

The Effect of Marketing Mix on Satisfaction of Customer Insurance Products Unit Link (Empirical Study in PT AIA Financial Branch Phoenix Medan)

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ABSTRACT

This study aims to examine and analyze the effect of the marketing mix of services in the form of product, price, location, promotion, people, process and physical evidence on customer satisfaction. This research is quantitative with a sample of 94 respondents. Data collection techniques using observation, interviews, questionnaires, and documentation studies. The data analysis technique used is Multiple Linear Regression. The results showed that the marketing mix of services consisting of product, price, location, promotion, people, process and physical evidence simultaneously had a significant effect on customer satisfaction, as indicated by the value of the F-test ($p < 0.05$). Partially, the mix of price, people and process significantly influence customer satisfaction. Price mix is the most influential on customer satisfaction, based on the results of the regression coefficient which shows a high and positive value and a probability of $p < 0.05$. Based on the coefficient of determination (R^2), it can be seen that 89.2% of customer satisfaction can be explained by product, price, location, promotion, people, process, and physical evidence variables

Keywords: Service Marketing Mix, Customer Satisfaction

INTRODUCTION

In recent years, the development of insurance in Indonesia shows a fairly good progress rate. Insurance companies show a stretch of growth in the business they run, which increasingly day more and more

customers are using insurance services in their lives.

Public awareness of the importance of a protection against various types of risks that can occur and befall themselves at any time is one of the causes of the high number of insurance users lately. This of course is a distinct advantage for insurance companies that provide insurance services, where a wider market that can be processed and targeted as the product sales they have.

In accordance with the times, insurance is also experiencing rapid development and getting better every day. In addition to improving services to its customers, insurance companies also make various efforts to be able to continue to expand and advance the business they run so far. One of the steps taken is by issuing a variety of new and more innovative products for its customers.

Currently, insurance products are not only limited to life insurance and health insurance types, because basically these two products are the most widely used by the wider community. In its development, the insurance company also issued a variety of products that can be selected and used in accordance with the needs of the customer concerned. This is so that more and more customers use insurance services and more sales can be created.

There are many types of insurance products that can be selected by insurance users, including: health insurance, education fund insurance, pension fund insurance, car

insurance, property insurance, and various other types of insurance. With so many products issued by insurance companies, there will be many choices and also considerations that can be taken by customers who will use the insurance. This also creates the scent of good competition among insurance service providers, where they will certainly compete to provide the best service in the products they have.

Increasing public understanding of the importance of insurance protection is also a matter that affects progress in the insurance business itself. When public trust in a product has been created, it will be easier to develop and sell the product. This is what happens in the insurance business, where more and more people want a guarantee / protection against various risks that they will face in the future.

PT AIA Financial Indonesia is one of the leading insurance companies in Indonesia whose products cover life, health insurance and investment insurance. Recently, AIA recorded a rapid growth in New Business Value (VONB) calculated based on a fixed exchange rate of 26% to USD 2,198 million. For Annualized New Premiums (ANP) of USD 3,991 million, an increase of 14%. The VONB margin also increased by 4.6 pps to 54.0 percent.

The IFRS operating profit after tax (OPAT) increased 16% to USD 3,209 million. IFRS operating income per share grew 16% to US 26.81 cents. Operating profit increased 17% to USD 5,068 million.

PT AIA Financial Indonesia, Phoenix Medan branch, is one of the unit link insurance product marketing offices. Unit Link Insurance is an insurance product that covers aspects of life, health and investment insurance as well. This type of insurance is indeed very much needed and is being marketed in Indonesia due to its superiority. Besides guaranteeing health and mental needs, it also accommodates community needs for long-term investment.

The main factor that needs to be examined in relation to increased sales is customer satisfaction. If the product's

performance is felt according to the expectations of the buyer then the buyer will feel very satisfied (Kotler and Armstrong, 2012). When customers are satisfied with the service they are getting, it is likely they will come back again and make other purchases and they will also recommend to their friends and family about the company. Therefore, the company's marketing department must carry out the right marketing strategy to be able to use the opportunities or opportunities that exist, so that the company's position in the market can be maintained at the same time it can be improved. This can trigger an increase in unit link insurance sales.

One marketing strategy that can be applied in this case is the marketing mix. Marketing mix is a tool which includes product, price, location, promotion, physical proof, person / human resources.

LITERATURE REVIEW

Marketing

According to Kotler (2012), marketing is a human activity that is directed to meet the needs and desires through the exchange process. The American Marketing Association defines marketing as an activity, organizes institutions, and processes for creating, communicating, delivering, and exchanging offers that have value for customers, clients, partners, and the wider community. While Stanton (2009) states that marketing is an overall system from business activities aimed at planning, pricing, promoting and distributing goods and services that can satisfy the needs of buyers and potential buyers.

Marketing Mix

Marketing mix or marketing mix is a combination of four variables, namely product, price structure, promotional activities, and distribution systems (Dharmesta, 2008). The four elements of the marketing mix are interconnected and influencing each other, so efforts must be made to produce a marketing policy that

leads to effective service and customer satisfaction.

Product

In the product marketing mix is an important element because it can affect other marketing mix elements. From the types of products produced by the company, it can affect the price determination, the place where the product will be marketed, and what kind of promotion will be used in order to attract customer interest. According to Kotler (2012), a product can be interpreted as anything that can be offered by producers to be noticed, requested, sought, bought, used, or consumed by the market as meeting the needs or desires of the relevant market.

Price

Price according to Kotler and Armstrong (2011) is the amount of money exchanged for a product or service. Furthermore, price is the amount of value that consumers exchange for a number of benefits by owning or using an item or service.

The Place

Place in services is a combination of location and decision on distribution channels, in this case related to how the delivery of services to consumers and where the strategic location (Lupiyoadi, 2013). Place in the service industry contains the meaning of providing services at the right time in a convenient and safe way.

Promotion

Promotion is a one-way flow of information or persuasion created to direct a person or organization to actions that create exchanges in marketing (Dharmesta, 2008). Meanwhile according to Tjiptono (2009) Promotion is a form of marketing communication. Marketing communication is a marketing activity that seeks to spread information, influence / persuade, and / or remind target markets of companies and products to be willing to accept, buy, be

loyal to the products offered by the company concerned.

Person

According to Zeithaml (2013), people are all actors who play a role in service providers so that they can influence customer perceptions. The elements of people are company employees, consumers and other consumers in the service environment. In relation to service marketing, the person who functions as a service provider greatly influences the quality of the services provided, decisions regarding this person are related to selection, training, motivation and human resource management. The success of service providers in satisfying customers requires human elements, including: face to face interaction with customers. It would be useful to mention that employee attitudes play an important role in differentiating insurance industry services. Serving customers with a smile, full of courtesy, courtesy, understanding customer problems, etc. has a positive impact on influencing customer perceptions.

Process

According to Lupiyoadi (2013), the process is a combination of all activities generally consisting of procedures, work schedules, mechanisms, activities, and routine things, where services are produced and delivered to consumers. The process of explaining how services are provided by service organizations. The speed and accuracy of the service process provided plays an important role in influencing customer perception. The speed and accuracy of this process must also be supported by adequate technology so that process innovation can be carried out. Technology has a tremendous influence on the growth of service delivery choices. This gives effective and efficient results so as to form value added services to customers.

Physical Proof

Physical evidence is the environment in which the service is delivered and where the service provider interacts with consumers along with all other components that support the realization or communication of services. (Lupiyoadi, 2013).

Satisfaction

Tjiptono (2009) states that customer satisfaction is determined by two things, namely complaints and customer expectations of the services received. If you receive good treatment, according to and satisfy the customer will feel fulfilled his expectations, marked by a feeling of pleasure. Whereas if the reception of the treatment is not good, it is not appropriate, gives a negative and unsatisfactory impression, it is assumed that the services provided are not as expected, which causes the customer to complain, the complaint indicates that the customer feels disappointed.

Insurance

Based on the provisions of Article 1 of Law Number 2 of 1992 concerning Insurance Business it is defined that: "Insurance or coverage is an agreement between two or more insurers binding themselves to the insured by accepting damage or loss of expected profits or legal liability to a third party maybe the insured will suffer, arising from an uncertain event, or to provide payment based on the death or life of an insured person. "

RESEARCH METHODS

This research is a correlational study and based on the type of data used is quantitative research. Correlational research aims to detect the extent to which variations in a factor are related or correlate between one factor with another based on the correlation coefficient. Quantitative research is a process of finding knowledge that uses data in the form of numbers as a means of analyzing information about what you want to know.

Population is a generalization area that consists of: a subject or object with certain qualities and characteristics that are applied by researchers to be studied and then drawn conclusions. (Sangadji and Sopiah, 2010). The population in this study is the AIA unit link insurance customers of the Medan branch of Phoenix in the period 2014-2018, amounting to 1530 people. The sample is part of the number and characteristics possessed by the population to be studied. Determination of the number of samples in this study using the Slovin formula so that the number of samples in this study amounted to 94 respondents.

The data used in this study are primary and secondary data, both qualitative and quantitative in nature. Primary data were obtained from respondents through a questionnaire relating to the independent and dependent variables related to satisfaction of AIA unit link insurance customers. The primary data source is AIA Phoenix Agency Medan unit-linked insurance customers. While secondary data was obtained from internal AIA Medan branch offices in the form of customer data, target data and AIA unit link insurance product sales, especially during this research period.

RESULT AND DISCUSSION

Effect of Product Variables on Customer Satisfaction

The results of the regression analysis showed that the variable of product did not have a significant but positive effect on customer satisfaction. This condition indicates that if the company focuses on this variable both in terms of quantity and quality, then this does not have a significant impact on customer satisfaction. However, the effect will still be positive for customer satisfaction.

PT AIA Financial Phoenix Medan branch must strive to actively increase the number of its customers by introducing various types of unit-linked insurance products that can meet customer needs, so that customers become satisfied in getting

product services provided by the insurance. The company has now issued service products that are appropriate to the type of product and the quality of the insurance product provided to customers.

The insurance products offered have various advantages that can be felt by customers according to the choice of the desired product in meeting customer satisfaction. For example, AIA Infinite Link products have advantages in terms of investment benefits and maximum critical illness protection than AIA Family First Protection products. It's just that the advantages of AIA Family First Protection lies in affordable premium prices. AIA Family First Protection products are mostly bought by the majority of customers because most customers need insurance only as a function of protection rather than investment.

Effect of Price Variables on Customer Satisfaction

The results of the regression analysis showed that the price variable had a significant and positive effect on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will have a significant impact on customer satisfaction. The more variations in the price of premiums offered, will attract many potential customers. Moreover, potential customers who are interested because of the affordable price factor will be able to buy it, so that customers will feel satisfied because their needs are met.

The tendency of customers to choose AIA shows that 26% of respondents choose AIA because of the affordable premium prices. With the AIA Family First Protection product which has the lowest premium of Rp. 200,000.- / month, it can reach prospective customers in the middle to lower economic class. 21% of low-income respondents can have insurance products because of the affordable prices. This was also reinforced that the majority of respondents namely 56% agreed that the

price of AIA unit-linked insurance products was affordable.

PT AIA Financial Medan's Phoenix branch still maintains the superiority of premium prices compared to similar products from other insurance companies. This is considered very good for the sake of retaining customers and attracting prospective new customers from the lower middle class.

Without leaving the needs of the upper middle class, PT AIA Financial Phoenix Medan branch also develops products with high premium prices, which provide maximum investment and protection benefits, which can then provide satisfaction to middle and upper class customers.

Effect of Location Variables on Customer Satisfaction

The results of the regression analysis showed that location variables had no significant and negative effect on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will not have a significant impact on customer satisfaction. Its influence is seen as very small and cannot boost customer satisfaction because location is not an important factor why customers choose AIA insurance. Customers are more satisfied if the services provided are good, not because of location affordability.

The results of the analysis showed that no respondents chose AIA because of its affordable location. This is also reinforced that the majority of respondents rated neutral (N) for this location variable.

PT AIA Financial, Medan's Phoenix branch, is an insurance company located in a strategic location in the middle of the Medan city, easily accessible to the public who want to be a customer. Affordability is very much determined by the location which has a strategic location and is easily accessible by various vehicles. Actually this is what supports the customer making the

location as a consideration that affects customer satisfaction.

However, what happened was PT AIA Financial's Phoenix Medical branch was not the case. Customers are satisfied not because of the location of the marketing office that is affordable and close to the business center. This is because the majority of customers buy policies not at the location of the marketing office, because it has been followed up by insurance agents who serve directly without being bound by location.

Effect of Promotional Variables on Customer Satisfaction

The results of the regression analysis showed that the promotion variable did not have a significant but positive effect on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will not have a significant impact on customer satisfaction.

The analysis shows that none of the respondents chose AIA because of promotion by the company. Nevertheless, the majority of respondents acknowledged AIA's good reputation. This is inseparable from the influence of advertising in various media.

The insignificant effect of this promotion is also reinforced by pointing out that the majority of respondents rated neutral (N) for this promotion variable. So the promotion variable can be set aside in order to increase customer satisfaction.

PT AIA Financial branch of Phoenix Medansenantiasa promotes its products including the promotion of various advantages and advantages of the products offered, in order to attract the number of customers. Forms of promotion carried out in the form of sales promotion, personal selling, publicity and advertising.

For sales promotion, insurance companies usually offer products to customers to introduce types of products in accordance with the advantages and disadvantages of these products, and to promote to each customer the convenience that is obtained while being an insurance

customer according to the level of customer needs in meeting their satisfaction. .

Marketers or agents should offer superior products to customers by providing clear and easy information. However, based on the results of the analysis that the majority of respondents rated neutral (N) about this, it means promotion with personal selling should be improved in order to increase customer satisfaction.

Effect of Variables on Customer Satisfaction

The results of the regression analysis showed that the variable of people had a significant and positive influence on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will have a significant impact on customer satisfaction. The more competent and high the credibility of the marketer, will attract many prospective customers to buy AIA insurance products. Moreover, marketers serve wholeheartedly so that customers will feel satisfied because of the service.

The tendency of customers to choose AIA can also be seen from the results of the analysis that 18% of respondents chose AIA because of competent marketers. This is quite significant because the spearhead of service stems from marketers. This is also reinforced by showing that the majority of respondents (51%) agree that marketers are competent in communicating to serve customers. Of course this is significant to influence customer satisfaction.

PT AIA Financial's Phoenix Medical branch has prepared professional marketers in the service sector to provide satisfaction to customers. As a form of ability to provide services for customer satisfaction, marketers are able to develop professionalism and credibility. This can be demonstrated by the independence of providing services, confidence in serving and shows the level of expertise and expertise to provide the best service quickly, easily, smoothly and according to procedures to meet customer satisfaction.

These things can be considered to continue to be improved in meeting customer satisfaction by increasing marketers who have an attractive performance that is shown, friendly in serving customers, professional and reliable in their field of work, to meet customer satisfaction in conducting insurance transactions.

Effect of Process Variables on Customer Satisfaction

The results of the regression analysis showed that the process variables had a significant and positive effect on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will have a significant impact on customer satisfaction. The faster all processes can be done, the more potential customers are interested in buying it. In other words, customers are satisfied with fast service and easy procedures.

The tendency of customers to choose AIA can also be seen from the results of the analysis which showed that 3% of respondents chose AIA because of the fast claim process. Although this is not significant enough, it should be taken into account.

This was also reinforced that the majority of respondents namely 41% agreed that the process of filing a claim was fast. This is quite significant, because it is proven to be able to influence customer satisfaction.

PT AIA Financial branch of Phoenix Medandalam develops a marketing mix strategy in the form of a process, always carried out with work procedures that are applied in carrying out various service activities to customers. The service process is in the form of an easy requirements process, in accordance with applicable standards, procedures and systems.

PT AIA Financial strives to develop service activities according to procedures to avoid convoluted services. This is intended to meet customer satisfaction so as not to feel bored or long waits.

Customer data access is part of the service process activities that must be followed up. With the process of customer data through input data and information quickly as well as the submission of fast claims, the insurance services will provide output to customers in accordance with the expected service activity process so that customers will be satisfied.

Effect of Variable Physical Evidence on Customer Satisfaction

The results of the regression analysis showed that the physical evidence variable did not have a significant but positive effect on customer satisfaction. This indicates that if the company focuses on this variable in its business strategy, it will not have a significant impact on customer satisfaction.

From the results of the analysis which shows that none of the respondents chose AIA because of the physical evidence factor presented by the company. This is also reinforced that the majority of respondents rated neutral (N) for this physical evidence variable. So physical evidence variables can be ruled out in order to increase customer satisfaction.

PT AIA Financial Medan's Phoenix branch has a luxurious, comfortable and clean building and is equipped with various facilities that support the performance of services in the marketing office. Developing a physical evidence of service activities is not only supported by luxurious buildings, but also requires employees who are ready to provide service activities to customers so that continuity of insurance activities runs smoothly. In addition, it needs to be supported by the presence of HR in the form of employees who are ready to provide the best service because of its presence makes customer satisfaction can be met.

In order to meet customer satisfaction, physical evidence in the form of complete facilities becomes a tool to facilitate insurance activities. The facilities can be in the form of available seats, service counters, computer machines, telephones, air conditioners, information boards, and

various other equipment that are owned to meet customer satisfaction.

PT AIA Financial Phoenix Medan branch also realizes that to provide satisfaction to customers, it is necessary to have a fast work system, as physical evidence that must be shown by the insurance service. To fulfill this, the work system implemented is to use a technology-based management information system such as a web portal system and use a LAN (local area network) system to facilitate the accessibility of data, information and insurance product offerings. It aims to meet customer satisfaction.

CONCLUSION AND SUGGESTION

Conclusion

Based on the results of research and discussion that has been done in this study, the researchers draw the following conclusions:

1. Product variable has a positive effect, but it is not significant in influencing customer satisfaction of PT AIA Financial, Phoenix Medan Branch.
2. Price variable has a positive and significant effect on customer satisfaction at PT AIA Financial, Phoenix Medan Branch.
3. Location variable has a negative effect, but it is not significant in influencing customer satisfaction of PT AIA Financial Phoenix Medan Branch.
4. Promotion variable has a positive effect, but it is not significant in influencing customer satisfaction of PT AIA Financial, Phoenix Medan Branch.
5. Variable people have a positive and significant influence on customer satisfaction at PT AIA Financial, Phoenix Medan Branch.
6. Process variables have a positive and significant effect on customer satisfaction at PT AIA Financial, Phoenix Medan Branch.
7. The physical evidence variable has a positive effect, but it is not significant in influencing customer satisfaction at PT AIA Financial, Phoenix Medan branch.

8. The marketing mix consisting of products, prices, promotions, locations, people, processes, and physical evidence simultaneously has a significant effect on customer satisfaction at PT AIA Financial, Phoenix Medan Branch.
9. The dominant price marketing mix affects customer satisfaction at PT. AIA Financial, Phoenix Branch in Medan.
10. Based on the coefficient of determination (R^2), it can be seen that 89.2% of customer satisfaction can be explained by product variables, price, location, promotion, people, processes, and physical evidence, while the remaining 10.8% can be explained by factors others not addressed in this study such as emotional factors, lifestyle etc.

Suggestion

Based on the results and discussion, there are a number of suggestions that can be made be delivered :

1. In accordance with the dominant factor above that is the price variable, the company must remain focused to reach customers who want cheap premium prices. If necessary, you can add variations of new products that are similar. This is in order to attract even more middle-income customers and below. In addition, it still maintains the competitive advantage of premium prices for the middle and upper classes
2. In addition to the price factor, it is recommended that the process mix factor and people be the focus to be continuously improved in order to increase customer satisfaction, for example by implementing the concept of CRM (Customer Relationship Management) at PT. AIA Financial Phoenix Agency.
3. Need to improve strategies for variables that are not significant such as products and promotions. For example, by issuing new products that reach the needs of many customers because there are currently many customers who need

critical illness insurance rather than investment.

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