

## BRAND AWARENESS, BRAND TRUST AND ECONOMIC BENEFIT TOWARD PURCHASE DECISION OF LIFE INSURANCE

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### ABSTRACT

*This study aims to determine the effect of brand awareness, brand trust, and economic benefits to the life insurance unit purchase decision unit link PT.AJ Sequislife in Solo. sample in this research is people who have bought life insurance policy PT.AJ Sequislife in Solo especially unitlink product. The respondents used in this research are 100 people. Analytical techniques in this study consisted of testing instrument validity test, reliability test, classical assumption test, multiple linear regression analysis, t test, F test and R<sup>2</sup> test. The results of the analysis show that brand awareness, brand trust, and economic benefit together have a significant influence simultaneously to the life insurance unit purchase decision of PT.AJ Sequislife unit link in Solo. The result of test of R<sup>2</sup> is known that brand awareness, brand trust, and economic benefit is able to explain 60.9% to the variable of life insurance unit decision of PT.AJ Sequislife unit link in Solo, while the rest equal to 39.1% other than variable brand awareness, brand trust, and economic benefit.*

Keywords: brand awareness, brand trust, economic benefit, purchase decision.

### INTRODUCTION

The Medium level society has a relatively high level of income and has the ability to move the country's economy. The high income level of the middle class society has an impact on the higher purchasing power of the people. The purchasing power of the middle class is a promising market for industry, including the life insurance industry. For well-known companies in a consumer-focused business environment, strong brand development and management are key elements in marketing strategy and increasing market share (Keller & Lehmann, 2006).

Viewed from the side of the life insurance industry, middle class society is the main market for policy sales. Increased public awareness of the necessity of life protection is the impact on the widespread need for insurance coverage. This of course becomes a distinct advantage for insurance companies that provide insurance services, where the broader the market can be processed and serve as the target sales of their products (Redja, 2002).

In accordance with the development of the times, insurance is also experiencing rapid development and better every day. In addition to improving services to its customers, insurance companies also conduct a variety of businesses to be able to continue to expand and promote the business they run so far (Malhotra, 2007). One of the steps taken is by issuing new products that are more innovative and can meet the needs of its customers. Currently, insurance products are not only limited to types of life insurance and health insurance, because basically these two products are the most widely used by the public. Insurance companies also issue a variety of products that can be selected and used in accordance with the needs of customers concerned. It is intended that more and more customers are using insurance services and more sales can be created (Rothstein, 2011).

Insurance companies play a very important role in the economic field, especially reducing the risk to individuals and companies. More and more insolvent insurance companies can reduce economic stability. Lee's (2013) and Lee & Chang (2015) research shows that companies can maintain financial stability through insurance and reinsurance activities. Rothstein (2011) points out that the health and development of a good insurance industry will improve the stability of financial markets so that insurance companies can prevent individuals and companies from various natural disasters.

There are many types of insurance products that can be selected by customers of insurance users, including: health insurance, education fund insurance, pension insurance, vehicle insurance, property insurance, and various other types of insurance (Assael, 1998). One type of insurance products that will be conducted research is life insurance unitlink products. The policyholder will be asked to choose where to place the investment, whether in equity funds, mixed mutual funds, fixed income mutual funds, or money market. Link units offer many investment options with varying return potential, from low to high.

Dissanayake & Ismail (2015) show that brand awareness and brand trust have a significant relationship to purchasing decisions in the service sector including insurance services. Kahadawarachchi et al (2016) shows consumer perceptions of brand trusts play an important role in purchasing decisions. Cretu & Brodie (2007) show brand trust and brand reputation to be key in influencing purchasing decisions.

A brand that can meet the needs and desires of consumers, indirectly the brand has been embedded in the consumer mind. The purpose of marketing is to produce a higher standard of living and to have consumers obtain what is needed and desired by creating, offering, and freely exchanging valuable products with valuable products with others (Kotler & Pfoertsch, 2006). For that we need an approach to consumers through the efforts of the formation of brand awareness. The formation of brand

awareness can be done by proving the quality of the products produced. Quality is one of the requirements and factors that consumers consider before buying a product. Brand Awareness is the ability of a buyer to recognize and recall that a brand is the embodiment of a particular product category (Aaker, 1996).

Brand trusts are also believed to influence consumer purchase intentions. Bouhlel (2011) that consumer confidence in the brand, where these consumers believe that the brand must be able to provide a quality product, also greatly affect consumer purchasing decisions. Lee (2013) points out that brand awareness plays an important role in driving brand equity in the business market.

Roberts & Merrilees (2007) if a brand is able to meet the expectations of consumers or even exceed consumer expectations and provide quality assurance on every occasion of its users and the brand is produced by a reputable company so consumers will be more confident with the choice and consumers will have confidence in the brand, liked the brand, and considered the brand as part of him.

Basically insurance provides economic benefits for the insured, such as security and protection, insurance policies owned by the insured will provide a sense of security from risks or losses that may arise. If the risks or losses actually occur, then the insured is entitled to the value of the loss of the value of the policy or determined under the agreement between the insured and the insurer.

Distributing fairer costs and benefits, the principle of fairness is carefully calculated to determine the insurance coverage and premiums that the policyholder should periodically pay attention to with the circumstantial factors in insurance (Zurich Insurance Group, 2013). To get the sum insured, the insurer has made calculations that do not harm both parties. The greater the value of coverage, the greater the periodic premium to be paid by the insured. An insurance policy can be used as collateral to obtain credit. Serves as a savings and income source, the premiums paid each period have the same substance as the savings. The insurer also calculates the interest on the premium paid and also the bonus in accordance with the agreement of both parties (Zurich Insurance Group, 2013). This study aims to analyze brand awareness, brand trust and economic benefits to the life insurance unit purchase decision unit link PT. AJ Sequislife in Solo.

### Research Method

The location of this study in this study was conducted by taking the location of PT. AJ Sequislife Solo Central Java. The sample in this study is the customer who ever bought life insurance policy in Sequislife, with the number of 100 respondents. Sampling technique that will be used in this research is by using random sampling. Data collection method used in this research is questionnaire. The way it works is by confronting respondents with questions that are already available and then respondents are asked to provide answers to the questions asked (Cooper & Schindler, 2008). Respondents' answers are measured by the Likert scale, which is a scale based on five levels of answers. Data analysis method used is multiple linear regression.

### Result and Discussion

#### 1. Research Instrument Test

In this study consists of three independent variables namely: Brand Awareness, Brand Trust, and Economic Benefit and one dependent variable that is the purchase decision. From validity test proved all free variables have rhitung bigger than rtabel (significance at level .05) represent statement item valid in explain variable which in test.

The result of data reliability test showed that Brand Awareness, Brand Trust, Economic Benefit and purchasing decisions used in this research are reliable. Because it has a cronbach alpha value of .877 respectively; .908; .899; .868, greater than the value of cronbach alpha is 0.60 then all items can be used as a research instrument

#### 2. Assumption Classic Test

The results of normality test data by using Kolmogorov-Smirnov Test that has been done shows that all variables have a normal distribution because it has a significance value of  $.756 > .05$ . Multicollinearity test results show that the magnitude of Variance Inflation Factor (VIF) is less than 10 and tolerance level is greater than .10. So it can be concluded not to happen multicollinearity. The results of the autocorrelation test can be seen that the value of Durbin Watson (DW) of 1.856 will be compared with the value of the table by using the degree of confidence 5%, the number of samples 100 and the number of independent variables 3, then in Durbin-Watson table will get dL 1.613 and dU 1.736. The DW value of 1.856 lies between dL and dU or  $1.613 < 1.856 < (4 - 1,736)$  it is concluded that there is no autocorrelation in the regression model. The test results can be concluded that there is no clear pattern, and the dots are spread above and below the zero on the Y axis, it can be concluded that there is no heteroscedasticity so that the regression model is feasible to predict the dependent variable based on the independent variable input.

#### 3. Result of Hipothesis Test

Brand awareness has a significance value of  $.000 < .050$ , meaning brand awareness has a positive and significant impact on purchasing decision insurance policy. Brand trust has a significance value of  $.000 < .050$  means brand trust has a positive and significant impact on purchasing decision insurance policy. Economic benefit has a significance value of  $.000 < .050$  means that economic benefits have a positive and significant impact on purchasing decision insurance policy.

#### 4. Discussion

Brand Awareness can be enhanced by providing more protection and benefits than other brand life insurance products, raising awareness that the first insurance in mind is Sequislife life insurance, as well as increasing the benefits customers receive in order to get customers to buy Sequislife life insurance policies. This research is in line with Lee & Chang (2015) research,

Brand trusts can be enhanced by maximizing agent information on Sequislife life insurance products, and Sequislife life insurance should increase customer confidence in the proposed claims and Sequislife can improve its best service to customers. This research is consistent with Lau & Lee (1999) and Delgado & Manuera (2001) studies.

Increased purchasing decisions through the Economic Benefit variables by raising public awareness of the importance of health needed by the community at all times, raising awareness that insurance provides protection for family finances, as well as insurance helps deal with financial problems in case of undesirable events. This study is consistent with Lau & Lee (1999) and Kahadawarachchi et al (2016).

### Conclusion

Brand Awareness, Brand Trust and Economic Benefit have an influence on the decision of purchasing life insurance policy unit link PT.AJ Sequislife in Solo. For that to increase customer confidence in Sequislife brand life insurance by providing innovation in the ease of making claims through whatsapp, line and email. The existence of innovation and ease in claiming that the company gives to the customer, the trust or trust will arise on the customer, which then will lead to the decision to buy back customers with different products. Economic benefits obtained by purchasing the Sequislife insurance policy, in the event of a risk or loss the customer does not need to issue assets or property owned, so that customers are protected.

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