tourist behaviour/decision making (Mansfeld & Pizam 2006, 7). Most travellers will undergo a risk assessment to determine the level of risk associated with their travel. This often includes an examination of the probability of the threat, the severity of the possible consequences of travel and the cost it will take to mitigate these risks. (Leggat 2006, 1-2.)

The author can conclude that a lot of aspects of risk are to be taken into consideration, to give the concept a deeper applicable meaning. Based on the literature, risk is very complex and hard to define based on one scientific theory or idea. The amount of risk can be measured in everything we do and ultimately it helps us navigate through our decisions in life. We all understand and perceive risk differently, consequently, it is hard to establish a common framework for it.

3 Investigating the travel-related risks

In the following chapter, the author of the thesis wishes to further discover the risks which are related to travelling, and by this means, the risks faced by tourists. Travel-related risks are the threat of any event, which can affect a tourist's journey or interfere with their trip and lead to an unexpected outcome (Leggat & Franklin 2013).

According to the World Travel Protection (2023), each trip has its own unique risk, which is why they suggest three areas in which a traveller should assess the degree of potential risk factors:

- 1) The traveller themselves (e.g., attitude, belief, habits and behaviour)
 - 2) The destination (e.g., political history, location, historical data, and general safety)
 - 3) The activities along the trip (e.g., encounters with other people, groups or animals)
- (World Travel protection 2023.)

The traveller can by their descriptive data, including age, gender, sexuality, religion and ethnicity have a unique risk profile which will ultimately affect their safety during their trip. Furthermore, the destinations play a key factor in determining the level of threats from potential crime, interruptions of travel or natural disasters being a risk for the traveller. Lastly, it should also be assessed which activity the traveller is taking part in, for instance, local events or public gatherings which can influence their safety while travelling. (World Travel Protection 2023.)

The Ministry for Foreign Affairs of Finland also recommends the people travelling abroad from Finland to prepare thoroughly for a crisis and consider the security of the destination abroad before deciding to travel (The Ministry of Foreign Affairs of Finland, 2023).

3.1 Risk of Health and Well-being

The World Health Organisation (WHO) implies that travelling can increase the chance of exposure to health and wellbeing. Especially, when it is intended to visit places which is unfamiliar, distant or remote areas. Additionally, it is mentioned, that travellers are not only facing physical health risks while travelling, but also mental risks are playing a vital role contributing to the overall health-related risk concerns. The mental risk is often caused by the stressful and uncertain situations encountered while away from home. (World Health Organisation 2020c.)

The most severe health risks when travelling commonly involves diseases which tourists are exposed to directly in their location either in the hotel, in a restaurant, at a bar or in an activity which is a part of their travel arrangement (*e.g., excursions, concerts, a football game or other sports events*). According to statistics, the most common diseases are food poisoning, diarrhoea or other related illnesses. Those are often related to poor sanitation, consumption of contaminated food, or mould caused by a general lack of hygiene management at the destination. (Henderson 2007, 107.)

A professional health physician from KLM has found that 40% of travellers contract some form of respiratory or bowel infection during their trip. The underlying factors are the change in surroundings, local hygiene, water and animals. She suggests that travellers can avoid these risks heavily by eating and drinking cautiously and getting the recommended vaccination against the diseases that can be encountered at the destination. (Aaftink, 2016.)

Before leaving, people who intend to travel should seek guidance on the potential hazards occurring in their destinations and understand how to protect their health and minimize the risk of acquiring danger to themselves (World Health Organisation 2023c). World Health Organisation (2023b) presents a list of factors which needs to be considered when determining the health risks of international travel, these factors are as follows:

- Mode of transportation
- Destination(s)
- Duration of travel
- The season of travel
- Purpose of travel
- Accommodation, food hygiene and sanitation
- Behaviour of the traveller
- Underlying health of the traveller. (World Health Organisation, 2023b.)

They also suggest that those destinations where accommodation, hygiene, medical assistance, and water are of high quality pose a lower risk to the health of travellers (World Health Organisation 2023b).

3.2 Risk of Delays or Cancellations

One of the reasons behind the risk of cancellations could be the uncertainty of safety in the destination which the traveller is intended to visit. As it has been the case with flights operated by Finnair from Finland to Tel Aviv in Israel, which has all been cancelled until October 29, 2024, due to the on-going military conflicts between Israel and Palestine (Finnair 2023).

Another factor behind either delays or cancellation in transportation could be a strike from the employees working in the sector. A recent example of this happened in Helsinki, Finland on 14th of December 2023, when it was announced that a larger disruption of public transportation was expected due to a political strike from the employees, which resulted in cancellations or delayed of all commuter trains, metros, trams, light rail and busses in the capital region (HSL 2023).

Nevertheless, travellers are commonly protected against losses related to delays or cancellations either by the travel operator or general regulations. For example, if a traveller is using air transportation as a part of their journey, within the EU, the passenger is protected by regulations which in case of any delays, cancelled flights and/or denied boarding on to flights protects them by established rules for assistance or compensations. (Regulation on Air Passengers Rights 261/2004/EC.) However, there no alike federal law in the U.S. requiring airlines to compensate passengers in case of a delayed or cancelled flights (Hurd August 2022).

A traveller may encounter big delays during their trip and this this may lead to a great financial loss. The travellers may have to pay for food, accommodation and new arrangements for the rest of their journey. Most of travel delays may happen unexpectedly due to unforeseen circumstances like traffic accidents, weather or natural disasters. (Lew 2023.)

3.3 Risk of Delayed, Lost or Damaged luggage

According to IATA (2023), there are more than 4 billion bags carried by airlines globally on an annual basis. 99,57% of these will arrive to their owners on time. However, a minor risk of a traveller's luggage being either lost, delayed or damaged during the trip is still also a risk factor to take into consideration.

In 2022, air transportation saw an increase from 0,74% of mishandled luggage per hundred passengers in 2021, to 0,76% mishandled luggage per hundred passengers in the following year (Kelleher 2023). While this is a massive increase from pandemic numbers which was around 0,56% mishandled luggage per hundred passengers in 2019 and 0,35% in 2020, the risk has still decreased massively per thousand passengers by 59,7% from 2007 to 2022 (Sita 2023, 5).

Even though the industry has forecasted a return to pre-crisis level of air travel earliest in 2024, airports and airlines have already invested heavily in automation technologies to make the journey for the travellers as smooth as possible. With automated baggage handling, self-check in, optimized tracking systems and improved airport operation systems, investing in baggage technology is a key factor in mitigating these risks of mishandled luggage. (Sita 2023, 4.)

Within EU regulations passengers are also protected if something happens to their luggage during their trip. These regulations often give the passengers the right to compensation from their carrier. For example, passengers in bus and coach transport are according to the EU regulations entitled to compensation for death, including reasonable funeral expenses, or personal injury as well as for loss of or damage to luggage due to accidents arising out of the use of the bus or coach. (Regulation on Passengers right in bus and coach transport 81/2011/EC.)

3.4 Risk of Natural disasters

Unexpected climate and weather phenomena will have high potential of affecting almost every traveller during their trip. Several heavy weather conditions like fog, thunderstorms, and precipitation can make it dangerous and risky to travel (Smith 2018). These nature disasters are defined by Mansfeld and Pizam (2006, 205) as “a phenomena not caused by humans, involving the structure or composition of the earth, ranging from eruptions, avalanches, or earthquakes to landslides, floods, hurricanes, or typhoons”.

In the recent years, tourist have already seen severe consequences of the changing climate situation. For example, in 2021, when the touristic south coast of Türkiye was hit by intense wildfires, causing locals and tourist to escape from the region (Watts 2021). A study conducted the same year, concluded that this incident will have several negative impacts on the general tourism in area, for instance a decreasing number of tourists, decreasing number of tourism revenue and decreasing employment in Tourism (Aygün 2021, 251-252).

3.5 Risk of Terrorism

Throughout the years, the risk of terrorism has been shown to significantly impact the tourism industry and have had a great influence on tourist behaviour overall. One of the primary effects which terrorism has on tourists is the installation of fear, causing tourists to think twice before visiting a new place or considering cancelling their plans. (Misrahi 2015.)

Terrorism is meant to generate these fears with threat of violence and often targeted bigger organisations/groups rather than isolated individuals. Mostly, used as a tool to create or maintain power for the actor/actors who is behind these acts. (Lutz 2005, 7-8.)

On a geographical scale, terrorism has very few restrictions, which means that terrorist attacks can possibly happen in any location or at any destination. Throughout history, all the areas of the world have been and are affected by these terrorist attacks, and they can have huge economic damage no matter if they are only domestic-oriented attacks. Terrorism has evidently also been an international-oriented instrument targeting tourists, foreign investments, business operations or diplomats. (Lutz 2005, 161.)

Besides the attack on World Trade Center in September 2001, there has been a mentionable amount of terrorism events in the recent years, which have all affected negatively to the tourism industry, both on a national- and international scale (Bysyuk 2010, 7).

Among those:

- 1978, Hostage-taking of the Israel Olympic Team in Munich, Germany
- 1997, Terrorist attack on foreign tourists in Luxor, Egypt
- 2002, Hostage-taking in Moscow, Russia
- 2004, Train bombings in Madrid, Spain
- 2005, Bombing of public transportation network in London, UK.
- 2015, Bataclan Theatre Attack in Paris, France (National Counterterrorism Center s.a.)

Some of the consequences of terrorist attacks are loss of life, but also the huge effect it has on the general economy of a country. This harm can result in long-term suffering in the general financial market. To those countries, relying heavily on their tourism sector, it additionally has an even greater impact, as tourism often plays an important role in their general economy (Belau 2003). Moreover, financial harm, these events will also affect the image of a destination. Tourists who have planned to visit a destination are more likely to cancel their trip if terrorism is a part of the destination's history (Henderson 2007, 58-60). If the tourist does not cancel their trip, chances are they will reconsider their travel plans and replace their destination with others places they believe are safer to travel to (Lutz & Lutz 2020, 1-17).

OECD claims that no country or private person can claim they are protected against terrorist risk by any insurance. However, insurance plays a vital role when securing a fast economic recovery after any terrorist attack. While the risk of terrorism has been continuously rising, the unpredictability of these events may fundamentally challenge the insurability of terrorism risk (OECD 2023).

Mansfeld & Pizam (2006, 38) finds that the concept crimes and terrorism and their different impacts are often confused and therefore it is important to understand the differences between these two. Criminals rarely seek public acknowledgement or mention and from a macro level, would want a successful tourism industry, because this would create opportunities to commit a crime to gain a financial profit, terrorists will rather seek publicity than financial profit, as they want to destroy a particular nation's economy hence creating damage to the tourism sector. For them, the scale of the harm they make, and the loss of economic opportunities will ultimately determine their success. (Mansfeld & Pizam 2006, 39-40.)

3.6 Risk of Crimes and Violence

Tourists are facing the threats of crime and violence daily. The most common incidents include robbery, rape, assaults, and murder. These criminal activities have an impact on both a broader societal scale (macro level) and for individuals (micro level) (Mansfeld & Pizam 2006, 106). At the macro level, crimes affect the society in general. For example, economically, crimes are costing the society lots of money every year, which leads to an elevated price-level of products for consumers (Mansfeld & Pizam 2006, 106).

On the micro level, crime have severe consequences for individuals manifesting physically and psychologically. If a tourist has been a victim of violence, this often brings a financial burden, as they seek to get medical assistance, counseling and eventually results in a loss in the overall life quality (Mansfeld & Pizam 2006, 106). Often tourists are considered more vulnerable to criminal victimization compared to when they are at home. This is because, they often carry items which is are more valuable; are relaxed and not paying equal attention to danger; engaging in risky activities; or are obvious in their dressing style (Mansfeld & Pizam 2006, 108-109).

3.7 Risk of Animals and Wildlife

Up to 37% of short-term international travelers have experienced a health issue while on holiday, many of these also being related to the encounter with animals (Re and Gluckman 2003, as cited in Mansfeld & Pizam 2006, 211). Not only, can animals cause a risk simply by their presence but in addition they can transmit dangerous disease to humans through bites, which can result in extensive injury or death (Mansfeld & Pizam 2006, 211).

In similarity to other tourist safety issues, a negative wildlife experience can as for example crime, terrorist attacks and nature disaster cause a bad reputation for a destination, causing major changes to the tourism behaviour and their risk perception towards that destination (Mansfeld & Pizam 2006, 215).

A great example of how these negative encounters with animals can affect travellers happened over the summer of 2023, when Paris experienced a growing bedbug outbreak crisis, resulting in travellers posting photos and videos of their meeting with the animal on social media from their visit in the French capital (Cobbe 2023).

Table 1. Overview of Diseases from Wildlife Encounters (Mansfeld & Pizam 2006, 211)

Transmission	Disease
Passed by mosquitoes	Malaria Yellow fever Japanese B encephalitis Dengue fever
Direct from wildlife bites	B virus, especially from monkeys Rabies
Tsetse flies	African trypanosomiasis
Ticks	Typhoid Rickettsia

The above-shown table gives a great indication of the different diseases, which a traveller can encounter during their trip and how these, can potentially be transmitted from an animal to a human being. Studies have found evidence that tourists before their trip, can be negatively influenced in their tourist behaviour if they pre-trip are presented with the potentially threatening wildlife in the destination they intend to visit. However, the study also found, that the part of species causing the biggest danger to tourists is often of bigger interest to many visitors, particularly if presented in a controlled environment. (Mansfeld & Pizam 2006, 223.)

In summary, there are various risks which individuals may encounter during their trip. Depending on the length of the travel, destination and previous travel experience the risk level might differ. There are risks which are more threatening to traveller's safety than others, and it is highly important to understand the factors behind these risks to mitigate them effectively. While it requires a lot of work to navigate the diverse landscape of these travel-related risks, the author has found it highly important, that travellers focus on comprehensive travel planning, seek information and help and do a risk assessment as a part of preparations before a trip, as these actions will significantly enhance their safety and wellbeing.

4 Insight to consumer behaviour and the decision-making process

With a dual focus, this chapter aims to explore and understand the theory behind the factors affecting why Finnish Travellers tend to purchase a certain travel insurance or on the other hand why they don't purchase travel insurance at all. Furthermore, the author wants to achieve a broader understanding of the psychological process a consumer goes through before they select a particular product, referred to as the decision-making process. Within the field of tourism, consumer behaviour is very often used interchangeably by the terms "traveller behaviour", "tourist behaviour" and "guest behaviour", however the term consumer behaviour will be the term employed in this thesis research.

4.1 Consumer Behaviour

Consumer behaviour is the multidimensional process through which each individual or group decides to select, purchase and dispose products, services or goods to fulfil their own interests or desires. In the study of consumer behaviour, marketers are often trying to understand the perspective from what, when, where, how, from whom, and how often products are either purchased or consumed. The whole concept of consumer behaviour has been analysed from various aspects, ranging from sociology, philosophy, theology and lots of other dimensions as well. (Kumra 2006, 2.)

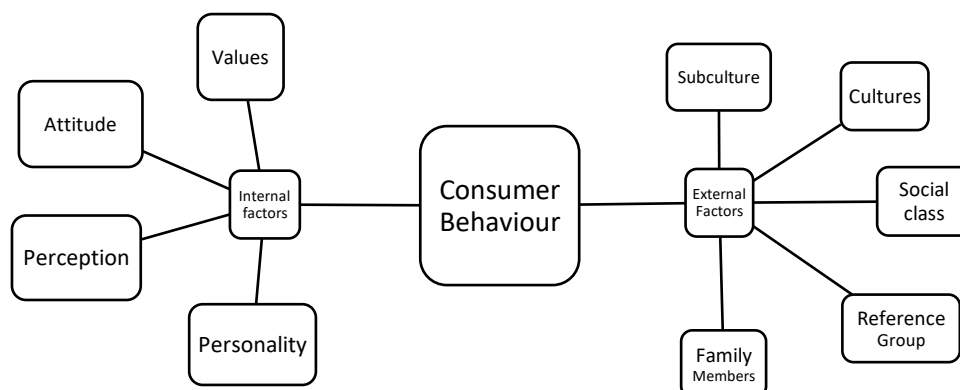


Figure 2. Internal and External factors of Consumer Behavior. Based on (Dixit 2017, 8-9)

Below is a brief overview and explanation of those external factors which might play a central role in our consumer behaviour. These groups of factors are often shaping the way we make purchasing decisions and the influence from these are often beyond our control.

- 1. Reference groups:** Are an actual or imaginary group that have a high degree of relevance and credibility upon an individual's evaluation, aspirations and behavior. Consumers are heavily influenced by how these reference groups think and repeatedly inspired by their behavior. (Park & Lessig 1977.) Dixit (2017,9) gives the following examples of reference groups: *work colleagues, religious groups, friendship groups, shopping groups, virtual communities and advocacy groups.*
- 2. Culture and subculture:** Sillars and Gronbeck (2001, 201) suggest that culture represents all the beliefs, attitudes, values, myths, ideologies, routines, and other behaviour that defines us as human beings and how we interact in relationships with each other. However, Geert Hofstede's contribution to the definition of culture must be mentioned as well, as his work remains one of the most cited within this field. Hofstede & Minkov (2010) argues that culture is largely based on an individual's personality and is best described with different characteristics, which are said to be unique to that individual, and influenced throughout a lifetime. This argument finds support by Jones (2007), which suggests that a culture is established at birth, and through life shaped by schooling, family religion, other relations and media is influence. Within the broader cultural framework, you will find subcultures, which is a specific group within the society that shares certain values and beliefs. Often the subculture can stem from the individual's ethnicity, gender, religion or age. (Dixit 2017, 9.)
- 3. Social class:** The complete definition of social class is hard to establish, as various researchers have argued that the concept is constantly changing its meaning, definition and form, throughout time. Often sociologists use the term as a technical way to categorize individuals based on attributes less likely to change. In this case, we often base the social class on variables such as personal traits, behaviours, level of education, and lifestyle, to define these persons. (Cole February 2021.) Another way of understanding the term is by subjective social class, which refers to a person's own perception of themselves and their position within the social hierarchy (Jackman & Jackman 1973, 569–582).

- 4. Family Members:** Family members are linked to a person by blood, marriage or adoption often residing together. The family members have some of the strongest influence on the decision-making. These decision makings can be further categorized into more specific patterns, depending on the family constellation and their practices:
- a. **Husband**-dominated decisions
 - b. **Wife**-dominated decisions
 - c. **Children**-dominated decisions
 - d. **Joint** decisions (decisions are made equally between all the members of the family)
 - e. **Autonomic decisions** (any member of the family takes lead in decision process).
- (Dixit 2017, 9.)

Consumers are not only influenced by the external factors, but also internal factors are playing a crucial role in our behaviour. Those internal factors are often centred around our personal characteristics and in a scientific context referred to as cognitive psychology. These characteristics however its emotions or how we store information in our brains can vary a lot from person to person. (Dixit 2017, 7-8.)

As such, it is highly relevant to study the emotions which tourists may have when investigating consumer behaviour, as these emotions hold huge significance to the actions related to travelling. Another way to understand the consumer behavior is to categorize the consumers into groups of age, gender, income or occupation. These descriptive features are also known as demographics which are all affecting to our constellation of beliefs, values and personality. (Solomon 2020, 21-22.)

Building on this approach and delving into a psychology perspective, people mostly buy an insurance, because they believe that by having an insurance, they can ward off the evil. Which means that, the underlying motives of purchasing an insurance, is not rational thinking but based on emotions and beliefs. (Tykocinski September 2021, min. 3-5.)

A study conducted in 2020, investigated how different risk factors affected individuals' perception of different risk dimensions towards the purchase behaviour of Life Insurance. It found that the perception of risk had a high tendency and affection towards the purchasing pattern. Moreover, it was mentioned as a conclusion to the study, that the perception of the life insurance product itself was also affecting the purchasing decisions (Lim et al., 2020). Thus, the evidence from this study can be used as empirical data to support in researching the linkage between perception of risk and consumer purchasing behavior, in relation to the Travel Insurance.

This perspective is further supported by one of the most well-known theories on how psychology plays a vital role in our consumer behaviour. Maslow's Hierarchy of needs, first outlined and later, further developed by Abraham Maslow in 1943 (Solomon December 2016, min. 29-31). This theory is building on a principal, that human needs can be put into a hierarchy of 5 levels (Physiological needs, Safety needs, Belongingness and love needs, Esteem needs and Self-actualization) suggesting that we, as individuals will attempt to get our basic needs fulfilled before we will move up the hierarchy and fulfil and cover needs on a higher-level (Solomon December 2016, min. 29-31).

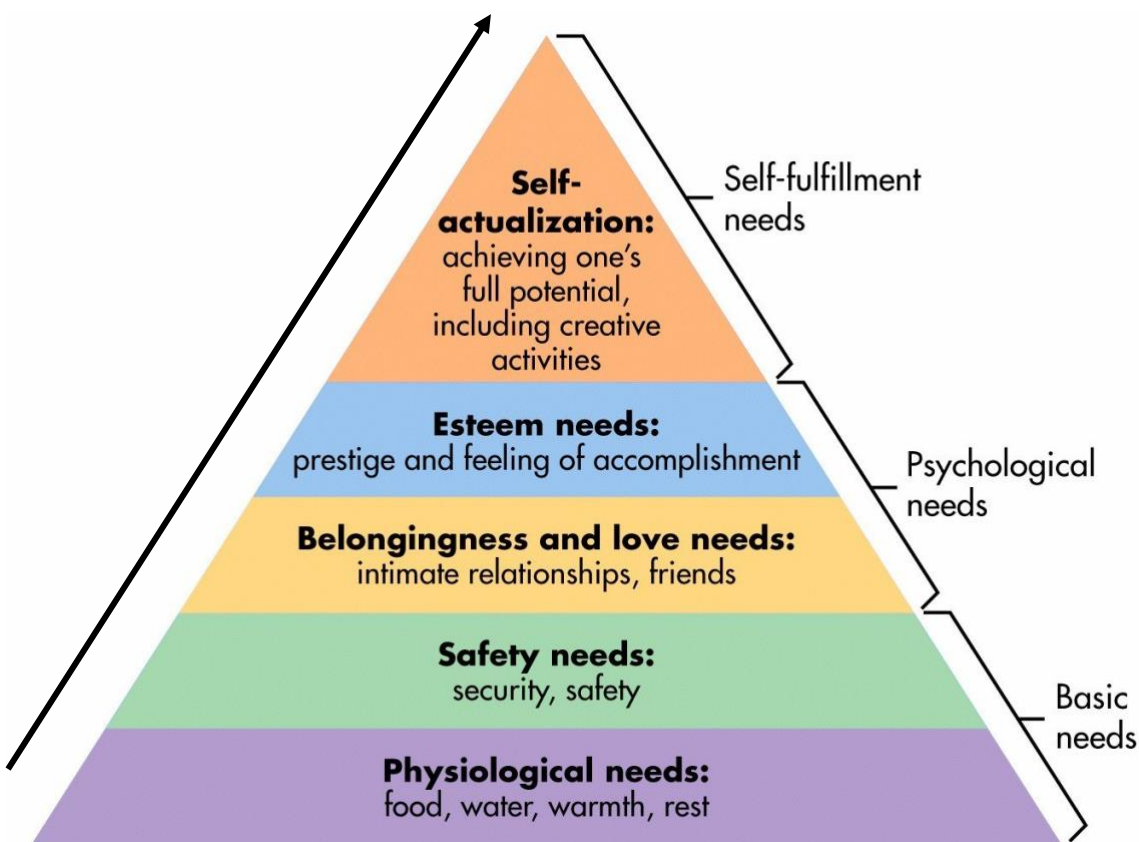


Figure 3. Maslow's Hierarchy of Needs (Solomon December 2016, min. 29-31)

This theory can be used in various contexts to understand the psychological aspect in business management, informing strategies, consumer behavior analysis and development programs for person growth (Solomon December 2016, min. 29-31). In the base of the pyramid, the physiological needs are fundamental for our survival, and therefore those needs, we will seek to get full filled first. Moving up the hierarchy, we will try to get our safety needs covered, to secure stability and protection in our life, and to give us mental harmony (Solomon December 2016, min. 29-31).

When moving up the different levels, we will cover our need for belongingness, love and esteem before reaching the pinnacle of Self-Actualization, where we seek to reach our full potential and pursue personal growth, by creative activities (Solomon December 2016, min. 29-31).

Another theory to understand and predict human behaviour is The Theory of Planned Behaviour (TBP). This theory builds its foundation on humans being rational thinkers and thus systematically will consider the consequences of our acting before we put these into our active behaviour (Ajzen 1991, 179-211). Based on the three factors: (1) Attitude Towards the Behaviour, (2) Subjective Norms and (3) Perceived Behavioural Control, The Theory of Planned Behaviour explores that individuals will relatively easy be influenced in their behaviour by these factors, and subsequently by our intentions which will ultimately affect how individuals perform actions towards a desired result. (Ajzen 1991, 179-211.)

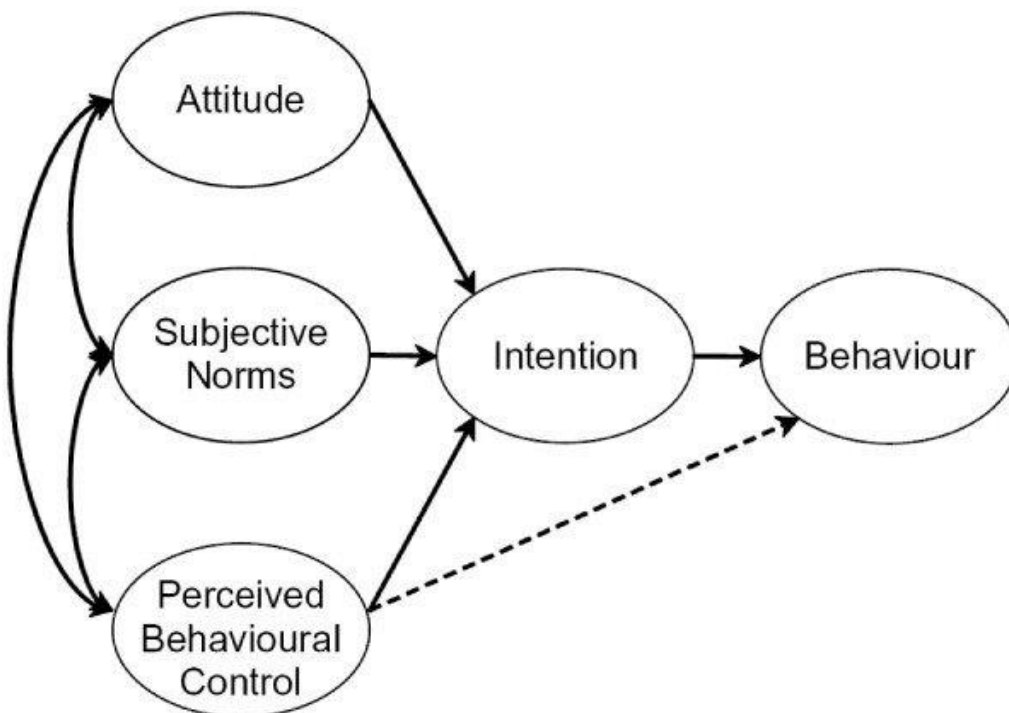


Figure 4. The Theory of Planned Behavior (adapted from Ajzen 1991, 179-211)

In a combination of these factors the theory also mentions the subjective norms as the individual's perception of norms or social expectations regarding the behavior. An increased acceptance in the society of the behavior will subsequently mean a higher chance of the behavior being actively performed by the individual. (Ajzen 1991, 179-211.)

However, these factors cannot alone determine the behavior of an individual. Their attitude needs to be considered as well. The attitude refers to an individual's evaluation of the outcome, either positive or negative of the behavior. Ultimately the theory also considers the person's perceived behavioural control when analysing the individual behaviour. This refers to the individual's own assessment on how easy or how difficult it is to perform the behaviour. If the individual feels in control, and at ease by the intended behaviour, the chances are also bigger that these will be performed. (Ajzen 1991, 179-211.)

4.2 Decision-making process

The concept of decision-making theory has been a focus area for both the field of Economics, Psychology and Sociology (Decrop 2006, 2). The previous explored concept of consumer behaviour is affected by a range of internal and external factors that all also contributes to the decision-making process (Dixit 2017, 8-9).

In the field of decision-making processes, the author has found the Expected Utility (EU) theory known from microeconomics research, relevant to understanding this concept in relation to purchasing travel insurance. Based on this theory, the consumers will decide their purchase of insurance or actually any product based on a very personal assessment of the uncertain loss, by asking themselves, what do I (as an individual) potentially lose if I am uninsured versus what is the certain loss, if I am purchasing an insurance policy. (Schneider 2004, 350-351.) The certain loss could for example be the financial loss of paying the insurance premium (Schneider 2004, 350-351).

Another way to understand human beings in their decision-making process is presented by Decrop (2006, 5) who suggests that a consumer can be described as either a risk reducer, problem solver or an information-based decision-maker based on a deeper investigation into their actual behaviour in the process before deciding on their actions. A risk reducer will base their decision-making on their own anticipation of risk. They seek solutions which will help them reduce risk to an acceptable level. This theory claims that this consumer does a limited amount of research on the given product/service unless it helps to a safer decision. (Decrop 2006, 5-7). A problem solver is the most well-known approach from a consumer in decision-making. The goal of this kind of consumer is to purchase a product or service which helps them to solve their problem. This problem is often created by the consumer's own needs or desire for something.

These consumers are known to be very critical in their decision-making process and tend to evaluate every option available in the market, and therefore take great time in doing research. (Decrop 2006, 5-7). An information-processor is also working towards problem-solving while simultaneously they are always seeking new information, which can improve the quality of their choices. These consumers do not have clear preferences but are open to changing their decision on the spot if needed, when deciding (Decrop 2006, 5-7).

The author has also explored two alternative theories towards understanding the decision-making process. With the emotion-based theory, Damasio (1994) is working on the emotional element of decision-making because he believes that not all human decisions can be explained by rational reasons. This theory contends that our emotions are based on memory and the experiences we have throughout life. These emotions linked to the past will guide -and affect us in our decision-making. However, emotions are not understood to be constant, and these can change or evolve, and can easily be influenced by instant excitement which can lead to making decisions which are more based on impulses. (Damasio 1994, 249-259.)

Also taking the rational cognitive system in to consideration, the Dual-Process theory invented by Kahneman (2011) is making a distinguishment between two types of approaches to thinking and decision making. These two cognitive processes are often referred to as Type 1 and Type 2. Type 1 is the part of our cognitive process which is often fast-paced and makes us feel like we are almost working on autopilot. This process is often used in familiar situations, when the brain relies on historical data, intuition or shortcuts. Often the decisions affected by this type 1, is biased, emotional and stereotypic Kahneman 2011, 105-108). Type 2 refers to the cognitive process, which is slow-paced, more deliberate and often used u more complex tasks or when taking a more significant decision. Using this type in our decision-making will lead to more mental energy consumptions, due to its complexity (Kahneman 2011, 105-108). It is important to notice, that we do not only use these two types of cognitive processes individually, but they are working together in a systematic collaborative way. In stressful situations, we will often tend to use type 1, but this fact-paced way can lead to errors or wrong outcomes because the given situation is not evaluated thoroughly. (Kahneman 2011, 105-108.)

In summary, the author has found interesting theories relating to the consumer decision-making and have concluded some of these are better applicable in the nature of purchasing travel insurance than others. Generally, the author has found, that the process of decision-making based on the literature and given theories, heavily involves an evaluation of the perceived and certain risk. Additionally, it is found, according to most literature, the consumer is basing their decision-making with the ultimate goal of maximizing his or her own satisfaction.

4.3 Framework overview

To give a summarized overview of the explored theories around consumer behaviour – and decision-making process, the author has produced the table below to give a comparison or perhaps a better understanding of the framework utilized from this project. In the table, the authors behind the theory, its elements and focus areas/scope of use is presented.

Table 2. Overview of theoretical framework

Authors	Element	Concept area	Short description
Solomon December 2016, min. 29-31	Maslow's Hierarchy of Needs	Consumer behavior	It is a hierarchical pyramid that presents the tiers of human motivation and sets a framework to understand the psychology behind consumer behaviour.
Ajzen, 1991	Theory of Planned Behavior (TPB)	Consumer behavior	A theory model to predict and explain consumers behaviour based on attituded, social norms and perceived control.
Damasio, 1994	Emotional Decision-making	Decision-making	A theory that works the emotional element in the consumer decision-making process.
Kahneman, 2011	Dual-Process Theory	Decision-making	A theory working with two types of cognitive processes (emotional vs. rational) influencing consumers decision-making
Neumann & Morgenstern, 1944 Schneider 2004	Expected Utility Theory (EUT)	Decision-making	A theory to explain consumers decision-making based on the weighing risk and their need for satisfaction

5 Exploring the complexity of Travel Insurance

Presenting a comprehensive definition of insurance in general, can be challenging, after evaluating the statements from experts in the field. Mainly because of the numerous aspects which must be taken into consideration. The following chapter has the goal to give the reader a nuanced picture of the complexity of insurance and to give the research a solid foundation to find answers to the questions raised.

5.1 The concept of an insurance policy

From a financial perspective, insurance can be explained as the financial arrangement that redistributes the costs of an unexpected losses. This contractual agreement is entered by two parties. An insurance company (the insurer) and an individual or organisation (the insured). (Dorfman 2007, 2-3). The contract has the purpose to establish a binding obligation for the insurer to pay an insurance benefit to the insured party, in case of the event or crisis arises, outlined in this contract. Alongside with the contract, the insurance agreement includes a policy letter. The policy letter states the Terms and Conditions (T&C) under which the insurer is required to pay the benefit. To receive benefits, the insured is paying a certain amount of premium, for the insurance company to hold the risk of these event, covered. (Maheshwari March 2023.)

Within the contract, there should also be established the Terms & Conditions of the covers agreed between the two parties. The T&Cs of the agreement should additionally consist of so-called exclusion clauses. These exclusions will help the insured to identify those situations, events and losses which are not covered by the given insurance agreement. According to the law, if the insurance company denies a claim with reference to these exclusions and the insured party contests this denial, it is up to the insured prove that their claim should be approved or falls within the parameters of the agreement. (Dorfman 2007, 169-179.)

There are different ways to divide the insurance types in to different categorize. The table presented below takes it inspiration from the referred article: Below table is an example on how the different insurance products could be divided, however the author has noticed, that some insurance companies might use different distinguishments and wordings in their actual product portfolio.

Table 3. Types of insurances (Tamplin September 2023)

Health Insurance	Homeowners/Property Insurance	Auto Insurance	Life Insurance	Disability Insurance	Travel Insurance
A health insurance can help you in case of a physical or financial need. The insurance supports you financially, so your health does not become a financial burden.	A homeowner's insurance can help in case of unforeseen events that might cause damage to your property.	An auto insurance can help you in case of damage or theft of your vehicle (e.g., <i>Car, motorcycle, boat</i>).	A life insurance can provide financial support to your loved ones, in case of your death.	A disability insurance can help you with financial support in case of illness or sickness which leads to a lower income. The insurance will help by covering daily expenses.	A travel insurance can for example help you with financial assistance during or after your travel, if you have experienced delays, cancellations or lost luggage.

When a person intends to purchase a policy from an insurance provider, the contract between the two parties, should always be bound to *Utmost Good Faith*, also known as *uberrimae fidei*. This principle means that the insured and the insurer agrees to enter the contract with high importance of honesty and transparency. (Gupta 2007, 22.)

The insured will by adhering to his principle disclose all the relevant information and material facts of the risk, which is wished to be covered, whether requested or not by the insurer (Gupta 2007, 22-23). Examples of such information could be:

- 1) Details of any young drivers, Auto insurance.
- 2) Details of any commercial use of private property, Property Insurance.
- 3) Details of previous losses/hazards, Disability Insurance.
- 4) Details of Heart Disease or previous Critical Illness, Life insurance. (Gupta 2007, 22-23.)

On the other hand, the insurer should provide clear and in-depth details about the T&C of the insurance policy, and make sure the insured understands what is covered by the insurance and what is excluded in the agreement. (Gupta 2007, 22-23.)

5.2 Travel insurance in Finland

In Finland, the citizens are financially protected by the social security system. Nonetheless they also have the possibility to seek protection from their own private insurance providers. The social security system offers occupational health care, pension, sickness and disability benefits, parental

and family benefits, housing benefits and student financial aid. These financial securities are heavily financed through the Finnish tax system. (Kela 2023.)

However, also private insurance companies and financial institutes can sell policies to private consumers. The most common insurance policies offered in the Finnish market are car insurance, private health insurance, accident insurance, life insurance, travel insurance and general non-life insurance (Nordic Co-operation 2023). To operate an insurance business in Finland, is subject to authorisation. This authorisation is issued by the Financial Supervisory Authority (FIN-FSA). All authorisations are granted in accordance with the Act on Insurance Classes (Ministry of Social Affairs and Health 2023).

A travel insurance in Finland is often sold as an additional protection to private insurance during a temporary stay abroad. In Finland, notable insurance companies include Fennia, If, LähiTapiola, Pohjantähti, Pohjola Insurance, POP Insurance, Nordea and Turva (Nordic Co-operation 2023).

In 2022, the general insurance market experienced a growth in premiums written and claims and benefits paid. This was a 7% growth in the market compared to 2021. Suppose we break down the insurance market by insurance supplier, in 2022 more than 84% of all premiums were sold directly or indirectly by the four largest life and non-life insurance companies in Finland. This suggests a highly saturated market (Finance Finland 2022, 5).

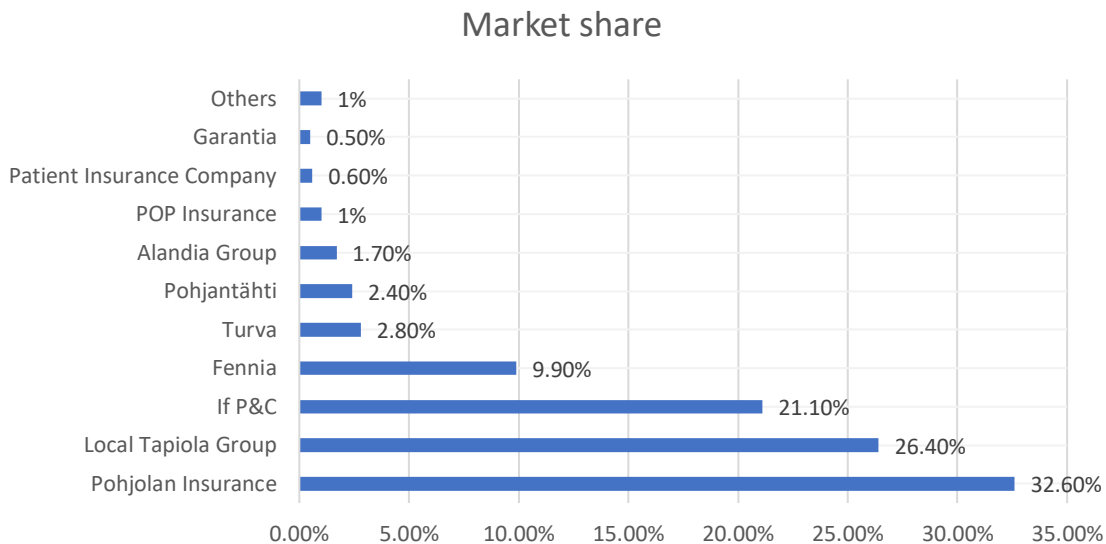


Figure 5 Non-life insurers' market shares in 2022 (Finance Finland 2023,9)

In Finland, travel insurance falls under the category of non-life insurance, which in 2022 also saw a 9% growth in claims paid to customers. Reportedly this was due to a smaller increase in travel, because of pre-covid activities returning (Finance Finland 2023, 5).

Through the travel insurance, Finnish Travellers are generally well protected against unforeseen events and risks associated with travelling abroad. Based on a comparative analysis of the insurance policies from 5 of the biggest insurance providers in Finland, some of the most common covers which are included in the standard insurance policies are:

- * Personal Accident
- * Medical Expenses related to an illness or an accident
- * Cost of delayed, missed or cancelled departure
- * Emergency treatment and associated expenses
- * 24/7 support through chat or phone call

As previously mentioned, Nordea, Pohjolan Insurance, If, LähiTapiola and Turva are 5 of the leading companies in the category of Privat, Accident and Health insurance providers within the Finnish Market. All of these companies offer their own travel insurance product to their customers, when going abroad.

The author has found from more of the previously mentioned companies, that they are offering two types of travel insurance contracts to their customers. A continuous travel insurance or fixed-term travel insurance (If 2023; Nordea 2023; Pohjolan Insurance 2023).

Pohjolan Insurance (2023) claims that a continuous travel insurance is best when travelling several times each year in Finland or abroad, while the fixed-term travel insurance is better when travelling only around once a year.

Below, you will find a table representing a comparative analysis of the two kinds of insurance policies offered by Pohjolan Insurance. It is noticeable, that the continuous travel insurance agreement seems to be more flexible in terms of maximum cover of cancellation, adjustments and age limits. The author found the perk of fixed-term travel insurance is that it also includes children under the age of 15 when travelling with parents or grandparents, which continuous travel insurance does not.

Table 4. Comparative table of Continuous or fixed-term travel insurance from Pohjolan Insurance Finland (Pohjolan Insurance 2023)

	Continuous Travel Insurance	Fixed-Term Travel Insurance
Where is it valid?	On trips outside Finland. Domestic travel can also be included in the policy.	In the country or countries, you have selected.
Are children insured?	Children require their personal traveller's insurance.	Children under the age of 15 are included in the insurance when travelling with parents or grandparents.
How does it cover cancellations?	Cancellations are covered up to the maximum compensation you have selected. Depending on your travel habits, you can select a maximum compensation higher than 3,000 euros.	Covers cancellation costs up to 3,000 euros.
How adjustable is it?	The maximum trip duration and content of insurance can be adjusted extensively to suit your needs.	Offers mostly fixed cover that can't be adjusted. You may choose to include cover in case of permanent disability or death.
Is there a minimum or maximum age?	The insurance may be granted to babies already during pregnancy and up to persons aged 99. Expires at age 100.	May be granted to ages 0–85, expires at age 86

It is noticeable that continuous travel insurance offers flexibility in terms of validity, covering both domestic and international travel. When Fixed-Term Travel Insurance is only covering international travel. The author also found from If (2023, that both types of insurance agreements cover children and grandchildren below the age of 20 when travelling with the insured.

The next table represents a comparison of the different covers included in the standard travel insurance policies from these 5 main insurance providers in Finland. The information has been found from the available information given through their official websites. Additionally, the table represents covers that potentially could be added-on by the individual when purchasing the policy as of 2023.

Table 5. Comparative table of insurance policies different insurance companies in Finland (By the author).

	Nordea	Pohjolan Insurance	If	LähiTapiola	Turva
Personal Accident	✓	✓	✓	✓	✓
Medical assistance or Medical Benefits related to illnesses or accidents	✓	✓	✓	✓	✓
Cost of delayed, missed or cancelled departure	✓	✓	✓	✓	✓
Luggage Insurance (delay/damage)	Add-on	Add-on	Add-on	✓	✓
Domestic travel	Add-on	Add-on	Only on continuous policies	✓ *Trip has to be more than 50 km away from home	Add-on
For children	✓	✓ * Up to 15 years old otherwise add-on.	✓ *Up to 20 years, only when travelling with adult	✓	✓ *Only when travelling with adult
Ambulance flight to Finland	✓	✓	✓	✓	✓
24/hour on-call service	✓	✓	✓	✓	✓
Treatment of sport injuries	✓	Add-on	✓	Add-on	Add-on
Death	Not possible	Add-on	✓	Add-on	Add-on

At first, all the policies seem to be very similar in terms of what is included. Surprisingly, only LähiTapiola and Turva have the cost of delayed or damaged luggage included as a part of their standard policy, while neither of these policies, as the others, cover cases of injury through sports activities. It is important to note, that the table does not reflect or take into consideration any further specifications of the individual cover, such as excess amount, maximum cover or similar limitations defined in the Terms and Conditions of the respective policy.

Some of the insurance companies only offer travel insurance products to persons who are also covered by the Finnish Health Insurance Act and who are Finnish residents. It is also mentioned that the person needs to be living ordinarily in Finland before the purchase and the eventual trip. (Nordea, 2023b; If 2023b).

For example, from Ifs travel insurance T&C's it is found in clause 2.1. The insured.

“Unless otherwise agreed, the Insured are the persons specified in the Policy Document, who are within the scope of the Finnish Sickness Insurance Act, whose domicile according to the Act on the Municipality of Domicile is in Finland, and who also live permanently in Finland. However, a person residing for more than six (6) calendar months abroad is not considered to be living permanently in Finland” (If, 2023b).

Discovering the potential limits, the travel insurance might have for people travelling away from Finland, it is noticeable, that most of the policies offered by the companies have a certain age limit. For example, Nordea Finland has chosen that people above the age of 80 cannot get any coverage from their travel insurance in case of personal accident or health-related cover. A person above the age of 80, is still eligible to buy an insurance policy and will remain active until the policyholder turns 90, however, those previously mentioned covers are no longer valid. (Nordea, 2023b.)

As a summary of the travel insurance market in Finland, the author has found that the companies in Finland provide a great foundation for individuals to purchase travel insurance, both in terms of domestic and international journeys. Based on a review of the different policies, it is evident that the consumers are offered a great variety of covers, typically: medical expenses, trip cancellation, lost luggage, emergency phone service and luggage cover if chosen by the policyholder. Moreover, the author has found it possible for the individual to tailor their insurance policy to different travel durations and purposes, which shows great flexibility in the market. Keeping in mind that it is always important to read carefully and review the agreement details, to prevent any misunderstandings.

6 Data and methodology

This chapter aims to outline the methodology employed in the data collection process and the procedures for the analysis of this data. The processing of the data is essential to understand, describe and present the information in the best way possible, and to give the research as much value as possible. To achieve the most meaningful results when conducting research, it is important to make a distinction between the qualitative and quantitative approaches when collecting and analysing data. Kothari (2004, 3) elucidates that different types of research methods can be utilized depending on the research objectives and motivation.

The quantitative research methods are often preferred when the researcher is aiming to collect data in a way, that by analysis can be expressed in measurements of quantity or amount. These data often contain numeric data or evidence, which by analysis can give answers to the objectives of the research in question. Examples of quantitative research methods can be for example surveys, structured interviews, experiments, observational studies, secondary data analysis etc. (Kothari 2004, 3-4.)

In contrast, qualitative research methods deal with a qualitative phenomenon. By collecting qualitative data, the researcher aims to retrieve information expressed with words, sounds and images rather than statistical data. Therefore, qualitative data can mostly not be analysed with statistical models, but it needs deeper and more organised analysing methods, to understand the data collected. Examples of qualitative research methods can be for example interviews, focus groups, observational studies and case studies etc. (Kothari 2004, 3-4.)

By creating a survey, the author of this thesis has adopted a rather quantitative approach to collect more in-depth data on Finnish travellers' perceptions, beliefs and considerations when travelling, enabling the author to analyse the data using statistical techniques. The analysis of the data will be carried out in rather descriptive statistics to summarize the data and identify valuable information which can lead to conclusions of the research. In the following chapters, a more comprehensive run-through of the implementation, collection and analysis procedures will be presented.

6.1 Survey as a method

According to Brotherton (2015) any researcher wishing to collect data from a large target group or population, it has been concluded that a quantitative research approach is best suited for the purpose. Therefore, the author has decided the survey as the primary method appropriate to collect empirical and primary data for this research. According to Brotherton (2015, 136) survey sets a great foundation to find answers to the research questions and can deliver reliable results.

The following disadvantages of implementing a survey has been identified: The respondents only have the possibility to answer the questions which they are asked and often in a format which is predefined by the creator of the survey. This could result in some important insights and information being lost because the respondents do not have the chance to express themselves freely. (Brotherton 2015, 137.)

To limit those disadvantages the author has constructed the questionnaire with focus on the following principals:

- Clear and easy to understand – with precise questions and directions for the respondents to limit difficulties in completing the survey.
- Easy to complete – it uses appropriate formulated open/closed questions where needed, with simple recording techniques that sets an easy-to-complete framework
- The data obtained is managed and stored in accordance with the General Data Protection Regulation. (Brotherton 2015, 65-63).

Another way the author has worked towards limiting potential failure or technical issues with the survey implementation is by pre-testing it, as presented in Chapter 6.3, before official implementation. By doing so, the researcher has been given the opportunity to edit, reassessing and optimising the survey which may lead to a higher reliability in the research. (Kothari 2004, 118.)

The author has moreover taken ethical considerations into account when establishing this research. Based on the non-harm principle, the participants should not be harmed or be in potential of harm as a consequence of taking part in this research (Brotherton 2015, 65-63). To further protect the participants, the author has decided to make the names and other data which could potentially identify the participants, anonymous. The author also finds this action as an encouragement for the participants to provide more in-depth and truthful responses.

The survey will consist of questionnaire with mostly closed-ended and a few open-ended questions. This means, that the survey in its nature is meant to be analysed with quantitative analysis methods, but as some of the questions will be formed in a way that a qualitative analysis will be needed to interpret the data retrieved from those questions. The open-ended questions will help the author to interpret the phenomena in question in more depth and support a more comprehensive research approach. (Thesis coordinator 2022, 1.)

The survey for this research is designed with a descriptive purpose rather than for analytical purposes. As an analytical survey would focus on testing a hypothesised cause-effect and the underlying mechanism behind a relationship between two phenomena, this survey intends to identify preferences, attitudes and actions towards purchasing travel insurance.

The descriptive survey conducted in this research is designed to collect and obtain facts about these previously mentioned behaviours from Finnish Travellers. (Brotherton 2015, 137.). The structure of the survey is intended to be as logical as possible, and the author has decided to include a progress bar at the top of the survey, where the respondents can track how far they are in completing the survey. The author believes this will help the respondents to stay motivated to complete the survey and by that have a higher completion rate. The creation of the survey took place proximately after the author found the theoretical framework complete and the underlying knowledge sufficient to develop the questionnaire at a high academic level.

On the first page of the survey, the respondents will see the title of the survey: "Research on how Finnish travellers perceive travel-related risks and how it affects their consumer behaviour". Just beneath the title, the first 3 (three) questions will be visible to be answered. The author has decided that all the 3 (three) questions are mandatory to fill before continuing the survey. However, the 3 (third) question concerns, if the participant would consider Finland to be their country of residence. Beneath, there is a description to the question "*Your country of residence refers to the country where you live permanently or have resided for the majority of the last 12 months*". If the participant answers "no" to this question, they will be guided directly to the "Thank you" page to end the survey to ensure that the survey is only completed by the target group defined in section 6.1.

As previously mentioned, the survey is anonymous, which means that e-mails and other data which could identify the respondents will be hidden to the author nor collected/stored. However, the author will still be able to see individual anonymous responses. To prevent multiple answers from the same respondents the author has limited the possibility to answer the survey once. This is done by collecting a cookie from the respondents' browser and done in accordance with the GDPR. The respondent will have to accept this cookie to continue the survey.

To secure a greater connection between the data collected with the survey and the secondary data which the author has analysed and presented as a part of the literature review, the author has decided to create the following research matrix table:

Table 6. Research matrix for survey used as the empirical data in this research

Question number and theme	Question type	Purpose/Data collected	Connection to the research objectives and literature review
Question 1-3 Demographic questions.	General questions	To collect background information (<i>sex, age group and country of residence</i>)	Literature: Internal and external factors which influence consumer behaviour (Dixit 2017, 8-9).
Question 4-7 Previous travel behaviour.	Quantitative (close-ended) questions	To collect information on previous travel behaviour	Literature: Internal and external factors which influence consumer behaviour (Dixit 2017, 8-9).
Question 8-9 Awareness of travel- related risks.	Quantitative (close ended) and qualitative (open ended) questions	To collect information on the awareness of risks which the respondents hold	Literature: Internal factors which influence consumer behaviour (Dixit 2017, 8-9).
Question 10-13 Questions about perception of travel-relates risks.	Quantitative (close ended) and qualitative (open ended) questions	To collect data on how the perceived risks may affect their consumer behaviour.	Objective: To explore attitude and perception towards travel-related risk when travelling abroad.
Question 14-25 Questions about consumer behaviour.	Quantitative (close ended) and qualitative (open ended) questions	To collect data on how the perceived risks may affect their consumer behaviour.	Objective: To analyse these perceptions of risks and how it affects to Finnish Travellers consumer behavior when purchasing travel insurance.
Question 26-36 Questions about current and past experience with travel insurance.	Quantitative (close-ended) questions	To collect data about the level of familiarity that the respondents have with travel insurance.	Literature: Internal and external factors which influence consumer behaviour (Dixit 2017, 8-9).

6.2 Data collection

Martin (2012) explains that it is highly unlikely that sample statistics as a part of data collection will end up being exactly the same or representing the exact same as the total population parameters, even though it is intended to fully reflect the attitudes, beliefs or behavior of a population. Hence, the difference between sample means and a population means is referred to as a *sampling error*. A way to reduce the sampling error is by using the random sampling technique, which means that the researcher is taking a random sample from a larger population where each member has the equal chance to represent the actual population and being selected. (Martin 2012, 55-56.)

Making the decision of the desired sample size, requires the researcher to choose the degree of accuracy which is to be obtained and the level of risk of error the researcher is accepting for the work (Larini & Barthes 2018, 6). Based on a proportion the sample size can be determined by this formula:

$$n = \frac{t^2 \times p(1-p)}{e^2}$$

n = expected sample size

t = level of confidence deducted from the confidence rate (1,96 for a confidence rate of 95%)

e = margin of error (0,10 = 10% margin of error)

p = estimated population (Larini & Barthes 2018, 6).

Based on above explanation, the data for this research will be collected through a random sample from the population of Finland, which by December 2023 counts a total of 5.504.558 (Statistics Finland 2023). According to (SurveyMonkey 2023b) with a population of this size, a desired confidence rate of 95% and a margin of error of 10%, the desired sample size (n) should be 97, which is accepted by the author.

The survey is planned to be shared on social media platform, whereat the author will give the possibility for others to share and redistribute the link for the survey among each other, with the aim of giving the questionnaire a greater digital reach. The author wishes to share the link for the survey on Facebook, Instagram and LinkedIn.

Before the actual implementation, the author has decided to test the survey. The results of testing the survey and the changes made to the survey after testing it, will be presented in Section 6.3. After the testing phase, the actual implementation of the survey will take place.

The survey is planned to be open for potential respondents to give answers in the period between 23.01.2024 - 02.02.2024 (10 days) which the author finds sufficient time to collect the desired sample size. The author has considered the issues which might evolve around this implementation approach. For example, the fact, that there will be no direct interaction between the two parties (the author and the respondents) which could mean a bigger chance of vagueness and misinterpretations of the questions in the survey (Brotherton 2015, 138). However, these issues are attempted to be limited by the use of the principles presented earlier in this chapter.

The survey will be built with the online tool Webropol which is suggested as one of the thesis tools by Haaga-Helia University of Applied Sciences. The author has through a careful review found this tool is excellent in helping the author to implement the web-based surveys in a great manner, as it is flexible, easy to use and offers a lot of opportunities in different survey designs. The language of the survey is English.

6.3 Survey testing

The author decided to pre-test the survey by sending the link to 5 random people, asking them to fill in the survey with their answers and give feedback on things which could be changed, added or deleted from the survey. As the goal for the author by pre-testing the survey was to limit and identify potential biases survey design, ambiguities or communication barriers which could lead to vague answers to the questions from the respondents.

In summary, the test persons gave really great feedback for the author to modify and develop the survey. There were some areas where the author managed to improve the survey structure, question wording and the general experience of filling the survey. The author both rephrased some of the questions as adding the possibility to answer "neutral" to question 23,24 and 25 to prevent leading or biased responses. Some of the feedback also focused on the importance of clarity, neutrality and flexibility in the survey, which the author took into consideration when adjusting. A more comprehensive overview of the feedback received from each test person and the editing as a result of this is presented found from (Appendix 2).

6.4 Data analysis

This section is aiming to give a comprehensive explanation of the process following the data collection. The objective of the data analysis is to inspect, transform and present data to discover useful information and support the author to draw overall conclusions. The data analysis consists of different scientific operations whose goal is to extract relevant information from the raw data. (Kothari 2004, 122.)

Firstly, the author is using a descriptive data analysis method suggested by Larini and Barthes (2018,16) to summarize and describe the main features of the dataset. The author is taking each of the data collected to present it with cross-reference to dependent and independent variables (Larini & Barthes 2018, 16). According to Larini and Barthes (2018, 15), this way of processing the data is known as elementary descriptive statistics. When a researcher is presenting the data with this method, it is important to consider the importance of making the graphic representation of the data readable, logical and esthetical for the report (Larini & Barthes 2018, 23).

To secure these considerations, the author has decided to transfer all the data from the survey into Excel, a software developed by Microsoft, which offers tools for creating tables, figures, and illustrations based on raw data. Excel can further support the author in tabulation of the data to aid comparison and statistical analysis. Tabulation refers to the procedure where the researcher arranges and assembles the data in a way, that it can be presented in a concise and logical order (Kothari 2004, 127). Tabulation can be further classified into simple or complex tabulation. The simple tabulation consists of results in one-way tables which give support to answering questions about one characteristic of data only while the more complex tabulation gives results in two-way or three-way tables and by that displaying information about several inter-related characteristics of data. (Kothari 2004, 127.)

For the questions which requires to be analysed by a qualitative approach the author have found inspiration in the method presented Grbich (2012, chapter 16) who suggests an enumerative content analysis to find the repetition of words in order to assume their level of importance. The enumerative qualitative process helps the researcher to determine word frequency, keywords or categories of synonyms to break down the particular data. The advantages of this type of content analysis are the ability to identify intentions, attitudes, and perceptions in larger enumerative datasets (Grbich 2012, chapter 16). Additionally, there are questions given by their nature only has binary variables. These types of questions are found in the survey's demographic section, and the author has decided to present those in a written descriptive analysis rather than with a graphic presentation.

According to (SurveyMonkey 2023a) a calculation of the margin of error, can help researchers getting an idea of how accurately their research matches and reflects the actual opinions of the population which is studied. The confidence level reflects the authors belief in the probability of the sample accurately reflecting the attitude of the populations intended to be researched. (SurveyMonkey 2023a.)

The margin of error is calculation by the formula:

$$z \times \frac{\sigma}{\sqrt{n}}$$

n = sample size

σ = population standard deviation

z = desired confidence level (SurveyMonkey 2023a).

When analysing the response rate Arundel (2023, 15) claims that there are two ways to do so. The most common one is by taking the number of individuals who completed the survey (the numerator) divided by the number of individuals who began to fill the survey but did not complete or return the survey (the denominator). (Arundel 2023, 15).

Another way to analyse the response rate, is by looking into the item response rate, which is calculated based on all the returned surveys only. The researcher will have to look into the total number of answers to a question and divide it by the total number of respondents who were actually eligible to answer the question. It is important to recognize eligibility can vary because of filters or the design used in the survey, guiding and directing respondents to different questions, based on previous answers. (Arundel 2023, 15.)

7 Research results

The following chapter will present a comprehensive analysis of the data collected through the survey. By analysing the data, the author intends to find evidence which can lead to answers to the research question defined for this research. The survey was opened on 23.01.2024. During the response period the author did not receive any notifications of issues with submitting answers. Below is a graph displaying the number of answers submitted. The graphs as well shows the accumulated number of responses received each day:

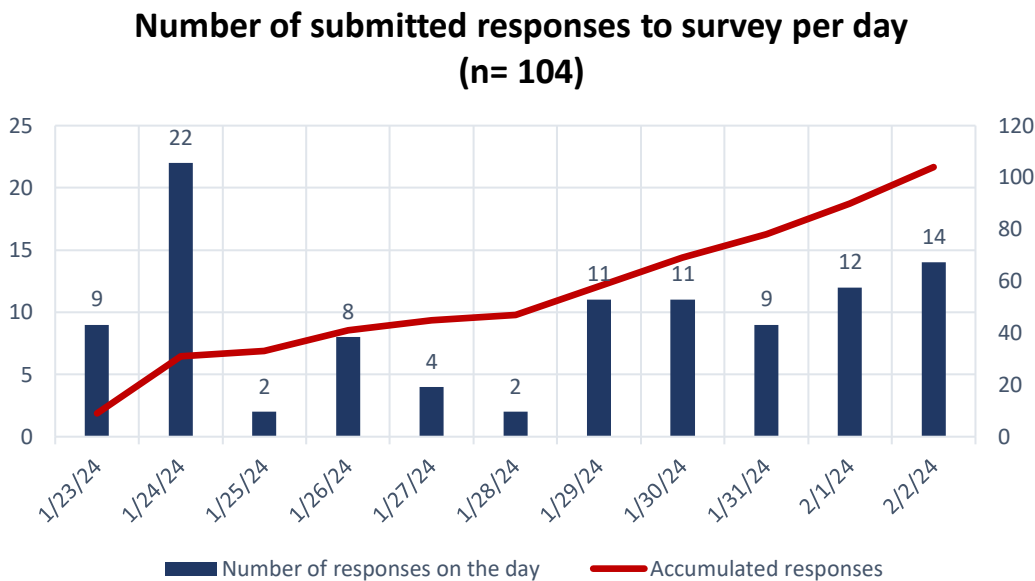


Figure 6. Number of submitted responses to survey

According to Figure 6 the day with the most responses was on 24.01.2024 with a total of 22 submitted responses. The two days with the least responses were on 26.01.2024 & 28.01.2024, as only 2 responses were submitted those days. 100% of the submitted responses came from the public weblink which the author included in promotion of the survey on Facebook, LinkedIn and Instagram. On Instagram the survey was posted first time on 24.01.2024 through the authors private account with 963 followers on the day. The survey was posted in 1 reel and 4 stories including picture, video and text. The author posted reminders to fill-in the survey on the Instagram story again on 26.01.2026, 30.01.2026 and last reminder on 02.02.2024. The reel reached a total of 2.525 accounts while the stories reached a total of 1.235 accounts. On LinkedIn and Facebook, the author posted the link for the survey first time on 24.01.2024. On LinkedIn the post reached a total of 853 accounts while on Facebook there is no track of numbers which the post reached.

The survey closed on 02.02.2024 and by that time it was opened by a total of 546 potential respondents out of which 138 started responding to the survey, while 104 respondents submitted their responses, however 1 of the submitted responses is not eligible for the results, as the respondent answered “No” to currently have residency in Finland, which would end the survey without further possibility to go further. That gives the survey a response rate of **19,04%** (104/546) and a successful completion rate of **74,63%** (103/138), and with the formula previously presented in Section 6.4, the research has a 10% margin of error.

7.1 Demographics and travel behaviour

The following section will present demographic findings from the survey. The demographic data had the aim to collect background information about the respondents and did also play a role to ensure that the responses originated from individuals from the pre-defined target group.

Out of the total (n=104) respondents a breakdown of the gender distribution in the researched population has shown that 32/104 (30%) of the individuals identified as Male, while 72/104 (69%) of the individuals identified as Female. An indication that the survey has a higher proportion of females answering to the questions and participating in the research.

An analysis of the researched population by age group suggests a prevalence of younger individuals within the dataset, as the majority, 56 of the respondents falls within the 18-27 age group equalling 53,9% of the total 104 respondents. The proportions hereafter gradually decrease in the older age groups, with a total of 20 respondents equalling 28,8% of the total in the age group 28-27. 12 respondents equalling 11,5% of the total in the age group 38-47. 4 respondents equalling 3,9% of the total in the age group 48-57, and finally 2 respondents equalling 1,9% of the total aged 58 and above.

To question number 3 a total of 103/104 (99%) of the respondents answered that their current country of residence is Finland, and 99/104 (96%) of them have travelled abroad from Finland within last 12 months from taking the survey. In the figure below is the number of times the respondents have travelled abroad:

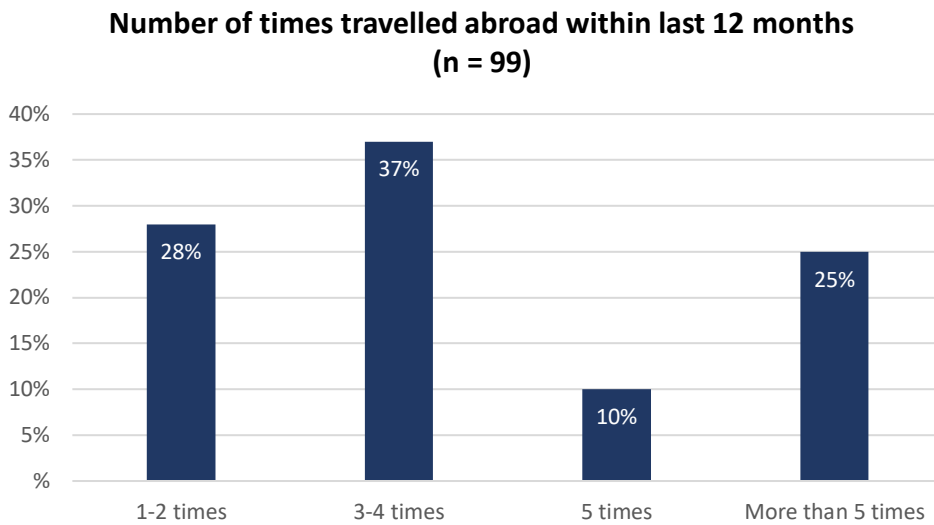


Figure 7. Number of times travelled abroad

Based on Figure 7, an analysis of the travel quantity from the respondents helps the author to better understand the general experience level of international travel from the surveyed population. Primarily it is mentionable that a significant amount of the respondents has participated in international travel, as a vast majority have been travelled abroad at least 2 times within the last 12 months.

Within the grouping of more frequent travellers, a total of 36/99 (36%) of the respondents have answered they have travelled 3-4 times, 10/99 respondents (10%) have travelled 5 times and 25/99 (25%) have travelled abroad more than 5 within the last 12 months, which suggests the surveyed population has a strong necessity and high preference to travel frequently.

In summary, the author has found a great diverse spectrum of travel patterns within the surveyed population, ranging from at least 1 to more than 5 times travelled abroad within the last 12 months, which indicated a population with high international travel experience and with strong global mobility.

Continent travelled to by number of times travelled (n=99)

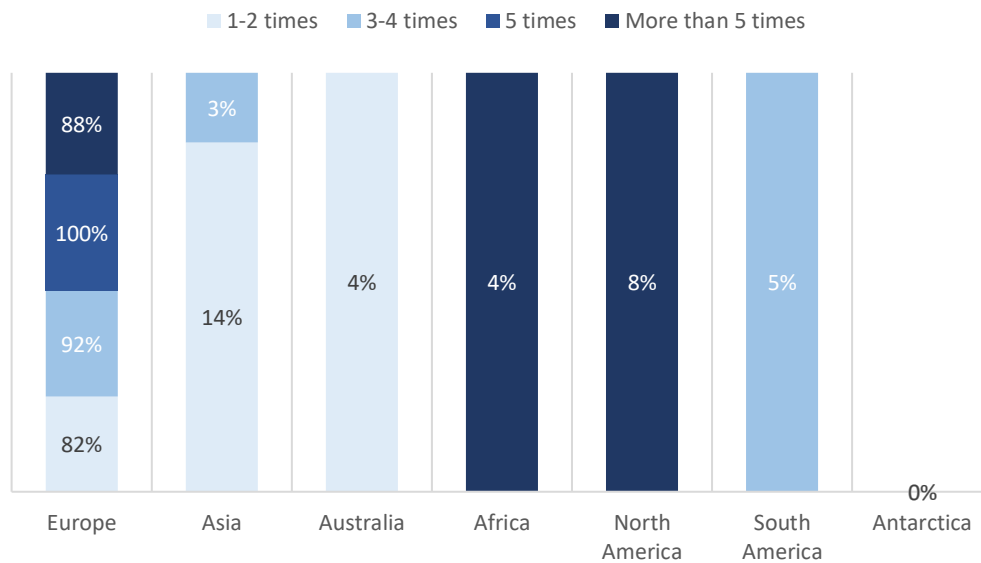


Figure 8. Continent travelled to by number of times travelled

Data from above (figure 8) shows a greater variance in the continent travelled to, from those respondents who have travelled between 1-2 or 3-4 times within the last 12 months than those who have travelled more than 4 times. This suggests the population of Finland tends to travel within Europe if they travel 5 or more times within a year, and if they travel less frequently, the destination is more likely to be outside Europe and therefore with a longer travel range.

7.2 Attitude and perception towards travel-related risks

In the following section, the author will present the findings from questions 8-13 either presented in a table, figure or by text. Providing valuable insight into the data received and getting a better understanding of the attitude and perception that the respondents have of potential travel-related risk. In question 8 the respondents were asked to rate the overall knowledge of travel-related risks from 0 to 10, the results are shown as statistic summary the table below:

Table 7. Degree of knowledge of travel-related risks

Metric	Value
Min Value	0,00
Max Value	10,00
Average (Mean)	6,50
Median	7,00
Standard Deviation	2,00

The Min Value in Table 7 indicated the lowest observed value which implies that the lowest value given as an answer given by the respondents to this question is 0 while the Max Value indicated the highest observed value, which implied that the highest value given as an answer to this question is 10.

The average of the dataset is the sum off all the values given as answers by the respondents divided by the number of respondents (103), which is 6,5 that indicated a central tendency as the typical value in the data set. As the median is 7,0 and is relatively close to the average, the author can conclude that the data is roughly symmetrically distributed in values.

At last, a standard deviation of 2.0, suggests the values given as answers from the respondents tend to deviate from the average by roughly 2.0 units, which the author sees an indicator of low variability in the dataset.

Subsequently in question 9 the respondents were asked to give their own comments about the risks they associate with travelling abroad, to understand the answers better, the author has made used the enumerative content analysis presented in section 6.3 to produce the word cloud (figure 9) below which displays the most commonly used words written in the responses to the question:

accidents sickness travelling
cancellations injuries terrorism pickpockets
 security destination diseases robberies political illnesses
 transportation poisoning environmental disappearing property
 accomodation timetables activities kidnappings conflicts catastrophies
 scammers airports earthquake otherwise trafficking infections shortage
 protests pandemic emergency political-industrial

Figure 9. Word cloud

The respondents were also able to answer an open-ended question about which specific risks or concerns they associate with travel, especially when travelling abroad from Finland. To present those answers in the context of the travel-related risks identified in the literature review, the author has decided to group all the answers (n=83) into the type of risks to which the written answer belongs.

The words in the different groups have been collected by the author with the text mining tool from the Webropol website. The words within the category are a minimum length of 8 letters. The actual groups and the words within the group can be found in Appendix 3. Moreover, the frequency of answers which includes the listed word in the group is presented in the figure below.

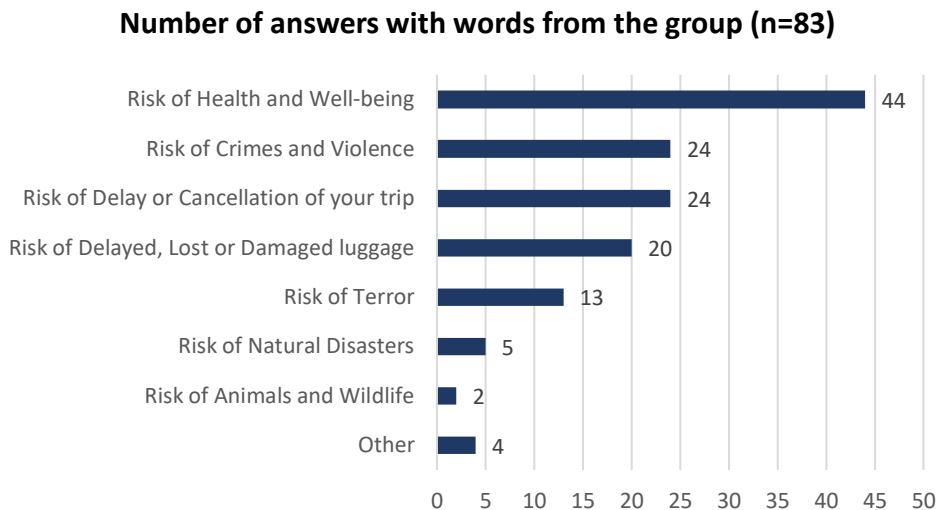


Figure 10. Number of answers from word groups

Based on the data presented (figure 10) the author finds risks associated with health and well-being as the most significant concerns which respondents have when travelling, as a total of 44 answers have included words from this group. Through deeper research into the written statements, the author has found the following answers, with words associated with this risk:

- *Getting sick / getting into an accident / needing emergency healthcare (respondent 29).*
- *The plane crashes or I have to come back on an expensive ambulance flight due to an injury, for example (respondent 48).*
- *I associate the main risks of traveling abroad as either personal injuries or crimes such as theft. When traveling abroad (for leisure) you don't necessarily know how the system in the respective country works and how to deal with e.g., the local health care or police organizations (respondent 73).*

A significant portion of respondents have moreover expressed concerns with risks associated with Crimes and Violence (24); Delay or Cancellation of the Trip (24) and Delayed Lost or Damaged luggage (20). A combined total of 68/83 (81%) respondents have used words associated with these travel-related risks. The author has found the following answers, with words associated with this risk:

- *Safety of the country I am travelling to (respondent 5).*
- *Safety as a woman, increased risk of being a victim of a crime, access to internet/networks for safety reasons (respondent 19).*
- *Losing luggage, delayed flight, cancelled flight, getting sick during traveling (respondent 28).*
- *Flight cancellation, flight delay, overcrowded airports and delays when checking in luggage that you can miss your flight. Lots of problems when crossing the border by car, bus or train. It is always easier to travel by plane to a country than to cross the border by car, bus or train to avoid poor treatment by border guards (respondent 70).*

13/82 (15%) of the respondents (figure 10) have uttered that the perception of terror risks is one of their concerns when travelling abroad. This indicates that this risk is a notable factor influencing travellers and suggests a greater concern for general travel security. The concern for natural disasters and animals and wildlife has shown not to be a significant risk factor in the mindset of Finnish Travellers, as 5/83 (6%) of the respondents included words related to natural disasters, and 2/83 (2%) have used words related to animals and wildlife when expressing which risks, they relate to international travel.

Lastly, the author has found from (figure 10) that some of the respondents have expressed concerns related to travel-risks which have not been put into groups of risk as shown previously. This indicates a highly awareness of additional factors that affects the traveller's perception of risks. Some of the risks which has been mentioned by the respondents in the category of "other", are related to culture - and language barrier, visa application and with the practicalities when planning the travel. (figure 10.)

In the following 3 figures, the author has changed the colour of the bars with the aim to enhance the visualization of the reflected data from question 10, 11 and 12. Darker blue indicates a stronger belief that a risk is unlikely to have a future impact when traveling abroad, while the colour becomes progressively redder to signify a greater belief in the risk's potential impact on future travel. Neutral answers are displayed with the colour grey.

Believe of likelihood of risks having a future impact when travelling abroad (n=103)

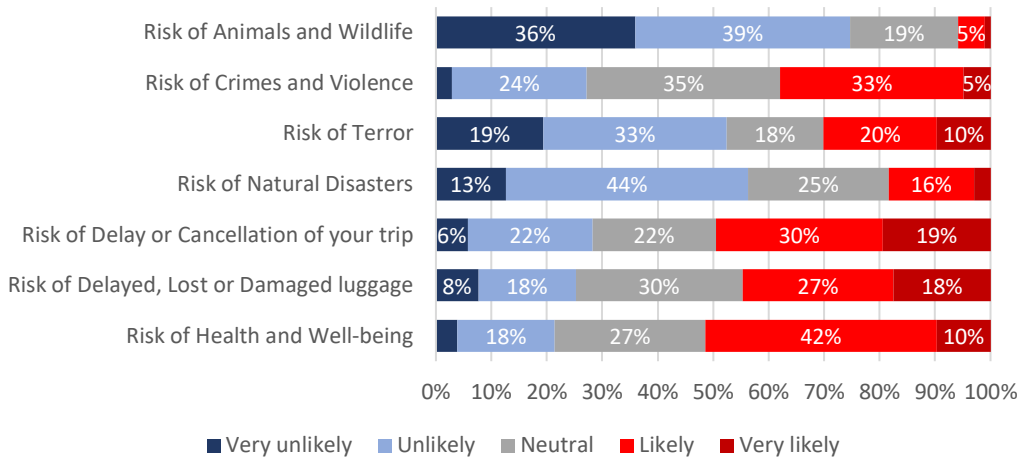


Figure 11. Believe of likelihood of risks to have a future impact when travelling abroad

Based on the Five-Point Likert scale in Figure 11, there are 3 risks which a vast majority of the respondents have answered they believe will likely or very likely have an impact when travelling abroad in the future. A combined number of 52% of the respondents believe that Health and Well-Being will either likely or very likely have a future impact, this suggests a high concern for health-related challenges in the coming years. Another great concern is the Risk of Delay or Cancellation of your trip which a combined total of 49% of the respondents believe will have a future impact. A similar concern is reflected in the Risk of Delay, Lost or Damaged luggage with a combined total of 45% of the respondents believe will either likely or very likely have an impact when travelling abroad in the future.

Regarding the risk of Terror, the answers are more evenly distributed across the scale, with a notable 30% of respondents finding the risk likely to have an impact. However, correspondingly a great portion of the respondents (figure 11) find that the risk of Terror will unlikely or very unlikely have an impact in the future, which indicates a more diverse perception towards this risk factor.

A similar structure of belief applies to the perception of Risk of Crimes and Violence. 38% of respondents believe that this risk will either likely or very likely have an impact in the future, while 24% believe it will not. It is mentionable that 35% of respondents have expressed neutrality to this risk, which indicates a lower determination about the level of potential risk of Crimes and Violence.

The risks which the respondents find less likely to have a future impact are Risk of Animals and Wildlife (75%), Risk of Natural Disasters (57%) and Risk of Terror (52%). To all of the 3 risks, there is a relatively low portion of neutrality expressed in the data, which somewhat shows there is awareness of the risk, but a lower belief of the likelihood of the risk to occur. (figure 11.)

Figure 12 below displays the results of question 11 where the respondents were asked to rank the risk, they perceived most important to protect themselves against when travelling. The respondent could rank the risk between 1-7 and could only use a given value once for one of the risk areas. 1 = Most important, 7 = Least important. In the figure the colour red reflects the answers where the respondents have perceived the risk as more important to protect themselves against. The darker red, the more important. On the contrary blue represents the answers where the respondents have perceived the risk as less important to protect themselves against. The darker blue the less important. Grey indicates a neutrality to the question, reflecting the respondents did not perceive the risk of more or less importance to protect themselves against:

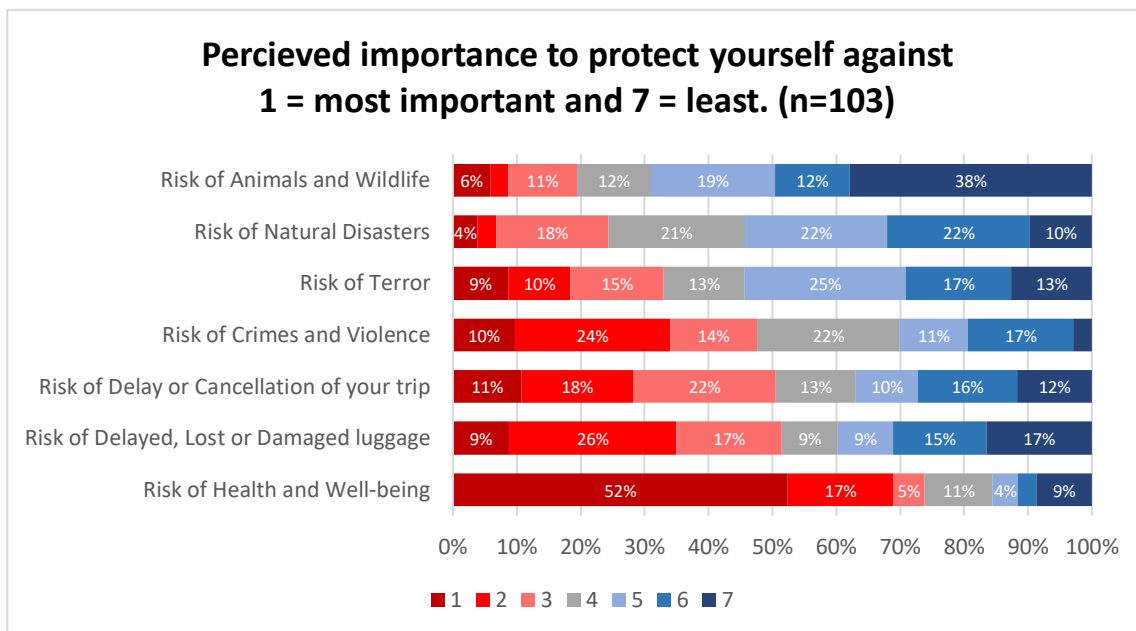


Figure 12. Perceived importance to protect yourself against the risk

From the (figure 12), 54/103 (52%) of the respondents have ranked the Risk of Health and Well-Being perceived the most important to protect themselves against when travelling. This indicates a high awareness of this risk and something that the travellers highly prioritize in their travel planning. Other risks which the respondents have perceived more important to protect themselves against is the Risk of Delayed, Lost and Damaged luggage and Risk of Delay or Cancellation of your trip.

According to the answers, the Risk of Animals and Wildlife is perceived the least important to protect themselves against when travelling with 39/103 (38%) of the respondents ranking this as number 7. Other risks which the respondents have perceived less important to protect themselves against are Risk of Natural Disasters and Risk of Terror.

There are two risk areas in which the respondents found a higher degree of neutrality in the perception of the importance of protecting themselves against the risk. The Risk of Crimes and Violence was by 23/103 (22%) of the respondents ranked neutral (in the middle) on the spectrum of the importance of protecting themselves against it, which indicates a nuanced perspective among the respondents regarding the degree to which they fear these risks. Similar level of perspective was given to the Risk of Natural Disasters with 22/103 (21%) of the respondents ranking this as neutral in the degree of importance to protect themselves against when travelling. (figure 12.)

To question number 12, the respondents were asked to choose (3) of the risks which they would prefer their travel insurance to protect them against. The figure below represents the number of answers where the risk was chosen as one of 3 risks to in the prioritization from the respondents:

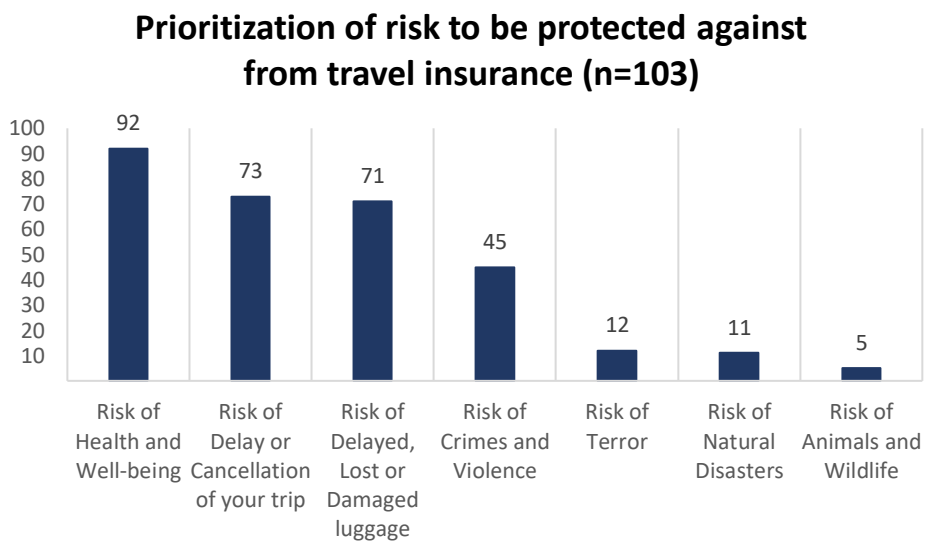


Figure 13. Prioritization of risks to be protected against from travel insurance

Looking into the frequency of each option being chosen as one of the three priorities, the Risk of Health and Well-being has received the highest number of selections with 92/103 of the respondents indicating this as one of the top 3 risks which they wish their travel insurance to protect them against. This suggests a high level of importance of health and well-being in the travellers' mindset. (figure 13.)

The second and third most prioritised, was the risk of trip delay or cancellations, with 73/103 of the respondents selecting this as one of their top three concerns and the risk of luggage issues which was prioritised by 71/103 of the respondents. This is seen as an indication that respondents are highly considering the protection of these disruptions as a key priority when travelling.

With 45/103 of the respondents, the Risk of Crimes and Violence was prioritised by a smaller proportion of the surveyed population. While still being a significant number, it indicates a smaller concern or consideration to be protected against this safety risk when travelling. An even minor concern of the Risk of Terror is shown, with only 12/103 of the respondents prioritising this risk to be protected against from their travel insurance. Similar indication of concern is shown in prioritization of the Risk of Natural Disasters (11/103) and the Risk of Animals and Wildlife (5/103). This suggests a less pressing concern of these risk compared to the other risks listed.

In question number 13, the author intended to find out from where the respondents would intend to find further information about these travel-related risks. Most of the respondents (50%) answered they would find more information from Official Websites (e.g., Ministry of Foreign Affairs, World Health Organisation, European Union etc.) and a smaller portion of the respondents would find more information from The Insurance Company Website (21%) or Social Media (12%).

7.3 The affectation on consumer behavior and decision-making

An overview of the results from questions 14-25 are to be from (Appendix 4). The data from appendix 4 relates to how the previous answer of perceived risk affects the respondent's consumer behaviour or decision-making process when purchasing travel insurance.

Between question 14 and 20 the respondents have been asked, if they would be more likely to purchase a travel insurance policy, if it would protect them against the risk stated in the question. Please be aware that the respondents are only asked this question regarding the three risks they previously chose to prioritise in question 12. This means that there is a difference in how many answered the individual question. The author has chosen this arrangement, as it is concluded that this gives the best insight into the impact from the general perception of the individual risk towards the consumer behavior and sets a foundation for more focused analysis.

Generally, based on the data, there is a high tendency towards being more willing to purchase a travel insurance policy, if the cover does include protection against a risk which is seen as a higher concern for the traveller when going abroad. 97% of those respondents who prioritised Risk of Health and Well-being to be protected against from their travel insurance would also be more likely to purchase travel insurance if the policy would cover this risk.

However, only 60% of those respondents who prioritised being protected against the Risk of Animals and Wildlife being protected from their travel insurance would also be more likely to purchase travel insurance if the policy would cover this risk.

To discover a potential stronger correlation between previous findings the decision-making when purchasing travel insurance, the respondents were also asked to assess their own belief towards the impact from travel-related risk towards their consumer behavior, both currently but also with a future perspective:

The belief that current perception of travel-related affect the choice of whether purchasing travel insurance (n=103)

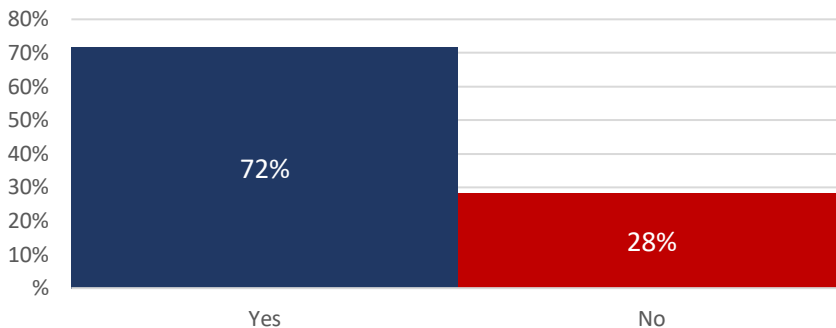


Figure 21. The belief of current perception of travel-related risk affects the choice of whether to purchase travel insurance or not

As displayed in Figure 21, most of the respondents, 74/103 (72%) answered they believe their current perception of travel-related risk is influencing their decision to purchase travel insurance. This indicates that a larger group of the surveyed population believe that considering travel-related risks are key factors when investing in a new travel insurance policy. 28/103 (29%) of the respondents reported that they believe their current perception of risk does not affect their choice of purchasing travel insurance. This is an indication that some individuals of the survey population have other priorities or believe that other factors are of more significant influence towards whether they purchase insurance coverage when travelling. (figure 21.)

The following Figure 22 is a display from the respondent's belief that travel-related risks will have a higher or lower impact on tourism in the future. Red indicates a belief in a higher impact; blue indicates a belief in a lower impact and grey indicates a neutral answer:

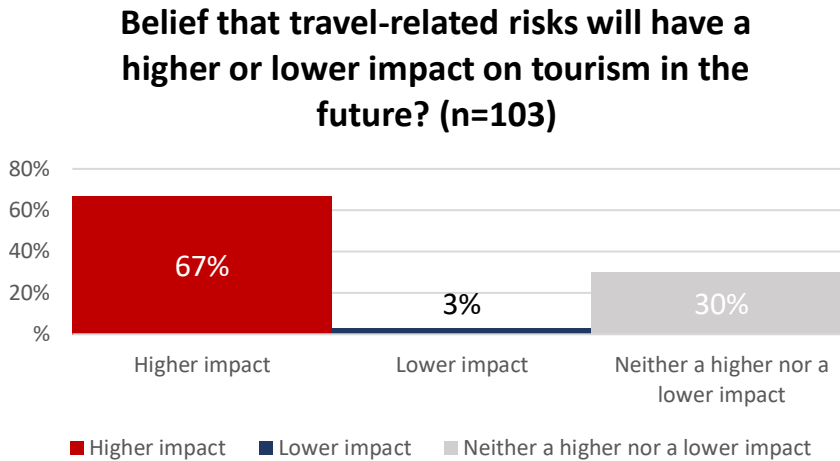


Figure 22. The belief of travel-related risks to have a higher or lower impact on tourism in the future

An overall analysis of the data finds that a majority 69/103 (67%) of the respondents believe a higher impact from travel-related risk on tourism in the future, while only 3/103 (3%) expect a lower impact in the future. A total of 31/103 (30%) of the respondents have expressed neutrality to this question which indicates a great portion of uncertainty among the surveyed population regarding the future influence of travel-related risk towards the tourism industry. (figure 22.)

From those 3 respondents who expressed they believe that travel-related risks will have a lower impact on tourism in the future, none of them answered this would make them more likely to purchase travel insurance in the future, 1 of them answered that they believe this will make them less likely to purchase travel insurance in the future while 2 expressed neutrality to this question. (figure 22.)

In the Figure 23 below, is displayed from those respondents who answered they believe that travel-related risks will have a higher impact on tourism in the future. The data provides insight if these respondents is of that belief that this higher impact will make them more or less likely to purchase travel insurance in the future. Red for more likely to purchase travel insurance, blue for less likely to purchase travel insurance and grey for neutral answers.

Believe that the higher impact of travel-related risk on tourism will make them more or less likely to purchase travel insurance in the future (n=69)

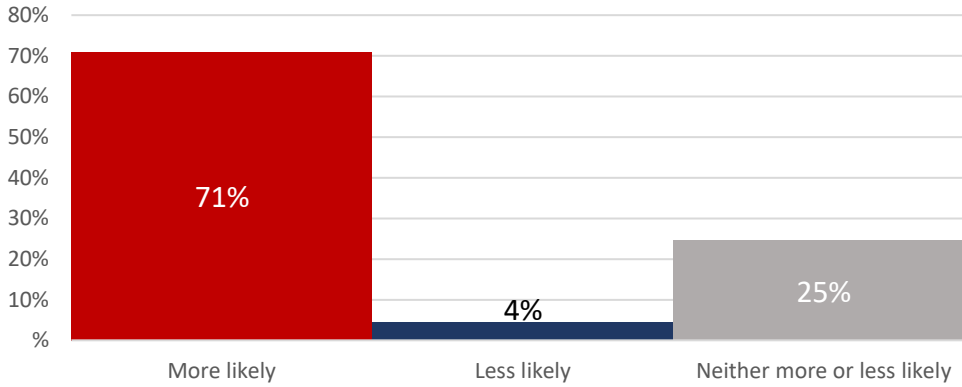


Figure 23. The belief that the higher impact of travel-related risks will make them more or less likely to purchase travel insurance in the future

Based on the data, a great majority 49/69 (71%) of those respondents who believe in a higher impact from travel-related risks on tourism also believe this will make them more likely to purchase travel insurance in the future. This suggests that an increased impact from travel-related risks in the tourism industry is a motivating or influential factor in the decision-making to purchase travel insurance. (figure 23.)

A minority of the respondents 3/69 (4%) believe that the higher impact of travel-related risks on tourism will make them less likely to purchase travel insurance in the future. This signifies that only a small portion of the surveyed population perceive a less need for insurance despite an anticipated higher impact from these risks in the future. Additionally, there is a larger number of respondents 17/103 (25%) who have expressed neutrality on this, which implies a doubt among the surveyed population regarding the degree of influence of perceived risks on their purchasing behaviour. (figure 23.)

7.4 Respondent's' current or previous experiences with travel insurance

In the following section, the author will present data based on the questions which relates to the respondent's current experience with travel insurance, to get a better understanding of the level of understanding, the respondents have of the insurance product and its features. With the insight from this data, the author intends to achieve a nuanced understanding of consumer behaviour and the perceptions of travel insurance from the respondents.

Table 9. Number of respondents who currently had travel insurance (n= 103)

	n	Percent
Yes	87	85%
No	12	12%
I dont know	4	4%

Among the total respondents who answered the survey, the majority 87/103 (85%) currently had travel insurance while 12/103 (12%) did not have travel insurance. Only a small amount of 4/103 (4%) expressed an uncertainty to whether or not they were in current possession of travel insurance. A combining analysis of those who answered either they did not currently have travel insurance and that they did not know, 9/16 (57%) of them answered they had previously had travel insurance while 7/16 (43%) answered they had not previously had travel insurance.

The conclusion from the above data is that 96/103 (93%) of the respondents either had travel insurance when taking the survey or had previously had one. This indicates a high experience level with travel insurance among the surveyed population and that travel insurance is a common aspect of travel planning. This also suggests that the respondents possess a certain level of understanding of the travel insurance features.

Looking into the underlying reason for purchasing travel insurance. The 96 respondents were then asked why they purchased this specific travel insurance—either the current one or if they had previously had one. Out of 3 predefined options, the respondents also had the opportunity to click “other” and afterwards to write comments if the provided options did not match. By adding this possibility for the respondents, the author wished to enhance the possibility for them to provide valuable insight into the reasons or motivations behind purchasing travel insurance. Using this nuanced approach, it should enable the author to understand the underlying factors more comprehensively.

Factors behind purchasing a specific travel insurance (n=96)

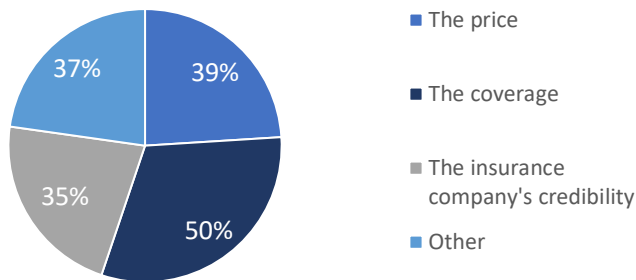


Figure 24. Factors behind purchasing a specific travel insurance

Analysing the data, the specific scope of coverage within the given travel insurance has been shown to be a prevalent factor influencing the purchasing decision. 48/96 (50%) of the respondents expressed this factor to be the dominant reason for purchasing their travel insurance. Additionally, the price and the insurance company's credibility has been reported by the respondents as a significant factor behind the purchase. A great portion of the respondents indicated "other" factors than those provided to be the factors influencing their decision-making. (figure 24.)

With further analysis of the "other" responses, the author has found interesting insight to understand better the understanding of consumer preferences and considerations when purchasing travel insurance. By Text Mining the answers with Webropol, the author has grouped the written answers together in 3 additionally categories based on the words written in the answers and these are presented in this figure:

Other factors influencing the purchasing decision (n=96)

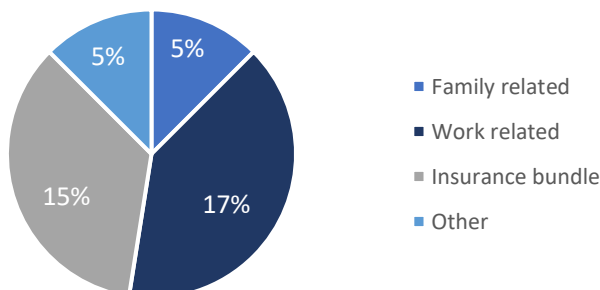


Figure 25. Other factors influencing purchasing decisions

Another significant factor from Figure 25 influencing the purchasing decisions was work-related factors, which were mentioned by 17% of the respondents. This category includes the answers where the respondents reasoned the purchase with relation to their work, for instance as a part of their labour agreement or provided other ways by their employer, or in the case that travel insurance is mandatory to do their job or profession.

Additionally, 15% of the respondents in (figure 25) gave answers expressing that a factor influencing their purchasing decision is the opportunity for an insurance bundle. An insurance bundle means either that the consumer gets a discount by having more different kinds of insurance products with the same company or that their travel insurance is tied to another kind of product, for instance with a credit card or memberships of different kinds.

The category of family-related factors includes those answers, where the respondents expressed the reason for purchasing their travel insurance, was due to recommendations from relatives or in case that a family member purchased the policy for them, accounting for 5% of the answers. The last 5% has not been categorised, as the answers did not significantly state a factor behind the purchase, but in another way expressed thoughts behind it. For instance, the need for safety, or that it was easy to purchase.

As previously displayed, 48 out of the 106 respondents indicated that the scope of coverage within the insurance policy was the primary factor behind the purchase. To understand the specific coverage needs of the travellers, these 48 respondents were asked to specify the cover type which in their opinion was most significant to influence them in the final purchasing decision:

Preferred coverages from the respondents (n=48)

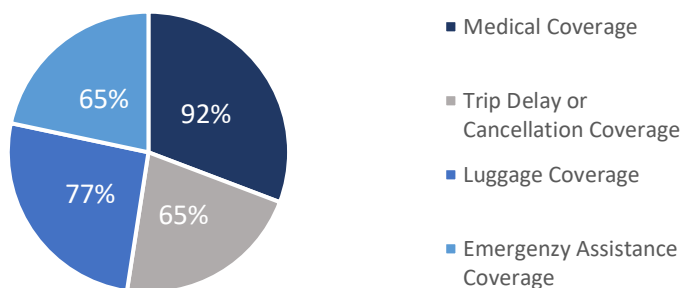


Figure 26. Preferred coverages from the respondents

An analysis of the data from the above (figure 26) indicates that medical coverage is the most preferred and sought-after feature when purchasing travel insurance policies, with 92% of the respondents ticking this option. After that, the other coverages were deemed almost equally essential for the respondents, which underscores the demand of a comprehensive scope of coverage from the travellers.

In question 33, those respondents who had or have previously had travel insurance were asked to provide more information on from where they bought the specific policy. The author aimed to gain insight into the distribution channels leading to the purchasing decision of the respondents. This also helps the author to figure out the accessibility of the travel insurance product.

Distribution channels of the purchased travel insurance (n=96)

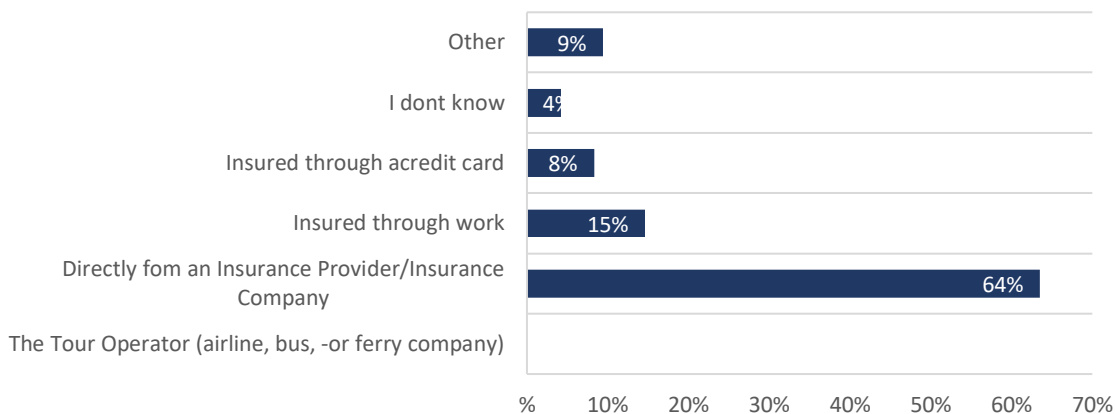


Figure 27. Distribution channels of travel insurance

As presented in Figure 27, 61/96 (64%) indicated they purchased their travel insurance directly from an insurance company which suggests a higher preference in dealing directly with these companies rather than intermediaries such as Tour Operator or Agencies. Another 14/96 (15%) of those insured reported they are being insured through their workplace, which indicates a high number of employer-provided benefits provided to the surveyed population.

A smaller number of respondents 8/96 (8%) from Figure 27 have obtained travel insurance coverage through their credit cards, most certainly provided by their banks. This highlights the perks of credit card utilization related to travel-related protection. 4 out of the 96 respondents (4%) had uncertainty from where they purchased their insurance policy.

**Have you ever filed a travel insurance claim?
(n=96)**

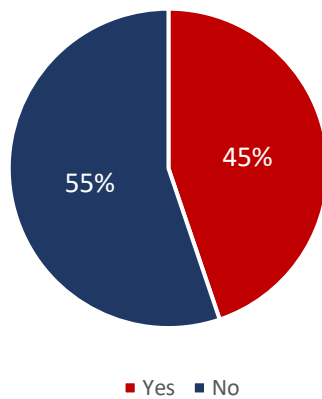


Figure 28. Filing a travel insurance claim

The analysis presented in Figure 28 found a very equal experience level with filing a travel insurance claim among the respondents, with 43/96 (45%) who have filed a claim at some point and conversely 53/96 (55%) with no history of doing that. Of those who have filed a claim, the author asked the respondents to rate from 0 to 10, as well as put words to their experience, which gave the following insight:

Table 10. Ratings of overall experience of filing a travel insurance claim (n=43)

Metric	Value
Min Value	1,0
Max Value	10,0
Average (Mean)	7,5
Median	8,0
Standard Deviation	2,2

The data from question 35 as presented in Table 10 gives a minimum rating of 1 and maximum rating of 10. The median score is 8, which indicates a tendency to a more positive satisfaction level among the respondents, while the standard deviation of 2,2 suggest a diversity in the answers around the mean level of 7,5. To understand these experiences better, the respondents were given the option to write down their words to describe the opinion about filing an insurance claim.

The author has decided to present the comments given by the respondents in a table, where the answers are divided in to positive and negative answers:

Table 11. Respondent's comments to their experience with filing a claim

Positive comments	Negative comments
<ul style="list-style-type: none"> • Fast decision, few documents required • Easy, cross just boxes and attach the pictures. The more detailed you can do it with one claim, the better. • Simple process where I could do it online and got a prompt reply. • My luggage was damaged by flight company. Insurance company took care of the case very smoothly. • Smooth and fast process • It has always been a good experience and I have had many accidents and lost items/broken times 	<ul style="list-style-type: none"> • Took a very long time • Took a bit of time, not kept informed in the meantime • A lot of explaining to do in a stressful situation • The bad ones took much longer since I had to fill in papers and send emails.

Overall, the positive comments from Table 11 are predominantly related to the simplicity it has been to file the claim and the timeframe before receiving a decision from the insurance company. Most of the respondents appreciate less paperwork and a digitisation of the process.

The negative comments from Table 11 highlight the feeling of a lengthy process and missing updates on their claim status. This suggests that insurance companies should focus on keeping the process fast and efficient while enhancing communication with the customers during the waiting time, to improve customer satisfaction.

8 Discussion

In this chapter, the author will discuss the findings and results regarding Finnish Travellers' perception of travel-related risk. The results have greatly supported the author in finding answers to the research questions presented at the beginning of the thesis. To demonstrate that, the author will present the most important research results, reflect them towards the theoretical framework and discuss the similarities and differences.

To find help the author find answers research question number (1); How Finnish Travellers perceive travel-related risk? The focus of Chapter 2 was on establishing the definition of risk and perception of risk. From the literature the author found that the level of risk can be difficult to measure, as various factors have to be taken into consideration, however, it became clear that risk is often used in situations where a negative outcome is expected. Even though risk as a term can be hard to understand, a great part of the respondents had a high level of pre-existing knowledge of travel-related risks. Arguably, this could impact the research results in a way that answers would be considered biased, either by conscious or unconscious behaviour when filling in the survey, which could skew the results in a certain direction. To minimize this and to enhance the validity of the research, the author made use of the margin of error strategy presented in Section 6.4.

Additionally, a comprehensive review of existing literature in Chapter 3, found various types of travel-related risks. The literature presented and also mentioned by The World Health Organisation, that the most significant risks when travelling are related either to health, well-being, safety or the general security in the destination. The survey conducted revealed that a great amount of the respondents likewise recognized these similar risks when asked to identify which risks, they associate with travelling abroad. The analysis has found that Finnish Travellers perceive the Risk of Health and Well-being as the most significant one when asked which risk they believe will have the most impact on them when travelling

To find answers to research question number (2); What are the external factors that influences Finnish Traveler's perception of risk? The author also explored the existing literature on this subject in the second chapter and found that the perception of risk is heavily based on an individual's assessment or belief of the likelihood that risk may lead to an outcome which will ultimately affect them. This belief is highly dynamic in its nature and influenced by lots of cognitive and social factors. From the analysis, Finnish Travellers have shown to have a high degree of reliance on their previous travel experiences, both positive and negative, when assessing their current perception of travel-related risks. Additionally, close family members or friends seem to heavily shape their attitude towards these risks and the need for travel insurance.

Helping finding answers to research question number (3); How does these factors affect to their consumer behavior when purchasing a travel insurance policy? Chapter 4 looked further into the different theories behind consumer behaviour and the decision-making process, the research aimed to find a correlation behind those previously discovered perceptions of travel-related risks and how it could potentially affect Finnish Traveller's consumer behaviour and their decision-making when purchasing travel insurance.

Several models and theories were found to retrieve scientific arguments on the concept, and according to the theories of Maslow's Hierarchy of Needs (Solomon December 2016, 29-31 min) and the Theory of Planned Behavior presented by Ajzen (1991) a fundamental aspect, is that consumers are often driven by their desire to fulfil either their needs or to achieve something satisfying, leading them to make decisions which they believe will benefit them. The theory of planned behaviour also argues that consumer behaviour is influenced by the more generally accepted behaviour, which is guided by social norms, cultural factors and level of perceived control. In the decision-making process most, literature agrees consumers are heavily affected by either emotional or rational thinking, meaning that we tend to make decisions based on the feeling we get from doing something, or because we believe our decision is rational.

As great relation between the literature of Emotional Decision-making (Damasio, 1994) and the Dual-Process Theory (Kahneman 2011) and the analysis was found, as a significant portion of the respondents would be more willing to purchase travel insurance if it would cover any of the risks which they also perceived as highly affecting them travelling in the future, or which they believed were important to protect themselves against in general. Furthermore, 72 out of the 103 respondents agreed that their perception of travel-related risks would affect their choice of whether to purchase travel insurance. These findings highly confirm the presented theories which implied that the need for safety, emotions and rational thinking ultimately affects Finnish Travellers' consumer behaviour and their decision-making when purchasing travel insurance.

Answering the research question number (5); What are the common insurance policies and coverage preferences among Finnish travelers when purchasing a new travel insurance policy? The fifth chapter firstly looked into the existing insurance products offered to Finnish Travellers from some of the biggest and most significant insurance companies operating in Finland. The research found a great similarity among the different policies and the coverages included when purchasing travel insurance in Finland. Furthermore, it was established that there are mainly 2 types of travel insurance policies within the Finnish market.

The continuous travel insurance which can provide coverage for longer duration trips, or multiple trips and therefore offers ongoing protection to the individuals or family during the policy's active period. This type of insurance was found convenient for more frequent travellers, with a more extensive range of add-on coverages, like luggage-, medical assistance- or trip cancellation coverage. The other type of policy is the fixed-term travel insurance, which provide coverage only for a specified period or a single trip established when entering the insurance agreement. These policies are designed for travellers who go on trips less frequently, for instance vacation or business trips, and offers protection against the most common travel risks.

The survey found that 64 out of 96 respondents (67%) have obtained continuous travel insurance, either purchased privately, through work or as a part of an insurance bundle. When asked about the most preferred coverage, the respondents indicated that Medical- and Luggage coverage are the most preferred when purchasing new travel insurance. Furthermore, 89% of the surveyed population would prefer and be more willing to purchase travel insurance, if it would protect them against the Risk of Health and Well-being, on the contrary, only 3% had the same opinion about coverage against the Risk of Animals and Wildlife.

From the research, insurance companies and policymakers can find basis for developing targeted strategies which will make their products meet travellers 'needs and ultimately lead to increase in sales and customer satisfaction. Moreover, it is highlighting a complex relationship between psychological factors and behaviour, which could be discovered further in future research.

8.1 Validity and reliability of research

The following section aims to determine the validity and reliability of the results and conclusions in this research. Ensuring a higher degree of these variables in the research can enhance the chance of producing meaningful research findings as well as securing transparency in the methods employed by the researcher to find answers to the research questions. A foundation of valid and reliable research is to have excellent research questions which include well-defined terms, are concrete whereat the available time and resources are considered well when finding the objective of the research (Keller & Casadevall-Keller 2010, 5).

Reliability in the research is indicating to the which extent different research methods or other researchers would arrive to the same conclusion based on the data, no matter if the result is true or wrong. In other words, if there is a consistency and stability in the findings that makes us able to trust the data (Keller & Casadevall-Keller 2010, 8).

If the reliability in research is high, it means that there is great consistency in the results based on repeated measurements; conversely, if the reliability is low, it means a low consistency in the results on repeated trials (Carmines & Zeller 1979, 9). Reliability in research can be claimed in different ways, often beginning with a critical review of existing literature and previous research which has been undertaken (Brotherton 2015, 122). On the other hand, Validity of a research refers to the degree to which the result from research accurately and successfully is capturing the phenomena which is intended to be measured within a population ((Keller & Casadevall-Keller 2010, 11). In other words, a high validity of your work means that the results you have found is more likely to be meaningful or useful for other researchers.

To enhance the transparency of the research, the author has decided to mention that questions 7, 22, 28 and 31 from the survey, are left out in the following analysis. The reason is that these questions which at first seemed obvious to include as a part of the data collection have now been found either irrelevant to the research or do not give any value for the author to find answers to the research questions.

The author has aimed to formulate research questions aligned with the available resources and time given to complete this project while these are still highly appropriate to maintain a high level of academic work. Conducting pilot-testing of the survey as a part of the data collection procedure, the researcher has remedied potential issues, errors and problems with the preliminary method before implementing the full-scale data collection. Moreover, has the author put great effort in data management to minimize potential errors in data entries, analysis and results.

While working hard to ensure a high level of reliability and validity, the author wants to acknowledge the limitations of the work. For example, there is a higher chance of biased answers within the survey population as most of the respondents were found through the author's social media channels instead of publishing the survey through an online research platform which could have given access to collect data from a broader audience. In the author's opinion, the sample size did reach a sufficient size, however, there could be arguments that a larger data set would increase the validity of the work. However, the author has found trust in the calculations of adequate sample size and margin of error presented with help from SurveyMonkey in Section 6.4, while recognizing that this calculation formula does not originate from this source but is based on other mathematical equations from unknown scientific literature.

8.2 Evaluation and reflections on personal learning

In this section, the author wishes to present a critical evaluation of the work which has been done with this thesis project. Furthermore, the author will present a comprehensive review of the achievements and reflect it on the personal learning outcome.

First, the author finds that this research work has given great benefits to their personal and professional growth. It has allowed the author to investigate deeply into a desired topic, which was interesting, challenging and within the field of study. The author has felt confident with the work and is sure that the learning has increased throughout the process of this research. It has helped the author to better understand the whole process of writing a thesis, from the element of critical thinking when looking for literature and existing theories, all the way to planning which methods are most suitable in collecting, interpreting, and analyzing findings from the research.

Moreover, the author wants to acknowledge the need for great planning, time management, and communication skills with the supervisor to succeed in the work. The author believes that the adherence to the timetable could have been more precise and in the future intends to find strategies for scheduling a thesis work better, which will help to increase the possibility for the author to stick to the original timetable and to optimize the productivity. The author has taken great pride in open and honest communication with the supervisor and wants to recognize the great feedback and support received through the meetings arranged together. The whole collaboration with the supervisor has contributed to a positive learning process and the desire to listen carefully to the constructive feedback given in the joint sessions has also resulted in an enhancement of the quality of the thesis.

Writing this thesis in a foreign language has been challenging, but the author is sure that it has strengthened the written English communication skills. In the future, it will be even easier to express complex ideas, concepts and theories clearly and concisely. This reward is especially great for the author, as it is a goal to continue studying and working in an international environment where this skill is highly valuable. The author also finds a great benefit from this work, which can be used in future professional work within the insurance sector, as it has given a great insight into the field of insurance business, especially in their work with customers.

As a conclusion to the personal learning, writing this thesis has been a great transformative experience that has given the author various new skills and knowledge which can be taken advantage of in future work. Moreover, the process of this thesis and overcoming the different obstacles faced along the way, have helped the author develop techniques to foster resilience and determination, which can help to gain confidence in future achievements.

8.3 Conclusions and suggestions for further research

Based on the findings from this thesis, the author has identified a few areas whereat future research could find basis for investigating further into the mechanism of risk perception among Finnish Travellers and fill the potential gaps there is in the current study. Even though the results of this should be treated with caution due to the rather small sample size and relatively low number of factors taken into consideration when looking at the overall structure of risk perception the author is convinced that this thesis could support a deeper understanding of the complexity of risk perception, travel insurance and consumer behaviour in greater contextual research.

Firstly, the author has found that future research could intend to approach the research as a cross-cultural comparison, where the phenomena of risk perception are compared between Finnish Travellers and those who are from different countries. This could help improve the understanding of how different cultural backgrounds, social norms and accepted values could potentially impact on risk perception and attitudes toward travel insurance.

While this research have found a great correlation between the Finnish Traveller's perception of travel-related risks and the influence on decision-making when purchasing travel insurance, the author believes that a more comprehensive data collection and a comparative analysis of different demographic groups within Finland could help enhance the work's quality and depth while helping create a broader theoretical framework as the base of future projects within the same research topic. Moreover, future researchers should consider exploring the different risk factors that might vary across different destinations which Finnish Travellers travel to, as this could offer valuable insight into more contextual factors influencing their individual's risk assessment.

Lastly, the author finds it obvious that a further examination of the business strategies implemented, market offering from the insurance companies within Finland could support future research identifying if there are any gaps between the current market offerings and the actual needs from Finnish Travellers. Additionally future research could study how government initiatives, industry regulations and standards might as well shape the consumers understanding of risk.

In conclusion, there is plenty of room for further research on this topic. Future research should focus on identifying and investigating other factors, such as the role of media, social networks, technology development, public health measures, education etc. which impact risk perception among Finnish travellers but also help to retain confidence in insurance business operations and the travel sector as a whole.

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Appendices

Appendix 1. Table of total trips abroad from Finland in 2021 and 2022

Table 5. Trips abroad from Finland in total, yearly, 2021 and 2022, thousand trips (Statistics Finland, 2023a)

	Total	
	Total	
	Trips, thousand trips	
	2021	2022
Total		
TOTAL	2,260	6,780

Appendix 2. Survey pre-testing feedback and changes

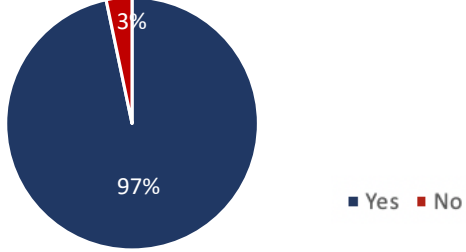
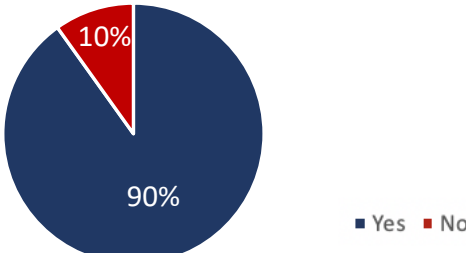
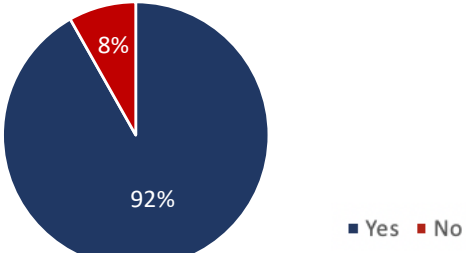
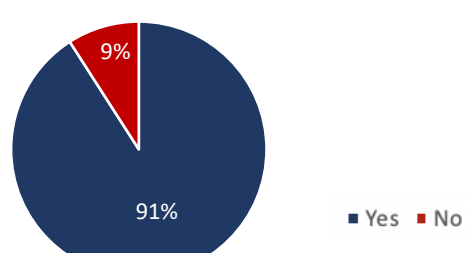
Test person's feedback	Changes made to the survey
<p>Test person 1) Felt it was an easy process to fill in the survey. The order of the questions seemed logical, and the questions were comprehensible. Was a little confused by the number not being in chronologic order, since some of the questions would be hidid/shown depending on the answers giving to the questions before.</p>	<p>The author did not make any changes to the original survey format based on this feedback, since the tool did not allow making changes, to help this issue.</p>
<p>Test person 2) Suggested to add an option to answer "neutral" or "neither" to question number 23,24 and 25. As the options given could be leading or biased.</p>	<p>The author added the option to answer neutrally to questions 23,24 and 25 to minimize biased answers.</p>
<p>Test person 3) Had comments on question number 12. Did not understand why it was only possible to choose 3 of the options given to the question and therefore suggested to rephrase the question so the respondent would understand it was about prioritization of the available options.</p>	<p>The author rephrased question 12 to let the respondent understand it is about prioritization to the respondent's personal preference.</p>
<p>Test person 4) Thought the survey was very pleasant and did not have any issues filling in the survey. The only suggestion would be to change question number 36 from mandatory to not mandatory to answer since it would feel forced to add comments about their experience of filing a claim with an insurance company.</p>	<p>The author made question 36 voluntary to answer, so the respondents will be able to continue the survey without an answer to this particular question.</p>
<p>Test person 5) Suggested to make it possible for the respondents to go back in the survey to change and modify their answers. Additionally suggested to add a "neutral" answer to the Likert scale in question number 10, as it could be that the respondent doesn't know what to answer and therefore, they just might answer something to move forward and that would result in biased or wrong results.</p>	<p>The author made it possible for respondents to click "previously" in the survey to go back and modify previously given answers. Additionally, the author added the option "neutral" to question number 10.</p>

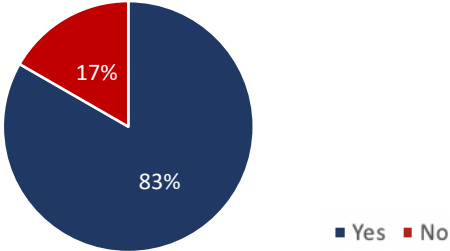
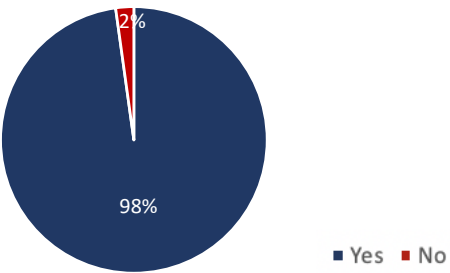
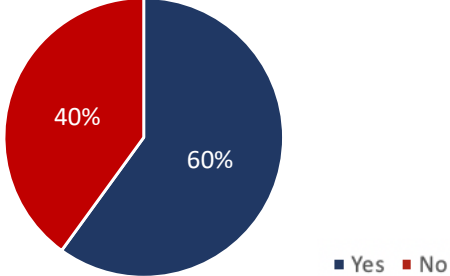
Appendix 3. Groups of words from question 9

Group	Words
Risk of Health and Well-Being	Sickness, Hospitalised, Medicine, Diseases, Health, Accidents, Pandemic, Poisoning, Infections, Injury
Risk of Crimes and Violence	Pickpockets, Security, Stolen, Fraud, Robberies, Scammed, Trafficking, Scammers, Safety
Risk of Natural Disasters	Environmental, Earthquake, Catastrophise, Location
Risk of Terror	Terror, Terrorism, Security, Political, Political-industrial
Risk of Delay or Cancellation of your trip	Cancellations, Flight, Bankruptcy
Risk of Delayed, Lost or Damaged luggage	Shortage, Baggage, Suitcase, Transportation, Luggage
Risk of Animals and Wildlife	Infections, Malaria
Other	Language barrier, Visa Application

Explanation of grouping: For example, if the respondents have used the word "Sickness", all the answers where this word appears, will fall under the group of Risk of Health and Well-being. The author has decided to include stemmed words, which means in the given example also answers with the word "Sick" would fall under the same group.

Appendix 4. Summary table of data from questions 14-20

Question from survey	Figure to illustrate data
<p>If a travel insurance would protect you against the Risk of Health and Well-being, would you be more likely to purchase the insurance policy?</p> <p>(n=92)</p>	 <p>Figure 14. Perception of Risk of Health and Well-being and likeliness to purchase travel insurance</p>
<p>If a travel insurance would protect you against the Risk of Delayed, Lost or Damaged luggage would you be more likely to purchase the insurance policy?</p> <p>(n=71)</p>	 <p>Figure 15. Perception of Risk of Delayed, Lost, or Damaged luggage and likeliness to purchase travel insurance</p>
<p>If a travel insurance would protect you against the Risk of Delay or Cancellation of your trip, would you be more likely to purchase the insurance policy?</p> <p>(n=73)</p>	 <p>Figure 16. Perception of Risk of Delay or Cancellation of your trip and likeliness to purchase travel insurance</p>
<p>If a travel insurance would protect you against Natural Disasters, would you be more likely to purchase the insurance policy?</p> <p>(n=11)</p>	 <p>Figure 17. Perception of Risk of Natural Disasters and likeliness to purchase travel insurance</p>

<p>If a travel insurance would protect you against the Risk of Terror, would you be more likely to purchase the insurance policy?</p> <p>(n=12)</p>	 <p>Figure 18. Perception of Risk of Terror and likeliness to purchase travel insurance</p>
<p>If a travel insurance would protect you against the Risk of Crimes and Violence, would you be more likely to purchase the insurance policy?</p> <p>(n=45)</p>	 <p>Figure 19. Perception of Risk of Crimes and Violence and likeliness to purchase travel insurance</p>
<p>If a travel insurance would protect you against the Risk of Animals and Wildlife, would you be more likely to purchase the insurance policy?</p> <p>(n=5)</p>	 <p>Figure 20. Perception of Risk of Animals and Wildlife and likeliness to purchase travel insurance</p>

Appendix 5. Survey for the data collection

Hi there!

My name is Marc. I am a 3-rd year student at Haaga-Helia University of Applied Sciences, currently pursuing my Bachelor's Degree in Hospitality, Tourism and Experience Management.

In my bachelor thesis, I am researching Finnish Traveller's perception of travel- related risk and how it affects their consumer behaviour when purchasing travel insurance.

This survey will consist of 7 sections which will take approximately a total of 10- 15 minutes to complete. By completing the survey, you will help me to find answers to the research questions defined in my thesis. If you want to know more about my work or have questions related to this survey, do not hesitate to text me at +358 40 610 2242.

Thank you for taking the time to complete this survey.

Yours sincerely,

Marc Hansen

Disclaimer

The survey is completed anonymously and is strictly confidential. Therefore data related to your identity will not be asked for or stored when answering. The author will process and store your data only for the purpose of this thesis research and in compliance with the GDPR. Your answers will be included and visible in the thesis report however these will only be presented in statistical values. Proceeding to the survey implies that you understand and accept the provisions in this disclaimer.

The following section aims to collect background information about you before continuing the survey.

1. Which gender do you currently identify as? *
 - Male
 - Female
 - Other gender
 - Prefer not to say

2. In which age group do you belong? *

- 18-27>
- 28-37>
- 38-47>
- 48-57>
- 58+

3. Is Finland your country of residence? *

Your country of residence refers to the country where you live permanently or have resided for the majority of the last 12 months.

- Yes
- No

The following section aims to collect information on your recent ravel activities.

4. Have you travelled abroad from Finland within the last 12 months? *

- Yes
- No

5. How many times have you travelled abroad from Finland within the last 12 months? *

- 1-2 times
- 3-4 times
- 4-5 times
- More than 5 times

6. To which continent of the world have you travelled the most? *

- Africa
- Asia
- Australia
- Europe
- North America
- South America
- Antarctica

7. What is usually the purpose of your travelling abroad? *

- Leisure
- Business/work
- Leisure and Business/work
- Other _____

The following section aims to collect information on your awareness of travel-related risk.

8. On a scale from 1 to 10, how would you rate your overall knowledge of travel-related risks?

*



9. What specific risks or concerns do you associate with travel, especially in the context of travelling abroad from Finland? (write in English)

The following section aims to collect information on your perception of travel-related risks.

10. How likely do you believe the following risks will have an impact on you when travelling abroad in the future? *

	Very unlikely	Unlikely	Neutral	Likely	Very likely
Risk of Delay or Cancellation of your trip	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Terror	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Crimes and Violence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Health and Well-being	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Natural Disasters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Delayed, Lost or Damaged luggage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Risk of Animals and Wildlife	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. Rank the following travel-related risks based on which you generally perceive the most important to protect yourself against. (1 = most important) (7 = least important)

Risk of Health and Well-being:	1-2-3-4-5-6-7
Risk of Delayed, Lost or Damaged Luggage:	1-2-3-4-5-6-7
Risk of Delay or Cancellation of your trip:	1-2-3-4-5-6-7
Risk of Natural Disasters:	1-2-3-4-5-6-7
Risk of Terror:	1-2-3-4-5-6-7
Risk of Crimes and Violence:	1-2-3-4-5-6-7
Risk of Animals and Wildlife:	1-2-3-4-5-6-7

12. Please choose (3) of the following risks you would prefer your travel insurance to protect you against *

- Risk of Terror
- Risk of Delayed, Lost or Damaged Luggage
- Risk of Crimes and Violence
- Risk of Natural Disasters
- Risk of Delay or Cancellation of your trip
- Risk of Health and Well-being
- Risk of Animals and Wildlife

13. From where would you intend to find more information about these travel-related risks? *

- From The News
- From The Insurance Company Website
- From Social Media
- From The Tour Operator/Travel Agency
- From Official Websites (e.g., Ministry of Foreign Affairs; World Health Organisation, European Union etc.)
- Other _____

14. If a travel insurance would protect you against Risk of Health and Well-being, would you be more likely to purchase the insurance policy? *

- Yes
- No

15. If a travel insurance would protect you against Risk of Delayed Lost, or Damaged luggage, would you be more likely to purchase the insurance policy? *

- Yes
- No

16. If a travel insurance would protect you against Risk of Delay or Cancellation of your trip, would you be more likely to purchase the insurance policy? *

- Yes
- No

17. If a travel insurance would protect you against Natural Disasters, would you be more likely to purchase the insurance policy? *

- Yes
- No

18. If a travel insurance would protect you against Risk of Terror, would you be more likely to purchase the insurance policy? *

- Yes
- No

19. If a travel insurance would protect you against Risk of Crimes and Violence, would you be more likely to purchase the insurance policy? *

- Yes
- No

20. If a travel insurance would protect you against Risk of Animals and Wildlife, would you be more likely to purchase the insurance policy? *

- Yes
- No

The following section aims to collect information on your consumer behaviour

21. Do you believe that your current perception of travel-related risks affects your choice of whether to purchase travel insurance or not? *

- Yes
- No

22. Do you believe that travel-related risks could affect your general travel behaviour in the future? (e.g.: choosing modes of transportation, avoiding certain types of accommodations, travelling outside high seasons)

- Yes
- No

23. Do you believe that travel-related risks will have a higher or lower impact on tourism in the future? *

- Higher impact
- Lower impact
- Neither a higher nor a lower impact

24. Do you believe that his higher impact from travel-related risks on tourism would make you more or less likely to purchase travel insurance in the future? *

- More likely
- Less likely
- Neither more nor less likely

25. Do you believe that his lower impact from travel-related risks on tourism would make you more or less likely to purchase travel insurance in the future? *

- More likely
- Less likely
- Neither more nor less likely

The following section aims to collect information on your experiences with travel insurance.

26. Do you currently have a travel insurance? *

- Yes
- No
- I do not know

27. Have you previously had a travel insurance? *

- Yes
- No

28. Do you know which type of travel insurance agreement you have/had? *

- Yes, fixed-term travel insurance
- Yes, continuous travel insurance
- No, I do not know
- Neither of the mentioned

29. Why did you purchase this specific travel insurance? (you can choose more options) *

- The price
- The coverage
- The insurance company's credibility
- Other _____

30. Which cover(s) made you purchase the travel insurance? *

- Covers in case of illness or injury (medical coverage)
- Covers in case of travel disruption (delay or cancellation coverage)
- Covers in case of lost, damaged or delayed luggage (luggage coverage)
- Covers in case of emergency (assistance coverage)
- Other _____

31. Why haven't you purchased a travel insurance? *

- It's too expensive
- It's too complicated and I do not understand the concept
- It's not of my priorities
- I do not trust the insurance company to help me
- It does not cover what I need
- I do not travel for long enough durations
- I do not travel frequently enough
- Other _____

32. What would you wish the travel insurance to cover that it does not? *

33. From where did you purchase the travel insurance?

If more options are applicable, please tick the one relevant to your most recently bought policy

- The Tour Operator (Airline, bus- or ferry company)
- Directly from an Insurance Provider/Insurance Company
- I am insured through my work
- I have a travel insurance through my credit card
- I do not know
- Other _____

The following section aims to collect information on your experiences with travel insurance.

34. Have you ever filed a travel insurance claim? *

- Yes
- No

35. How would you rate your overall experience when filing the claim? (from filing the claim, assistance and the process until a solution was found) *



36. Please write a few sentences on your experience with filing a claim to the insurance company (why was it a good/bad experience?) *

Thank you for your participation!



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