

DECIDING NON-WAGE RECIPIENT PARTICIPATED IN OLD AGE PROTECTION INSURANCE (LABOR INSURANCE COMPANY CASE)

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ABSTRACT

This research analyze the influence of e-service quality, price, and word of mouth on purchasing decision of the old protection insurance program for non-wage recipient segment in a labor insurance company in Jakarta. The research method used is associative method. The sampling method uses simple random sampling with the number 431 participants. The data obtained from questionnaires and linear regression analysis with SPSS statistic program for window version 25. The regression results $Y = -2,088 + 0,156 X1 + 0,382 X2 + 0,504 X3$. The hypotheses result showed that e-service quality, price, and word of mouth variables had positive and significant effects on the old protection insurance purchase decision. Word of mouth became the most important variable convincing participant bought old age protection insurance.

Keywords: E-Service Quality; Price; Word of Mouth; Purchase Decision.

INTRODUCTION

In the current era of globalization, social security is one of the most important things for society, especially workers. The risks of work accidents, death, and the uncertainty of JHT are things that are definitely faced by workers. Making non-wage recipient who have registered as labor insurance company (BPJSTK) participants are still reluctant to choose the old age protection (JHT) insurance program. This can be seen in the data only 13 % registered with the JHT program. BPJS must be able to create awareness and need the importance of the JHT program so that active participants who have not participated in the JHT program can decide to register or join the program after they stop working. There are several factors that encourage JHT purchasing decisions, including e-service quality, premiums, and word of mouth.

Research conducted by Argitama and Suryoko (2020) and Rozi (2017) found that e-service quality has a positive influence on purchasing decisions, while the results of research conducted by Muslim (2018) found that e-service quality has no significant effect on purchasing decisions . The results of research conducted by Hustić and Gregurec (2015) and Nurcholidah (2016) concluded that premium/price has a significant effect on purchasing decisions, while research conducted by Anindia (2018) states that premium/price does not have a significant effect on purchasing decisions. Likewise research conducted by Fetri et al. (2014), Dewi et al. (2015), also Andari and Napu (2016) state that there is a positive and significant influence between word of mouth on purchasing decisions, while the research results of Jung and Cho (2016) found that there is no influence on purchasing decisions from the word of mouth variable.

The formulation of the problems in this study are:

1. Is there an effect of e-service quality on the decision to register the JHT insurance program for the Non-Wage Recipient segment in BPJSTK?
2. Is there a premium effect on the decision to register the JHT insurance program for the Non-Wage Recipient segment in BPJSTK?
3. Is there an effect of word of mouth on the decision to register the JHT insurance program for the Non-Wage Recipient segment in BPJSTK?

The objectives of this study are:

1. To determine the effect of e-service quality on the decision to register the JHT insurance program for the Non-Wage Recipient segment in BPJSTK.
2. To determine the effect of premiums on the decision to register the JHT insurance program for the Non-Wage Recipient segment in BPJSTK.
3. To determine the effect of word of mouth on to decision on registration of the JHT insurance program for the Non-Wage Recipient segment in BPJSTK.

LITERATURE REVIEW

E-Service Quality

According to Tjiptono (2012) e-service quality is the extent to which sites facilitate effective and efficient shopping in terms of purchasing, ordering, and shipping. Meanwhile, Zeithaml et al. (2002) as cited in Argitama and Suryoko (2020) defines e-service quality as the extent to which a website provides facilities to consumers in carrying out shopping, purchasing and shipping activities effectively and efficiently. According to Zeithaml et al. (2002) as cited by Argitama and Suroyoko (2020), the dimensions of e-service quality consist of efficiency, fulfillment, reliability, and privacy.

Premium

According to Kotler and Armstrong (2013a) premium/price is the amount of money charged for a good or service or the amount of money that consumers exchange for the benefits of owning or using the product or service. Meanwhile, according to Tjiptono (2012) premium/price is a monetary unit or other measure (including other goods and services) that is exchanged in order to obtain ownership rights or use of a good or service. Kotler and Armstrong (2013a) state that there are four dimensions that characterize premiums, namely: premium affordability, premium compatibility with product quality, premium competitiveness, and premium compatibility with benefits.

Word of Mouth

Hasan (2010) defines word of mouth as praise, recommendations and customer comments about their experience of services and products that actually influence customer decisions or their buying behavior. Meanwhile, according to Sumardy et al. (2011) word of mouth is a marketing activity carried out by a brand so that consumers talk about, promote, and want to sell our brand to others. Wilson (2010) provides a word of mouth dimension consisting of: believing in the

reliability of a product/service, telling positive things about the product/service, recommending products/services to others, inviting and persuading other consumers to use certain products/services, doing purchasing decisions for certain products/services.

Purchase Decision

Schiffman and Kanuk (2014) define purchasing decisions as the selection of two or more alternative purchase decision choices, meaning that a person can make a decision, there must be several alternative choices. Meanwhile, according to Tjiptono (2012) purchasing decision is a process where consumers recognize the problem, look for information about a particular product or brand and evaluate properly each of these alternatives can solve the problem, which then leads to a purchase decision. Kotler and Keller (2013b) provide dimensions of purchasing decisions consisting of: stability in a product, habits in buying products, providing recommendations to others, and making repeat purchases.

RESEARCH HYPOTHESIS

H1: E-Service Quality has a positive and significant effect on the Purchase Decision for the JHT Insurance Program

H2: Premium has a positive and significant effect on the Purchase Decision for the JHT Insurance Program

H3: Word Of Mouth has a positive and significant effect on the Purchase Decision for the JHT Insurance Program

Figure 1 represents detailed frame work of the research methodology and hypotheses.

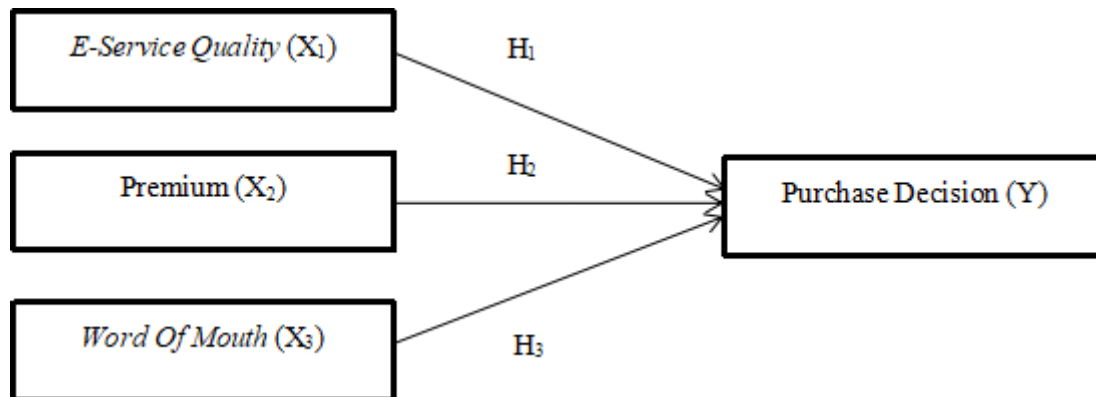


FIGURE 1

RESEARCH FRAMEWORK

RESEARCH METHODOLOGY

This research is a quantitative research with an associative research method, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2016). The data used in this study are primary data with data sources through the questionnaire statement. The statements in the questionnaire were measured using a Likert scale and processed using the

SPSS version 25 program. Data processing used validity test, all indicator valid, reliability test, all variables reliable. Classical assumption test (normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test). The data analysis used in this research is linear regression with t test and F test and coefficient of determination.

DATA ANALYSIS AND RESULTS

Respondents profile shows 20-30 years old are 64.5% and the rest above 30 years old. Their education high school 47.5% and the rest diploma, membership period of 1-10 years of 91.4% and the rest above 10 years.

Prior to data analysis, the data is processed through classical assumption tests and the following results are obtained, no autocorrelation because the normal P-P plot shows the plotting data around the diagonal line and following the diagonal line in Figure 2.

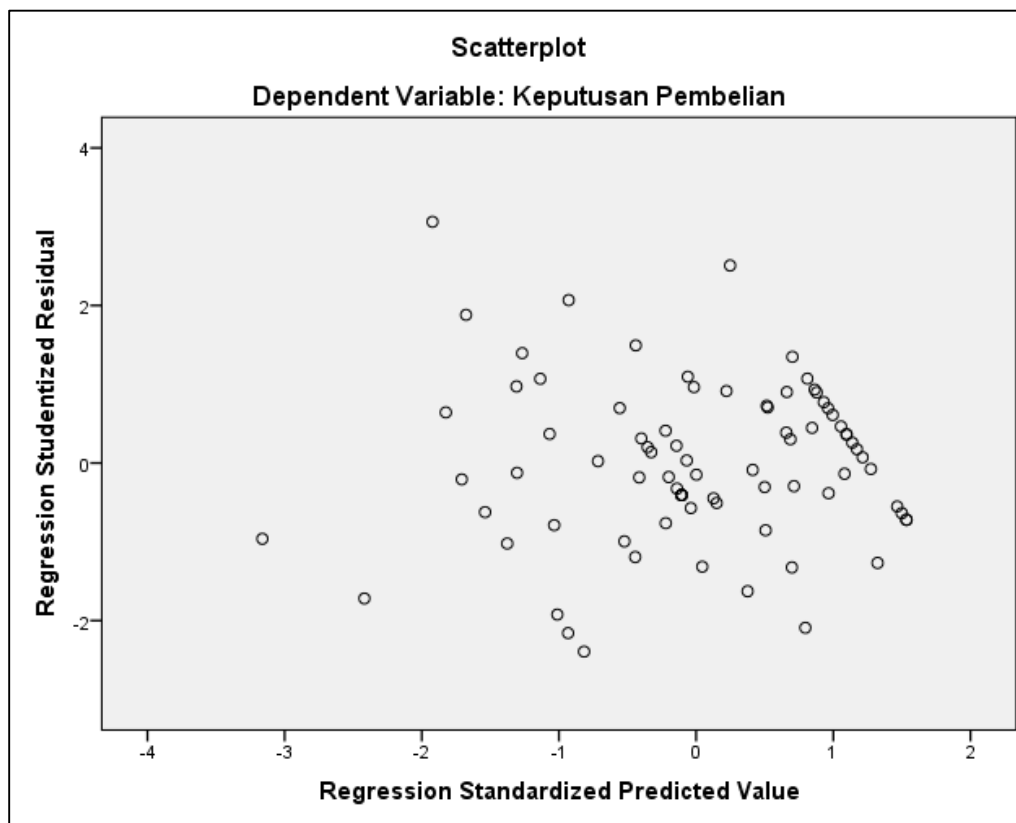


FIGURE 2

NORMALITY TEST RESULT

The data in this study are normally distributed. No multicollinearity, and no heteroscedasticity in Figure 3.

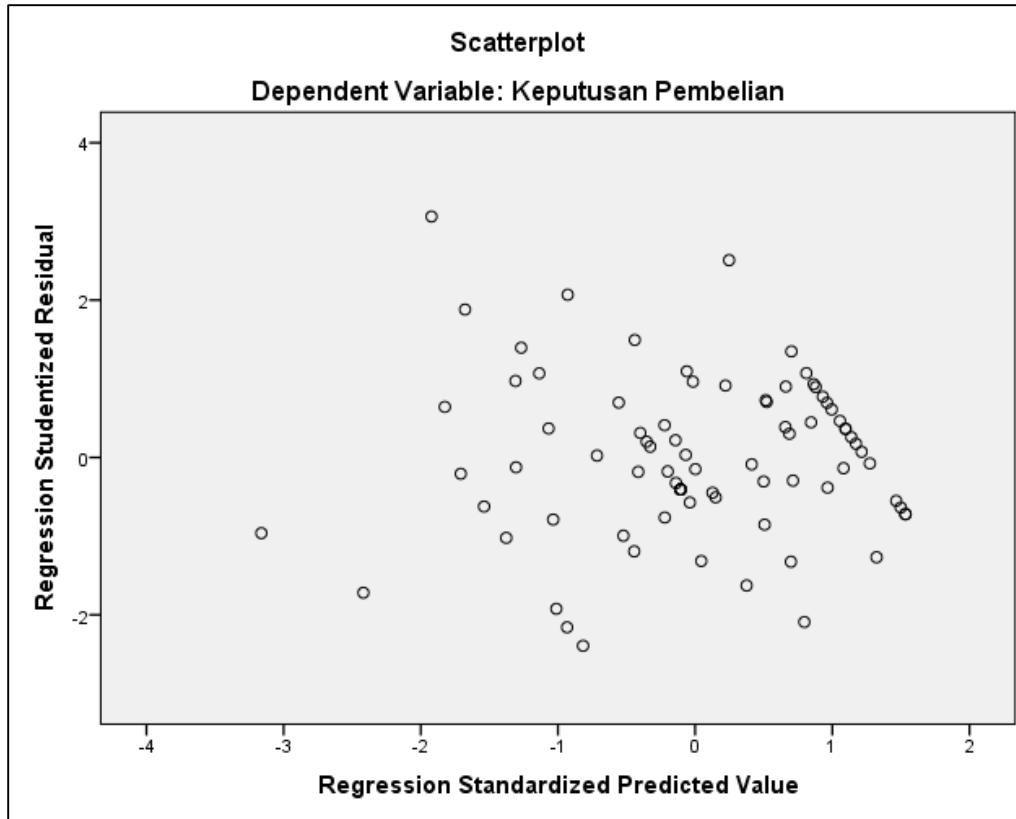


FIGURE 3

HETEROSCEDASTICITY TEST RESULT

Thus, the regression model in this study can be continued for analysis because it has passed the classical assumption test.

TABLE 1 COEFFICIENTS ^A								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			TOL	VIF
1	(Constant)	-2.088	1.851		-1.128	0.263		
	<i>E-Service Quality</i>	0.156	0.060	0.159	2.594	0.011	0.487	2.055
	<i>Premiium</i>	0.82	0.073	0.336	5.254	0.000	0.446	2.244
	<i>Word Of Mouth</i>	0.504	0.063	0.532	7.936	0.000	0.406	2.466

Based on Table 1, the data analysis used in this research is Linear Regression. Based on the analysis conducted, the regression model equation was found as follows:

$$Y = -2.088 + 0.156X_1 + 0.382X_2 + 0.504X_3$$

A constant of -2.088 states that if there is no increase in the value of the e-service quality, premium, and word of mouth variables, the value of the purchasing decision variable will decrease by 2.088.

The e-service quality variable coefficient of 0.156 states that each addition of one unit the e-service quality variable will give an increase 0.156 unit the purchasing decision variable.

The premium variable coefficient of 0.382 states that every addition of one unit the premium variable will give an increase of 0.382 unit in the purchasing decision variable.

The coefficient of the word of mouth variable is 0.504, which states that each addition of one unit the word of mouth variable will give an increase in 0.504 unit the purchasing decision variable.

TABLE 2 MODEL SUMMARY				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.927 ^a	0.860	0.854	1.902
a. Predictors: (Constant), <i>Word Of Mouth</i> , <i>E-Service Quality</i> , <i>Premi</i>				

Based on Table 2, coefficient of determination is 0.860 shows the magnitude of the contribution of influence e-service quality, premium, and word of mouth on purchasing decisions amounted to 86%. The rest shows that there are other contributing factors that influence purchasing decisions.

DISCUSSION

H1: The Effect of E-Service Quality (X1) on Purchase Decisions (Y)

The variable e-service quality has t count $2.594 > t$ and shows sig. $0.011 < 0.1$ on Table 1, so that there is an influence between e-service quality on the purchase decision JHT insurance program. This is in line with previous research conducted by Argitama and Suyoko (2020) that the results of data analysis on e-service quality variable has a partially positive and significant influence on the use decision. And Rozi (2017) that the effect of e-Service quality on online train ticket purchase decisions.

H2: Influence of Premiums (X2) on Purchase Decisions (Y)

The premium variable has t count $5.254 > t$ and shows sig. $0.000 < 0.1$ on Table 1, so that there is an influence between the premium on the purchase decision JHT insurance program. This is in line with previous research conducted by Nurcholidah (2016) that the results of data analysis

on the premium variable have a partially significant effect on the decision to buy an insurance policy. And Hustić and Gregurec (2015) that purchasing decisions can be influenced by price.

H3: The Influence of Word Of Mouth (X3) On Purchase Decisions (Y)

The variable word of mouth has t count 7.936 > t Table 1,664 and shows sig. 0.000 < 0.1 on Table 1, so that there is an influence between word of mouth on the Purchase Decision JHT Insurance Program. This is in line with the research conducted by Dewi et al. (2015) that the results of data analysis on the word of mouth variable have a partially positive and significant messenger purchases. And this research is also in line with Fetri et al. (2014) that the results of data analysis on the word of mouth variable have a partially significant effect on purchasing decisions.

CONCLUSION

E-service quality has a positive and significant influence on the purchase decision JHT insurance program with a percentage of influence of 73.7% where the t test results show the amount of t count 2.594 > 1.664 t table and sig. (0.011) < 0.1. This means that the better and better quality electronic services provided by BPJSTK, especially through the BPJSTK application, will increase the number of participants.

Premiums have a positive and significant influence on the purchase decision JHT insurance program with an influence percentage of 81.7% where the t test results show the amount of t count 5,254 > t table 1,664 and sig. (0,000) < 0.1. This means that the affordability of the premiums offered by BPJSTK and its compatibility with benefits received by participants will further increase the number of participants.

Word of mouth has a positive and significant effect on the purchase decision JHT insurance program with an influence percentage of 88% where the t test results show the amount of t count 7,936 > 1.664 t table and sig. (0,000) < 0.1. This means that the increasing number of recommendations and positive stigma received by participants regarding the benefits will increase the number of participants. Word of mouth in this study becomes the variable that influences the highest decision.

SUGGESTION

In the e-service quality variable, BPJSTK should consistently perform maintenance on errors that occur related to the transaction process or inconsistencies in the information contained in the BPJSTK application that could potentially become complaints for participants. Today's technological developments make BPJSTK a form of electronic service that can attract the interest of the working community to register as participants, so that the good quality of electronic services provided is expected to increase participant.

Next, in the premium variable, the premium given by BPJSTK is an implementation of government regulations so that it is very difficult to intervene. Based on this, it is better if BPJSTK should carry out massive socialization and education to the working community regarding the benefits of the social security program run by BPJSTK. These efforts aim to increase the awareness of the working community of the importance and benefits of social security programs to minimize the risks faced by workers at work and in old age protection. When they pension, they understand the benefits of social security, they will feel that the premium paid quite affordable.

Word of mouth variable, BPJSTK is a government-owned agency engaged in the service sector, so that the quality of the products owned is closely related to the quality of services provided. Participants will feel satisfied and most importantly it is easy to submit claims for JHT disbursement when they are no longer working. Based on this, BPJSTK must always provide good quality service and ease the process of submitting claims for disbursement of JHT funds so that it can create satisfaction for participants which will indirectly make participants willing to share the positive stigma of BPJSTK to colleagues or their closest people.

Whereas on the purchasing decision variable, from the results of the research that has been done it can be seen that e-service quality, premiums, and word of mouth have a positive influence on purchasing decisions. Therefore, it is recommended that BPJSTK can continue to improve the quality of electronic services, one of which is through the BPJSTK application, socializing and educating participants regarding the benefits of social security, especially JHT so that the set premiums can be felt affordable by participants, and provide the best service to participants. Especially when they claim to disburse JHT funds in order to increase the positive stigma about the JHT program. By doing the points above, there will be awareness and needs of the working community to become BPJSTK participants.

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