

Financial Risk Tolerance and Its Impact on Terrorism-Tourism Relation in Pakistan

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Abstract : The aim of this research is to scrutinize the interdependent relationship between terrorism and behavioral changes in the tourism activities in Pakistan with the moderating impact of a unique variable titled 'Financial Risk Tolerance'. The article looks at the inter-reliant relationship with the alleged political and economic aspects and behavioral changes in the tourists and the consumers by these variables over time. The researchers used many underlying theories like the catastrophe theory by (Svyantek, Deshon and Siler 1991), information integration theory (Anderson 1981, 1982) and prospect theory (Kahneman and Tversky 1979) to shape the study's framework as per tourist decision making model. A sample of around 110 locals was used for this purpose and the data was gathered by convenience sampling. The responses were analyzed using regression analysis. The results exhibited how terrorism along with the influence of financial risk tolerance had inclined a behavioral shift in the travelling patterns and vacation destination choice of the local tourists. Lastly, the paper proposes a number of suggestive measures for the tourism industry and the legislative bodies to ensure the safety of travelers and to boost the tourist activities in the vacation industry of Pakistan.

Keywords : terrorism, tourism, financial risk tolerance, tourist decision-making, destination choice

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