

PREFERENCES AND MOTIVES OF CONSUMER BEHAVIOR IN THE PROCESS OF PURCHASING TRAVEL INSURANCE

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KEYWORDS | travel insurance, tourist market, motives, preferences

ABSTRACT | Insurance companies pay attention to their current and potential customers. The variety of offered services such as travel insurance causes the confusion of the customer and uncertainty of what he wants and what is expected. The task of the insurance company is to make customer aware of the need to purchase an insurance contract, preparation and presentation of the offer, and then sell the offered service. But to succeed in this field, needed is knowledge of individual customers and their preferences and motives of action. In the article are presented and discussed results of a survey conducted during the period October - December 2015 about preferences and reasons of choosing travel insurance services by individual customers.

Introduction

Insurance services market is very competitive. Insurance companies are fighting for customers to surpass in offering a broad package of travel insurance and proposing good conditions of an insurance contract. Insurance companies are currently implementing the tasks associated with building trust, creating the image and make the intangible services insurance distinguishing characteristics, which involve paying more attention to “packaging” service than the service itself.

The “packaging” of insurance services includes: the people, appearance of outlets, range, availability of services, flexibility in customer service, innovation (Internet, call centers), and the prestige of the insurance company or insurance package prepared specifically for the customer. For insurance companies very important is knowledge not only of marketing practice, but also about the preferences and motives of choice of services including insurance and travel insurance.

Characteristics of the tourism market and offered travel insurance

Tourism is an important and modern part of economic activity and also a part of social activity. Tourist activity is one of the indicators of the level of life and indicator of civilization development of societies. The development of tourism is an important impulse of socio-economic development of the country. Changing market of tourist services in Poland and changes in the legal environment make it necessary to constantly control the market. Currently, the trend is clearly observed, according to which tourist trips are becoming more frequent, but shorter. The preference for travel in the short distance from the house, followed by a rise in domestic tourism is increasing (The White Paper..., 2015). Challenges for the development of tourism will be: to achieve a more diversified development model by maximizing socio-economic benefits and minimize the negative effects. The tourist market has a demand side and the supply side. In the supply side are involved entities in the organization or sale of tourist events commonly referred to as a travel agent. This term is not defined as the act on tourist services, which provides 2 forms of activity related to the sale of tourist events: tour operators and travel agents (The White Paper..., 2015). The important source of data for the ministry of tourism, providing information on tour operators and travel agents is the Central Register of Tourism Organizers of Tourist Agents. Registered in the Register are now 3,878 (The White Paper..., 2015). In the demand side, customers are using the services of tourist. According to CSO data, in 2014 Polish people took part in the 38.3 million domestic trips. The analysis of the structure of domestic trips in terms of destination in total, suggests that the dominant purpose of the journey was to visit relatives and friends, which accounted for more than half of all trips (52%). Trips with the purpose of tourism and recreation accounted for 38%. National tours by Polish people in more than 90% are organized independently. In the time of research, Polish people took part in the 10.3 million as tourists in trips abroad. The main reasons for foreign trips made by Poles were mostly willingness to sightseeing or leisure. In the case of foreign trips also dominated trips organized independently (64%) (The White Paper..., 2015).

Tourism is not a compact and homogeneous area of the economy. It combines issues dealt with different fields and branches of law. The tourist regulations consist in standards regarding, inter alia spatial planning, transport, culture, promotion, education, sports, public security, social policy, taxation, infrastructure, and environmental protection. All adjustments have a significant impact on the insurance market including standard insurance law. The standards of insurance law affect the tour operators and travel agents which are laid down general rules for the granting of guarantees and insurance required of these entities. Pursuant to the Act on tourist services applies security to clients in the event of insolvency, insurance against accidents and medical treatment abroad, as

well as the wide range offered in the travel insurance market, which are not compulsory (baggage insurance, cancellation insurance with the package, the type of assistance tourist insurance, insurance of risks associated with amateur ski sports or water sports, etc.) (The White Paper..., 2015). Insurance companies offer travel insurance not only to service company and intermediaries tourist destination, but also to individual customers. Insurance companies offer a wide range of travel insurance. Health insurance (KL) guarantees covering medical expenses among other doctor visits and hospital stay. This insurance can be extended with options for chronic diseases. Liability insurance in private life (OC) – protects against any claims of which the policy holder harmed. For sports liability there is insurance which you can expand the scope of protection of high-risk sports and extreme sports and also rescue costs (KR). Insurance sports equipment or luggage (BG). There can also be chosen an option of insurance in case of unfortunate accidents (NNW), insurance in case of death (NWS), insurance bodily injury (NWU), insurance costs of medical first aid (KPPM), and insurance costs of rehabilitation (KRH). There can be also and insurance in case of trip cancellation, canceled flights or accommodation.

Methodology and purpose of the study

A survey conducted by questionnaire, which had the seven basic questions and four demographic questions. The survey was conducted October–December 2015 in large cities of the province of Silesia (Katowice, Gliwice, Zabrze, Bytom, Jaworzno, Sosnowiec, Tychy, Bielsko-Biala). The method of survey was randomly- purposeful sampling. The criterion for selection was agreement to complete the survey.

The aim of the study was to know the preferences and motives of purchasing travel insurance. The characteristics of the respondents participating in the survey are presented in Table 1.

Table 1. Characteristics of the respondents (N = 162)

| Gender | | | | |
|------------------------------------|--------------|---------------------|------------------|-------|
| Women 53% | | Men 47% | | |
| Age | | | | |
| 18–25 | 26–40 | 41–60 | >60 | |
| 19% | 30% | 38% | 13% | |
| Education | | | | |
| primary | professional | secondary education | Higher education | |
| 11% | 19% | 33% | 37% | |
| Monthly net income household (PLN) | | | | |
| Up to 1000 | 1001–2000 | 2001–3000 | 3001–4000 | >4000 |
| 12% | 19% | 21% | 22% | 26% |

Source: own work.

Test results

Preferences and reasons for choosing the services of travel insurance are related to decisions to purchase this service. Buying decisions are usually taken in a certain order logical- of the overall purchase decision, which involves the preferences in the selection of an insurance company. The study showed that the client has specific preferences when choosing an insurance company (Figure 1).

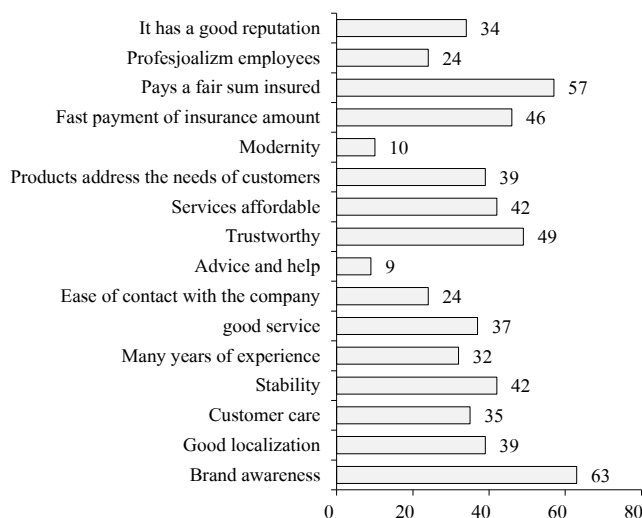


Figure 1. Preferences, which is guided by an individual consumer when choosing insurance (%)

Source: own source.

When making decisions about buying travel insurance services the client is guided by the knowledge of the undertaking and its brand, such an opinion expressed 51% of men and 56% women. The other clients' preferences when choosing an insurance where the metric data had no significant effect was fair pays the sum insured 57%, trustworthy (49%), services affordable (39%), the stability of the company (42%). Significant are also reasons for choosing an insurance company.

The analyzing of the motives for the choice of insurance regardless of sex or age of the respondents the most important is good opinion about insurance and friendly professional service (Table 2). No matter the location of the insurance. The decision of the purchase of insurance is affected by many factors that are shown in Figure 2.

Based on the research can be said that the most motivating factor to use the services of insurance is to cover costs in the event of an accident, a sense of security and fear of harm. To these affecting factors can be included: age, education, gender, and income level. A sense of security is the most common cause of insured women (38%) and those aged 23–44 (average approx. 30%) and an average financial situation (26%). In contrast, for fear of damage usually they insure themselves against men (34%) and those aged 45–64 (24%) with secondary education (29%) and higher (32%).

Motivating factor is also a kind of a tourist trip (trip active, practicing extreme sports, group trip, etc.). It is also important place of purchase travel insurance services (Table 3).

Table 2. Themes to choose insurance company (%)

| | Close location | Traditional family | Friend comman | Good opinion | Friendly, professional service |
|-----------|----------------|--------------------|---------------|--------------|--------------------------------|
| Gender | | | | | |
| Women | 4 | 7 | 5 | 48 | 36 |
| Men | 3 | 6 | 12 | 49 | 30 |
| Income | | | | | |
| <1000 | 6 | 6 | 6 | 58 | 24 |
| 1001–2000 | 4 | 5 | 7 | 58 | 26 |
| 2001–3000 | 5 | 5 | 9 | 51 | 30 |
| 3001–4000 | 4 | 4 | 9 | 53 | 30 |
| >4000 | 3 | 2 | 12 | 55 | 28 |

Source: own work.

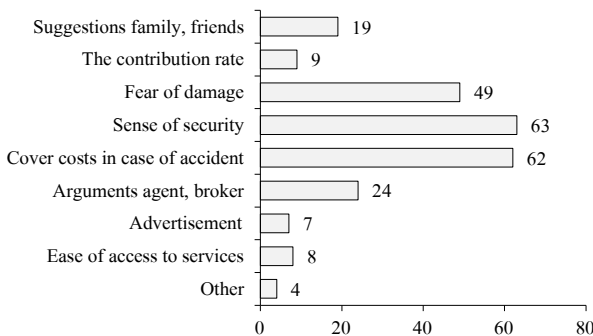


Figure 2. Factors motivating the customer to use the services of travel insurance

Source: own source.

Table 3. Place of purchase travel insurance services for individual customers (%)

| Place of purchase | |
|---------------------------------------|-------|
| Agent (mostly in the customer’s home) | 27.0 |
| departament | 7.9 |
| Broker | 2.2 |
| phone | 2.3 |
| Internet | 0.5 |
| Travel agent | 59.9 |
| other | 0.2 |
| Total | 100.0 |

Source: own work.

Customers usually purchase their travel insurance services by the travel intermediary in the process of purchasing travel services (59.9%). Often customers choose to purchase travel insurance through an agent 27% or directly at the branch of the insurance 7.9%. These are the most common customers, who organize individual tourist trips.

Table 4. Travel insurance used by individual customers (%)

| | KL insurance | OC insurance | Baggage insurance | Sport insurance | Rescue insurance | Other |
|-----------|--------------|--------------|-------------------|-----------------|------------------|-------|
| Gender | | | | | | |
| Women | 63 | 63 | 29 | 47 | 15 | 9 |
| Men | 67 | 67 | 14 | 53 | 14 | 4 |
| Age | | | | | | |
| 18–25 | 49 | 49 | 22 | 53 | 32 | 12 |
| 26–40 | 58 | 58 | 12 | 46 | 33 | 10 |
| 41–60 | 59 | 59 | 10 | 48 | 36 | 10 |
| >60 | 61 | 61 | 17 | 23 | 9 | 5 |
| Income | | | | | | |
| <1000 | 56 | 56 | 9 | 23 | 19 | 9 |
| 1001–2000 | 51 | 51 | 10 | 30 | 28 | 10 |
| 2001–3000 | 60 | 60 | 12 | 38 | 29 | 11 |
| 3001–4000 | 61 | 61 | 14 | 43 | 32 | 10 |
| >4000 | 63 | 63 | 14 | 47 | 35 | 12 |

Percentages are not equal 100% due to the possibility of more than one answer. (KL – cost of treatment, OC – civil liability).

Source: own work.

Customers usually buy tourist insurance policy covering medical expenses to cover the cost of doctor visits, hospital and drug costs. Together with insurance medical expenses insurance offers liability OC. Also purchased the insurance sports especially by people who practice winter sports to this option are often rebuys rescue insurance. Least likely purchased is baggage insurance (Table 4). Respondents also were asked the question if they always buy travel insurance when planning the trip. Reply always drew a only 18% of respondents. People buy tourist insurance depending on what the target of traveling and what country they are going to. If it is a holiday, rarely buys insurance in the same way if the journey is with EU countries.

Conclusions

Despite of strong competition in the market for insurance customers have specified their preferences as to the choice of the insurance. They choose mainly known brands they trust and are reliable. Customers choose to purchase travel insurance policies primarily because of a sense of security. They buy an insurance broker usually through tourism whilst enjoying purchase travel services. In cases where the customer arranges tourist trip usually individually purchasing insurance through an agent.

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PREFERENCJE I MOTYWY ZACHOWAŃ KLIENTÓW W PROCESIE ZAKUPU UBEZPIECZEŃ TURYSTYCZNYCH

SŁOWA KLUCZOWE

ubezpieczenia turystyczne, rynek turystyczny, motyw, preferencje

STRESZCZENIE

Zakłady ubezpieczeń kierują uwagę na swoich obecnych i potencjalnych klientów. Różnorodność oferowanych usług ubezpieczeń turystycznych powoduje, że klient jest zdezorientowany, nieświadomy tego co chce i czego oczekuje. Zadaniem firmy jest uświadomienie klientowi potrzeby zawarcia umowy ubezpieczenia, przygotowanie i przedstawienie oferty, a następnie sprzedanie oferowanych usług. Żeby jednak odnosić sukcesy w tej dziedzinie, potrzebna jest wiedza na temat klientów indywidualnych, znajomość ich preferencji i motywów działania. W artykule zostały omówione na podstawie badania ankietowego przeprowadzonego w okresie październik–grudzień 2015 roku, preferencje i motyw wyboru usług ubezpieczeń turystycznych przez klientów indywidualnych.