

The Influence of Service Quality and Premiums on Purchasing Interest and its Implications on the Decision to Purchase the Insurance Product Tigara Mitra Sejahtera

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Abstract. The development of the insurance industry in Indonesia is unquestionably linked to economic and technological advancements in modern life. Companies must also provide their employees with a sense of security and comfort. As a result, insurance broker intermediary services are required to assist in risk management and claim settlement with insurance carriers. An insurance broker's job is critical in offering the proper solution by detecting the risks that exist for the insured. The purpose of this study is to assess the impact of service quality and insurance prices on purchasing interest, which influences purchasing decisions for Tigara Mitra Sejahtera insurance products. Path analysis was employed as the research method. According to the findings of the study, service quality and insurance rates have a clear relationship.

Keywords: service quality, insurance premiums, purchasing interest, purchasing decisions

1. Introduction

The development of the insurance industry in Indonesia is unquestionably linked to economic and technological advancements in modern life. The stronger the human attempt to exploit existing resources, the more limited the sources of human demands become in an effort to increase wealth. Aside from that, efforts are taken to protect themselves, their family, and their possessions against situations that could result in losses or interfere with accomplishing their life goals. The presence of the insurance industry is deemed critical by the business world of large, medium, and small enterprises [1]

This is due to the fact that, on the one hand, numerous risks are deliberately and logically seen to disturb the continuity of company activities, but on the other hand, the business world is frequently unable to escape systems that require them to employ insurance business services. Companies must also provide employees with a sense of security and comfort. As a result, an insurance firm produced a group insurance product that is meant for corporations to handle the risks of companies that are insured by the insurance company. Companies, like society in general, frequently struggle to manage and select the correct insurance for them [2]

As a result, insurance broker intermediary services are also required to assist in risk management and claim settlement with insurance providers. An insurance broker's job is critical

in offering the proper answer in detecting the risks that exist for the insured. The insurance broker's job as a representative of the insured party is to act as a liaison between the insured party and the insurance company [3]

An insurance broker is a company or charity that helps consumers handle claims and recover their entitlements. Its role is critical in safeguarding the assets of firms and individuals impacted by economic insecurity. In practice, brokers are regulated by the government in accordance with applicable laws. Insurance brokers are entities whose obligations and responsibilities are governed by the Financial Services Authority Regulations (POJK), as well as Law Numbers 40 and 70 of 2014. According to Article 5 letter (a) of Law Number 2 of 1992, Insurance Broker Companies can only conduct business by acting on behalf of the insured in the framework of insurance contract transactions [4]

The insurance contract is contained in the policy given by the insurance company to the insured party. In the framework of insurance contract transactions, insurance brokers operate on behalf of the insured. We can choose insurance that is safe and meets our needs by using the services of an insurance broker. We also receive advice on insurance products, risk management, competitive pricing, and claims handling. Insurance brokers are not only salesmen for insurance firms, but they also conduct surveys and administer premium payments [5]

Insurance brokers are defined by applicable legislation as entities that handle claims by representing insurance clients and accepting responsibility for their conduct. In other words, brokers serve as counselors to insurance clients. Insurance brokers play a vital role in providing information about potential hazards as a body that protects customers. In this instance, clients must also be informed about risk management. Customers will be able to anticipate what to expect and how to deal with it if this critical information is provided. Following that, buyers can select an insurance plan that best meets their financial and commercial needs [6]

Property insurance is the most common sort of insurance that brokers provide. Insurance brokers capture 35% of the premiums from the total property insurance market share. Marine cargo insurance and credit insurance are two more types of insurance that many brokers sell. Meanwhile, the types of insurance that expanded the most last year were guarantee insurance and credit insurance, both of which jumped by 50%. Property and maritime freight insurance are also expected to increase by 10%-11% this year. Not to mention other sorts of insurance like travel insurance, personal accident insurance, and engineering insurance [7]

PT is one of the insurance brokerage firms that is also a member of Apparindo. Tigara Mitra Sejahtera has been operating as an insurance brokerage firm since its inception in 2011 and membership in Apparindo since 2014. The corporation takes the customer's side in its marketing efforts. His responsibilities, however, also encompass numerous aspects of marketing management, including as Administrative records, Claims monitoring, Handling insurance professionally. Submission of reviews regarding insurance progress, Update customer bookkeeping, Up sell offers to old customers

PT. Tigara Mitra Sejahtera works as a middleman between insurance firms and customers when it comes to insurance. As a result, an institution or corporation might choose PT. Tigara Mitra Sejahtera to ensure a smooth claim process and insurance processing. The diagram below depicts the overall and general insurance closure business process flow :

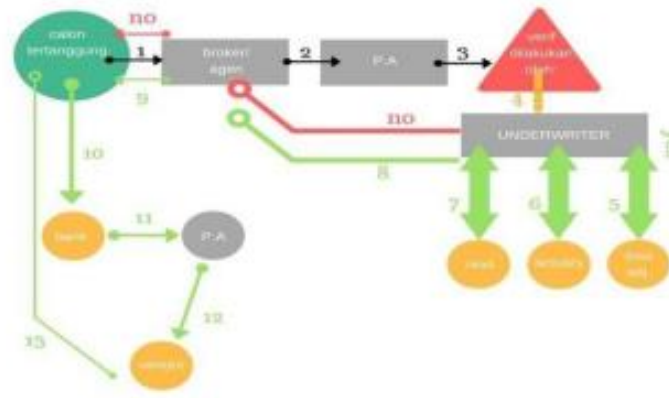


Fig. 1. Insurance Closing Service Process

The implementation of the insurance broker's duty to the insured and the insurer is examined. There will undoubtedly be various hurdles or challenges in carrying out your responsibilities as a broker. The numerous hurdles are classified as internal at PT. Tigara Mitra Sejahtera Insurance Broker and external at parties other than PT. Tigara Mitra Sejahtera, such as clients and insurance companies. Following that, PT. Tigara Mitra Sejahtera seeks answers or methods to overcome these hurdles, both internal and external, in order to deliver the finest service to clients. And follow the terms of the insurance policy. In relation to the responsibilities of PT. Tigara Mitra Sejahtera, insurance contracts guide the exercise of authority in managing

Aside from the quality of customer service, businesses must pay attention to insurance rates imposed by insurance firms on customers in order to pique their interest and encourage them to acquire the insurance products supplied. Premiums are one of the most significant components in the world of insurance. The premium is the amount of money that the insured consumer must pay to the insurance provider. In other words, insurance premiums are costs incurred by the client and must be paid within a specified time frame according to a prior arrangement. The premium payment system is often monthly, but this is dependent on the firm and the initial agreement. Insurance prices will almost certainly have an impact on customer satisfaction.

Once an insurance firm has signed up a customer, communication often breaks down. The customer may not even hear from them until the time comes for renewal. However, insurance brokers are committed to their clients for the long term. They want to cultivate long-term consumer ties. This means a mid-term review or an offer of assistance if the Customer requires it. A customer's insurance broker, for example, is aware of changes in the customer's insurance needs. And they help customers get the correct coverage, even if it means buying a smaller policy.

2. Literature Review

Insurance Broker

An Insurance Broker is a legal entity founded to address the public's demand for an institution/body that can assist them in obtaining insurance products, beginning with analyzing

the risks posed by the insured and devising the appropriate insurance program, and ending with claims management [5]

Article 1 paragraph 15 of Law No. 40 of 2014 defines an insurance broker as follows: Insurance brokerage is a consultancy and/or intermediary services business that closes insurance or sharia insurance policies and handles claim payment on behalf of the policy holder, insured, or participant [3]

Purchasing decision

According to Kotler, purchasing decisions are: "several stages carried out by consumers before making a decision to purchase a product" [8]

Purchasing decision making is the process of problem recognition, information search, evaluation (assessment) and selection of alternative products, selection of distribution channels and implementation of decisions regarding products that will be used or purchased by consumers [9].

Purchase Interest

According to Kinneer and Taylor, buying interest is part of the consumer behavior component of consuming attitudes, the respondent's tendency to act before the buying decision is actually implemented [10]

Assael describes purchasing interest as "a consumer's tendency to buy a brand or take action related to a purchase as measured by the consumer's level of possibility of making a purchase.". [11]

Service quality

Quality encompasses all aspects of product offerings that provide value to customers. The term value is frequently used to refer to the relative quality of a product in comparison to its price [12]

Understanding service as a series of acts related to the fulfillment of wants and desires, which culminate in satisfaction (Satisfy). The indicators are connected to time, attitude, quantity, quality, pricing, benefits, and a desire to return [13]

Premi

A premium is a sum of money determined by an insurance company or reinsurance company and agreed upon by the policyholder to be paid in accordance with an insurance agreement or reinsurance agreement, or a sum of money determined in accordance with the provisions of the laws and regulations underlying the obligation to obtain benefits[14]

Insurance premiums are the contractual duty of insurance participants to pay a set amount of money to the insurance provider [15]

According to Budiarjo, a premium is something provided as a gift or donation, or something paid extra as an incentive or designer, or an additional payment over the standard payment [16]

3. Research Methods

Associative research is used in this study. Associative study seeks to identify the association between two or more variables. A survey was employed as the research approach. The researcher did not perform any specific intervention or manipulation in the formation of

research data in the context of this study, and the purpose of this study was to examine the relationship between exogenous variables, namely service quality (X1), premium (X2), and purchasing interest (Y), which will influence endogenous variables. Specifically, purchasing choices (Z) are used to determine how much direct, indirect, or simultaneous influence a set of exogenous variables has on endogenous variables.

The path analysis method was employed for the analysis. Used to examine variable relationship patterns. This model will be used to determine [17]

The questionnaire data was tallied and then analysed using the Path Analysis model. The path coefficient (path analysis) is a standardized regression coefficient, that is, a regression coefficient generated from a database with standard numbers. SPSS version 26 software was used to aid in this analysis.

4. Analysis and Discussion

Hypothesis Test Results

4.1 Sub Structure Testing 1

$$\text{Sub Structure Equation 1} : Y = \rho_{yx_1} X_1 + \rho_{yx_2} X_2 + \rho_{ye_1}$$

Table 1. Partial Testing 1

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	21.493	3.771		5.699	.000
	Kualitas Pelayanan	.317	.112	.382	2.820	.006
	Premi	.285	.107	.363	2.679	.009

a. Dependent Variable: Minat Pembelian

Substructure Test Results Interpretation 1:

- (1). The quality of service influences purchasing interest.

Based on the findings of the individual (partial) test / t test, the Sig value of 0.006 is less than 0.05 or $[0.006 < 0.05]$, indicating that the route analysis coefficient is significant with a 38.2 percent influence. Thus, the quality of service has a large and beneficial impact on purchasing interest.

- (2). Premiums have an impact on purchasing interest.

If, for the individual (partial) test / t test, the Sig value of 0.009 is less than 0.05 or $[0.009 < 0.05]$, the route analysis coefficient is significant with a 36.3 percent influence. As a result, premiums have a considerable and beneficial effect on purchasing interest.

4.2 Sub Structure Testing 2

$$\text{Sub Structure Equation 2} : Z = \rho_{zx_1} X_1 + \rho_{zx_2} X_2 + \rho_{zy} Y + \rho_{ze_2}$$

Table 2. Partial Testing 2

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	14.981	4.675		3.204	.002
	Kualitas Pelayanan	.224	.107	.283	2.030	.045
	Premi	.302	.134	.311	2.318	.023
	Minat Pembelian	.684	.124	.215	2.245	.027

a. Dependent Variable: Keputusan Pembelian

Substructure Test Results Interpretation 2:

(1). The quality of service influences purchasing decisions.

If, for the individual (partial) test / t test, the Sig value of 0.045 is less than 0.05 or [0.045 < 0.05], the route analysis coefficient is significant with a 28.3 percent influence. As a result, Service Quality has a large and beneficial impact on Purchasing Decisions.

(2). Premiums have an impact on purchase decisions.

Using the individual (partial) test / t test, the Sig value of 0.023 is less than 0.05 or [0.023 < 0.05], indicating that the route analysis coefficient is significant with a 31.1 percent influence. As a result, premiums have a substantial and favorable impact on purchasing decisions.

(3). Purchase Interest has an impact on purchase decisions.

The Sig value for the individual (partial) test / t test is 0.000, and if the Sig value is less than 0.05 or [0.000 < 0.05], the path analysis coefficient is significant with a 21.5 percent influence. Thus, Purchase Interest influences Purchase Decisions in a major and favorable way.

4.3 Mediation Test with Sobel Test

The Sobel test is a test to determine whether the relationship through a mediating variable is significantly capable of acting as a mediator in the relationship. To more easily calculate the z value from the Sobel test, you can use the Danielsoper application as follows:

1). Mediation Test of the Effect of Service Quality on Purchasing Decisions through Purchasing Interest.

Based on the results of the Sobel test to see whether the purchase interest variable is able to mediate the indirect influence of service quality on purchasing decisions. The results of the Sobel Test are as follows:

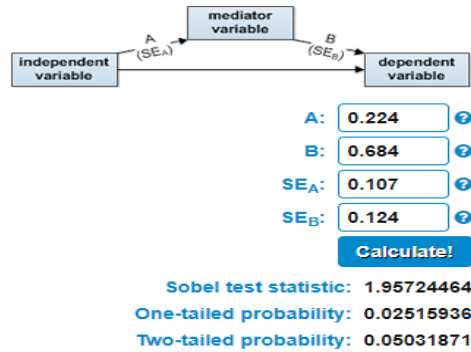


Fig 2. Sobel Test Model 1

The one-tail probability results in Figure 4.1 are 0.02515936 0.05, implying that the purchase interest variable can mediate the influence of service quality on purchasing decisions.

2). The Effect of Premiums on Purchasing Decisions: A Mediation Test Using Purchasing Interest

Based on the Sobel test results, determine if the buying interest variable can mitigate the indirect influence of premiums on purchasing decisions. The Sobel Test yielded the following results:

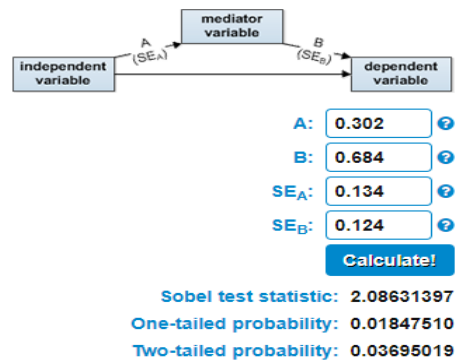


Fig 3. Sobel Test Model 2

The one-tail probability results in Figure 4.2 are 0.01847510 0.05, implying that the buying interest variable can mitigate the influence of premiums on purchasing decisions.

As a result of the Sobel test, the following can be deduced in the indirect influence table:

4.4 Model Suitability Testing

The goodness of fit test is to test whether the proposed model fits the data or not.

$$R^2_m = 1 - (1 - R^2_1) \cdot (1 - R^2_2) \dots (1 - R^2_p)$$

In this case, the interpretation of R^2_m is the same as the interpretation of the coefficient of determination (R^2) in regression analysis. Based on the Model Summary Table below:

Table 3. R Square Sub Structure 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 ^a	.513	.503	4.54644

a. Predictors: (Constant), Premi, Kualitas Pelayanan

Table 4. R Square Sub Structure 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736 ^a	.541	.527	4.74312

a. Predictors: (Constant), Minat Pembelian, Premi, Kualitas Pelayanan

The overall diversity of data that the model can explain is then measured by:

$$R^2_m = 1 - (1 - R^2_1) \cdot (1 - R^2_2) \dots (1 - R^2_p)$$

$$R^2_m = 1 - (0,503) \times (0,527)$$

$$R^2_m = \mathbf{0,734919}$$

The R^2_m score is 0.734919, which means that the model can explain 73.49% of the data, while the remaining 26.51% is explained by additional variables outside the model or variables that were not explored.

5. Conclusion

The results Several conclusions can be drawn from the entire research and analysis results, as follows:

1. Service quality has a significant and positive effect on purchasing interest of insurance products. PT. Tigara Mitra Sejahtera.
2. Premiums have a significant and positive effect on purchasing interest of insurance products. PT. Tigara Mitra Sejahtera.

3. Service quality has a significant and positive effect on purchasing decisions for insurance products. PT. Tigara Mitra Sejahtera.
4. Premiums have a significant and positive effect on purchasing decisions for insurance products. Tigara Mitra Sejahtera.
5. Purchase interest has a significant and positive effect on purchasing decisions for insurance products. PT. Tigara Mitra Sejahtera.
6. Purchase interest functions to mediate the indirect influence of service quality on purchasing decisions for insurance products. PT. Tigara Mitra Sejahtera.
7. Purchase interest functions to mediate the indirect influence of premiums on purchasing decisions for insurance products. PT. Tigara Mitra Sejahtera.

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