

The Influences of Product Quality, Service Quality and Brand Image towards the Consumers Purchase Decisions on Travel Insurance of PT Asuransi XYZ

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Abstract:- This research aim to determine the influences of product quality, service quality and brand image towards the consumers' decisions to choose Travel insurance product from PT XYZ insurance. The research design which been used was causality research designed, while the type of research using quantitative descriptive research with survey methods. The research population was all Travel insurance customers at PT Asuransi XYZ, while the determination of the sample using purposive sampling techniques with convenience sampling. The research data that has been used are primary data, obtained from the distribution of questionnaires to the sample or research respondents of 75 respondents, who's conducted by accidental sampling technique (convenience sampling). The analytical tool used correlation test, multiple linear regression, coefficient of determination, and hypothesis test. The results showed that: (1) Product Quality has a positive and significant influence towards the Consumer Decisions; (2) Service Quality has a positive and significant influence towards the Consumer Decisions; (3) Brand Image has a positive and significant influences towards the consumer Decisions; (4) And based on the results of multiple linear regression tests, a regression equation that could be arranged: $Y = 1.173 + 0.881X_1 + 0.327X_2 + 0.121X_3$, which shows that Product Quality is more dominant than Service Quality and Brand Image in effecting Consumer Decisions to choose Travel Insurance product from PT XYZ Insurance Jakarta.

Keywords: *Product Quality, Service Quality, Brand Image, Consumer Decisions.*

I. INTRODUCTION

Many people wont realize how the importance of travel insurance when traveling. In fact, it is not impossible if there are risks could occur, which causes us to experience financial losses while on the way. Travel insurance is insurance that protects risks that can cause financial losses which occur unexpectedly when we are traveling. Some of examples from financial losses that occur is when plane has experiences delays and even cancellations. The baggage also often occurs lost or wrong destination so they have to wait for baggage sent back to the original destination. Not only that will be covered by travel insurance but also the risk of financial loss if a customer suddenly falls sick or has an accident while traveling.

The awareness of Indonesian people on the important of insurance in the last decade has increased, especially in the middle to upper class people who live in big cities. Economic News - February 2017 Edition, page 43, and Kompas.com 06/14/2017, 19:21 WIB reported that according to the Chairman of the Indonesian Life Insurance Association (AAJI) Hendrisman Rahim (Josephus Primus), until the first quarter (Q1) In 2017, the life insurance industry recorded growth compared to Q1 2016 ago. The Indonesian Life Insurance Association (AAJI) in its official statement received by Kompas.com on Wednesday (06/14/2017) given the information that the revenue growth till reached 16.4 percent or Rp 56.96 trillion, whereas in 2016, the value of the growth is Rp 48.94 trillion. Furthermore, the data also showed that the total premium income was Rp 43.17 trillion, up 25.5 percent. The data can be summarized as shown in the table of Indonesian Insurance Industry Development 2015 - 2017 (table 1) below.

Year	2016	2017	Increase
Revenue Growth	Rp 48,94 triliun	Rp 56,96 triliun	16,4%
Total Premium Income	Rp 34,40 triliun	Rp 43,43 triliun	25,5%
Total Claims and Benefits	Rp 21,55 triliun	Rp 24,05 triliun	11,6%
Total Number of Insured	55,34 Million People	59,21 Million People	7,0%
Number of Licensed Marketers	491.566 People	566.366 People	15,2%

Table 1:- The Development of the Indonesian Insurance Industry 2016-2017

Source: <http://ekonomi.kompas.com/read/2017/06/14/192150926/industri.asuransi.catatikan.pertumbuhan>

One of many insurance companies in Indonesia would seeks to win business competition in national insurance industry. PT Asuransi XYZ started its business in Indonesia by opening a representative office in 1981. In 1989, PT XYZ, a general insurance company. Then, XYZ Insurance entered the life, health and pension fund business by establishing PT XYZ Life Indonesia in 1996.

One of indicator that can be used as measure of success From those insurance company in efforts to increase the number of customers is their current position on the insurance product brand on TBI (Top Brand Index). Travel Insurance PT Asuransi XYZ Utama is indeed not listed as a nominee in the 2017 Top Brand Award event. However, in fact the insurance products that exist at PT. XYZ Utama insurance is more varied, such as property insurance, vehicle insurance, freight insurance, engineering insurance to health insurance.

In terms of number of customers, the company recorded growth of 4.7% as many as 600,869 customers compared to the previous year of 573,990 customers. While the financial health condition of the company can be seen from the level of capital adequacy ratio or Risk-Based Capital Ratio (RBC) which is at 328% as of December 2018. PT Asuransi XYZ Utama also managed to book a GWP of Rp 1.2 trillion in 2018, which indicates a significant growth of 19.4% from Rp 996 billion in 2017.

XZY Utama Insurance has experienced a total asset growth of 10.6% from Rp 2.3 trillion to Rp 2.5 trillion. The company also Written its growth in the number of policies by 47.3% to 504,611 policies compared to the previous year. With growing digital trends and increasing demand for easy product access, the XYZ Utama was transformed into an insurance company who optimizing the digitalization for products, services and business processes. The company provides a digital ecosystem that could supports The XYZ Insurance business partners to provide services for customers, start from provide a consulting customer protection needs, to the claim process so that customers would feel the maximum benefit from these insurance protection.

The phenomenon which occurs on insurance business in PT Asuransi XYZ Utama is Sorta interesting thats the reason why the researc conduct this research. Indeed there are many factors that could influence the consumer decision in making decisions to buy the insurance products from an insurance company. Beside the low awareness and lack of knowledge about the insurance benefits, there are still many other factors, such as: effectiveness of Profits or benefits, perceptions of the premiums to be paid, ease of administration, quality of company services, amount of premiums on insurance products, insurance company reputation, security guarantees funds, easy data access and ease to use of insurance service applications, the speed and ease of the process in submitting insurance benefit claims, and also the expertise of insurance marketers in attracting prospective customers to buy and so many other factors. In this research, the researchers are interested to examining factors of product quality, service quality and brand image which related to the decision to buy or in choosing the Travel Insurance from PT Asuransi XYZ Utama.

Some of the results from previous research of the influence of perceptions on product quality, service quality and premium rates on consumer purchasing decisions, show the different results or findings. The research from Sriyanto and Utama (2016) found that product quality, service quality and premium amount had a positive and significant influence on consumer purchasing decisions. Next, Yuliana and Suprihhadi's (2016) research stated that service quality and premium magnitude had a positive influence on purchasing decisions. However, research by Evans Mambu (2015) found that the amount of premium and quality of service had a positive and significant influence on purchasing decisions, but the quality of service had no influence on consumer buying interest.

Gained interested to the business phenomenon which occur in the insurance service industry and the differences in the results of previous research towards the influences of perceptions on product quality, service quality and brand image on consumer purchase decisions, so the authors conducted a research which has similiar variables on customers from XYZ Utama Insurance with current title: "The Influences of Product Quality, Service Quality and Brand Image towards consumers Purchase Decisions on Travel Insurance of PT Asuransi XYZ".

II. THEORITICAL REVIEW

A. Buying Decision

Kotler and Armstrong (2008: 226) has suggest that purchase decisions are the stages in buyer decision-making process where consumers actually buy. Meanwhile, according to Schiffman and Kanuk (2004: 547) the purchasing decisions are the choosing of two or more alternative choices, meaning that in order for someone to make a decision, several alternative choices must be available.

B. Product Quality

Product quality according to Kotler and Armstrong (2012: 230) is the ability from the product to carry out its functions, including durability, reliability, accuracy, ease of use and improvement as well as other valuable attributes. The product becomes an important instrument for achieving success in a modern company. There are only two choices, namely success in product development so that it would produces a superior product, or fails in achieving its business goals because the product is not make it to compete in the market.

C. Service Quality

Parasuraman (2011) defines that service quality as how far the difference between reality and customer expectations for the service that they received. Furthermore, Tjiptono & Chandra (2012: 157) defines that service quality as a measure of how good the level of service which provided is in

accordance with customer expectations. Lovelock (Supranto, 2002: 394) defines that service quality as follows "Quality is degree of excellence intended and the control of variability in achieving that excellent, in meeting the customer requirements".

D. Brand Image

Brand is a term, sign, symbol, or design, or a combination of these things, which is intended to identify the goods or services from a person or group of sellers and to distinguish them from competing products (Kotler, 2008). Related to that the brands with consumer purchasing decisions, Schiffman and Kanuk (2008: 173) state that if consumers do not have any information / experience about those product or service, then they will tend to trust the brands that they are already well known or liked by many people. Brand image is brand perception created in commemorating consumers because of brand involvement (Keller, 2013). According to Rangkuti (2002: 244), brand image is a set of brand associations which are formed and attached in the minds of consumers Brand image is an extrinsic clue that will be used by consumers to evaluate products before making a purchase, while Thamrin and Francis Tantri (2010) state that brand image is a bunch of associations perceived by consumers for certain brands.

E. Thinking Framework

The thinking framework for this research is as follows:

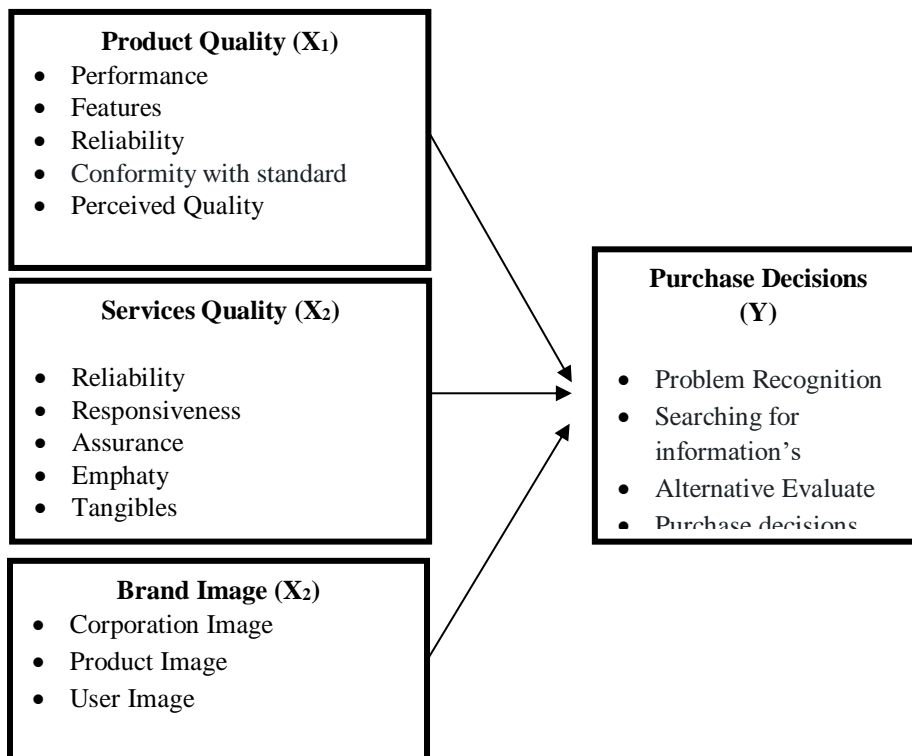


Fig. 1:- Thinking Framework
Source: Theory Study

F. Hypothesis

The hypothesis in this research could be drawn the formulated or stated as follows:

- 1) Product Quality has affects towards the Consumer Purchasing decisions on Travel Insurance at PT Asuransi XYZ
- 2) Service Quality has affects towards the Consumer Purchasing Decisions on Travel Insurance at PT Asuransi XYZ
- 3) Brand Image has influences to the Consumer Purchasing Decision on Travel Insurance at PT Asuransi XYZ

III. METHODOLOGY

This research uses a casual research design to examine the causal relationships that occur between these research variables by taking into account the magnitude of the correlation coefficient. While if we look closer to the type and analysis, this research currently use a quantitative research. The unit of analysis of this research is the individual which is in the form of perceptions, opinions or ratings from respondents, in this case the customers or owner of Travel Insurance policy at PT Asuransi XYZ Jakarta. In this research, the independent variables (independent variables) are: product quality, service quality and brand image, while the dependent variable is consumer purchase decisions. The population in this research are all customers or owners of Travel Insurance policies at PT Asuransi XYZ Utama which located / residing in the Jakarta area, the amount of which is unknown by the researcher. The size of the sample can be determined as much as 25 times the independent variable. Since the independent variables in this research are 3 (three), the number of samples in this research is set at 75 people. The way to obtain this research sample by using accidental technique (convenience sampling), which is a technique to get a sample based on anyone who accidentally meets with the researcher during the time of the distribution of the research questionnaire. The method of the data analysis in this research uses assumption testing of the regression model to test whether worthy or not the regression model is to be used.

IV. RESULTS AND DISCUSSION

A. Research Result

The average value of responses / answers to product quality variables is 322.33 which is included in the category of very good ratings. The average value of responses / assessments of service quality variables is 312.7 which is in the good rating category. The average value of respondents' ratings of statements regarding variable prices is 313.8 which is in the good rating category. The average rating / response of respondents to various statements on the questionnaire used to measure consumer purchasing decision variables is 289.83 which is in the good rating category.

In linearity test, it is seen that the data distribution (points) spread around and follow a diagonal line. In other words, the data in this research are said to be normally distributed and can be used in further research processes.

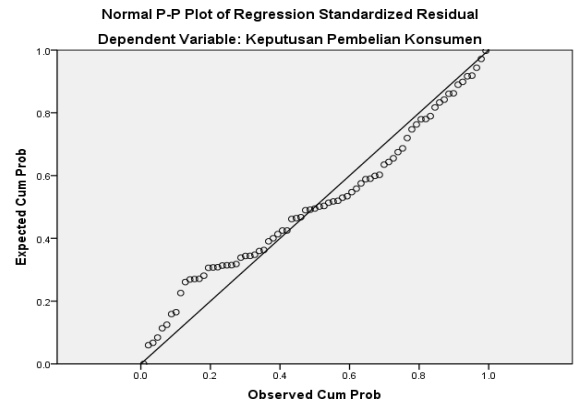


Fig. 2:- Normality Test Results

VIF values of Product Quality, Service Quality and Brand Image variables, as shown in the table are 2.008, 2.209 and 2.758 respectively; while the tolerance level is 0.498, 0.453 and 0.363: Because the VIF values of the three independent variables are no greater than 10, and the tolerance value is no smaller than 0.10. Therefore it can be concluded that the regression model used does not occur multicollinearity problems.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.173	1.428		-.822	.414		
Product Quality	.881	.047	.736	18.846	.000	.498	2.008
Services Quality	.327	.056	.239	5.834	.000	.453	2.209
Brand Image	.121	.059	.093	2.042	.045	.363	2.758

Table 2:- Multicollinearity Test Results

Since the Scatterplot diagram above shows that the distribution of points does not form a certain pattern / plot, so

it can be concluded that the regression model that will be used does not occur heteroscedasticity problems.

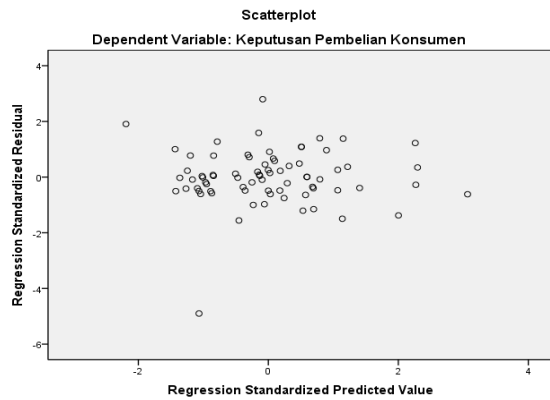


Fig. 3:- Heteroscedasticity Test Results

The reliability test results of the regression model can be seen in the ANOVA (Analysis of Variance) table, with provided that the prob value. F count (sig.) In the table test results is 0,000 (<0.05), so it can be concluded that the linear regression model in this research is feasible or

reliable. Because the calculated F probability value (sig.) Shows value of 0,000, it can be concluded that the linear regression model in this research is feasible / reliably used.

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2322.303	3	774.101	415.230	.000 ^a
Residual	132.363	71	1.864		
Total	2454.667	74			

Table 3:- Regression Model Reliability Test Results

From the the regression test result between those variables Product Quality, Service Quality and Price of Consumer Purchasing Decisions it could be arranged the following of regression equation: $Y = -1,173 + 0,881X1 + 0,327X2 + 0,121X3 + e$. The equation could be described as follows: Consumer Purchasing Decisions = -1,173 + 0,881 Product Quality + 0,327 Service Quality + 0,121 Brand Image.

Based on the results of data analysis and the regression equation, it can be concluded about the following points

- 1) A constant value of -1,173 which indicates the pure value of the Consumer Purchase Decision variable without being influenced by independent variables.
- 2) The regression value ((1) of 0.881 which indicates the contribution of the Product Quality variable, meaning that

if the Product Quality variable is increased by 1 (one) unit it will be followed by the strengthening of the Consumer Purchase Decision variable at the value of the regression.

- 3) The regression value (2) of 0.327 which indicates the contribution of the Service Quality variable, meaning that if the Service Quality increases by 1 (one) unit, it will be followed by changes in Consumer Purchase Decisions at the value of the regression.
- 4) The regression value (3) of 0.121 which indicates the contribution of the Brand Image variable, meaning that if the Price variable is increased or increased by 1 (one) unit it will be followed by a strengthening of the Consumer Purchase Decision variable at the value of the regression.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-1.173	1.428		-.822	.414		
Product Quality	.881	.047	.736	18.846	.000	.498	2.008
Services Quality	.327	.056	.239	5.834	.000	.453	2.209
Brand Image	.121	.059	.093	2.042	.045	.363	2.758

Table 4:- Multiple Linear Regression Test Results

The Coefficient of Determination value as shown in the Adjusted R Square column in the table is 944 or 0.944. This shows that the contribution of Product Quality, Service Quality and Brand Image variables to changes in the

Consumer Purchase Decision variable was 94.4% while the remaining 5.6% was influenced by other variables besides these three variables.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.973 ^a	.946	.944	1.36538	1.619

Table 5:- Determination Coefficient Test Results

Based on the results of hypothesis test using the t-test as shown in the table above, it can be concluded as follows:

- 1) Hypothesis test results using t-test between Product Quality and Consumer Purchase Decision variables showed that the t-test value of 18.846 > t-table 1.9939, with a significance level of 0,000 or < 0.05. Therefore (H0) is rejected and (Ha) is accepted. Thus, the hypothesis (H1) which was formulated that Product Quality has a positive and significant influences on Consumer Purchasing Decisions is proven / accepted / supported.
- 2) Hypothesis test results using t-test between the variable Service Quality and Consumer Purchase Decisions, showed that the value of t-test 5.834 > t-table 1.9939, with a significance of 0,000 or < 0.05. Therefore (H0) is rejected and (Ha) is accepted. Thus, the hypothesis (H2) which was formulated that Service Quality has a positive and significant influences on Consumer Purchasing Decisions is proven / accepted.
- 3) The results of hypothesis test using t-test between Brand Image variables and Consumer Purchase Decisions which indicate that the t-test value of 2.042 > t-table 1.9939 with a significance level of 0.045 or <0.05. Therefore, (H0) is rejected and (Ha) is accepted, meaning that Brand Image has a significant positive influence on the Consumer Purchasing Decision. Thus, the hypothesis (H3) which is formulated that Price has a positive and significant influence on Consumer Purchasing Decisions is proven / accepted / supported.

B. Discussion

The results of the comparison between this research with the results of previous research has indicate that there are those who support and some who do not support. The difference in these results is very possible. This can be caused by differences in the number of research samples, the number of dimensions and indicators used, the analytical tools used, and the characteristics of the objects under these research.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

Based on these analysis results, several main conclusions has presented as well as the answers to the research objectives as follows:

- 1) Product Quality has a positive and significant effect on Consumer Purchasing Decisions. This evidenced by the

analysis result which shows that the t-value of 5.684 > t-table 1.9939, with a significance level of 0,000 or <0.05.

- 2) Service Quality has a positive and significant influence on Consumer Purchasing Decisions. This is evidenced by the results of the analysis which shows the value of t-test 6.130 > t-table 1.9939, with a significance level of 0,000 or < 0.05.
- 3) Brand Image has a significant effect on Consumer Purchasing Decisions. This evidenced from the analysis result which showed that the t-value of 2.042 > t-table 1.9939 with a significance level of 0.045 or <0.05.
- 4) The results also indicate that the Service Quality variable is the most dominant variable which influence the Consumer Purchasing Decision, compared to the Product Quality and Brand Image variables.

B. Research Limitations

The results of this research cannot be generalized considering that this research was only conducted in one location / region with a relatively limited number of samples. Beside that the respondents generally do not provide an absolute assessment (strongly agree or strongly disagree) on the statements which contained in the research questionnaire, but rather tend to choose a moderate (average) answer. Thus, the level of objectivity of the respondents' assessment also needs to be further research. For example, by interview to ask for further explanation. This cannot be done yet by the researcher because the respondents were seems that they did not have the time to fill out the questionnaire more intensively.

C. Suggestions

Based on these conclusions, the suggestions in this research could be made as follows:

- 1) In related to the Product Quality variable the indicator which obtains from the lowest relative rating (305) is the indicator "PT Asuransi XYZ Travel Insurance Policy is very satisfying in terms of area of the guarantee provided" Therefore, the company management needs to make efforts so that the spread of guarantees given to customers is more level, so that the customers' perceptions of the reliability of this insurance product also increase.
- 2) In relation to the Service Quality variable, the indicator that obtained from the lowest rating (287) was the clarity of delivery of information about the facilities for insurance customers at PT XYZ. In this regard, company

management needs to improve communication with its customers, especially to explain the facilities that can be utilized by customers so that customer confidence also increases.

- 3) Related to the Brand Image variable, what should be considered is the effort to associate the brand image of this insurance product with the personal image of the owners or customers.
- 4) Regarding the Consumer Purchase decision variable, there are several indicators that indicate the willingness to repurchase Travel Insurance PT Asuransi XYZ at a high level. Therefore, may the company's management continue to strive the maintain of these conditions or even increase in order to become more effectived, so that the total number of customers in the company (market share) especially for all-risk property insurance customers in this company would increasing.

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