

THE INFLUENCE OF TRUST, BRAND EQUITY AND SERVICE QUALITY ON PURCHASING DECISIONS OF SHARIA INSURANCE SERVICES AT PT. BRI LIFE INSURANCE MALANG

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ABSTRACT

Currently, the number of people who are aware of insurance is increasing. This is an opportunity for insurance companies in Indonesia to increase their turnover for sure.

This study aims to determine the influence of the variables of Trust, Brand Equity and Service Quality on the Purchase Decision for Sharia Insurance services at PT. BRI Life Insurance Malang. This type of research uses causal research, with quantitative primary data processed through an instrument in the form of a questionnaire taken directly from BRI Life customers.

The sampling technique used purposive sampling with a specified sample size of 100 respondents. The results of data and multiple linear regression analysis show that Trust and Brand Equity do not have a significant effect while the Service Quality variable has a significant effect on purchasing decisions.

Keywords: Trust, Brand Equity, Service Quality and Purchasing Decisions

1. INTRODUCTION



Source: 2020 Sharia Financial Development Report

.Along with the increase in the welfare of the community, so consumption of other goods than basic necessities such as food, clothing and housing is also increased. The need to have a sense of security, safety and protection is now increasingly felt, considering that human life cannot be separated from various risks that cause losses. Insurance is one of instruments to fulfill needs of security over the uncertainty that may occur in someone's life.

Insurance industry in Indonesia is experiencing very fierce competition, this is indicated by the new insurance companies that are currently present. The development of Islamic insurance companies is growing rapidly, coupled with competitors offering a variety of products that have attractive facilities and benefits, so that currently the presence of Islamic insurance services is very much needed to meet the needs and provide convenience to the community.

Consumer trust is an important thing in making purchasing decisions or using insurance services. Consumer trust is part of the consumer's availability to depend on the seller and make a purchase action even though the seller can easily harm the consumer (Jarvenpaa et al., 1999). If consumer trust in the product/brand is high, then the tendency of

consumers or customers to use the product/brand is also high (Irawan, 2018). Another research of (Pasaribu & Purba, 2020) which took the object of social media research on Instagram, it was found that trust has a positive impact on purchasing decisions.

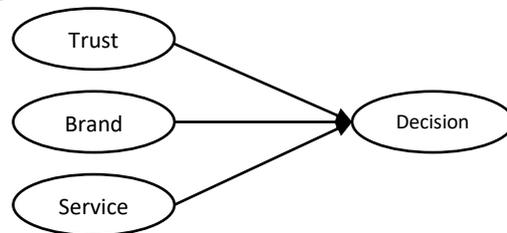
Apart from trust, brand equity must also be considered in consumer decision making. Moreover, BRI life insurance has received several awards in recent years, such as:

1. Trusted Company Based on Corporate Governance Perception Index (CGPI) Indonesia Institute Corporate Governance (IICG) 2018, a type of competition for the level of customer confidence.
2. Insurance Top Leader for Growing Investment Value Strategy-Category Assets between Rp. 5 Trillion – Rp. 10 Trillion Warta Ekonomi 2018, type of competition in the Investment Value growth category.
3. Best Finance Performance, Category Asset Rp. 5-10 Trillion Warta Ekonomi 2018, the type of competition in the best financial performance category.
4. Top 5 Best Consumer Choice Insurance Company Category Health Insurance and Education Plans Insurance Warta Ekonomi 2018, the type of competition in the Consumer Choice Health and Education Insurance category.
5. Recognition of Outstanding Achievement in the Top 20 Financial Institutions 2018, the type of competition for the best recognition category.
6. Best Media Insurance Insurance Award 2018, the best type of media insurance competition category.
7. Best in Risk Management Islamic Life Insurance Karim Award 2018, the type of competition for the best Risk Management category.
8. Top 10 Most Trusted Life Insurance Company Based Customer Choice Indonesia Insurance Innovation Award 2019, the type of competition for the trusted Insurance Company category.

Of course this achievements shows that the performance of BRI Syariah insurance has been proven to be good. The awards above will also increase the equity of the BRI Syariah Insurance brand in the eyes of its customers, which in turn will also increase purchasing decisions (Baskara & Sukaadmadja, 2016). Brand equity has an influence on purchasing decisions (Khairunnisa & Genoveva, 2019). In another study, similar results were obtained, namely brand equity has an influence on purchasing decisions (Mentari et al., 2020).

An institution or company is said to be good if the company provides good service quality to its customers. Good service quality will be able to influence consumer decisions to choose and use a product or service (Al-dweeri et al., 2017).

Based on the explanation above, the objectives of this study is to find out the effect of Trust, Brand Equity, Service Quality on decisions purchase of sharia insurance to customers at PT. BRI Life Insurance Malang.



Picture 1 Conceptual Research Framework

2. RESEARCH METHOD

This study uses quantitative primary data that is processed through an instrument in the form of direct questionnaires from customers of PT Asuransi BRI Life to prove the causal relationship of several variables. Using a Likert scale which is denoted from a scale of 1 to 5.

The population used in this study were all customers who made policies through Unity Agency Malang and took sharia insurance policies for 1 year (January/December 2019) at PT. BRI Life Insurance. The number of samples taken is 90 customers. By using the Purposive Sampling method, namely sampling is carried out with certain considerations,

- a. Have a sharia insurance policy of 5 years or more
- b. Min. 17 years old and already has an ID card
- c. Policyholder Min. 21 years old or already married

this research using multiple regression analysis tools, and to test the hypothesis, used t-test and F-test.

Operational Definition of Variables

Variable	Indicator
Trust (Awad & Ragowsky, 2008)	Trustworthiness Sense of security Being able to rely on this Insurance
Brand Equity (Asmoningsih, 2016; Khairunnisa & Genoveva, 2019)	Information about The Brand Understanding about The Brand Perceived quality and brand association
Service Quality (Ismail & Safa, 2014; Kahwaji & Almubayed, 2016)	Tangible Reliability Responsiveness Assurance Empathy
Purchasing Decision (Jefryansyah & Muhajirin, 2020; Sukawati, 2018)	problem recognition, information seeking, evaluation of alternative, and decision making

3. RESULT

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2,953	2,027		1,457	,148
TRUST	,047	,128	,036	,364	,717
BRAND EQUITY	,095	,144	,068	,660	,511
SERVICE QUALITY	,502	,088	,512	5,724	,000

After carrying out validity-reliability test and a series of classical assumption tests, then obtained variables that meet the requirements include the independent variables Trust (X1), Brand Equity (X2), and Service Quality (X3) with the dependent variable Purchase Decision (Y).

a) Trust (X1)

The result of the confidence t_{count} value of 0.364 is smaller than the t_{table} (1.984) and the significance value is $0.717 < 0.05$. this means H_0 accepted and H_1 is rejected ($t_{count} < t_{table}$ or < 0.05) so that concluded that there is a positive effect but not significance of the variable Trust in Decisions Purchase.

b) Brand Equity (X2)

t_{count} for the Brand Equity variable is 0.660 smaller than t_{table} (1.984) and the significance value is $0.511 < 0.05$. So that H_0 is accepted and H_1 is rejected ($t_{count} > t_{table}$ or < 0.05) so that concluded that there is a positive effect but not the significance of the Brand Equity variable on the Decision Purchase.

c) Quality of Service (X3)

t_{count} for the Service Quality variable is 5.724, which is greater than t_{table} (1.984) and the significance value is $0.000 < 0.05$. So that H_0 is rejected and H_1 is accepted ($t_{count} > t_{table}$ or < 0.05) so it can be concluded that there is a positive and significant influence on the Service Quality variable on decisions purchase.

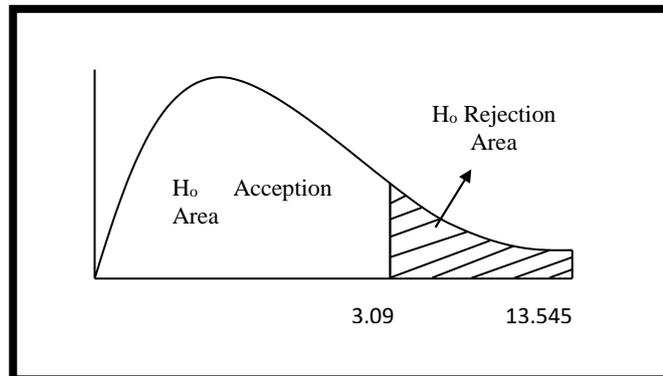
F-Test Result

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	113,419	3	37,806	13,545	,000 ^b
	Residual	267,941	96	2,791		
	Total	381,360	99			

a. Dependent Variable: PURCHASING DECISION

b. Predictors: (Constant), SERVICE QUALITY, TRUST, BRAND EQUITY

Based on the table above, $F_{count} 13.545 > F_{table} 3.09$ or significant level $F 0.000 < significant\ level = 0.05$, which means H_0 is rejected and H_1 is accepted. So it can be concluded that the regression model meets the goodness of fit model or it can be said that Trust, Brand Equity and Service Quality can predict changes in the Purchase Decision.



4. DISCUSSION

Based on the results of the study, it can be concluded that Brand Trust and Equity have a positive but not significant effect on Purchase Decisions, while Service Quality has a positive and significant effect on Purchase Decisions. This confirms that in a service company (insurance) the most important thing is Service Quality (Poor et al., 2013).

What is interesting in this finding is that Trust and Brand Equity have a positive but not significant effect. This shows that when consumers consider and decide to use insurance, only the quality of service determines their decision. Even if it is seen from the respondents taken, where at least they have had an insurance policy for 5 years, the level of trust is still considered a variable that is not a customer consideration in deciding to use insurance.

In insurance, because the product is a service, it is complicated and requires a detailed explanation of the product, it is natural that there is a high interaction between the customer and the insurance company. And in this interaction, the quality of service is very decisive.

5. CONCLUSION

1. Trust has a positive but not significant effect on the decision to purchase insurance services for BRI Life customers.
2. Brand Equity has a positive but not significant effect on the decision to purchase insurance services for BRI Life customers.
3. Service quality has a positive and significant impact on the decision to purchase insurance services for BRI Life customers.

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