

In-Depth Customer Behaviour Analysis of the UK Market for Travel

Yumeng Zhang¹

¹*Institute of Topic Researching, The University of Edinburgh, Old College, South Bridge, Edinburgh EH8 9YL, Edinburgh, The United Kingdom*

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Abstract: After the global pandemic, the UK faced a backdrop of increasing number of travels but the UK travel insurance company suffered considerable financial pressure, which stem from a marked increase in the volume of claims. This phenomenon indicates a notable shift in the travel market, and it is imperative for travel insurance firms to leverage these behavioural insights and navigate the competitive market. This study explores the intricate dynamics of customer behaviour in purchasing travel insurance and identifies 5 potential factors that influence customers' intention on travel insurance, which are expected utility theory, perceived risks theory, symbolic consumption theory, knowledge gap theory and postpurchase behaviour. Based on the existing literature, both expected utility and perceived risks have been proved, while others are analysed as hypotheses. Utilizing a comprehensive questionnaire distributed to UK residents, this research garnered insights from 187 valid answers, employing quantitative analysis techniques to dissect their impact on travel insurance purchasing intentions. Key findings highlight the importance of addressing knowledge gaps as the most influential factor driving purchase intentions, which outweighed the existing literature of expected utility and perceived risks. Furthermore, the study reveals the influence of post-purchase experiences on future purchasing behaviour, illustrating the cyclical nature of consumer satisfaction and loyalty in travel insurance. Lastly, Symbolic consumption shown the negative impact towards the intention on purchasing travel insurance. This article contributes to the broader discourse on consumer behaviours in the insurance industry, offering valuable insights for marketers and policymakers aiming to enhance product offerings strategies.

1. Research Purpose

The aim for this study is to help British travel insurance companies to improve their profit earns in this promising period after pandemic where more people are willing to travel and more people prefer to purchase travel insurance. These three research questions are:

RQ1: Does the level of literacy regarding travel insurance positively influence future intentions towards purchasing travel insurance?

RQ2: Which customer behaviours positively influence the intention to purchase travel insurance?

RQ3: Based on customer purchasing behaviours, how can these insights assist travel insurance companies in leveraging opportunities to augment their profitability?

The results of this study provide three theoretical contributions to the field of study: (1) It introduces a new competitive strategy for travel insurance companies moving beyond the pure price competition. (2) It indicates a clear association between various of customer behaviours and their intention to purchase travel insurance. (3) It provides a fresh perspective on travel insurance which jump out from pure risk reduction but as a multifaceted product which could offer broader benefits and value to consumers.

2. Literature Review

2.1. Expected Utility Theory

In the context of insurance purchasing decisions, the Expected Utility theory posits that consumers weigh the prospect of an uncertain loss if uninsured against a certain loss—which is payment for an insurance policy. This decision-making process involves considering personal views on risk aversion and the desire for certainty [1]. Consequently, the previous articles prove that individuals with more risk-averse attitudes are more inclined to purchase insurance, while individuals hardly travel more tend to purchase insurance than individuals travel frequently [2]. This theory suggests that consumers make decisions considering both an uncertain loss (e.g., an injury while travelling) and a certain loss (e.g., paying for insurance; [1]. The higher the perceived likelihood of suffering an uncertain loss and its perceived value, the higher the intention to acquire travel insurance [3]. Based on these theories, some authors have recently examined consumers' willingness to pay for travel insurance after the COVID-19 pandemic [4], and their intention to acquire travel insurance online [5]. The latter studies found risk perception and perceived uncertainty as the most important antecedents. Thus, conclusions are like prior findings. Since the expected utility theory has already been proven to it could influence the customers' intention to purchase travel insurance, my first hypothesis is:

H1: Expected Utility is most influential factor to affect customers' intention to purchase travel insurance

2.2. Perceived risks Theory

Customer decisions to buy travel insurance are closely tied to perceived risks. Consumers, acting rationally, often treat insurance as a risk-reduction strategy against uncertain losses during travel [6]. In tourism, risks are mainly grouped into physical, financial, and performance categories. Physical risks include injuries, illness, accidents, or threats like terrorism and political instability [7]. Financial risks involve potential monetary loss when services fail to deliver expected value, such as high costs or poor outcomes [8]. Performance risks relate to dissatisfaction with service quality or experiences, such as delays or unmet expectations, which can harm trust and repeat purchases [9-10]. These risks significantly reduce willingness to travel and strongly influence intentions to purchase insurance [11]. Therefore, my second hypothesis is derived.

H2: Perceived risks (physical, financial, and performance) are the most influential factors affecting customers' intention to purchase travel insurance.

2.3. Symbolic Consumption

Symbolic consumption refers to the use of products as socially recognized symbols of status, responsibility, or identity [12]. In travel insurance, the decision to purchase extends beyond utility,

symbolizing responsibility, caution, and social acceptance [13]. Within groups sharing similar values, insurance becomes a group-specific symbol of responsible travel [14]. Moreover, consumption can also be inconspicuous: individuals may quietly affirm responsibility or security through purchase, guided by personal norms rather than overt status signalling. Thus, travel insurance holds symbolic meaning that influences consumer behaviour.

H3: Travel insurance purchasing is positively influenced by symbolic consumption.

2.4. Knowledge Gap Theory

Notably, while perceived risk is commonly linked to purchase travel insurance behaviour, a notable factor contributing to tourists' reluctance in obtaining travel insurance could be a misunderstanding of associated risks and the protective role that travel insurance plays. Caponecchia and Tan “view the current state of the travel insurance market as inefficient as consumers are deemed generally misinformed and unaware of the intricacies of the products on offer” [15]. Meanwhile, they suggest that knowledge might be the key to understanding consumer behaviour in this context, in the sense that more knowledgeable consumers will be more likely to acquire travel insurance.

Building on this, Pearson and Liu-Thompkins propose that consumers tend to avoid products lacking information or functions they do not fully understand [16]. Similarly, Viswanathan et al. indicate that a lack of knowledge imposes constraints on many consumers, leading them to avoid unfamiliar products [17]. Consequently, a hypothesized relationship emerges between consumers' lack of knowledge and reduced buying intention. With the development of a measurement scale for this construct, a direct and positive relationship is anticipated between travel insurance literacy and purchase intention.

H4: Increased travel insurance literacy positively influences tourists' intention to purchase travel insurance.

2.5. Post-purchase theory

Past behaviour serves as a robust predictor of future actions, a phenomenon supported by extensive research in the field of consumer psychology. Individuals demonstrating specific behaviours at one point in time often exhibit a propensity to repeat these actions in the future. This enduring consistency is often attributed to personality traits and motivational factors that transcend situational variations. According to Kotler [18], consumer satisfaction occurs when expectations are met, delight arises when they are exceeded, and disappointment follows unmet expectations. However, significant purchases may also induce post-purchase dissonance, as consumers regret either the drawbacks of their chosen product or the benefits of unselected alternatives [19]. Such cognitive reflections strongly influence future behaviour: satisfied customers are more likely to repurchase, while dissatisfaction reduces the likelihood of return. In the context of travel insurance, past experiences with coverage, claim settlements, or unexpected benefits shape future purchase intentions—positive encounters encourage repurchase, while negative ones deter it. Since the reliability of post-purchase behaviour has not been established in the travel insurance market and existing studies are outdated, this study proposes the fifth hypothesis.

H5: After purchasing travel insurance, clients' behaviour has a positive impact on buying it again.

2.6. Research Gap

Previous studies have examined perceived risk and expected utility theory in travel insurance [20], but little attention has been given to symbolic consumption or post-purchase behaviour.

Moreover, no research has demonstrated whether insufficient knowledge directly reduces purchase intention, leaving an important gap on the role of consumer literacy. While perceived risks are recognised as key determinants [1], the literature has not ranked their relative importance, creating uncertainty for providers on whether to prioritise physical, financial, or performance risks. This study addresses the gap by applying regression analysis to evaluate their influence, alongside comparative analysis with expected utility theory. For symbolic consumption, prior work has noted that insurance can act as a marker of responsibility or social status [12], but no systematic research has tested how these symbolic meanings affect actual purchase decisions. This study investigates symbolic value from both individual and corporate perspectives. Finally, the literature lacks empirical evidence on post-purchase behaviour in travel insurance, despite suggestions that satisfaction or dissatisfaction strongly predicts repurchase [19]. This study therefore explores how past experiences shape future buying intentions, offering practical insights for service improvement.

3. Questionnaire Design

The questionnaire consists of three main sections and requires approximately 10 minutes to complete. Workflows include: (1) demographic questions assessing covariant, (2) knowledge test of travel insurance of participants to examine the base understanding towards travel insurance. (3) customer behaviour related questions. The full questionnaire is shown below (table 1).

Table 1 Research Questionnaire

Section	Question	Content	Answer Type	Logic Notes
Demographics	Q1	How old are you?	• <18 • 18–24 • 25–34 • 35–44 • 45–54 • 55–64 • >65	
	Q2	What is your gender?	• Male • Female • Non-binary • Prefer not to say	
	Q3	What is your current occupation status?	• Employed • Student • Unemployed	
	Q4	What is your estimated yearly income (GBP)?	• 0 (unemployed or student) • < 20,000 • 20,000–30,000 • 30,000–60,000 • >60,000	
	Q5	How often do you buy travel insurance?	Single choice: • Every time • Often • Not often • Never	If "Never" → Skip to End
Knowledge Gap Theory	Q6	Based on your past experience, do you think you have sufficient knowledge towards travel insurance?	5-point Likert: • Definitely not → Definitely yes	
	Q7	Please review the following scenarios. Indicate whether each is generally covered by standard travel insurance.	Matrix per item: • Covered • Not Covered • Not sure Scenarios: 1. Emergency medical treatment while travelling 2. Trip interrupted due to natural disaster 3. Trip cancelled for personal reasons not listed 4. Rental car damaged in collision	

			5. Camera stolen during trip 6. Baggage lost by airline 7. Trip cancelled due to pre-existing condition 8. Trip cancelled due to sudden illness 9. Accidents during extreme sports	
	Q8	Do you feel that the coverage of travel insurance has changed your original perception?	Single choice: • Not at all. My understanding is the same • Slightly changed – more coverage than I thought, more positive attitude • Slightly changed – less coverage than I thought, more negative attitude • Hugely changed – much more coverage, more positive attitude • Hugely changed – much less coverage, more negative attitude	
Expected Utility & Perceived Risks	Q9	Do you consider "claiming satisfactory compensation" as an attractive factor when purchasing travel insurance?	5-point Likert: • Not attractive at all → Extremely attractive	
	Q10	How concerned are you about the following risks impacting your travels?	Matrix per item, 6-point scale: • Extremely concerned → Not concerned at all Risks: 1. Physical risks (e.g., health emergencies) 2. Financial risks (e.g., trip cancellations, loss of belongings) 3. Performance risks (e.g., flight delays, accommodation issues)	
	Q11	What plays a more significant role in your decision to buy insurance?	Single choice: • Personal perception of risks (e.g., flight delays, illness) • Overall benefits and drawbacks (cost, coverage, peace of mind)	
Symbolic Consumption	Q12	Company trip scenario: Will you purchase travel insurance for staff, and why?	Multiple choice: • No, I will not buy travel insurance • Yes, if there's an accident (e.g., injury), it could be a huge financial loss for the company • Yes, because of possible claims (e.g., flight delays) that exceed the cost • Yes, because not buying seems irresponsible and harms company image/status	
	Q13	Do you believe having travel insurance enhances your image as a responsible traveller?	5 point Likert: • Strongly disagree → Strongly agree	
Post-purchase Behaviour	Q14	Have positive post-purchase experiences (e.g., assistance during emergencies) influenced your loyalty to a provider?	5 point Likert: • Extremely negative → Extremely positive	
	Q15	You purchased insurance, your friend didn't, and no incident occurred. Will this influence your future behaviour?	Multiple choice: • I won't buy it next time. I feel it's a waste of money • I won't buy it next time. I think the chance of accident is very low • I will still buy it because it proves I'm a responsible traveller • I will still buy it because it symbolizes my social status • I will still buy it because compared to the potential financial loss, travel insurance is cheap • I will still buy it because I've previously received helpful emergency assistance • I won't buy it next time, and my reason is not listed • I will buy it next time, and my reason is not listed	

4. Results

4.1. Descriptive Analysis

The descriptive analysis from the study on customer behaviour in the UK travel insurance market presents a comprehensive overview of the participants' demographic profiles. Within 173 valid answers among 200 answers in total, this study delineates their age, gender, occupation status, and yearly income, thus providing a foundational understanding of the demographic distribution within the study. The result shows most respondents were young (18–34), majority female, and more than half were students or unemployed with limited income.

4.2. Reliability Test

The total coefficient value is 0.831 (Cronbach $\alpha = 0.831$), indicating that the questionnaire as a whole exhibits high internal consistency. For the individual constructs within the questionnaire - Knowledge Gap Theory, Perceived Risks, Expected Utility Theory, Symbolic Consumption, and Post-purchase Behaviour - the coefficient values are 0.831, 0.856, 0.804, 0.813, 0.895, 0.912, respectively. These values suggest that each construct demonstrates high reliability, meaning the questions within these sections of the questionnaire consistently measure their intended concepts or characteristics effectively.

4.3. Validity Test

Bartlett's sphericity test tests the assumption that the correlation matrix is an identity matrix, meaning that the variables are not correlated and therefore not suitable for factor analysis. A significant Bartlett test ($p < 0.05$) rejected this null hypothesis, confirming that the variables were correlated and suitable for factor analysis. Bartlett's Test of Sphericity in this study yielded a ChiSquare value of 180.817 with 66 degrees of freedom and a p-value of 0.001, significantly supporting the appropriateness of factor analysis by demonstrating substantial correlations among the variables.

All the KMO value of each variable are greater than 0.7, which is above the recommended threshold of 0.6, indicating that the dataset is suitable for factor analysis, and the p-value are around 0.001-0.002 showing that the dataset is reliable. Beyond preliminary tests, descriptive statistics were calculated for each construct—including mean, standard deviation, skewness, and kurtosis. Results showed generally low knowledge levels among participants, while post-purchase behaviour reflected the most positive experiences. Overall, the variation across constructs highlighted diverse perceptions and attitudes toward travel insurance.

4.4. Correlation Analysis

The correlation coefficient of Knowledge Gap Theory, Expected utility theory, Perceived Risks, symbolic consumption, post-purchase behaviour towards the intention to purchase travel insurance are 0.293, 0.079, 0.138, 0.165 and -0.230, respectively, showing that despite from symbolic consumption, all the variables show a positive relationship with intention of purchasing. Among all the variables, knowledge gap theory shows a significant relationship towards intention to purchase travel insurance.

4.5. Comparative analysis

Correlation analysis showed a significant link between knowledge gap theory and intention to purchase travel insurance. Comparative results revealed that 49.71% of participants were initially uncertain about their knowledge. After receiving accurate information, 45.09% reported a slight improvement in attitude and 14.45% a substantial positive shift, suggesting that better knowledge meaningfully enhances purchase intention. A paired t-test confirmed this change was significant (from 3.3 to 4.2, $p < 0.001$), while Cohen's d indicated a moderate effect size, reinforcing the impact of improved understanding on intention [21].

In order to further explore whether the literacy of travel insurance will influence the intention towards travel insurance, Cohen's d is applied. The researcher divided all the participants into 2 groups, where those who got 4 or less correct has been listed in "insufficient knowledge" group, and the rest for those who got 5 or more correct has been listed in "sufficient knowledge" group. After applying Cohan's d analysis, an effect size of 0.45 is considered moderate. It demonstrates that the impact of the intervention is noticeable and practical. This moderate effect size is significant enough to suggest that the intervention (providing accurate information) had a real and meaningful impact on purchase intentions.

4.6. Overall Regression Analysis

The regression analysis examined all independent variables against the intention to purchase travel insurance. The model constant ($B = 1.336$, $p = 0.011$) suggests other factors outside the model also influence intention. All VIF values (1.020–1.073) were well within the acceptable range, indicating no multicollinearity.

Knowledge Gap Theory had the strongest positive effect ($B = 0.297$, $p < 0.001$). This means greater knowledge is linked to higher purchase intention, highlighting the importance of customer education. Interestingly, its effect was stronger than both Expected Utility and Perceived Risks, contrary to much of the literature.

Perceived Risks was the second strongest predictor ($B = 0.907$, $p = 0.019$), showing that concerns over potential losses strongly drive purchase decisions. Expected Utility ranked third (B not given here, $p = 0.072$), suggesting that weighing costs and benefits matters, but less than the other two factors.

Post-purchase Behaviour also had a positive relationship ($B = 0.250$, Beta = 0.150), meaning satisfied customers are more likely to buy again. Positive experiences had more influence on purchase decisions than negative ones had on stopping purchases.

Symbolic Consumption showed a negative relationship ($B = -0.094$, $p = 0.095$), implying that, for many people, buying travel insurance may not align with their social image or identity in either personal or business contexts.

4.7. Regression analysis of Perceived risk

The regression results show that perceived risks significantly influence the intention to purchase travel insurance. Among the three dimensions, physical risk emerged as the strongest driver, followed by financial risk, while performance risk had the weakest effect. This indicates that health and safety concerns play the most critical role in shaping purchase decisions, compared to financial or service-related considerations.

5. Discussion and Conclusion

This study examined customer behaviours influencing the intention to purchase travel insurance in the UK using multiple theoretical frameworks. While earlier literature emphasised perceived risks and expected utility theory, the regression results highlight knowledge gap theory as the most influential factor: limited understanding significantly reduced purchase intention, whereas providing accurate information improved attitudes. Perceived risks ranked second, with physical risks (e.g., health emergencies) most impactful, followed by financial and performance risks. Expected utility was less influential than anticipated, suggesting decisions are shaped more by perceived value than cost–benefit logic. Post-purchase behaviour also mattered, as satisfaction encouraged repurchase, while symbolic consumption showed little or negative influence, indicating travel insurance is valued more for practicality than status.

Theoretically, these findings extend prior work by identifying knowledge gap theory as a stronger predictor than risk perception or expected utility, especially in the post-pandemic context. They also refine understanding of risk by confirming physical risk as the most critical dimension, while offering new empirical support for the role of post-purchase behaviour and challenging assumptions about symbolic consumption.

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