Journal of Business, Management, and Accounting *Volume 1*
Issue 1
15 Sept 2019

AN EMPIRICAL ANALYSIS OF MARKETING MIX IN THE LIFE INSURANCE INDUSTRY TO PURCHASE DECISIONS OF LIFE INSURANCE PRODUCTS

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Keywords: Marketing Mix, Life Insurance, Strategy, Purchase Decision.

Abstract: The marketing mix is very important and influences the marketing strategies of all companies, including the Life Insurance company. There are seven marketing mixes in the service industry such as Life Insurance companies, commonly known as 7P's. This study aims to analyze the effect of product marketing mix, price, place, promotion, people, process and physical evidence that can influence decisions consumers in purchasing life insurance products. In conducting this research, a data collection method was used using a questionnaire using a sample of the population of DKI Jakarta residents who were working and earning income. The DKI Jakarta region was chosen as the research subject because it is considered as the most developed region with the highest level of community income compared to other regions in Indonesia and has the highest financial literacy index compared to other provinces in Indonesia; besides, Jakarta as the capital of the country has contributed to product penetration Life insurance. It is hoped that through this research the Life Insurance company knows in detail the extent to which the relationship between the product marketing mix, price, place, promotion, people, process, and physical evidence physical) and which of the marketing mix elements most influences the purchase decision of Life Insurance products that can be applied by Life Insurance companies to increase sales penetration of Life Insurance products.

1 INTRODUCTION

The Growth in Indonesia's Gross Domestic Product (GDP) always increases from year to year. Based on data released by the OJK through the 2017 Indonesian Insurance Statistics, in 2017 there was an increase of 9.53% from Rp. 12,406.8 trillion in 2016 to Rp. 13,558.8 trillion in 2017. Changes from year to year also occur in terms of industrial dominance, from previously dominated by the manufacturing industry but began to shift towards the service industry. One of the service industry sectors, which in recent years has contributed to economic growth is the Insurance service industry. Recorded in the same period, the gross premiums received by the insurance industry increased by 12.7% from Rp361.78 trillion in 2016 to Rp407.7 trillion in 2017. Thus, the ratio between gross premiums to GDP increased from 2.92% in 2016 to 3% in 2017.

The Indonesian Central Statistics Agency (BPS, 2011) shows that the composition of middle-class citizens is currently 81 million people in 2010 and today there are 131 million people. With the growth of 6-7 million population / per year, it is estimated that in 2025 there will be 235 million population or around 60% of the population including the middle class. Based on data released by AAJI through Press Release Achievement of Life Insurance for the 4th Quarter of 2017, the total gross life insurance premium income was recorded at Rp. 254.22 trillion. This achievement shows growth of 21.7% when compared to the achievement of the previous year in 2016 of Rp. 208.92 trillion. Growth in the Life Insurance industry not only occurred in the gross income of life insurance premiums but also followed by the growth in the number of Life Insurance companies from 55 Life Insurance companies in 2016, to 61 Life Insurance companies in 2017. This, of course, created competition in the Life Insurance Industry to be more competitive. From the above information it can be concluded that Indonesians have the potential to use insurance as part of life protection. Besides, Indonesians already have a good understanding of the importance of insurance but today's phenomenon reflects that people's awareness of saving their income in the form of insurance is relatively low, especially when compared to our neighboring countries. Indicators of this phenomenon are among others the low-density level and the low percentage of insurance holders from the upper middle-class community.

To be able to achieve its goals, every company needs a separate strategy. This strategy is influenced by external and internal factors. External factors are things that are beyond the company's control and reach, such as technological developments, economic conditions, government regulations, and the socio-cultural environment. While internal factors are things that exist within the company and can be controlled by the company, for example is the marketing mix (Esau, 2015) Of the seven elements of the marketing mix known in service companies, each element has a contribution in influencing consumer buying behavior. Seven elements of the marketing mix will be analyzed in this research, namely product, price, place, promotion, people, process and physical evidence that is considered to influence consumer life insurance purchasing decisions. Also, consumer purchasing decisions are no less important for life insurance companies to maintain long-term stability. There is a need for companies to learn about consumer behavior and ensure consumers are well informed about the availability of products and services that are very important in the competitive Life Insurance business. Considering all the information above, it is important to conduct research aimed at studying the effect of the marketing mix on consumer buying behavior on Life Insurance products. The findings will help companies to understand the effect of the marketing mix on consumer buying behavior. The findings from this study will be used for strategic marketing plans for Life Insurance companies to increase consumer satisfaction in the future).

Behind the promising growth of the Life Insurance industry, the amount of achievement is still very far compared to Indonesia's Gross Domestic Product (GDP), this shows that Life Insurance penetration in Indonesia is still relatively low. According to data submitted through the insurance portal newsasianews.com (March 2018), when compared to Indonesia's Gross Domestic Product (GDP), Life Insurance penetration in Indonesia is still less than 3%, the achievement is still lower compared to other Southeast Asian countries penetration such as Singapore, Malaysia, and Thailand which have Insurance penetration rates of more than 5% of the country's Gross Domestic Product. Also, the low penetration of Life Insurance in Indonesia is the biggest challenge of any Life Insurance company.

Comparison of Life Insurance penetration rates that are still low with life insurance premiums that are high enough to encourage life insurance companies and companies to compete and compete even harder to compete for life insurance premiums. Principals and Life Insurance companies consider that the low penetration of Life Insurance is an opportunity that must be utilized because this means that the opportunity for the development of the Life Insurance industry in Indonesia is still large. Seeing this huge market opportunity, Life Insurance companies are trying to compete by implementing an effective marketing strategy through the elements of the 7P marketing mix which includes product, price, place, promotion, people (place), process (process) and physical evidence (physical evidence) to get the market. An attractive and effective marketing mix strategy is needed to be able to attract and influence consumer behavior so that they are interested in the offered Life Insurance products which in turn can increase Life Insurance penetration in Indonesia. Considering all the conditions stated above, for this reason, this research was conducted with the aim of analyzing the interrelationship of the marketing mix of 7P's product, price, place, promotion, people, place, process) and physical evidence (physical evidence) on consumer purchasing decisions Life Insurance and also analyze the dominant marketing mix elements that provide the greatest influence on life insurance consumer buying decisions. In the end, this research is expected to be able to provide recommendations for Life Insurance companies to implement marketing strategies that can help increase Life Insurance penetration in Indonesia. Previous research has been carried out by several researchers in other countries on the same issue, (Mirabi & Akbariyeh, 2015) published in the context of Iranian insurance companies and (Nifras, 2010) in the Sri Lankan context and therefore this research wants to fill the research gap in the Indonesian context.

2 LITERATURE REVIEW

This study wants to determine the effect of the dependent variable in the form of 7 elements of the marketing mix which include: product, price, place, promotion, people, process, and physical evidence physical) to the independent variable, namely the decision to purchase Life Insurance. Also in this study will be seen how strong moderating variables consisting of: gender, age range, education level and income range per month reinforces the effect of 7 elements of the marketing mix on life insurance purchase decisions.

2.1 Customer Decision Process

The purchase decision is a long process that must be taken by the customer in deciding the purchase activity, thus, to understand how the customer reaches the decision, we need to know the process of it all happening. According to Peter and Oslon (2000) consumer decision making is a problem-solving process that is directed at the target. Peter and Oslon (199: 162-163) state that the core of consumer decision making is the integration process that combines knowledge to evaluate two or more alternative behaviors and choose one of them. Consumer decision making includes all the processes that consumers go through to identify problems, find solutions, evaluate alternatives, and choose between choices.

Furthermore, according to Solomon (2007), the decision process in purchasing is divided into five stages as follows:

a) Problem Recognition, at this stage, the consumer is in the stage of the problem being faced.
b) Information Search, consumers, try to find information about a problem or a thing faced and try to find a way out.
c) Evaluation of Alternatives, after they have gotten a lot of information, then consumers pick and choose from alternative solutions.
d) Purchase Decision, and indeed they are sure of the solution they think is best; then they will purchase a product or service that they think is necessary.
e) Post-Purchase Behavior, at this stage, the benefits provided from the company after their customers decide to buy products or services from the company. This is what can maintain the loyalty of its consumers towards the product or service.

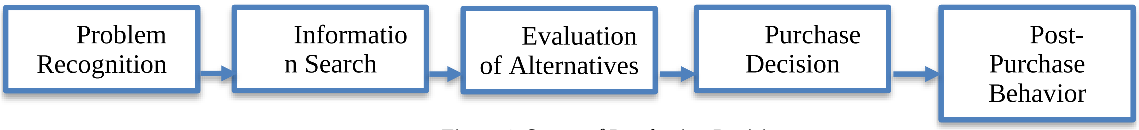

Figure 1. Stages of Purchasing Decisions

2.2 Marketing Mix

One of the basic concepts in marketing management, according to Ziethaml and Bitner is the marketing mix, which can be interpreted as factors that can be used to influence satisfaction and communicate with consumers (2000). In addition, according to Payne (1993) the marketing mix consists of various elements of marketing programs that need to be considered to successfully implement a marketing strategy and the company's market position. Initially the marketing mix was introduced by McCarthy (1960) through the concept of 4P namely, product, price, place, promotion. Then Booms & Bitner (1980) perfected it into 7P by adding three additional elements in the marketing mix, especially service marketing, namely: people (physical), physical evidence, and process.

2.3 Elements of the Service Marketing Mix

Product

Kotler and Armstrong (2018) said that products are a combination of goods and services that the company offers to its target market. Kalaimani (2012) in his research, stated that the product means what is produced by the company. If the company produces goods, it means that the product is tangible and when the company produces or produces services, it means that the product is service and intangible. A product is what the seller must sell, and the buyer must buy. So, in the context of insurance companies because what is sold is a service, therefore services are insurance company products. Besides, Maria Johaan (2013) in a previous study wrote that the product is a means used by companies to provide satisfaction for their customers. In this context, a product is an offer consisting of both tangible and intangible elements. So that service products consist of core products that respond to customer primary needs and services in addition to being able to provide added value. In this research, life insurance can be categorized as an intangible product.

Life insurance according to (Huebner & Black, 1969) is a contract for payment of an amount of money to a person guaranteed, to a person entitled to receive the same, at the time the event is insured with the contract. According to the Indonesian Life Insurance Association (2015), life insurance is a protection program in the form of transfer of economic risk for the death or life of an insured person. The policy contains a contract between the life insurance company and the policyholder in which the Life Insurance company has an obligation to provide a predetermined amount of money to the designated (usually the heirs) in the event of death, or the life of the insured at the end of the contract period (according to the coverage period). In return for the transfer of risk, the policyholder has an obligation to the life insurance company, which is called premium payment. Life Insurance Products based on the Financial Services Authority Financial Literacy Series (2018) are divided into four types:

a) Term Life Insurance (Term Life Insurance) is insurance that provides protection for the death of a person within a certain period of one year and can be extended. It only contains protection (has no cash value), so the premium charged is very low/economical.
b) Whole Life Insurance, insurance that provides protection for the death of a person until he is 99 years old. Because it has cash value, the premiums are more expensive than term life insurance premiums.
c) Endowment Life Insurance (Endowment), insurance that provides protection for the death of a person and has an investment element that provides a guaranteed rate of return (guaranteed) insurance companies. Investment risk is borne by insurance companies.
d) Unit Link Life Insurance, insurance that provides protection for the death of a person (term life and lifetime) and contains an investment element that is placed in the investment instrument chosen by the insured.

From four types of life insurance above, term life insurance, life insurance for life, and life insurance are then better known as pure life insurance (conventional). In terms of premium income contribution, Life Insurance products in Indonesia are among the highest insurance products purchased by people in Indonesia compared to other insurance products. Based on data from the Financial Services Authority in 2017, the largest gross premium allocation in the insurance industry is life insurance by 47.7%.

Figure 2. Gross Premium Allocation by Insurance Sectors in 2017

Based on these data, there is an opportunity for life insurance provider companies to improve the quality of the marketing mix about attracting consumers in deciding on life insurance buyers. In a previous study conducted in Bogor, Indonesia by Primadona, Sumarwan & Najib (2016) it was found that from the four elements of the marketing mix that most influenced the consumer's decision to buy Smart Plus Insurance products were the Product elements

Price

According to Kotler and Armstrong (2018) in the book Principles of Marketing, price is the amount of money that consumers must pay to get certain goods or services. So the price is also one important element in the marketing mix that determines the success of the sale of a product. According to Kotler in Sangadji & Sopiah (2013: 16) there are six steps that must be taken by the company in determining product prices, namely: (1) choosing the objectives and setting price, (2) determining demand, (3) estimating costs, (4) analyzing competitor costs, prices, and bids, (5) choosing a pricing method, (6) choosing the final price. In the insurance industry, price is the value of premium that must be paid by consumers to get the benefits of life insurance products. In a previous study, Dash (2012) pricing strategies for life insurance companies in India positively influenced the customer's decision to buy a life insurance policy. Furthermore, Maas & Graf (2008) there are five attributes included in consumers' judgment in influencing their preferences in choosing insurance, namely: (1) Price, (2), insurance franchise (3) bonus without claim (4) post-accident service (5)) value-added services.

Place

The place is one element of the marketing mix. As stated by Kotler and Armstrong (2018), the place also includes the activities of companies that can make the products sold reach their target market. In a previous study Marwa, Sumarwan and Nurmalina (2014) conveyed that place is how companies distribute life insurance products to the public. The place indicators used in this study are the variety of distribution channels, the large number of marketers spread throughout Indonesia, and the distribution of marketing offices. Maria Johaan (2013) in her study wrote that place selection decisions refer to the ease of access customers have with products and services. The distribution of products and services involves the decision to determine the physical location, the decision about which intermediaries will be used, and what channels should be chosen both physical and electronic channels. In many cases companies offer a choice of distribution channels, including visiting branches, transacting with agents, using the Internet, call centers or self-service machines such as ATMs in banking services. In the life insurance industry, a place or office of an insurance provider is part of the marketing mix element that is a place or place, besides that along with the development of internet technology where many companies provide online sales channels, the website of a life insurance provider company is also categorized as a place element (place) in the marketing mix.

Promotion

Kotler and Armstrong (2018) in their book, suggested that promotion refers to the activities carried out by the company to communicate the superiority of the product or service and can encourage customers to buy it. According to Maria Johaan (2013) in her research, no marketing program can be successful without communication, which involves various methods and techniques used to convey information about the product or service offering itself, to influence target customers towards the benefits of certain products and services, and finally encourage them to make a purchase decision at a certain time. Osman, Othman, Rana & Solaiman (2016) in Bangladesh in a previous study of one of the factors or components of the marketing mix, promotion said that the promotional tool considered in the study was 69% explaining the dependent variable in the study, the decision to purchase life insurance. In this case advertising has a positive influence in influencing the purchase decisions of life insurance in Bangladesh, life insurance companies promote their products through electronic advertising, print, and other media. And the research shows evidence that various advertisements motivate consumers to buy life insurance products in Bangladesh. So, advertisements in a variety of different media and sales promotion techniques used by insurance companies in Bangladesh become an effective promotional tool for selling life insurance in Bangladesh.

People

Zeithaml, Jo Bitner & Gremler (2017: 26) in his book: Service Marketing - Integrating Customer Focus Across the firm, argues that People in the marketing mix can be defined as All human actors who play a role in service delivery and can affect the perception of buyers, namely: company personnel, customers, and other customers in the service environment. In this case it concerns all people involved or participating in the delivery of services to customers. In terms of employees or staff who provide services reflected in their attitudes and behavior, how to dress, and their appearance all affect customer perceptions of service. In many service situations, customers themselves can also influence service delivery, thereby affecting the quality of service and their satisfaction. Also, customers not only affect the results of their services, but they can also affect other customers, for example customers can influence the quality of service received by others to either increase or reduce the experience of other customers. Kotler & Keller (2016: 48) explain the importance of the People element in marketing as follows: "People reflect, are part of internal marketing and the fact that employees are crucial to marketing success. Marketing will only be as good as the people in the organization. It also reflects the fact that marketers must view consumers as people to understand their lives more broadly, and not only as buyers who consume products and services. " In previous research, Nifras (2010) People element is an element of marketing mix that has a positive and significant influence on consumer interest in buying insurance products.

Process

Kotler & Keller (2016: 48) describe the Process elements as follows: "The process reflects all the creativity, discipline, and structure that is brought into marketing management. In this case, marketers must avoid planning, and decision making temporarily and ensure that current marketing ideas and concepts play an appropriate role in everything they do, including creating long-term relationships that are mutually beneficial and imaginatively generating insights and breakthroughs in products, services, and activities marketing". According to Zeithaml, Jo Bitner & Gremler (2017: 26) Three new marketing mix elements mentioned above (people, physical evidence, and process) are included in the marketing mix as separate elements from the 4P of the previous marketing mix (Product, Price, Place & Promotion) where the additional 3P is very prominent for service, the 3P is within the company's control, and any of these elements can influence the customer's initial decision to buy services as well as the level of customer satisfaction and repurchase decisions. The process here includes the process at the beginning of the consumer when buying life insurance, through what channels, whether the purchase of life insurance is made through an insurance agent or online purchases through the website of the insurance provider company. In previous research, Nifras (2010) process element is a marketing mix element that has a positive and significant influence on consumer interest in buying insurance products. Esau (2015) process variables have a significant influence on purchasing decisions for life insurance products at Prudential Life Insurance Manado, Indonesia.

Physical Evidence

Zeithaml, Jo Bitner & Gremler (2017: 26) define Physical evidence as follows: "The environment in which services are delivered and where companies and customers interact, and each tangible component that facilitates service performance or communication." Physical proof of service includes all tangible representations of services provided by the company such as brochures, letterhead, business cards, reports, equipment, and website views that are still related to the activities of marketing products or services offered by the company. In the life insurance industry which is part of the physical evidence element is the facilities and services that are owned by the life insurance company is offering its products. Marwa, Sumarwan, Nurmalina (2014) Indicators of physical evidence are public life insurance facilities such as buildings, lobbies or waiting places), offer proposals that are easy to understand, and after-sales service. Marwa, Sumarwan, Nurmalina (2014) that the variable physical evidence influences life insurance purchase decisions in Bogor, Indonesia. Rajkumar & Kannan (2014) included in the physical evidence include website, office atmosphere, transaction reports, and insurance product brochures, in the research it was found that the office atmosphere, followed by product and website brochures were factors that influence consumers in choosing a company

2.4 Hypothesis Development

The relationship between the dependent variable and the independent variable can be described in the conceptual model as follows:

From the conceptual model, the hypotheses that we developed in this study are as follows:

1. H1 = Product has a positive influence on purchasing decisions for life insurance products
2. H2 = Price has a positive influence on purchasing decisions for life insurance products
3. H3 = Place has a positive influence on purchasing decisions for life insurance products
4. H4 = Promotion has a positive influence on purchasing decisions for life insurance products
5. H5 = People have a positive influence on purchasing decisions for life insurance products
6. H6 = Process has a positive influence on purchasing decisions for life insurance products
7. H7 = Physical evaluation has a positive influence on purchasing decisions for insurance products

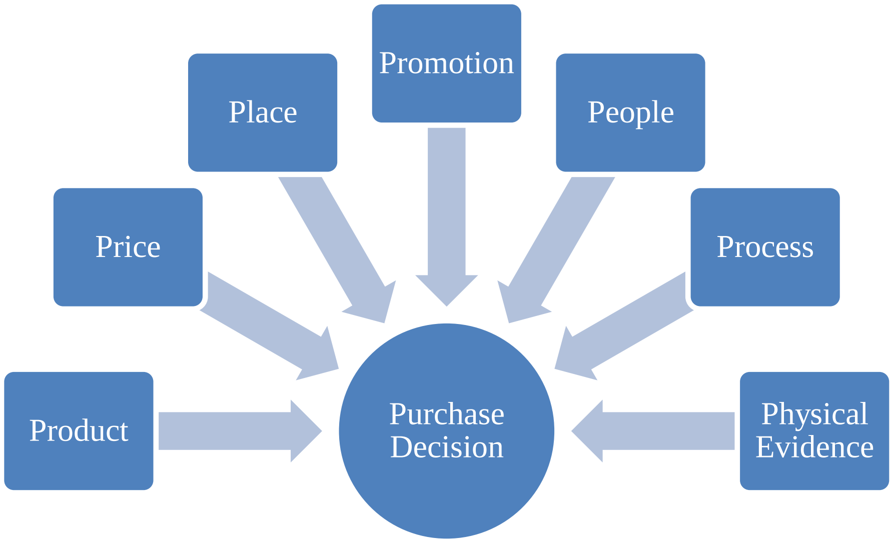

Figure 3. Framework

3 METHODOLOGY

The design that will be used in this study includes several elements which include the following: Research Strategy, Researcher Involvement in Research, Study Arrangement / Research, Analyzed Units, and Time Horizon. The design that will be used in this study is a comparative causal study in which the researcher will compare the marketing mix variables of a group of research subjects with the consumer purchase decision variable in purchasing life insurance products. The independent variable in this study is the marketing mix of services which includes: product, price, place, promotion of people, and process and physical evidence. The dependent variable in this study is the Life Insurance Purchase Decision made by the consumer.The primary data collection is done using a survey through a questionnaire distribution research tool.In this study using the interval scale to measure a person's habits or behavior.In this study using a Likert scale with rules as follows: score 1 is stated strongly disagree (STS), score 2 is stated disagree (TS), score 3 is stated doubtfully (RR), score 4 is stated with agreeing (S) and score 5 is stated strongly agree (SS) Questionnaires are distributed to gather information about which marketing mix is most effective in influencing pr purchasing decisions oduk Life Insurance conducted by consumers. The population in this study uses individual analysis units, where researchers will focus the research location on the City of DKI Jakarta. The research location was chosen purposively by considering that DKI Jakarta residents have the highest financial literacy index compared to other provinces in Indonesia as data from the Financial Services Authority in 2016 as follows, making it easier for researchers to obtain more accurate research results.

3.1 Population and Sampling

The population in this study are all residents of the City of DKI Jakarta, both those who already have life insurance policies or not and who are the subjects of this study are adults who have sufficiently understood and familiar with life insurance products and meet the requirements as policyholders with a minimum age of 25 years and over with a total of 5,581,044 inhabitants. The sampling method using Non-Probability sampling method. Data of DKI Jakarta population of productive age over 25 years in 2018. Data of DKI Jakarta population aged 25 years to 59 years were 5,581,044 people, and 40% who had financial literacy from the total population data were 2,232,418 people. The number is the population in this study, and for the sample of our study we used the Slovin formula to determine the number of samples as follows:

$$n = N = 2{,}232{,}418 = 99.99 = 100$$

$$1 + Ne2 \; 1 + 2{,}232{,}418 \; (0.1) \; 2$$

Information:

n = sample size

N = population size

e = Percent of allowance for non-convolution due to sampling errors that can still be tolerated.

By using the Slovin formula calculation, the number of samples in this study was 100 respondents.

3.2 Data Analysis

In the research we will do, there are two sources of data, namely primary data and secondary data. The secondary data that we obtained were from the Central Statistics Agency, the Financial Services Authority (OJK), and from other sources that have been published on the internet. Furthermore, to obtain primary data, we will obtain through quantitative research methods and data collection techniques, namely surveys with questionnaires that we will distribute to respondents. In the Questionnaire that we will share, we have determined a number of questions with the choice of answers that we have determined using a Likert scale that represents the dependent and independent variables that we will examine which consist of the dependent variable, namely consumer purchasing decisions and the independent variable consisting of 7 mixed elements product marketing, price, promotion, people, place, and physical evidence. Furthermore, in preparing the Questionnaire, we designed operational variables that we would use as references in compiling questions in the questionnaire later

4 FINDINGS AND DISCUSSION

4.1 Respondent Profile

Based on the tabulation of the questionnaire, answers related to the respondents' demographic profile in this study are as follows:

Table 1. Demographic Respondent

Details		Frequency	Percent (%)
Gender	Male	47	47.0
	Female	53	53.0
	Total	**100**	**100.0**
Age	25-30	36	36.0
	36-45	43	43.0
	46-55	15	15.0
	Above 55	6	6.0
	Total	**100**	**100.0**
Marrital Status	Single	35	35.0
	Married	65	65.0
	Total	**100**	**100.0**
Education Level	High School	1	1.0
	Diploma	7	7.0
	Graduate	79	79.0
	Post Graduate	12	12.0
	Others	1	1.0
	Total	**100**	**100.0**
Occupation	Entrepreneurship	17	17.0
	Private Employees	55	55.0
	Government Employees	7	7.0
	Others	21	21.0
	Total	**100**	**100.0**
Monthly income	Under 10,000,000	25	25.0
	10,000,000-20,000,000	26	26.0
	20,000,000-30,000,000	19	19.0
	30,000,000 - 40,000,000	15	15.0
	Above 40,000,000	15	15.0
	Total	**100**	**100.0**

The number of samples in this study was 100 people, with the majority of respondents were women with a percentage of 53%, the age of respondents was dominated by the age of 36 - 45 years, the marital status of some respondents had married with a percentage of 65%, the last education was dominated by the Bachelor by 79 %, most work as private employees as much as 55% and the majority of monthly income of Rp. 10,000,000.00 - Rp. 20,000,000.00.

4.2 Validity and Reliability Test

The validity test conducted on this research resulted in KMO = 0.779> 0.6 which means that all independent variables of the marketing mix: product, price, promotion, place, people, process and physical evidence are valid enough to measure the construct validity.

Table 2. KMO dan Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.779

While the reliability test conducted in this study produced Cronbach's Alpha = 0.913> 0.7 which means the data obtained through all the marketing mix variables: product, price, promotion, place, people, process and physical evidence can be concluded to have sufficient reliability as shown in the table below.

Table 3. Reliability Test

Cronbach's Alpha	**Cronbach's Alpha Based on Standardized Items**	**N**
0.913	0.919	32

4.3 Classic Assumption Test

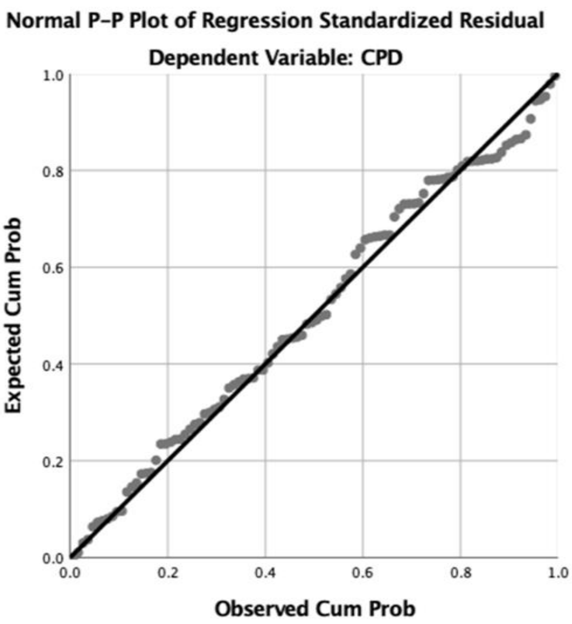

Figure 4. Normal Probability Plot

From the graph of the normal probability plot above, it can be seen that the variables used are normally distributed. This can be seen from the scattered data points following a diagonal line so that the regression model meets the normality assumption.

Multicollinearity test is a test conducted to ascertain whether in a regression model, there is intercorrelation or colinearity between independent variables. In this multicollinearity test seen the value of Tolerance or Variance Inflation Factor (VIF), if the tolerance value ≥ 0.1 or VIF value ≤ ten then the regression equation model is free from multicollinearity disorders (Ghozali, 2012: 85). The results of multicollinearity testing can be seen in the following table:

Table 4. Multicollinearity Table

Variable	**Collinearity VIF**
PR	2.503
PRI	2.772
PRO	1.893
PL	1.918
PPL	1.689
PRC	2.075
PE	1.663

From the table, it can be seen that all marketing mix variables have tolerance value ≥ 0.1 and VIF value ≤ ten so it can be concluded that each variable in this model does not occur multicollinearity.

4.3 Determination Coefficient

To see how much the contribution of independent variables consisting of 7 elements of the marketing mix which includes: product, price, place, promotion, people, process, and physical evidence to the independent variable, namely the decision to purchase Life Insurance, it can be seen from the coefficient of determination table as follows:

Table 5. R Square Table

Model	**R**	**R Square**	**Adjusted R Square**	**Std. The error of the Estimate**
1	.784[a]	.614	.585	1.49896

From the table above we get the coefficient of determination (R Square) of 61.4%, this shows that the independent variable consisting of 7 elements of the marketing mix gives an influence on the life insurance purchase decision variable of 61.4% while the remaining 38.6% is influenced by other factors that are not examined in this study. In the Summary Model, here, we can get information about the magnitude of the effect of all the independent variables on the dependent variable. The effect is symbolized by R (correlation). As seen in the summary table model, the value in column R is 0.784, it means that the influence of the independent variable consisting of 7 elements of the marketing mix on the life insurance purchase decision is 78.4% (0.784 x 100%), but the value can be considered as " contaminated "by various interference values that can cause measurement errors, for that SPSS provides an alternative value for R Square as a comparison of the accuracy of its effect. It can be seen that the value of R Square is 0.614, or 61.4%. This value is lower than the value of R due to adjustment; it should be noted that the value is not always lower than R, but also sometimes higher. For more accurate predictions, this can also be based on the Adjusted R Square value, which has been more adjusted and is usually the most accurate. It can be seen that the Adjusted R Square value is 0.585 or 58.5%. The next column shows the accuracy of the regression model that can be seen in the Standard Error of The Estimate column, which is 1.49896. Note the descriptive statistical analysis that the standard deviation of the value of life insurance purchase decisions has a value far greater than the standard error because it is lower than the standard deviation of life insurance purchase decisions, this regression model is quite suitable to act as a predictor of life insurance purchase decision values.

4.4 Hypothesis Result

This research uses Multiple Regression analysis to determine the effect of each marketing mix variable on life insurance purchase decisions. The purpose of this test is to see which mix variables have a positive influence on life insurance purchase decisions and which variables have the biggest positive influence. By using SPSS, we get output like the following table:

Table 6. Multiple Regression

Variable	Coefficient	T-stat (Sig.)
Constant	-0.845	-0.755 **(0.452)**
PR	0.452	3.596 **(0.001)**
PRI	0.096	1.375 **(0.173)**
PRO	0.179	1.478 **(0.143)**
PL	-0.055	-0.658 **(0.512)**
PPL	-0.164	-1.936 **(0.056)**
PRC	0.156	3.327 **(0.001)**
PE	0.147	2.908 **(0.005)**
Adjusted R-square	**.585**	

Based on the table, it can be seen that from the 7 marketing mix elements only Product, Process and Physical Evidence variables have a significance value <0.05 and have a positive B value while 4 other variables namely Price, Promotion, Place and People have a significant value> 0.05 which means that Hypothesis H1 which states that Product has a positive influence on purchasing decisions for life insurance products, Hypothesis H6 which states that Process has a positive influence on purchasing decisions for life insurance products and Hypothesis H7 which states Physical Evidence has a positive influence on purchasing decisions for life insurance products. , while other variables such as price, promotion, place, people and physical evidence do not have a significant influence on life insurance purchase decisions. From the Beta value, it can be seen that from the three variables that have a positive influence on life insurance purchasing decisions, the Product variable has the most influence compared to the other variables.

Table 7. Hypothesis

Hypothesis	Pernyataan	Status
H1	*Product has a positive influence on purchasing decisions for life insurance products*	**Accepted**
H2	*Price has a positive influence on purchasing decisions for life insurance products*	**Rejected**
H3	*Place has a positive influence on purchasing decisions for life insurance products*	**Rejected**
H4	*Product has a positive influence on purchasing decisions for life insurance products*	**Rejected**
H5	*Promotion has a positive influence on*	**Rejected**

	purchasing decisions for life insurance products	
H6	*The process has a positive influence on purchasing decisions for life insurance products*	**Accepted**
H7	*Physical Evidence has a positive influence on purchasing decisions for life insurance products*	**Accepted**

5 CONCLUSION

The main objective of this research is to find out how much each element of the marketing mix of products, prices, places, promotions, people, processes, and physical evidence physical) influence on purchasing decisions for Life Insurance products. From the results of the multiple regression analysis conducted above it can be concluded that there are 3 marketing mix from 7 marketing mix that has an influence on consumer purchasing decisions for Life Insurance products, namely: this product is in accordance with previous research (Primadona, Sumarwan & Najib, 2016), the process of this finding is in accordance with previous research conducted by (Nifras, 2010) in Sri Lanka and (Esau, 2015) in Indonesia, and the physical evidence of this finding is consistent with the research conducted by (Marwa, Sumarwan, Nurmalina, 2014). Based on the results of the above analysis it can be concluded that the choice of Life Insurance product types is one of the considerations that influence the life insurance purchase decision, besides the process and physical evidence are also other determining factors that influence the life insurance purchase decision.

For this reason, life insurance companies are advised to offer a variety of life insurance products that fit the needs of the community or combine one product with another product to add value to the product itself. Whereas in the process, Life Insurance companies can increase the use of the latest technologies in their processes and services for prospective customers and customers, such as ease in the purchase process, establishing cooperation with banks for payment systems, ease in the process of claiming, both at the time of filing and payment. In addition to the element of physical evidence, the clarity of the provisions contained in the Life Insurance policy is a consideration of consumers in making purchasing decisions, in this case Life Insurance companies are advised to inform the draft insurance policy contract before the consumer makes a Life Insurance purchase. Seeing the results of the research above, it is suggested that further research can be done more focused on the product marketing mix element that provides the greatest influence in life insurance purchase decisions in this study. By focusing on further research on product elements researchers are expected to be able to analyze the effect of products on life insurance purchase decisions for prospective customers who want to make a purchase and also for customers who have already purchased Life Insurance products. So that future research can explore what Life Insurance products can influence consumer purchasing decisions.

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