The Personal Selling & Digital Marketing on Purchase Decision of Insurance Policy

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ABSTRACT

This study aims to analyze the effect of personal selling and digital marketing on purchasing decisions for insurance policies at PT. QBE General Insurance Indonesia, Makassar Branch. This research data comes from the results of questionnaires to 87 customers of PT. QBE, Makassar Branch. Regarding the purchase decision of an insurance policy using a multiple regression analysis system, the results of the study indicate that personal selling and digital marketing have a partial effect on purchasing decisions with digital marketing. The results of this study also show that personal selling and digital marketing have a positive effect simultaneously on insurance policy purchasing decisions.

Keywords:
Personal Selling, Digital Marketing, Purchase Decision

Abstrak : Penelitian ini bertujuan untuk menganalisis pengaruh personal selling dan digital marketing terhadap keputusan pembelian polis asuransi di PT. QBE General Insurance Indonesia, Cabang Makassar. Data penelitian ini berasal dari hasil kuisioner kepada 87 pelanggan PT. QBE, Cabang Makassar. Mengenai keputusan pembelian polis asuransi dengan menggunakan sistem analisis regresi berganda, hasil penelitian menunjukkan bahwa personal selling dan digital marketing berpengaruh secara parsial terhadap keputusan pembelian dengan digital marketing. Hasil dari penelitian ini juga menunjukkan bahwa personal selling dan digital marketing berpengaruh positif secara simultan terhadap keputusan pembelian polis asuransi.
Kata Kunci : Penjualan Pribadi, Pemasaran Digital, Keputusan Pembelian

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1. Introduction

Insurance is a financial means in the system of household life, either in the face of the risk of death, or in the face of risks to property owned. Similarly, the business world in carrying out its activities, in the face of various risks that may interfere with the sustainability of its business. Although there are many methods to deal with risk, insurance is the most widely used method. Along with the need and public awareness of risk guarantees to their activities, this has an impact on the development of the insurance industry that continues to increase every year as evidenced by the end of the Financial Services Authority (OJK) report period in 2017, that insurance and BPJS industry assets grew 3.9% to Rp 981.14 trillion compared to Rp 842.29 trillion in 2016.

The increase in assets and investment in the Insurance industry and BPJS was supported also by an increase in industry performance, namely in terms of premium income and gross claims, which increased by 17.06% and 23.89% respectively to Rp 86.11 trillion and Rp 56.47 trillion (OJK, 2017). The increasing development every year shows that the general insurance industry in Indonesia has a huge potential and the awareness of the Indonesian people on the importance of insurance is also increasing. As of 2017, total insurance companies in Indonesia reached 141 companies (OJK, 2017).

Decision making by consumers in purchasing goods and services is certainly different, depending on the type of Purchasing Decision. The drive to make a purchase can be formed from consumer attitudes towards the marketing mix including through promotion. Choosing the right promotion will make product marketing more effective, with competition in the insurance industry very high. Promotions according to (Kotler, 2014) are activities that communicate product excellence and persuade customers to purchase the product. The purpose of the promotion is to gain attention, educate, remind, and convince prospective consumers. (Kotler, 2016) stated that promotion or can also be called as promotional media consists of advertising, sales promotion, public relation and publicy, event and experiences, direct and data base marketing, online and social media marketing, mobile marketing, and personal selling.

Pt. QBE General Insurance Indonesia (QBE Indonesia) is a general insurance company that has been operating in Indonesia since 1906 in Surabaya and is now headquartered in Jakarta since

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1913. QBE Indonesia in introducing its products to the public is carried out through several promotional media, namely personal selling, and digital marketing media. During 2017, promotional media through personal sales generated a dominating percentage of premium income of 98% compared to premium income obtained through digital marketing promotional media of only 2%. (QBE, 2017) Private sales according to (Kotler, 2005) is arguably the most successful means of promotion, especially in building buyer preferences, beliefs and actions. The accuracy of the company in choosing private sales as one of the promotional media will greatly influence the change in the level of product sales offered by the company, because in this case the task of the salesperson is to offer, introducing the usefulness of the product to be marketed.
In purchasing decisions, the important thing to note is the behavior of salespeople after buying. This is not uncommon for customers, namely when the agent has moved location or stopped working, usually the customer has difficulty to get post-purchase service. When the agent is no longer active, the customer must directly come to the representative office or center for claims management.

As an insurance agent, the activity that must be done every day is to find customers. To get prospective customers, an agent is required to conduct marketing activities gradually, ranging from finding customers in the family environment or called ring one, then the friendship environment or ring two, and the wider community environment or ring three. It is undeniable that the job of an insurance agent every day must go around the customer's search door to door. Therefore, networks are needed, especially families and friendships, where more and more days will be reduced. Looking at this issue the company needs to add promotional media other than using private sales. The company must also be able to see the development of the world of marketing that has been done conventionally, which has now undergone a shift towards digital technology, in this case known as Digital Marketing.

Digital technology has become part of indonesian lifestyle. The survey conducted by the Association of Indonesian Internet Service Providers (APJII) that in 2017, the number of Internet users in Indonesia reached 143.26 million people. This number increased compared to the previous year, namely in 2016 which reached 132.7 million people the number of internet users in 2017 covered 54.68 percent of indonesia's total population of 262 million people (Kompas, 2018).

The study of consumer decisions in using insurance services has been conducted previously (Kofi Nyarko, 2015) research with the research title Promoting Life Insurance Products via Personal Selling: The Case of a Leading Insurer in Ghana which researches on the promotion of life insurance products with private sales case studies Life Insurance Products in Ghana. As a result of previous research, it was found that personal sales are the most accepted way of promotion by customers so that insurance companies have to recruit and train more salespeople to maximize the development activities of the agent.

2. Literature Review

2.1 Promotion

Promotion comes from the word promote in English which is defined as developing or improving. This understanding if connected with the field of sales means as a tool to increase sales turnover (Freddy Rangkuti, 2009). (Kotler, 2016), promotion includes all marketing mix tools whose main role refers to communicating the good of the product and persuading the target customer. Thus, promotion can be interpreted as an effort or communication tool to introduce a product from a particular company in order to be known to the public and attract buyers so as to increase the sales of the company.

2.2. Personal Selling

According to (Terence A.Shimp, 2010:281) Personal Sales is a form of communication of an individual where a sales person is in contact with a prospective buyer and seeks to influence them to purchase their product or service. According to (Kotler, 2014: 484) Private Sales consists of interactions between personal and customer and prospect to make sales and maintain relationships with customers. The above definition can be concluded that Personal Sales is a direct communication between salespeople (sellers) with prospective customers both individuals and companies by face-to-face by phone or other means aimed at introducing a company's products, persuading potential customers, creating purchase transactions, and fostering long-term relationships. According to (Kotler, 2003:710) Private Sales has several stages namely Finding Potential Customers, Approaches, Presetasis and Demonstrations, Overcoming Complaints, Closures, Follow-up and Maintenance.

2.3. Digital Marketing

Digital Marketing uses internet and information technology to expand and improve traditional marketing functions (Glen Urban, 2004). Another opinion states that digital marketing is the use of the internet and the use of other interactive technologies to create and connect dialogue between companies and consumers who have been identified (Coviello, Milley and Marcolin, 2001). The dimensions of digital marketing in terms of promotion as part of the marketing mix (4Ps) according to (Ryan, 2009: 31) namely Website, Search Engine Optimization (SEO), Paid search click-based advertising (PPC advertising), Affiliate marketing and strategic partnerships (affiliate marketing and strategic partnership), Online Public Relations (Online PR), Social Network (social network), E-mail marketing (e-mail marketing), Consumer Relations Management (Customer Relationship Management).

2.4. Purchasing Decision

According to (Kotler, 2016), "Consumer buyer behavior refers to the buying behavior of final consumers – individuals and households that buy goods and services for personal consumption", the understanding can mean that the behavior of purchasing decisions refers to the behavior of the final purchase of consumers, both individuals, and households who buy goods and services for personal consumption (Maupa, Nursyamsi, M., Massepe, 2013).

3. Method

The population in this study is customers who are in the Makassar area who are still actively using insurance services at QBE Indonesia Makassar Branch which amounted to 110 customers during january-December 2017. The sample concept in the study is a small part of the population members taken according to certain procedures so that it can represent its population representatively. Sampling in this study with probability sampling technique using proportional simple random sampling.

4. Result and Discussion

4.1. Multiple Linear Regression Analysis

Table 1. Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

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1	(Constant)	8.000	3.166			2.527	.013
	Sales Personal	.295	.142		.211	2.078	.041
	Digital Marketing	.232	.075		.314	3.093	.003

a. Dependent Variable: Purchasing Decision

Source : Processed primary data, 2018

Multiple Linear Regression Equations can be obtained from Table 1 as follows:

$$Y = a+b1X1+b2X2+e$$

$$= 8.000+0,295X1+0,232X2+e$$

Interpretasi model:

1. Konstanta (a) = 8.000 indicates a constant value, if the variable value is free (Personal Sales and Digital Marketing) = 0 then the Decision of Purchase (Y) will be as big as 8.000.
2. Coefficient b1 (X1) = 0.295 indicates that the Personal Sales variable positively affects the Purchasing Decision. In other words, if the Personal Sales variable is increased by one unit then the purchase decision will increase by 0.295.
3. Coefficient b2 (X2) = 0.232 indicates that variables and Digital Marketing have a positive effect on Purchasing Decisions. In other words, if the Digital Marketing variable is increased by one unit then the Purchasing Decision will increase by 0.232.

4.2. Partial Test (t)

Uji t bertujuan untuk menguji apakah pengaruh variabel independen secara terpisah terhadap variabel dependen signifikan.

Tabel 2. Test result T

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	8.000	3.166		2.527	.013		
	Personal Selling	.295	.142	.211	2.078	.041	.996	1.004
	Pemasaran Digital	.232	.075	.314	3.093	.003	.996	1.004

a. Dependent Variable: Purchasing Decision

Source : Processed primary data, 2018

1. Test the effect of Personal Sales on Purchasing Decisions
The results of the analysis showed that the value of thitung (2,078) > ttabel (1,988) significance level of 0.003 < 0.05, so that ho hypothesis was rejected and Ha received which means there is an influence between Personal Sales on the Decision to Purchase insurance policy at PT.QBE General Insurance Indonesia Makassar Branch

2. Digital Marketing influence test on Purchasing Decisions The results of the analysis showed that the value of thitung (3 purchasing decisions.093) > ttabel (1,988) significance level of 0.305 > 0.05, so that ho hypothesis was rejected and Ha received which means there is an influence between Digital Marketing on the Decision to Purchase insurance policy at PT. QBE General Insurance Indonesia Makassar Branch.

4.3. Simultaneous Test (F Test)

To see the influence simultaneously or simultaneously variables of Personal Sales, Digital Marketing on Purchasing Decisions, it can be seen from the statistical test results (F test) that is by comparing between the values Fhitung and Ftabel, if the value of Fhitung is greater than Ftabel and can be done by comparing between the probability value with the standard value that can be seen through the following table:

Table 3. Test Results **F**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	118.489	2	59.245	6.579	.002[b]
	Residual	756.407	84	9.005		
	Total	874.897	86			
a. Dependent Variable: Purchasing Decision						
b. Predictors: (Constant), Digital Marketing, Personal Sales						

Source : Processed primary data, 2018

The results of the first hypothesis test showed that the variables of Personal Sales and Digital Marketing together have a significant influence on the Decision to Purchase insurance policies at PT. QBE General Insurance Indonesia Makassar Branch. This is evidenced by looking at the results of multiple regression research that has been stated can be known Fhitung from the calculation of regression. For the first hypothesis test that has been done as above, Fhitung value of regression calculation is 6,579 while Ftabel is the amount because Fhitung is greater than Ftabel (6,579 >3,104) then statistically Personal Sales and Digital Marketing, jointly significantly affect with the Decision to Purchase insurance policy at PT. QBE General Insurance Indonesia Makassar Branch.

4.4. Determination Test (R2 Test)

To find out how much the percentage of direct influence of free variables that are getting closer to the bound variable or it can be said that the use of such models can be justified.

Tabel 4. Result Test R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936a	.877	.807	3.001
a. Predictors: (Constant), Pemasaran Digital, Penjualan Pribadi				

Sumber : Data primer yang diolah, 2018

Based on Table 4 above obtained the number R2 (R Square) of 0.877 or (87.7%). This indicates that the percentage of donations influences Personal Sales and Digital Marketing on the Purchase Decision of PT insurance policies. QBE General Insurance Indonesia Makassar Branch by 87.7%. In other words, the Purchase Decision variable can be explained or influenced by the Personal Sales and Digital Marketing variable of 87.7%, while the remaining 12.3% is described or influenced by other variables that are not researched.

5. Conclusion and Suggestion

Personal Sales has a positive and significant influence on the Policy Purchase Decision on PT. QBE General Insurance Indonesia Makassar Branch. Personal Sales is a means that can be said to be successful or effective from the decision making of insurance policy purchases due to the interaction between prospective customers and salespeople which is one of the advantages of the Personal Sales promotion system. Marketers will try to build trust in their prospective customers so that they can create purchase transactions and in the future can foster long-term relationships. This is evidenced also by the achievement rate of premium income of 98% derived from Personal Sales promotional media, than Digital Marketing has a positive and significant influence on policy purchase decisions on PT. QBE General Insurance Indonesia Makassar Branch. Promotional media with Digital Marketing is useful for customers in obtaining the ease of obtaining information anytime and anywhere through several channels of Digital Marketing media such as email product offerings, corporate websites and agency portals

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