

THE INFLUENCE OF COMPANY IMAGE, PREMIUM PRICES AND PRODUCTS ON PEOPLE'S INTEREST IN CHOOSING SHARIA LIFE INSURANCE IN PALEMBANG CITY

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ABSTRACT

Company image, premium prices and products are important factors and are the goals of every company, including those in the insurance sector. Apart from being an important factor as the front guard for the continuity of the company's operation, the existence of this factor can support the increase in public interest in insurance, especially sharia life insurance in the city of Palembang. The research conducted aims to determine the influence of company image, premium prices and products on people's interest in choosing sharia life insurance in the city of Palembang, focusing on sharia life insurance customers in the city of Palembang who are or have been sharia life insurance customers in the city of Palembang as the population. . The method used in collecting data is through a questionnaire using a Likert scale. Through the characteristics of sharia insurance users with a period of less than 1 year to more than 5 years and customers who are no longer customers. The sample consisted of 120 respondents using purposive sampling technique. Path Coefficient shows that Company and Product Image have a positive and significant influence on people's interest. Meanwhile, the premium price has no positive and significant effect on people's interest in choosing sharia insurance in the city of Palembang.

Keywords: Company Image, Premium Price, Products, Interest

INTRODUCTION

The challenges faced by the Indonesian insurance world are getting stronger with the large number of foreign insurance invasions as a direct impact of globalization. In the coming era, known as the era of globalization, Indonesian insurance/reinsurance companies, apart from facing attacks from foreign insurance/reinsurance companies that have strong capital, as well as reliable technology and human resources, also have the opportunity to operate

to develop insurance/reinsurance businesses in other countries. other countries.

The growth of sharia insurance as a sharia financial instrument is not as fast as the growth of sharia banking. Nevertheless, the growth of the sharia insurance industry both in Indonesia and in the world has shown a significant increase. In the midst of the debate on the legal status of insurance, mutual aid and usury-free insurance has become an alternative for those who want halal economic transactions. The increasing public appreciation for this sharia-based economic system will enable the growth of sharia insurance to be faster in the future (Sayyid, 1967).

Conventional insurance and sharia insurance are financial institutions that operate in the field of collecting and distributing funds. In fact, the main difference between sharia and conventional insurance lies in the objectives and operational basis. From the aspect of operational basis, conventional insurance is based on statutory regulations, while sharia insurance is based on statutory regulations and sharia provisions.

The main difference between sharia insurance and conventional insurance is that the participants are responsible among themselves. In essence, theoreticallyThe spirit contained in an insurance institution cannot be separated from the social spirit and helping each other. Efforts and efforts to avoid risks are carried out by delegating them to other parties, so the most appropriate choice is an institution called insurance. Sharia insurance is considered more immune to the problem of default because it already has internal bailout funds, but according to OJK data explained that sharia insurance only controls 5.3% of the national insurance market share.

Apart from that, there are several phenomena regarding insurance in general which further exacerbate public stigma towards insurance institutions, for sharia insurance in particular. Judging from the small market share of sharia insurance in Indonesia, this is caused by several factors, including the lack of capital owned by sharia insurance in Indonesia, low awareness of the Indonesian people about the importance of insurance, low public accessibility to sharia insurance products and also the small number of sharia insurance products available. can be reached by middle or lower middle

class people. Apart from that, Indonesian people's literacy about insurance is still very small.

According to the national survey of national financial literacy (SNLKI) in 2016, insurance inclusion among Indonesian society was only 12.08% and only increased by 0.21% from 2011. Then, the Sharia insurance literacy and inclusion index in Indonesia was only 2.51% and 1.92%.¹⁰ From the survey conducted by the OJK, we can see that insurance inclusion in general is still very small, especially sharia insurance inclusion and literacy in Indonesia. However, Indonesia, as the largest Muslim population in the world, has great opportunities for the growth of sharia insurance, of course with government support in helping insurance companies develop their market share (Heri, 2018).

In previous research, there have also been many researchers who have examined efforts or factors supporting people's interest in sharia insurance, especially in terms of marketing management, one of which is research by Nurul Rahmania in 2020 regarding the factors that influence people in choosing sharia-based insurance which is considered to be a the vanguard in a business institution, one of which is the company image factor, various product factors, and also premium prices with results that have a significant effect and some have no effect.

According to Rahmawati's research in 2017, it was explained that to attract the interest of potential customers, sharia life insurance companies must be smarter in designing market strategies. This can be seen based on the phenomenon of several behavioral responses from sharia insurance customers in terms of determining their choice of insurance which is very difficult to ascertain. For this reason, stronger segmentation is needed by studying customer characteristics per market segment in order to satisfy which segments will be used as target markets.

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Therefore, the researcher conducted this research as an initial basis which is expected to be able to become a reference for sharia insurance companies and of course to support Indonesian sharia insurance towards AFAS 2025. And based on the explanation above, the author took the research title: **"The Influence of Company Image, Premium Prices and Products on People's Interest in Choosing Sharia Life Insurance in Palembang City"**.

RESEARCH METHOD

The type of research used is descriptive research with a quantitative approach. A quantitative approach is systematic scientific research into parts and phenomena and their relationships. 62 Survey research is quantitative research that uses the same structured and systematic questions to many people and the answers will be processed and analyzed (Sugiyono, 2014). The location/place of this research is the community in the city of Palembang. This research approach is a quantitative descriptive approach with the aim of being able to find out various existing facts using numbers by knowing the characteristics of groups or individuals (Ma'ruf, 2015).

This research location was chosen with the hope of providing more accurate research results because it is located in the capital city of South Sumatra. The time for carrying out this research starts from February 2023 until completion. The location/place of this research is in the city of Palembang. Palembang City is a Metropolitan City with a population based on aggregate population data from the sub-district Population and Civil Registry Service of Palembang City in January 2020 of 1,708,413 people with a population growth rate of 1.76%. The population of Palembang City is 1,708,413 people, consisting of 868,197 men and 840,216 women. Regarding this population, it still appears that the distribution of the population of Palembang City is still based on Ilir Timur II District, Seberang Ulu I District and Sukarami District. The high population in these three sub-districts is because these sub-districts are industrial and educational centers and are influenced by borders with other districts or peripheral areas. According to

the director general of the Ministry of Villages in 2020, South Sumatra Province or as Bumi Sriwijaya is located in the southern part of Sumatra, with the capital being Palembang.

RESULTS AND DISCUSSION

As explained in the framework, this research has 4 hypotheses whose results will be discussed one by one based on research data that has been processed using SmartPLS version 3.0

The Influence of Company Image on Public Interest in Choosing Sharia Life Insurance in Palembang City

From the research results, there is a positive and significant influence between company image and public interest in choosing sharia life insurance in Palembang City. This is in accordance with the results of the path coefficients with the original sample value of 0.452 which shows a positive number with a t-count value of 4.555 which is greater than the t-table value of 1.96 and a p-value of 0.000 which is smaller than 0.05 so it can be said that the corporate image variable has a significant effect on the variable. Interest, then it can be said that the first hypothesis is accepted. These results can be interpreted to mean that company image influences people's interest in choosing sharia life insurance in Palembang City. This is supported by the results of research conducted by Erlita Kurniawaty with the title "the influence of company image and premium rates on purchase interest which has an impact on customer satisfaction at PT Asuransi Cigna Jakarta" showing the results that company image has a positive and significant influence on purchase interest with contribution The value is 0.442, which means that the company image influences purchasing interest by 44.2%.

The Influence of Premium Prices on Public Interest in Choosing Sharia Life Insurance in Palembang City

From the research results, there is a positive and significant influence between company image and public interest in choosing sharia life insurance in Palembang City. This is in accordance with the results of the path coefficients with the original sample value of -0.075 which shows a negative number with a t-count value of 1.136 which is smaller than the t-table value

of 1.96 and a p-value of 2.257 which is greater than 0.05 so it can be said that the premium price variable has no effect on variable of interest, then it can be said that the second hypothesis is not accepted. These results can be interpreted to mean that premium prices do not have a significant effect on people's interest in choosing sharia life insurance in Palembang City.

The Influence of Products on Public Interest in choosing sharia life insurance in the city of Palembang

From the research results, there is a positive and significant influence between product3 on people's interest in choosing sharia life insurance in Palembang City. This is in accordance with the results of the path coefficients with the original sample value of 0.555 which shows a positive number with a t-count value of 4.583 which is greater than the t-table value 1.96 and the p-value of 0.000 is smaller than 0.05 so it can be said that the product variable has a significant effect on the Interest variable, so it can be said that the third hypothesis is accepted. These results can be interpreted to mean that the product has a significant influence on people's interest in choosing sharia life insurance in Palembang City.

CONCLUSION

Based on the research results described in the previous chapter, conclusions can be drawn regarding the influence of company image, premium prices and products on public interest in choosing sharia insurance in the city of Palembang as follows:

1. Company image on public interest in choosing sharia insurance in the city of Palembang. The t-statistical value of company image on interest is $4,555 > 1.96$ or you can see the p value which is $0.000 < 0.05$. The original sample value is 0.451, which shows that the direction of the relationship between company image and voting interest is positive. Thus the first hypothesis is accepted. This can be interpreted that the company image has a significant positive effect on people's interest in choosing sharia life insurance in Palembang City.
2. Premium prices on public interest in choosing sharia insurance in Palembang City. The t-statistic value of company image on interest is $1.136 < 1.96$ or you can see the p value which is $0.257 > 0.05$. The

original sample value is -0.075, which shows that the direction of the relationship between company image and voting interest is negative. Thus the first hypothesis is rejected. This can be interpreted that the premium price has no effect on people's interest in choosing sharia life insurance in the city of Palembang.

3. Products for public interest in choosing sharia insurance in the city of Palembang. The t-statistical value of company image on interest is 5,583 > 1.96 or you can see the p value which is 0.000 < 0.05. The original sample value is 0.555, which shows that the direction of the relationship between company image and voting interest is positive. Thus the first hypothesis is accepted. This can be interpreted that the product has a significant positive effect on people's interest in choosing sharia life insurance in the city of Palembang.

On the basis of the conclusions above, the following suggestions can be obtained For Companies, with this research, it is hoped that sharia life insurance companies, especially in the city of Palembang, can pay more attention to what factors can make people interested in becoming sharia life insurance customers, considering that ASAF 2024 will be held where sharia insurance must catapult the sharia economic sector and bring it to the international scene. For Society, it is hoped that the public can increase literacy regarding the benefits of sharia insurance products, especially for Muslim communities, so that what is needed can meet expectations. And for Further Researchers, this research specializes in analyzing indicators regarding company image, premium prices, and products that are usually at the forefront of companies, but in this research the scope is not very specific considering the object is too broad. It is hoped that future researchers can examine other factors that can be used to support the increase in sharia life insurance in Palembang City.

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