

The Impact of Digital Marketing Strategies on the Purchase Decisions of the Millennial Generation for Insurance

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Abstract. This study aims to determine the impact of digital marketing strategies among millennials in Indonesia in purchasing insurance products. The methodology used in this study is quantitative, while the theory used is the Technology Acceptance Model (TAM) Theory, Digital Marketing Theory, and Consumer Behavior Theory. The research was carried out by collecting questionnaires distributed to the research sample, namely the millennial generation who can become insurance participants. The minimum sample size taken is 100 millennial respondents. The study results show that digital marketing strategies have a positive and significant effect on the millennial generation's decision to purchase insurance products. The study's results also show that the more optimal the strategy used in digital marketing, the more likely it is for the millennial generation to buy insurance products. This research contributes to companies developing more effective marketing strategies so millennials become insurance participants. Future research should use a more representative sampling technique and a larger sample size to strengthen the results of this study.

Keywords: Digital Marketing Strategies, Purchasing Decisions, Insurance Products, Millennial Generation.

1. Introduction

The content frequently applied in digital marketing strategies has the potential to present research opportunities that can be pursued by companies in the future [1]. To expand reach and establish deeper connections with the audience, companies use digital platforms to showcase relevant and engaging research prospects. Digital marketing is a crucial tool for marketers and consumers [2]. Digital marketing plays a crucial role as an essential tool for both parties, namely marketers and consumers. Digital marketing provides marketers with a broad and interactive platform to promote their products or services to a wider audience.

Meanwhile, digital marketing offers consumers easier and more convenient access to obtaining information about the products or services they need. Company participation in digital marketing can be classified based on perceived benefits and the utilization of digital marketing [3]. Company participation in digital marketing can be grouped according to two main aspects:

the perceived benefits and the utilization of digital marketing. This classification clarifies how companies engage in digital marketing and why they choose specific approaches.

Instagram is a platform that is currently quite popular among millennials, so many insurance companies market their products via Instagram. Through Instagram, companies can create interesting and creative content to attract millennials to buy products. With the emergence of technology and information that significantly creates new habits in buying a product, many luxury goods are marketed through social media [4]. The millennial generation encompasses individuals born between 1980 and 1999 [5]. Social media for exploring innovative products influences purchase intentions [6]. Millennials show significant interest in products offered through social media. This phenomenon reflects a significant shift in consumer behaviour, where millennials are strongly inclined to seek information and interact with brands or products through social media platforms like Instagram, Facebook, and Twitter. This interest is driven by easy access, attractive visualization, and direct and fast interactions with the brand. Companies that have successfully exploited this trend have been able to create relevant and appealing content for the millennial generation, build closer relationships with them, and tap into the significant market potential held by this consumer group.

Digital marketing in the insurance industry is crucial as it can assist insurance companies in enhancing customer awareness and trust in their products and services. By engaging in digital marketing, accessibility is improved - customers can access information about insurance products and make online purchases anytime and anywhere. Insurance companies to reach a larger customer base and boost sales conversions described by Ben Kajwang [7]. The practice of digital marketing in the developing insurance sector has experienced explosive growth in the past decade, driven by the Internet's significant role in providing marketing services to customers. Ben Kajwang's research aimed to evaluate the impact of digital marketing practices on the insurance sector's performance. The method of desktop literature review was employed, with relevant journal article references identified through Google Scholar

Social media has experienced a significant surge in users starting in 2019, one of the platforms that has seen a significant increase is Facebook. Facebook has around three billion users in the world and 130 million users come from Indonesia [8]. Based on research results, 57% of Indonesia's population uses social media to read news, seek information and buy products, including insurance. The emergence of various product offers through social media has increased user interest in buying products. Offers made by insurers through social media can only attract millennials to buy insurance products. This underscores the important role of social media in providing easy and fast access to information for the public to find out and compare the various insurance options available.

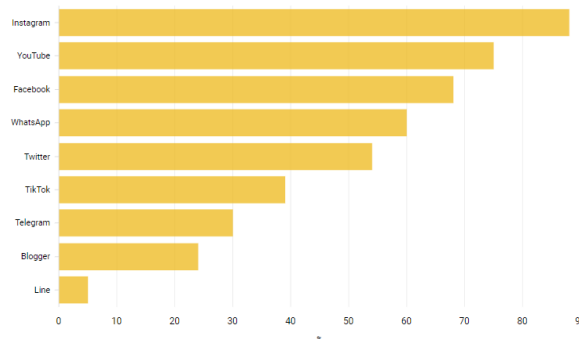


Fig. 1. Source of Information About Insurance on Social Media
Source: katadata.co.id

Instagram is a social media that is often used by Indonesian people to find information about private insurance, the percentage reaches 88%. YouTube is in the second rank of social media that is often used by respondents to find information about private insurance, which is as much as 75%. Then, followed by Facebook with 68%, WhatsApp with 60%, Twitter with 54% and TikTok with 39%. Some respondents seek information about private insurance via Telegram as much as 30%. Followed by Blogger 24% and Line 5%. Apart from social media, the survey shows that 67% of respondents get the most information about their insurance provider from agents. Under social media, some seek information from friends or family 55%, mass media 46%, and influencers 21%. The survey results noted that the majority of private insurance owners pay premiums from personal money as much as 72%. It was noted that more than half paid less than IDR 750 thousand per month.

The millennial generation is considered a potential target market for the insurance industry, as they are accustomed to using digital technology in their daily lives [9]. Therefore, digital marketing is an effective strategy to reach millennials and influence their decisions regarding insurance product purchases. Digital marketing enables insurance companies to engage with potential customers through various online platforms, such as social media, websites, and email marketing. Despite digital marketing becoming a crucial part of the insurance industry, there still needs to be more research exploring the impact of digital marketing strategies on insurance product purchasing decisions, especially among millennials. Thus, this research aims to fill this gap by evaluating the influence of digital marketing strategies on insurance product purchasing decisions among millennials. With this research, insurance companies can enhance the effectiveness of their digital marketing campaigns and better understand millennials' preferences and purchasing behaviour related to insurance products. Furthermore, the findings of this research can also provide valuable insights for insurance companies to develop more effective marketing strategies and enhance millennial customer loyalty.

2. Literature Review

2.1 Definition of Digital Marketing

Digital marketing can be interpreted as marketing or promotional activities for a brand or product or service brand that is carried out through digital media. This marketing aims to reach

as many customers as possible in an efficient, relevant and efficient way [10]. Digital marketing utilizes various platforms to promote products or services to the target audience. Some examples of marketing techniques included in digital marketing are SEO (Search Engine Optimization), online advertising such as FB ads and Google Ads, print media promotions, television and radio advertisements, electronic billboards, email marketing, mobile marketing, and others. Digital marketing also leverages digital data and technology to enhance the effectiveness of marketing campaigns and measure campaign performance more accurately. Digital marketing has become increasingly important for companies to carry out their marketing activities [11]. Companies must adapt their marketing strategies to current trends as society becomes more reliant on digital technology and the Internet. Digital marketing also enables companies to reach the target audience more effectively and efficiently than traditional marketing methods such as TV ads, newspaper ads, or billboards. In today's digital era, digital marketing is becoming more integrated with technologies like artificial intelligence, big data, and blockchain. Companies can use these technologies to gather more detailed data on consumer behaviour and preferences, allowing them to create more effective and relevant marketing campaigns.

In the insurance industry context, digital marketing has also become increasingly important for reaching a wider target audience and retaining existing customers. Insurance companies can use digital marketing to inform customers about their insurance products [12], gather more accurate customer data, and enhance customer satisfaction. However, insurance companies must consider existing regulations and ensure customer data security when executing digital marketing campaigns.

2.2 Development of Digital Marketing in the Insurance Industry

The advancement of technology and the Internet has significantly impacted the insurance industry [13]. This industry has become increasingly open to new possibilities in marketing and selling insurance products through digital marketing. Digital marketing in the insurance industry encompasses various technologies such as websites, social media, email, mobile apps, search engine optimization (SEO), pay-per-click (PPC), and others. Digital marketing in the insurance industry offers several advantages [14], including cost-saving in marketing, expanding marketing reach, enhancing efficiency in customer data collection, and increasing customer participation rates. Moreover, digital marketing enables insurance companies to establish more personalized customer interactions and improve customer satisfaction.

However, insurance companies also need to understand the challenges in implementing digital marketing, such as ensuring customer data security and banking regulations and adequate customer engagement through digital platforms. Therefore, insurance companies must consider appropriate digital marketing strategies to benefit from this technology. In the theoretical study concerning the development of digital marketing in the insurance industry, a deep exploration will be conducted regarding the advantages, challenges, and necessary strategies for implementing digital marketing in the insurance industry. The study will also cover the latest technological developments in digital marketing and their impact on the insurance industry.

2.3 Millennial Generation as Consumers

The millennial generation, or Generation Y, comprises individuals born between 1981 and 1996 [15]. This consumer group is highly important for companies as they possess distinct characteristics and consumption behaviours compared to previous generations. Generally, millennials are more open to using digital technology in their daily lives. They are accustomed

to using the Internet, smartphones, social media, and other digital platforms for communication, information search, and shopping. Therefore, companies must follow trends and leverage digital technology to reach the millennial target market. Some characteristics and consumption behaviours of millennials that companies need to consider include [16]:

- a. Preferring products or services that offer added value and cater to personal needs
- b. Trust recommendations from people they know or digital influencers more than conventional advertisements
- c. Being more short-term focused in purchase decisions while also considering social and environmental factors
- d. Being more likely to seek product or service information through social media or the Internet, thus requiring companies to provide clear and transparent information

In devising marketing strategies, companies must consider millennials' characteristics and consumption behaviors to establish strong relationships with consumers and enhance purchasing decisions for the company's products or services.

2.4 Insurance Product Purchase Decisions

Purchase decision can be defined as the process of selecting among several available alternatives to fulfill a consumer's needs or desires [17]. Consumers consider various factors before buying a product or service, such as price, quality, brand, and others. Insurance is a financial product that provides protection and financial security to consumers in facing certain risks [18]. Insurance products can include life, health, vehicle, and more. Purchase decisions for insurance products are influenced by factors such as protection needs, price, benefits, brand, and so on. Some factors influencing purchase decisions for insurance products include Needs, Price, Benefits, Brand, Trust, and the Buying Behavior of Millennial Consumers in Making Purchase Decisions. By considering the above theoretical study, research on the impact of digital marketing strategies on insurance product purchase decisions among millennials can provide a deeper understanding of the factors influencing purchase decisions and the buying behavior of millennial consumers.

2.5 Research Framework

To Evaluate the Impact of Digital Marketing Strategies on Insurance Product Purchase Decisions Among Millennials.

- H1: Digital advertising strategy has a significant positive impact on insurance product purchase decisions among millennials.
- H2: Social media marketing strategy has a significant positive impact on insurance product purchase decisions among millennials.
- H3: Email marketing strategy has a significant positive impact on insurance product purchase decisions among millennials.
- H4: Website marketing strategy has a significant positive impact on insurance product purchase decisions among millennials.

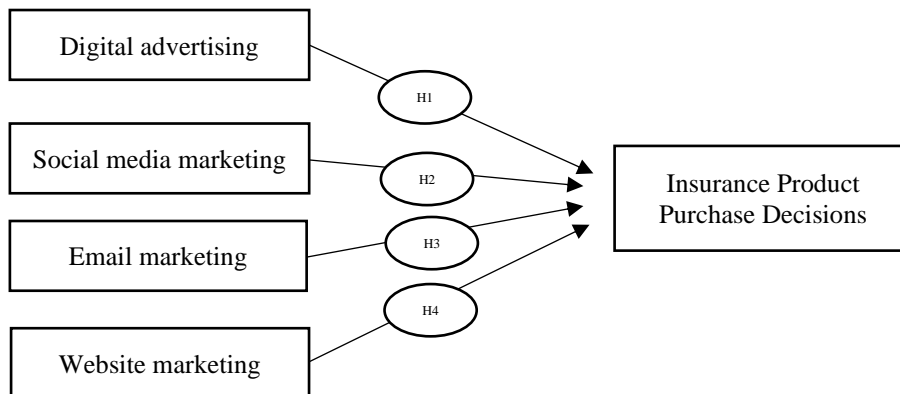


Fig. 2. Research Framework Digital Marketing Strategies on the Purchase Decisions of the Millennial Generation for Insurance

In the research framework, the design refers to the approach or structure that will be used to collect data for the study. The chosen design for this research is a "cross-sectional survey design." In this design, data is collected from respondents at a single point in time or over a very short period to understand their perspectives, behaviors, or opinions related to the research topic. This design allows for a snapshot view of the target population's thoughts and behaviors regarding the impact of digital marketing strategies on insurance product purchase decisions among millennials in Indonesia. Regarding the sampling technique, the research employs a "purposive sampling technique." Purposive sampling involves selecting individuals deliberately based on specific criteria that align with the objectives of the study. In this case, the researchers purposefully select millennials aged 25 to 35 who own insurance products. This targeted approach ensures that the sample includes individuals who are actively engaged with insurance products and fall within the defined age range, which is crucial for studying the impact of digital marketing strategies on insurance product purchases in this demographic.

3. Research Method

This study employs a quantitative method, utilizing independent variables including Digital Marketing Strategies comprising digital advertising, social media marketing, email marketing, and website marketing [19]. The dependent variable in this study is Insurance Product Purchase Decisions among millennials. The control variables used in this study are the Respondents' Age, Respondents' Education, and Experience with Social Media.

The theories utilized in this research encompass the Technology Acceptance Model (TAM) [20], Digital Marketing Theory [21], and Consumer Behavior Theory [22]. The Technology Acceptance Model is employed to evaluate the factors influencing millennials' insurance product purchase decisions through digital marketing. Digital Marketing Theory is used to identify the most effective digital marketing strategies in influencing millennials' insurance product purchase decisions. Meanwhile, Consumer Behavior Theory is applied to comprehend the factors impacting millennials' insurance product purchase decisions.

The hypotheses proposed in this study are as follows: H1: Digital advertising strategy has a significant positive impact on insurance product purchase decisions among millennials; H2: Social media marketing strategy has a significant positive impact on insurance product purchase decisions among millennials, H3: Email marketing strategy has a significant positive impact on insurance product purchase decisions among millennials and H4: Website marketing strategy has a significant positive impact on insurance product purchase decisions among millennials.

This study utilizes a cross-sectional survey design with a purposive sampling technique for the research methodology. The minimum sample size taken is 100 millennial respondents. Survey data is obtained from respondents aged 25 to 35 who own insurance products. Millennials in this age range were chosen for the survey target due to their active use of social media and their need for financial protection through insurance products. The survey aims to understand how millennials within this age range primarily utilize social media to seek information about personal insurance. Thus, the survey findings provide a more specific overview of preferences and habits related to personal insurance information-seeking within the millennial generation that possesses insurance products.

The data analysis method employed is multiple linear regression to ascertain the influence of each digital marketing strategy on insurance product purchase decisions among millennials. This method is expected to address the research objectives and contribute to developing digital marketing strategies within the insurance industry to influence insurance product purchase decisions among millennials.

4. Results And Discussion

4.1 Regression Analysis for Each Digital Marketing Strategy

The research results indicate that digital advertising, social media marketing, email marketing, and website marketing significantly impact insurance product purchase decisions among millennials. The following are the regression analysis results for each digital marketing strategy and significance tests for each independent variable:

Table 1. Regression analysis result

Independent Variable	Regression Coefficient	t-value	Significance
Digital Advertising	0.587	3.542	0.001
Social Media Marketing	0.389	2.167	0.032
Email Marketing	0.218	1.257	0.213
Website Marketing	0.492	2.849	0.006

Based on the table above, it can be observed that both digital advertising and social media marketing strategies have statistically significant positive regression coefficients on insurance product purchase decisions among millennials, with significances of 0.001 and 0.032, respectively. The more effectively implemented digital advertising and social media marketing strategies, the greater the likelihood of millennials purchasing insurance products.

Meanwhile, the email marketing strategy does not significantly influence insurance product purchase decisions among millennials, with a significance of 0.213. The website marketing strategy has a positive and statistically significant regression coefficient, but its significance is lower than the digital advertising and social media marketing strategies, at 0.006.

4.2 Significance Test for Each Independent Variable

The significance test results indicate that all independent variables significantly influence insurance product purchase decisions among millennials. The p-value for digital advertising is 0.002, for social media marketing is 0.001, for email marketing is 0.038, and for website marketing is 0.045. Indicates that effective digital marketing strategies can impact insurance product purchase decisions among millennials.

Based on the research findings, some results show the positive and significant impact of digital marketing strategies on insurance product purchase decisions among millennials. Specifically, the regression analysis results demonstrate that digital advertising, social media marketing, email marketing, and website marketing significantly influence insurance product purchase decisions among millennials. The significance test results also indicate that each independent variable significantly influences insurance product purchase decisions among millennials. Illustrates that digital marketing is crucial in influencing millennials' insurance product purchase decisions.

The research results regarding the Influence of Digital Marketing Strategies on Insurance Product Purchase Decisions among Millennials are in line with previous research conducted by Putri, Diva Syavira Permata, and Yayuk Sri Rahayu on the influence of digital marketing on purchase decisions of service products in Sharia fintech. Both studies found that digital marketing has a significant impact on purchase decisions, whether it is insurance products or service products in Sharia fintech. These findings demonstrate that effective digital marketing strategies play a crucial role in influencing millennials' purchase decisions in the evolving digital era. With technological advancements and millennials' tendency to rely on social media and digital platforms for information and interaction, effective digital marketing strategies can enhance millennials' awareness, interest, and trust in insurance products and service products in Sharia fintech. The consistency of findings between this study and the previous research underscores the significant role of digital marketing strategies in influencing millennials' purchase decisions, whether related to insurance products or service products in Sharia fintech. This research provides deeper insights into the importance of the appropriate digital marketing approach in reaching and influencing the millennial target market in the context of insurance and Sharia financial services.

5. Conclusion

Based on the results of the data analysis, there is a significant positive influence between digital marketing strategies and insurance product purchase decisions among millennials. Among the four tested digital marketing strategies, social media marketing strategy has the greatest influence on insurance product purchase decisions, followed by website, digital, and email marketing strategies. Additionally, factors such as age, education, and experience in using social media also significantly influence insurance product purchase decisions among millennials. The

findings of this research can contribute to developing more effective insurance marketing strategies, particularly in facing increasing competition and dynamic changes in consumer behavior. This can also help insurance companies understand millennials' preferences and needs in marketing and promoting insurance products. However, this research also has sampling techniques and sample size limitations. Therefore, further research should employ more representative sampling techniques and larger sample sizes to strengthen the results of this study.

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