

AN ANALYSIS ON THE DECISION MODEL OF SMART PLUS INSURANCE PRODUCT PURCHASE

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ABSTRACT

The purposes of this study were 1) to analyze the decision model of Smart Plus insurance product purchase and 2) to determine the criteria, sub-criteria, and alternative priorities in Smart Plus purchase decision model. The methods utilized in the study included a survey and interview (in-depth interview) by using an AHP analysis (Analytical Hierarchy Process) and processing software of "Expert Choice". The result of the first analysis indicated the four marketing mixes that had been performed (Price, Product, Process, and Place); while the second one showed that the purchase of Smart Plus product is based on the factors with the level of interest as follow: benefit (36.3%), premium (35.7%), membership process (14.6%), and provider (13.4%). The result of the second analysis revealed the important sub-criteria including premium offer, additional benefits, membership card, and temporary certificate from the medical specialist.

Keywords: AHP, life insurance, marketing mix, purchase decision

ABSTRAK

Tujuan penelitian ini adalah 1) menganalisis model keputusan pembelian produk asuransi SMART-Plus dan 2) menentukan kriteria, sub kriteria, dan prioritas alternative dalam model keputusan pembelian SMART- Plus. Metode yang digunakan dalam penelitian adalah metode survey dan wawancara mendalam (in – dept interview) menggunakan analisis AHP (Analytical Hierarchy Process) dan diolah dengan menggunakan software "Expert Choice". Hasil analisa yang pertama menunjukkan pada empat bauran pemasaran yang telah dilakukan (Harga, Produk, Proses, Tempat). Hasil analisa yang kedua menunjukkan bahwa pembelian produk smart plus berdasarkan pada faktor dengan tingkat kepentingan berikut yaitu benefit (36,3%), premi (35,7%), proses kepesertaan (14,6%), dan provider (13,4%). Hasil analisa yang kedua menunjukkan masing masing sub kriteria penting adalah penawaran premi, benefit tambahan, kartu peserta, surat keterangan sementara, dokter spesialis

Kata kunci: AHP, asuransi jiwa, bauran pemasaran, keputusan pembelian

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INTRODUCTION

The development of life insurance industry in Indonesia within the last five years, in accordance with the data from Indonesian Life Insurance Association (AAJI) in terms of premiums, has increased by 20–30 percent (AAJI, 2015). The comparison between low penetration and density of life insurance in Indonesia

and high premium income of life insurance has caused the actors of the life insurance industry in Indonesia to become more motivated to compete with the others. In realizing a distribution of equitable development, the national development has been directed toward the availability of equal access to social services for all citizens of Indonesian for the past 20 years. One of the legal entities established to administer social security

is the Social Security Agency, shortened as BPJS, which is a form of social protection covering the whole citizens (Yustisia vision team, 2014). By the end of 2012, insurance penetration in Indonesia was recorded around 1.31%, and it was calculated based on the ratio between the gross premium income of the commercial insurance industry and the economic growth (GDP). In 2012, the Indonesian GDP was Rp8,241 trillion, while the non-audit gross premium reached up to Rp107.9 trillion. Moreover, the capacity of the people in purchasing insurance products, or an insurance density, in Indonesia during 2012 was Rp445,942, decreasing by 21% compared with its position in the previous year i.e. Rp566,809. The density was calculated based on the total ratio of gross premium income of the commercial insurance industry toward the total of the population.

Table 1 provides information on the development of insurance penetration and density in Indonesia during the period of 2007–2012, showing that the figures were most likely to increase; however, they were still relatively low. In reference to Law number 24/2011 on Social Security Agency (BPJS), the government agencies, and private and state-owned enterprises are obliged to use BPJS. The implementation of BPJS provides opportunities for a variety of companies to provide health services, one of which is PT Mandiri Inhealth. Its cooperation with BPJS is performed to carry out the implementation of health insurance program, thus creating a Smart Plus product as a new product that is consistent with the coordination of benefit (COB) mechanism of BPJS health. Nonetheless, there are some constraints the company faces when taking Smart plus COB in terms of finance in which the company has to make double payments (BJS IURAN and commercial insurance premium), and companies that have not been registered with a minimum of 75% in BPJS also demand the COB smart plus product. However, these problems can be solved by increasing the smart plus product marketing in reference to its marketing mix (7Ps: Product, Price, Promotion, Place, Process, Physical evidence, and People)).

The marketing principle task is to create value for customers as a difference between the customers' perception and benefits obtained from purchasing and using the product or service (Churchill Jr, 2011). In reference to high demand of social protection for the citizens, COB Smart Plus product should remain steady to meet this need. Thus, it is also necessary for

the company to identify the model business analysis of the smart plus insurance product. Subsequently, a research entitled *An Analysis on the Decision Model of Smart Plus Insurance Product Purchase* was conducted. Thus, 1) to analyze the decision model of Smart Plus insurance product purchase and 2) to determine the criteria, sub-criteria, and alternative priorities in Smart Plus purchase decision model.

Research on the marketing mix has been done both for tangible product marketing and service marketing. Octama (2011) has managed to analyze the influences of marketing mix on consumers' decision in purchasing Honda motorcycles in Sampit. Similarly, the result of the research conducted by Satit et al. (2012) on the consumers of travel agents in Malaysia showed that product and price are the most influential factors in consumer purchasing decisions. These results are in contrast to the study conducted by Untaja (2013) on Consumers' Behavior Analysis in Purchasing Insurance Services (Howard Model Application), aiming to prove the significant influence between a dissemination of information (included in one of the marketing mixes) and an understanding in the attributes (product, time, price, and services), and exclusive scholarship insurance in a positive direction.

The scope of this study was the relationship between marketing mix variables and smart plus insurance product purchase decision making. The marketing mix utilized in this study was 7Ps (Product, Price, Promotion, Place, Process, Physical evidence, and People) and was developed based on the object being studied and this study was limited to the corporate life insurance products. Thus, this study observed the respondents' decision making in purchasing smart insurance plus. The number of respondents in this study consisted of ten experts and practitioners with a consideration of competency. The requirement of the respondents to be valid in AHP is that they have to master or are expertise in their fields. Therefore, the selected respondents in this survey were boards of directors or BOD.

METHODS

This research was conducted on the companies which already established their cooperation with Mandiri Inhealth, use smart product plus, and are located around Jakarta, Bogor Depok, Tangerang and Bekasi.

Table 1. Development of insurance penetration and density in Indonesia

	2007	2008	2009	2010	2011	2012
Penetration (%)	0.82	1.15	1.01	1.10	1.13	1.31
Density	123.4	202.8	220.6	266.9	566.8	445.9

Source: Investor Magazine July 2013 XV/241

In this study, the data used were both primary and secondary data. The secondary data were obtained from the data in 2015 from Mandiri Inhealth Company in forms of premiums, benefits, ratio claims, and utilization data, while the primary sources were obtained through interviews (in depth interviews) in December 2015 by the experts and practitioners, who had an understanding of the issues discussed, followed by questionnaires at the second meeting. Respondents selected in this survey were boards of directors or BOD. The number of respondents in this study consisted of ten experts and practitioners with a consideration of competency.

The method used in analyzing in-depth interviews was based on marketing mix of 7Ps (Product, Price, Promotion, Place, Process, Physical evidence, and People), therefore, the following criteria were formulated: premiums, facilities/benefits, membership process, and providers. Furthermore, a hierarchy process was performed in a form of questionnaire to the boards of directors/BOD. The results of the data were processed by adopting AHP and using "Expert Choice" software, as well as by performing validation and interpretation of results so that sub-criteria and alternative priorities in determining the model analysis of smart plus product purchase decision were obtained.

The requirement of the respondents to be valid in AHP was that they had to master or are expertise in their fields, and the companies included PT Gapura Indonesia, PT Garuda Indonesia, PT Pelita Air Service, PT Universal Security, Perum Bulog, Kimia Farma, Ultra Milk, PUSRI, Gudang Garam, and PT Wijaya Karya. Strategies utilized as a reference or company's work program in marketing goods and services were based on the marketing mix strategies.

Marketing mix has an essential role in defining its function as a set of marketing tools utilized by companies to continuously achieve marketing goals. These marketing tools are classified into broader groups known as 4Ps in marketing i.e. product, price, place, and promotion. Saaty (1993) explains that there

are several steps in using AHP method as a tool to solve problems. The steps are as follow:

1. Defining problems and specifying the desired solutions.
2. Formulating the hierarchical structure of the thoroughly managerial standpoint.
3. Developing a paired comparison matrix.
4. Obtaining all necessary considerations to develop matrix devices.

AHP model construction was formulated theoretically and empirically based on the literature review and questions were given to the company management or boards of directors/BOD as well as in-depth interviews were carried out to assess information more deeply in order to acquire the real problems. The phase of quantification model used the questions in a form of AHP questionnaire including pair wise comparison among elements in the cluster to determine which one has a bigger influence, and the results were collected and entered through the expert choice software to finally produce an output in a form of priority and super matrix. The model analysis of smart plus insurance product purchase decisions which determined the criteria, sub-criteria and priorities in the Smart Plus purchasing decision model was formulated. As seen in Figure 1, there are four criteria used in the AHP method (Analytical Hierarchy Process) including the premiums, benefit or facilities, membership process, and providers. The stages in AHP can be seen further in Figure 1.

Framework of the Research Concept of "Let's invest in Insurance" is a sentence which has always been socialized by Indonesian Life Insurance Association (AAJI), aiming to encourage the Indonesian citizens to have an insurance policy and make them aware of the importance of insurance. Sharif (2008) concluded in his study that the holders of life insurance policy are strongly influenced by their own trust, meaning that the consumers will most likely to purchase life insurance once they believe in the products offered, quality of services provided, as well as trust within the insurance company.

Schiffman and Kanuk (2000), and Sumarwan (2011), revealed in their decision model that the company marketing mix is one of the external factors that influences the decision-making process. Payne (2001) explains that one form which can affect consumers and can be controlled by the company is marketing stimulus through the elements of the marketing mix. The elements of the marketing mix in the marketing of services consist of Product/Service, Price, Place, Promotion, People, Process and Physical Evidence. Thus, the factors covered in the marketing mix variables are expected to influence the consumer decision in choosing a life insurance company. The marketing mix can be a tool to attract people to use life insurance services, particularly in supporting the development of life insurance business.

Social protection for citizens is high in demand; therefore, Smart Plus product must continuously exist in order to meet this need. Social security has been widely implemented by both government and private agencies,

while the implementation still faces limitations. Consequently, the needs of improving the system of recommendation determination (targeting) and increasing public participation and government toward the social protection must be fulfilled. Moreover, this also triggers a product marketing strategy encouraging Smart Plus product to increase its superiority.

Furthermore, a variable relationship with the theoretical framework must be discussed i.e. the need of company to analyze the purchase decision model of smart plus product and to determine the criteria, sub-criteria and priorities. The results of BOD interviews are classified into four criteria: premiums, benefits, membership process and provider, and the BOD are expected to build cooperation with Mandiri InHealth by using smart plus products. The marketing role strategy in the company is highly important, particularly in controlling internal and external factors, to achieve company's vision and mission. The theoretical framework in Figure 2.

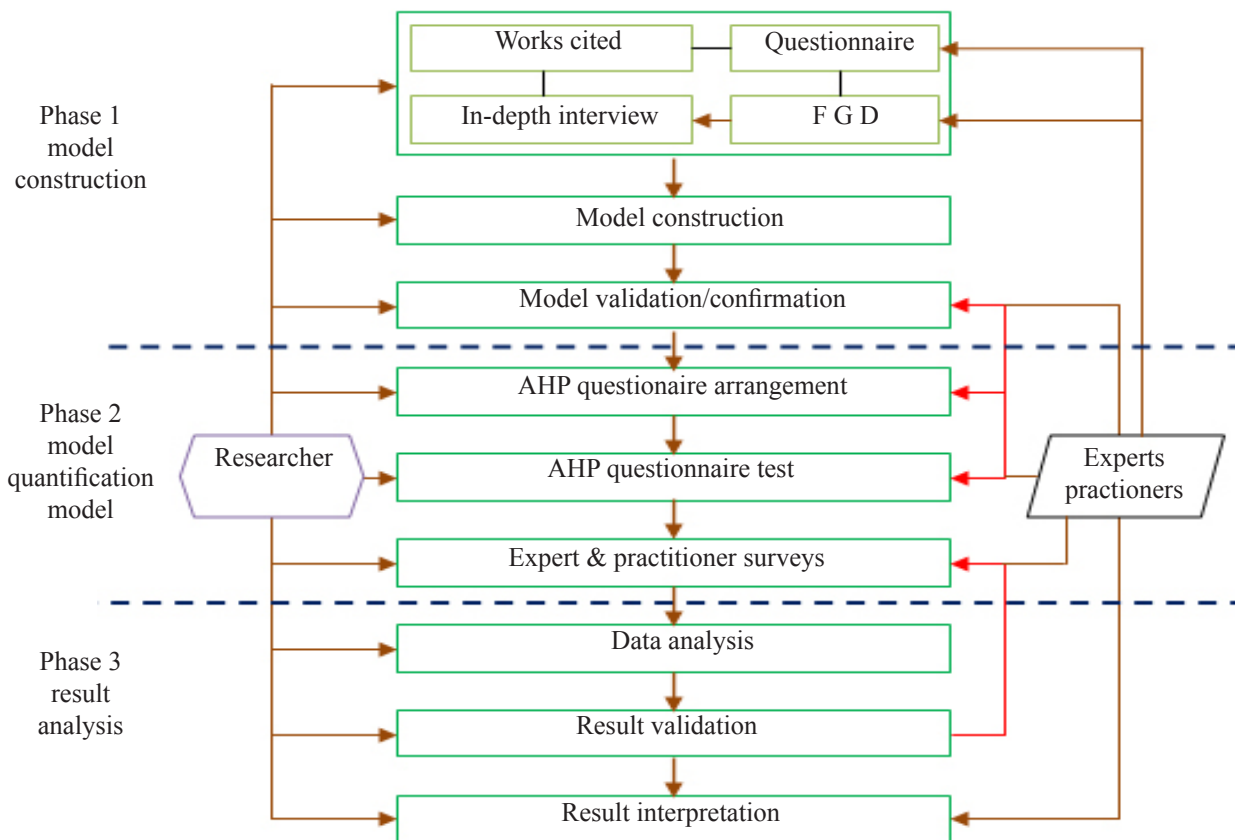


Figure 1. Stages in AHP method

Table 2. Variable descriptions

Criteria	
Premium	is money paid by the insured to the insurer to obtain a number of benefits calculated in particular ways.
Facilities/benefit	The main benefits cover First Level Out-patient Services, Advanced Level Out-patient Services, Inpatient Services, Medication Service Employees who are insured may be fulltime or contract employees who actively work for the Policy holder
Membership process	The minimum number of members is 25 (twenty five) employees or at least 80% (eighty percent) of the number of workers from the Policy holder to the non-contributory by considering the company rules
Provider	Provider is the Health Service Provider cooperated with Mandiri Inhealth to serve Members/ Policy Holders.
Managed care (COB)	is a health care system in which the service provided by is tiered with a structured and comprehensive referral pattern in accordance with medical needs. Services are provided by the selected provider, and it has cooperated with the Insurer so that the members can be treated without having to pay in advance
COB Smart Plus	Collection Health Insurance Product provides health services in a comprehensive manner i.e. promotive (increase), preventive (prevention), curative (treatment) and rehabilitative (recovery) and is structured and tiered with a minimum of 75% members registered in BPJS
Non-COB/ Indemnity	Group health insurance program is aimed for the company employees covering their spouse and/or children. Indemnity Inhealth Product provides health care by using Publisher provide network.

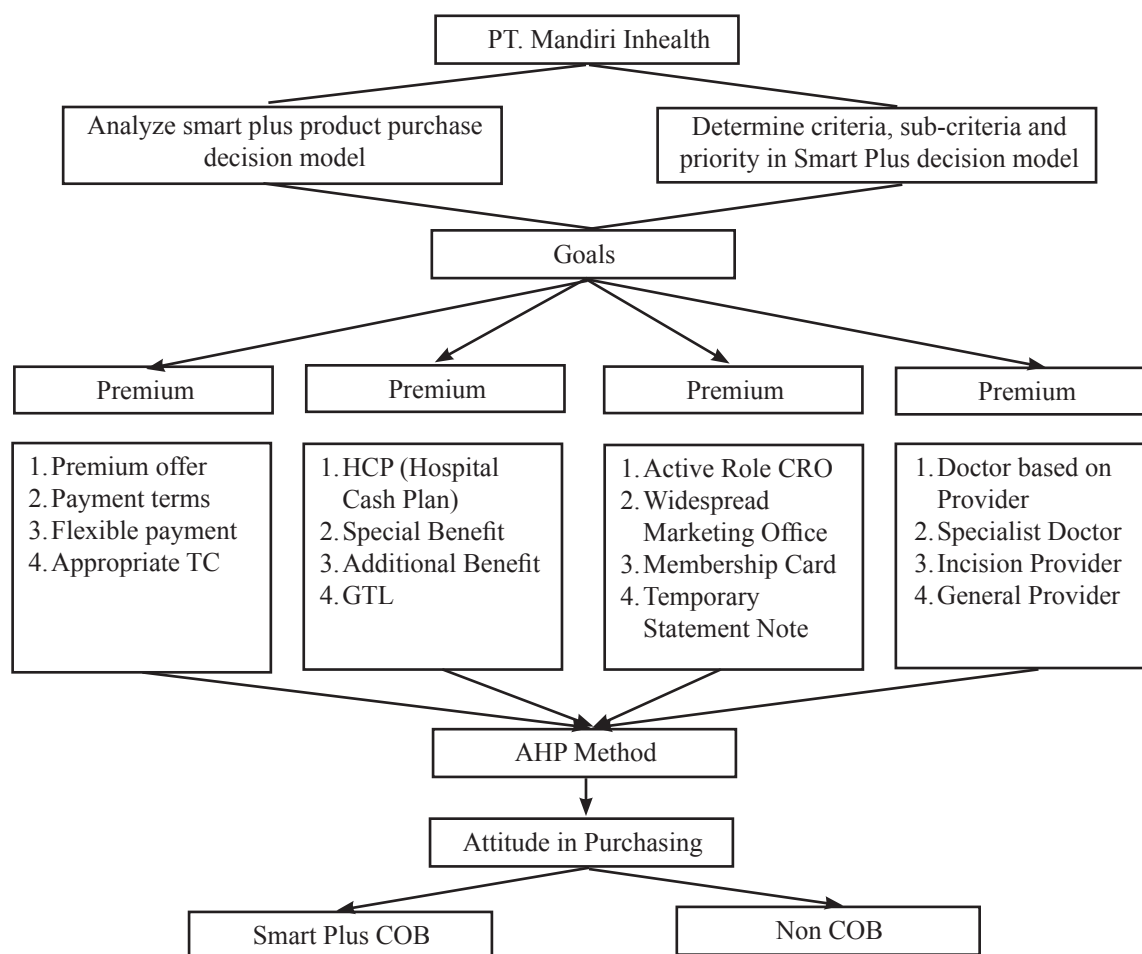


Figure 2. The framework

RESULTS

Decision Model of Smart Plus Insurance Product Purchase

The results of study revealed that the marketing mixes are collectively proven to be influential in purchase decisions. All researchers, who used the service as an object of their research, applied the 7P variables as indicators that influence the attitudes of business agencies. In this study, there are only a few mixes which have significant influences, including:

1. Price

Establishment of price/premium of Smart Plus COB is considered to be influential in purchase decisions of the business agencies. Therefore, it can be inferred that the pricing based on respondents' profiles can be customized with total employee costs which do not rise significantly so that premiums can be cheaper because of COB and BPJS, and therefore, BPJS contributions can be utilized.

2. Product

A marketing mix, which has a significant influence in smart plus life insurance product purchase decisions, is closely related to the benefit. Therefore, it can be inferred that the benefit or health facility on a commercial insurance does not decrease and should be better than that of BPJS.

3. Process

Process mix is one of the marketing mixes influencing the purchase decision models of smart plus product, in this case, the membership process. It can be concluded that the process of membership.

4. Place

Respondents who have cooperated with Mandiri Inhealth for over 2 years hold a positive influence on the smart plus insurance products purchase decision model. In this case, it is the provider frequently used by the company, for instance, a hospital cooperated with Mandiri Inhealth and BPJS. It can be inferred that the intersected provider may simplify billing claims, data utility and in advance assurance process, as well as general practitioners or Medical Specialists who

have established cooperation so that at the time of FOI medical administration (Formulary Drug Inhealth), members may not be charged with extra fees or exclusive FOI medicine.

From the four mixes, product is the most influential variable in in regards to the profit of the company. Subsequently, the benefits of smart plus insurance in a perspective of marketing will be increased when compared with BPJS benefit. Therefore, the company will choose the smart plus insurance product again.

Determining Criteria, Sub-Criteria and Priority in Smart Plus Decision Model

In reference to the results of in-depth interviews and questionnaires, the following aspects are obtained i.e. criteria, sub-criteria, and priorities which demonstrate smart plus product purchase decision alternative models. This decision model is explained in more details as follows:

1. Decision model of smart plus product purchase based on criteria

In this study, the criteria of Smart Plus Decision Model including premiums, benefits, membership process, and providers were examined (Figure 3). AHP synthesis calculation results show that the benefit/facility is the most important criterion in this model with a value of 36.3%. The second criterion is premiums of 35.7%, followed by the desire of membership by 14.6%. Provider is the last criterion in terms of a planned behavior model i.e. 13.4%. The index value of inconsistency in the criteria cluster is less than 0.1. Therefore, the answers from the respondents related with this cluster have been considered to be consistent.

This finding is in line with a research conducted by Purwanti (2011), entitled an analysis on factors of consumers' purchase decision in department stores/supermarkets in Salatiga which reveals that consumers decide to purchase goods in the supermarket/department store because of the facilities and conditions especially the hygiene and child playground factors. Consumers will most likely to feel comfortable in a clean place so that they become interested in buying goods sold to them. This argument is similar to the AHP synthesis calculation result, showing that the benefit/facility is an important matter. Subsequently, it is presumed that the company satisfaction will be fulfilled by providing more

complete facilities and services than those provided by BPJS services. Thus, the facility also becomes the main factor affecting strategies in a smart plus insurance purchase model.

2. Smart plus product purchase decision model based on sub-criteria

In this study, sub-criteria of the results of the questionnaires at the second meeting with the respondent were established. The selected respondents in this survey were the boards of management or BOD. The number of respondents in this study consisted of ten experts and practitioners with a consideration of competency. The respective sub-criteria are explained more thoroughly as follows:

- Premium

Premium is the amount of money that must be paid in advance by the Insurance Holder to the Insurer as a result of health insurance closure. Premium payment can be performed by transfer of money, or by other agreed methods between the Insurer and the Insurance Holder. Insurer is said to receive payment of the premium as it has been successfully transferred to the Insurer's bank, or Insurer has agreed in written note regarding the premium repayment. In the premium sub-criteria, there are four essential elements: premium offers, payment terms, flexible payments and appropriate TC. The prioritized results of premium sub-criteria cluster

in the planned behavior model of smart plus insurance product purchase can be seen in Figure 4.

Respondents' opinions indicate that premium offer is the most important element in premium sub-criterion of smart plus health product behavior-planned model with a value of 41.1%. The second most important element is appropriate TC by 32.7%, followed by flexible payment by 15.2%. Thus, the final element in premium sub-criteria model of smart plus health product behavior-planned is payment terms with a value of 11%.

The inconsistency index value in the premium sub-criterion cluster is under 0.1. Therefore, the answers from the respondents related with this cluster have been considered to be consistent as it supported by a study conducted by Yanti (2004), stating that the prioritized alternative strategy for Antv to achieve its objectives is by increasing the frequency/intensity of its promotions. This is in line with the results of AHP synthesis calculation above displaying that the premium offer is the most important element in the premium sub-criteria of smart plus health product behavior-planned model. In reference to the economic theory, with the increasing number of premium offers, it is expected to increase the diversity of choices for consumers and to increase the demand for the premium. Subsequently, the premium offers become the main factors affecting the preparation of the strategy in terms of the premium sub-criteria of smart plus health product behavior-planned model.

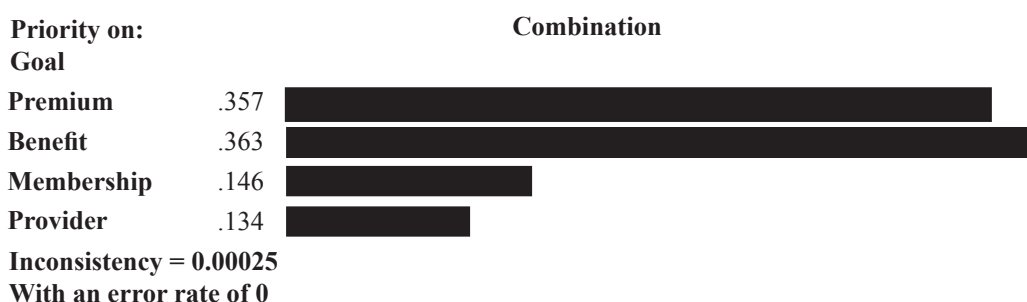


Figure 3. Priority of Premium criteria model analysis of smart plus insurance product purchase

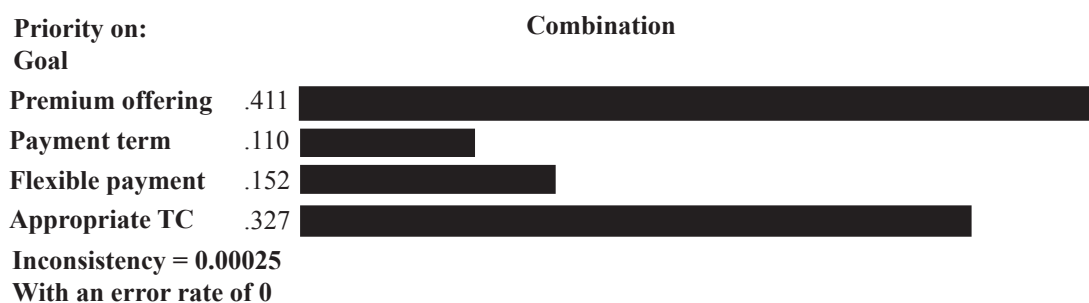


Figure 4. Priority of Premium sub-criteria model analysis of smart plus insurance product purchase

- Benefit

In the sub-criteria of benefits, there are four essential elements: Hospital Cash Plan (HCP), special benefits, additional benefits and Group Term Life (GTL). The following is the prioritized result of benefit sub-criteria cluster the model analysis of smart plus insurance product purchase as can be seen in Figure 5.

In reference to the AHP synthesis calculation above, respondents' opinions indicate that membership card is the most important element in terms of benefit sub-criterion with a value of 39.9%. The second most important element is Hospital Cash Plan (HCP) by 24.8%, followed by the special benefit by 19.1%. The final element in benefit sub-criteria of smart plus health product behavior-planned model is Group Term Life (GTL) with a value of 16.2%. The inconsistency value index on benefit sub-criteria cluster is under 0.1. Therefore, the answers from the respondents related with this cluster have been considered to be consistent.

Other studies related to consumers' attitudes in the insurance policy purchase decisions were conducted by Loke and Goh (2012). Using a sample of 500 respondents in Malaysia (69% of life insurance customers, 21% non-customers), the study shows that the insurance purchase decision depends on socio-demographic and economic factors. Professional and white-collar workers along with citizens aged 30 years and over have a higher demand of life insurance products. Nevertheless, in terms of educational status, it is argued that higher educational level is not the main factor in the demand of life insurance. Referring to the results above, it is revealed that the most important element is additional benefits; therefore, they become the main factor influencing the strategy planning in terms of benefit sub-criterion of smart plus health product attitude-planned model.

- Membership

In the membership sub-criteria, there are four essential elements, including: CRO active role, widespread marketing office, membership card and temporary certificate. The prioritized result of membership sub-criterion cluster of model analysis in smart plus insurance product purchase can be seen in Figure 6.

In reference to the AHP synthesis calculation above, the respondents' opinions indicate that membership card is the most important element in terms of the membership sub-criterion of smart plus health product behavior-planned model with a value of 46.6%. The second most important element is a temporary certificate by 23.4%, followed by the widespread marketing offices of 15.3%. The final element in this sub-criterion is the active participation of CRO by 14.6%. The inconsistency value index on membership sub-criteria cluster is less than 0.1. Therefore, the answers from the respondents related with this cluster have been considered to be consistent.

It can be inferred from the findings that the membership card may become the prioritized element in terms of behavior-planned model of membership sub-criterion of smart plus health products. This is resulted from the way the membership card functions as a manifestation of participant's identity. Therefore, it can also be a major factor affecting the strategy planning in term of behavior-planned model of membership sub-criterion of smart plus health products.

- Provider

In this section of provider sub-criteria, there are four essential elements: provider-based doctors, medical specialists, incision providers, and general providers. The following is the prioritized result of the provider sub-criterion cluster in smart plus insurance product purchase model analysis as can be seen in Figure 7.

In reference to the calculation of AHP synthesis above, the respondents' opinions indicate that element of Medical Specialist is the most important priority in the planned behavior model provider sub-criteria of smart plus health products with a value of 38.5%. Furthermore, the next element is the requirements for the health facility document of level 1 i.e. 29%, followed by the Doctor element based on the Provider i.e. 23.4%. The final element in the sub-criteria provider is BPJS participants of 9.2%. Inconsistency value index on provider sub-criteria cluster is less than 0.1. Therefore, the answers from the respondents related with this cluster have been considered to be consistent.

This finding is supported by a research conducted by Moullec Lithuania, Kucinskiene, and Ulbinaite (2013)

revealing that "service" is a major factor influencing purchase decision. Service factor in this study is related to employee insurance and other processes and services such as the provider (Hospital) so that Medical Specialist becomes the main factor influencing the strategy planning in terms of planned behavior model provider sub-criterion of smart plus health products.

3. Purchase decision model of smart plus product based on alternative priorities

This cluster includes two elements: decision in using Smart Plus COB or non-COB products. The following is the results of alternative cluster priorities in the model analysis of planned behavior toward smart plus health products can be seen in Figure 8.

In reference to calculation result of AHP syntheses above, the respondents' opinions indicate that the use of CoB Smart Plus products is a prioritized decision in the planned behavior model of Smart Plus health products with a value of 64%. Meanwhile, the value of the use of the other product i.e. non-CoB is 36%. The value index of inconsistency in the alternative cluster is below 0.1;

thus, the answers of the respondents related to this cluster were considered to be consistent.

The model analysis of AHP Process in purchasing smart plus insurance products showed that the premium offer is the most important element in the premium sub-criteria of business model of smart plus health products, followed by the appropriate TC and flexible payment, as well as payment period affecting the company budgets. In addition, the membership card is the most essential element in terms of business model sub-criteria of planned behavior of smart plus health products.

Following this, certificate and widespread marketing offices are also important. The last element in membership sub-criteria is the active role of CRO on both incision and specialist providers which may facilitate patients to be treated at the hospital. Subsequently, it can be seen in Figure 9 that the number of Smart plus COB users is higher than that of the standard COB because of the premium, benefit, and membership process and provider have been covered. Therefore, the company has a tendency to use the Smart plus COB products again.

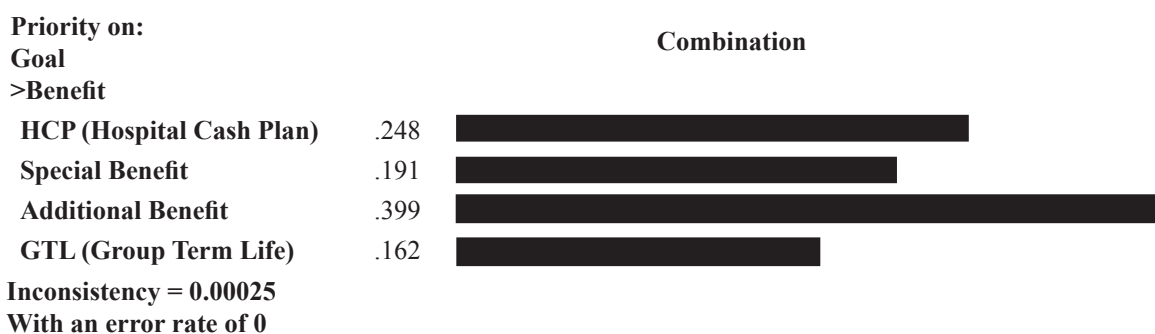


Figure 5. Priority of the benefit sub-criterion of model analysis of smart plus insurance product purchase

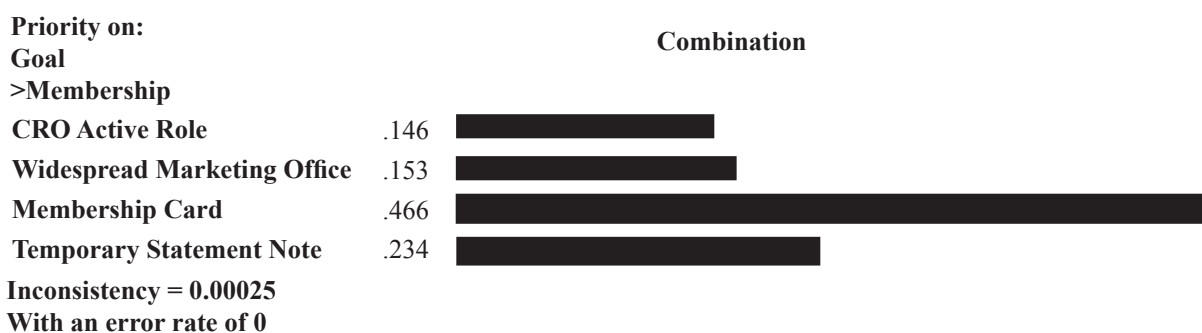


Figure 6. The prioritized result of membership sub-criterion cluster of model analysis in smart plus insurance product purchase

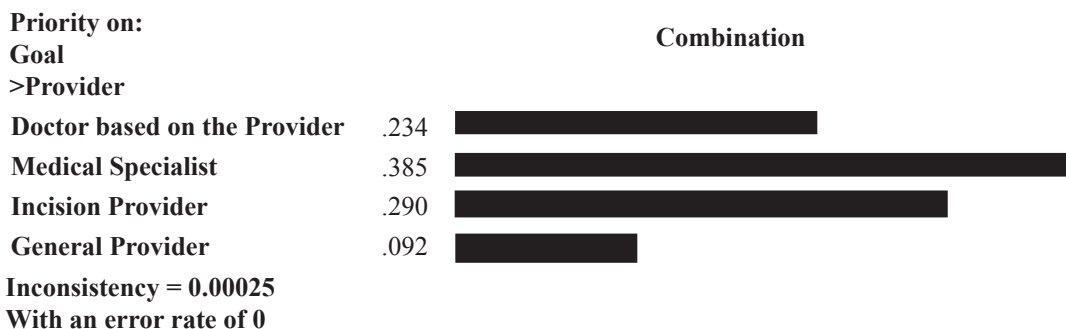


Figure 7. Priority of provider sub-criterion of model analysis of smart plus insurance product purchase

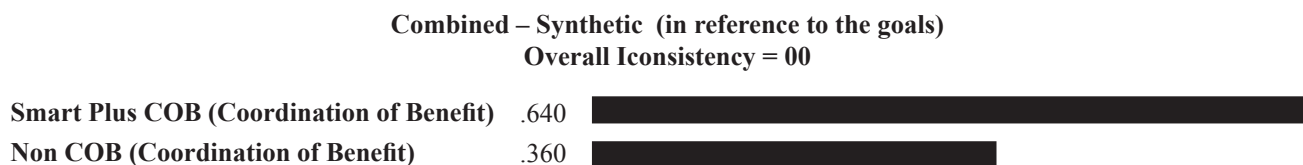


Figure 8. Alternative priorities of the model analysis of smart plus insurance product purchase

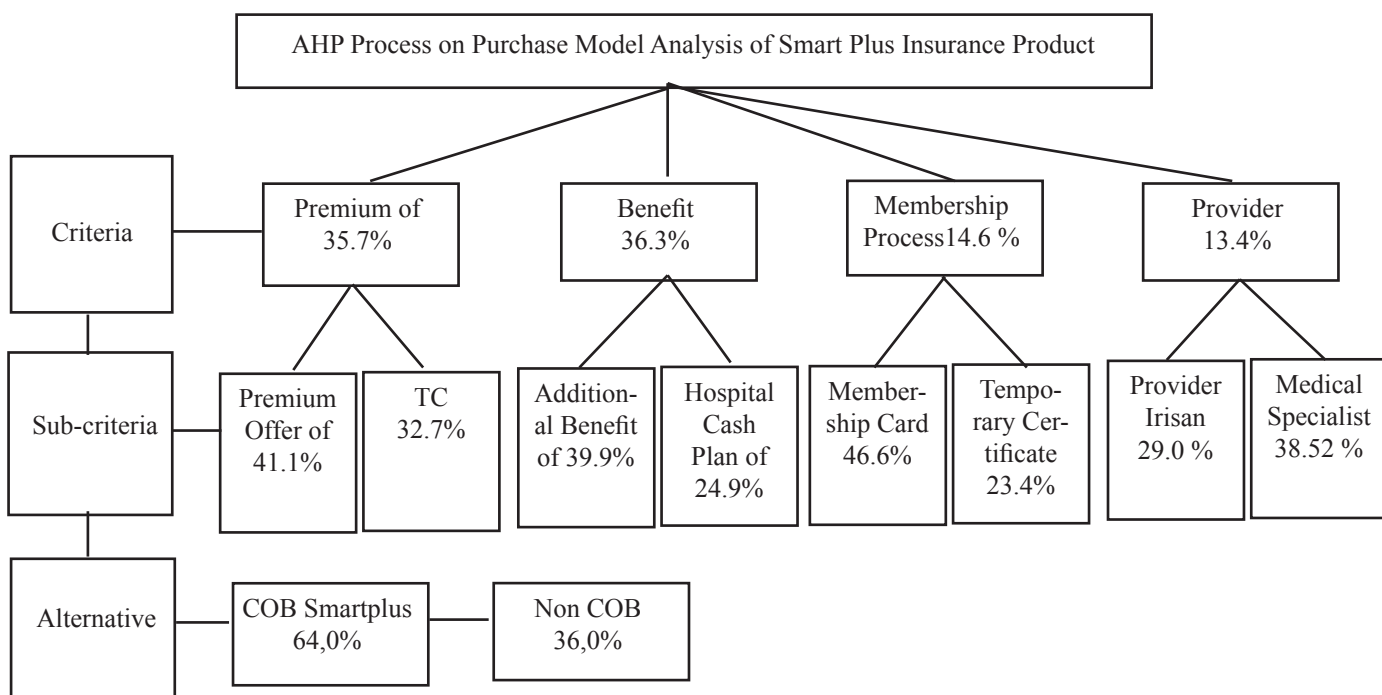


Figure 9. Priority of AHP purchase model analysis in smart plus insurance product

Managerial Implications

The results obtained from the analysis of the data may have an impact on management decisions of life insurance companies. Managerial implication is a process of participative decision-making performed by a company, or how it can increase productivity by improving its capacity, quality, efficiency and effectiveness toward the existing resources. In this study, the benefit is the most influential marketing mix variable in purchasing decision.

The establishment of price suited to its benefits, flexibility in premium payment, and cheaper premium do influence the respondents to consider that life assurance companies are qualified; however, the price variables influence the purchasing decisions. Subsequently, the efforts which can be performed by life insurance companies in pricing based on the respondents' profiles can be adjusted to the age of the respondent i.e. the younger the respondent, the cheaper the price which can be obtained with a comprehensive benefit.

The process variable is one of the variables significantly influences the purchasing decisions for the respondents who do not own life insurance. Technology will greatly assist in this process, starting from the dissemination of information about the product. A company can create an interactive web that accommodates the curiosity of prospective customers to the company profile and products owned by the company. The process to become customers should also be made easier, such as the filling out of the life insurance request from can be conducted online.

The distribution channel used by Mandiri In Health insurance company includes agents, direct selling, and brokers, nonetheless, in recent years, the company has started to use the Bank as its distribution channel. The company should further maximize the existing distribution channels, as proven by many of the respondents who agreed that excellent life insurance company should have a variety of distribution channels.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the analysis and discussion of the study on the Smart Plus purchase decision model by using AHP analysis applied on the four marketing mixes which had been performed (Price, Product, Process, Place), it can be said that the most influential marketing mix is the product. Thus, smart plus insurance benefits in terms of marketing will be increased compared to those of BPJS. Therefore, the company will choose plus smart insurance products again.

The results of decision models based on the criteria show the following levels of importance: benefits (36.3%), premiums (35.7%), membership process (14.6%) and providers (13.4%). Thus, the most influential criterion is the benefits/facilities, thus enabling the company to maximize the use of the BPJS facility. The results of decision model based on the essential sub-criteria include premium offers (41.1%), additional benefits (39.9%), membership cards (46.6%), and medical specialists (38.52%). Subsequently, the most influential sub-criterion is premium offers; therefore, the companies can obtain relatively cheaper premium offers of COB smart plus than those of Non-COB. The results of the purchase decision model show that the users of COB smart plus products obtain 64% and those of Non-COB obtained 36%. Moreover, the most influential alternative priority is users of smart plus product, resulting in an improvement in employees' welfare using a commercial insurance and obtaining maximum BPJS premiums with the coordination of benefits.

In reference to the results, the ideal ways that can be recommended are establishing the competitive prices and adjusting prices to the obtained benefits, offering a wide range of life insurance products suited to the needs of the company, and combining the product with other products which add values to the products. In the process variable, the company can utilize the latest technologies in conducting the process and services to prospective business agencies, including the display of informative and interactive website, cooperation with potential companies that use smart plus insurance, as well as use of electronic mail in making claims/reimbursements. Moreover, in reference to the promotion variable, life insurance companies are suggested to allocate their promotion budgets by giving gifts to business agencies

which purchase life insurance policies with high premiums, to display advertisements in various media to increase awareness of the prospective business agencies towards life insurance companies, as well as to show the benefits of purchasing the insurance.

Recommendations

In addition, in order to improve this present study, there are a number of suggestions which can be considered when conducting similar studies in the future: In general, this study was only conducted by examining the influence of marketing mixes on purchasing decisions, while the behavior of consumer purchase decisions are also influenced by internal and external factors. Nevertheless, an inferential analysis on the respective influences were not performed, therefore, it is strongly recommended for further studies to conduct an inferential analysis to determine the influences of internal and external factors on consumer purchase decision of life insurance. This study was conducted on the companies using smart plus products, thus, further studies can also be performed on other products such as the purchase of I-Flexi, MSN, and Managed care standard products.

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