UF study: A Year of Crisis…From H1N1 to Natural Disasters: The Effect of Risk Perceptions on Intentions to Travel

GAINESVILLE, Fla. – The year 2009 was a year of many crises, ranging from natural disasters, to flu scares, planes crashing, and the global economic crisis. However, of all potential risks, the financial impact of the recession represented the greatest risk to vacation travel intentions over all others, finds a new University of Florida study.

As a result of the global economic crisis and many other crises impacting travel, 2009 was the most challenging year for the tourism industry since the terrorist attacks on September 11th, 2001. According to the Office of Travel and Tourism Industries, there were 3 million fewer international visitors, a decline of $21 billion in tourism exports, 392,000 lost tourism jobs, and a decline of $100 billion in tourism output.

“The range of crises and frequency of occurrence was unparalleled to years past,” said Lori Pennington-Gray, Director of UF’s Tourism Crisis Management Institute. The multitude of crises in 2009, in addition to the global financial recession, included an earthquake in Costa Rica; severe storms in Arkansas, Kentucky, Missouri, Ohio, Oklahoma, and Texas; H1N1 outbreak; a Continental flight crashed near the Buffalo, NY airport; severe flooding of the Red River; an Air France Airbus, en route from Rio de Janeiro to Paris, disappeared off the coast of Brazil; flooding and landslides on Mount Pinatubo in the Philippines; and a sightseeing helicopter and private plane collided over the Hudson River, NY.

In a year where travel crises seemed to permeate the news, Mandala Research conducted a study on tourism with several industry partners. Dr. Pennington-Gray in concert with Laura Mandela, Managing Director of Mandala Research, LLL as a part of the larger study investigated the relationship between multiple perceived risks and travel intentions of US residents.

They found that six variables were the best predictors of an individual’s likelihood to travel at the same frequency as last year in the next 12 months. The variables were financial risk, past experience, age, and three external information sources.

Over all other types of risk the only statistically significant predictor of travel intention in the next 12 months was financial risk. Just over 65 percent reported that financial risk had an impact.
on their future travel in the next 12 months. “As one might expect, individuals who are more concerned with the economy show lesser tendencies to travel,” said Pennington-Gray.

The number of trips taken in the past 12 months, past experience, was related to a lesser likelihood to travel. “This may make sense given the financial constraints expressed. If an individual had already taken their pleasure trips in a given year and money was tight, then perhaps they would anticipate taking fewer trips in the next 12 months,” Pennington-Gray said.

Older respondents were more likely to travel next year than younger respondents. This is consistent with research which suggests that older respondents often have more money saved and leisure time, given their retirement status.

Use of third party travel websites, such as Expedia and Travelocity, and requesting brochures and information about a destination be sent through the mail had a positive impact on travel intentions to take the same or more trips in the next 12 months. “Requesting brochures and information was found to be the most noteworthy predictor of increased or similar frequency of travel intentions,” Pennington-Gray said. “This may be because requesting information is a final step in the decision making process and it is when individuals look at the financial risk of taking a trip.”

“The perception of risk has a tremendous impact on intentions to travel. As the media covers more crises globally, and the frequency intensifies, the reluctance to travel also intensifies,” said Pennington-Gray. There are benefits for marketers who understand traveler’s risk perception and its relationship to travel intentions. Information about the effects of perceived risk and its effects on travel intentions has the potential to contribute to marketing strategies to counter losses associated with perceptions of risk.

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