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THEME : " *Unlocking New Marketing Strategies on ASEAN After Covid-19 Pandemic* "

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Pascasarjana.Perbanas.ac.id | mmuhw.perbanas | 0822-4784-5434 | info.mm@perbanas.ac.id

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11. Dr. Muazaroh,SE.,MT (STIE Perbanas Surabaya, Indonesia)

Editor and Layout :
1. Dr. Ronny, S.Kom., M.Kom., M.H.
2. Dewi Aliffanti, S.E.
3. Tanza Dona Pratiwi, S.E.
4. Dio Eka Prayitno, S.Sos.

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FOREWORD

Alhamdulillah, praise be to Allah Subhanahu Wa Ta'ala for granting us the opportunity to organize and publish the proceedings of the 3nd International Conference on Business and Banking Innovations (ICOBBI) with the topic "*Unlocking New Marketing Strategies on ASEAN After Covid-19 Pandemic*". This proceeding contains several researches articles from many fields in Business & Marketing, Banking & Sharia Banking, Accounting & Financial Management, Human Resources Management, Operations Management, Investasi, Insurance & Capital Market, Strategic Management, Technology Management, and Information System.

The 3nd International Conference on Business and Banking Innovations was held on 6th – 7th March 2021 by virtual (online) meeting and organized by the Master Management Study Program of STIE PERBANAS Surabaya in Collaboration with three Higher Education Institutions in Indonesia and two Universities from Asia countries. Keynote speakers in this conference were: Prof. Jessa Frida T Festijo (Lyceum of the Philippines University), Prof. Krisda Tanchaisak, Ph.D (Ramkhamhaeng University Thailand) and Burhanudin, Ph.D (Head of Undergraduate Program In Management of STIE Perbanas Surabaya, Indonesia).

I would like to give high appreciation to the Rector of STIE Perbanas Surabaya for his support at this event. Acknowledgments and thank you to all the steering and organizing committees of the ICOBBI for the extra ordinary effort during the conference until this proceeding published. Thank you very much to all presenter and delegates from various Universities. Beside it, I would like to express our gratitude to the three universities, namely Universitas 17 Agustus Surabaya, STIE 66 Kendari, Institut Institut Bisnis dan Keuangan Nitro Makassar which has been the co-host of this event.

Hopefully, the proceeding will become a reference for academics and practitioners, especially the business and banking industry to get benefit from the various results of the research field of Business and Banking associated with Information Technology. Proceedings also can be accessed online on the website https://pascasarjana.perbanas.ac.id.

Chair of the Master Management Study Program
STIE Perbanas Surabaya

Prof. Dr. Tatik Suryani, M.M.

Tabel of Content

Business and Marketing

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Accounting and Financial Management

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Operating Management

Operating Management

The Influence of Cultural, Social, Personal and Psychological Factors On Customer's Decision of Choosing Bank Insurance

Novita Rosanti

Lecturer at the IBK Nitro Makassar / South Sulawesi / Indonesia
Email: n.rosanti.nr@gmail.com

ABSTRACT

Insurance is one of the ways that can be used by the community to help provide financial security, because accidents come unexpectedly, health costs continue to increase, and death is a sure thing. The diversity of these problems is very important for public understanding to divert the risks that will be faced. OJK in circular letter Number 32/SEOJK.05/2016 concerning bancassurance, provides opportunities for companies and banks to work together in protecting customers. This policy provides an opportunity for insurance companies to expand their market to bank customers and banks to increase the provision of service products to the public. Research objective are to determine the influence of cultural, social, personal and psychological factors on customer decisions to choose bank insurance. This research uses descriptive quantitative method. The population is the customer of a state-owned bank in Makassar. The data source used primary data by distributing questionnaires to 92 respondents through purposive sampling technique. Respondents were selected based on the criteria of customers who already have an insurance policy. Data were analyzed using multiple regression analysis, which previously tested the validity and reliability. The results of the analysis show that cultural and personal factors have a positive and significant effect partially, psychological factors have a positive and insignificant effect, and social factors have a negative and insignificant effect on a customer's decision to choose bank insurance.

Keywords: cultural, social, personal, psychological, decision factors

1. INTRODUCTION

Along with the growing public awareness of the importance of protection in the future. Most of the people have protected themselves by using insurance services. With insurance, a person has the right to secure protection for life in the long term, because in essence humans not only need physiological needs, but humans need a sense of security in terms of financial protection guarantees.

The Insurance Media Research Institute (LMRA) noted that the gross premiums of general insurance in Indonesia grew by 15.05 percent, from IDR 56.39 trillion as of December 2018 to IDR 64.87 trillion as of December 2019. Meanwhile, net premium growth was recorded at 15.78 percent, from IDR 32.58 trillion as of December 2018 to IDR 37.72 percent as of December 2019.

Insurance is one of the ways that can be used by the community to help provide financial security, because accidents come unexpectedly, health costs continue to increase, and death is a sure thing. The diversity of these problems is very important for public understanding to divert the risks that will be faced. In Indonesia itself, there have been many insurance companies that have developed both sharia insurance and conventional insurance and are accompanied by the emergence of a form of cooperation between insurance companies and banking companies known as Bancassurance.

OJK in circular letter Number 32/SEOJK.05/2016 concerning banssurance, provides opportunities for companies and banks to cooperate in protecting customers. This policy provides an opportunity for insurance companies to expand their market to bank customers and banks to increase the provision of service products to the public. Bancassurance is a marketing method for insurance products offered by banks to their customers. Through bancassurance, banks can provide insurance products that provide protection and investment products to meet customers' long-term financial needs.

According to Kotler (2003: 202) that there are four factors that can influence consumer purchasing decision behavior, namely cultural factors, social factors, personal factors and psychological factors. Utama (2018) also stated that cultural, social, personal and psychological factors have a positive and significant effect on insurance policy purchasing decisions.

As for the problem in this study is how the influence of cultural, social, personal and psychological factors on customer decisions to choose bank insurance.

2. LITERATURE REVIEW
2.1. Consumer Behavior

Kotler (2010: 197) states that there are four factors that influence a consumer's purchase decision, namely cultural, social, personal and psychological factors. The factors are: 1). Cultural Factors. Cultural factors have the broadest and deepest influence on consumer behavior. Some of these cultural factors consist of: culture, sub-culture and social class of buyers. 2). Social Factors. Consumer behavior is influenced by small groups, family, role and social status of consumers. These factors greatly influence consumer responses. 3). Personal Factors. This factor is a consumer's decision which is influenced by personal characteristics such as age and stage of the buyer's life cycle, position, economic situation, lifestyle, personality and the buyer's self-concept. 4). Psychological Factors. This factor is a need that arises from certain physiological conditions such as the need to be accepted by the environment. A person's purchase choice is influenced by psychological factors such as a). Motivation, b). Perception, c). Learning process and d). Trust and attitude.

2.2. Bancassurance

In the Financial Services Authority Circular Letter, what is meant by Bancassurance is a collaborative activity between an Insurance Company and a bank in the framework of marketing insurance products through banks which can be classified into 3 (three) business models, namely: 1). Reference. In this business model, the bank has a role only to refer or recommend an insurance product to prospective policyholders / the insured. Reference business models can be divided into: a). Reference in terms of bank products. In this business model, the bank refers or recommends insurance products to prospective policyholders / insured, which is a requirement for obtaining a banking product. b). Reference is not in the framework of bank products. In this business model, the bank refers or recommends insurance products to prospective policyholders that are not a requirement for obtaining a banking product. 2) Distribution Cooperation. In this business model, the bank plays a role in marketing insurance products by providing an explanation of the insurance product directly to prospective policyholders / insured through face-to-face and / or using long-distance communication means. 3). Product Integration. In this business model, the bank plays a role in marketing insurance products to prospective policyholders / insured by combining insurance products with bank products.

3. RESEARCH METHODS

The population in this study were all customers of a state-owned bank in Makassar. In this study, the sampling technique used was purposive sampling technique with the criteria that customers who have an insurance policy and have paid a minimum premium of 3 months. Based on the calculation of the sample using the Slovin method, and it is considered to be representative of the existing population, the total sample size is 92 respondents.

This research uses primary data which is obtained by using a questionnaire technique. Collecting data using a questionnaire that has been prepared and arranged in such a way that the prospective respondent only has to fill in or mark it easily and quickly. The questionnaire uses open-ended questions. The measurement scale used to measure research variables uses the Likert scale. The data analysis method used in this research is factor analysis. The variables tested in the study were cultural factors, social factors, personal factors, psychological factors and decisions. Furthermore, the questionnaire data was tested using validity and reliability tests.

4. RESEARCH RESULTS AND DISCUSSION

A. Research Results

1. Characteristics of respondents based on gender

Table 1. Characteristics of respondents based on gender

Gender	Total	Percentage
Men	37	40%
Woman	55	60%
Total	92	100%

Source: Data processed based on a questionnaire

2. Characteristics of Respondents by Age

Table 2. Characteristics of Respondents by Age

Age	Total	Percentage
20-25 years	6	7%
26-35 years	22	24%
36-45 years	53	58%
>45 years	11	12%
Total	92	100%

Source: Data processed based on a questionnaire

3. Characteristics of Respondents Based on Marital Status

Table 3. Characteristics of Respondents Based on Marital Status

Status	Total	Percentage
Single	4	4%
Married	88	96%
Total	92	100%

Source: Data processed based on a questionnaire

4. Characteristics of Respondents Based on Income

Tabie 4. Characteristics of Respondents Based on Income

Income	Total	Percentage
Rp. 3.000.000-Rp. 5.000.000	25	27%
Rp. 6.000.000-Rp. 10.000.000	35	38%
>Rp 11.000.000	32	35%
Total	92	100%

Source: Data processed based on a questionnaire

5**.** Validity Test
Table 5. Validity Test

Variable	Indicator	Significant	Information
Cultural factors (X1)	X1.1	0,000	Valid
	X1.2	0,000	Valid
	X1.3	0,000	Valid
Social Factors (X2)	X2.1	0,000	Valid
	X2.2	0,000	Valid
	X2.3	0,000	Valid
Personal Factors (X3)	X3.1	0,000	Valid
	X3.2	0,000	Valid
	X3.3	0,000	Valid
	X3.4	0,000	Valid
Psychological Factors (X4)	X4.1	0,000	Valid
	X4.2	0,000	Valid
	X4.3	0,000	Valid
	X4.4	0,000	Valid
Decision (Y)	Y.1	0,000	Valid
	Y.2	0,000	Valid
	Y.3	0,000	Valid
	Y.4	0,000	Valid

Source: Primary data processed, 2020

Based on table 5, it shows that all variables get a value of 0.000, which means that all statement items used in data collection in this study are declared valid.

6. Reliability Test

In this study, the reliability test was carried out by paying attention to the value of Cronbach's Alpha. This test is carried out on each variable if the Cronbach's Alpha coefficient is> 0.7 indicating that the instrument used as a variable measuring instrument is reliable. However, if the Crombach's Alpha value is <0.07, the instrument used as a measuring variable is declared unreliable. Reliability test can be seen in table 6 below:

Table 6. Reliability Test

Variabel	Cronbach's Alpha	Information
Cultural factors (X1)	0,789	Reliable
Social Factors (X2)	0,620	Reliable
Personal Factors (X3)	0,863	Reliable
Psychological Factors (X4)	0,615	Reliable
Decision (Y)	0,669	Reliable

Source: Primary data processed, 2020

Table 6 shows that cultural factors, social factors, personal factors, psychological factors and the decision to choose insurance variables are reliable, because they have a Cronbach Alpha value (α) $\geq$ 0.60.

7. Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test

Coefficientsª

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4,079	3,425		1,191	,237
Cultural Factor	,454	,142	,320	3,189	,002
Social factor	-,022	,125	-,018	-,174	,862
Personal factor	,314	,096	,316	3,262	,002
Psychological factors	,129	,159	,087	,811	,419

a. Dependent Variable: Decision

Source: Data processed with IBM SPSS Statistic version 23

Table 6 shows the regression coefficient for each independent variable and the constant value so that the multiple linear regression equation can be made as follows:

$$Y = 4,097 + 0,454X1 - 0,022X2 + 0,314X3 + 0,129X4$$

8. t test

Table 8. t test

Coefficientsª

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	4,079	3,425	1,191	,237
	Cultural Factor	,454	,142	3,189	,002
	Social factor	-,022	,125	-,174	,862
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	Psychological factors	,129	,159	,811	,419

a. Dependent Variable: Decision

Source: Data processed with IBM SPSS Statistic version 23

B. Discussion

1. The influence of cultural factors on the customer's decision to choose bank insurance

Cultural factors have a positive influence on customer decisions to choose bank insurance, which is indicated by a value of 0.454, with a significance level of 0.002. Cultural factors become an influence when a customer decides to choose bank-based insurance, where this variable is measured by several indicators such as the confidence felt by the customer that the insurance is a product of a bank that has the status of a state-owned bank, then the customer's understanding of the product can be easily obtained through information from officers and the process is carried out quickly to open the policy. This means that if the customer already has an understanding and confidence in insurance, it will encourage customers to choose insurance at the bank. Kotler and Keller (2009: 166) state that culture is a basic determinant of a person's desires and behavior. Cultural factors are the most basic determining factors. This research supports research from Hafidz (2018) which states that cultural factors have a positive and significant effect on purchasing decisions at PT. Prudential Life Assurance.

2. The influence of social factors on the customer's decision to choose bank insurance

Social factors have a negative influence on the customer's decision to choose bank insurance which is indicated by a value of -, 022, but not significant as indicated by a value of 0.862. This social factor is measured by indicators such as the choice of bank insurance products because of the agreement of a partner or family, recommendations from friends and the experiences of others about the importance of insurance. This shows that the social life of a customer does not determine whether a customer will choose insurance at the bank. Sangadji and Sopiah (2013: 337) state that social class is a group that is open to individuals who have a similar social level. A person's desire for a product is also generally influenced by social factors, generally someone will follow their environmental behavior, including in purchasing a product. The transfer of social class between communities can occur, up or down. This transfer occurs depending on the tight loosening of the existing social strata.

3. The influence of personal factors on the customer's decision to choose bank insurance

Personal factors have a positive influence on the customer's decision to choose bank insurance which is indicated by a value of 0.314 with a significance level of 0.002. Personal factors in this study are measured by indicators that bank insurance products become customer needs. Have an income that can be set aside for insurance premiums. Awareness of the importance of having insurance and becoming a lifestyle today to have an insurance policy. This means that if a customer is an adult with a family status, there is an awareness of the importance of having insurance, of course, supported by sufficient income. So despite suggestions, recommendations and experiences from others regarding insurance, the customer's decision to choose bank insurance has not been significantly influenced by these factors. Adults usually experience certain changes or transformations when they live their lives (Sumarwan, 2011: 10). When someone has sufficient income, the greater the person uses insurance.

4. The influence of psychological factors on the customer's decision to choose bank insurance

Psychological factors have a positive influence on the customer's decision to choose bank insurance which is indicated by a value of 0.129 but not significant as indicated by a value of 0.419. Psychological factors in this study are measured by indicators of customer motivation to have insurance, perceptions of state-owned bank insurance, customer experience and trust

for insurance products. This means that psychological factors have not actually been able to encourage customers to choose bank insurance. According to Sangadji and Sopiah (2013: 25) Learning has an impact on change. Consumers will learn after gaining experience, both their own experiences and the experiences of others.

5. CLOSING
5.1. Conclusion

Based on the results of the discussion and research findings, it can be concluded that cultural factors have a positive and significant effect on customer decisions to choose bank insurance. Social factors have a negative and insignificant effect on a customer's decision to choose bank insurance. Personal factors have a positive and significant effect on customer decisions to choose bank insurance. Psychological factors have a positive and insignificant effect on the customer's decision to choose bank insurance.

5.2. Suggestions

Suggestions that can be put forward in this research for interested parties in the future for the achievement of optimal benefits, and the development of the following research results: to the insurance provider bank to provide education so that people's motivation to insure increases, the public needs to understand that insurance is needed minimize the risks that may occur in the future. The next researcher is expected to develop the results of this study by testing

the variables for sharia-based insurance or can also select the object of a private bank.

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