

Sharia insurance marketing strategy during the Covid-19: PT Prudential life assurance Rembang

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Rully Diyah Arum Sari¹, Ferry Khusnul Mubarak², Yuli Haryati³

^{1,3}Universitas Terbuka Semarang, Indonesia

²Universitas Islam Negeri Walisongo Semarang, Indonesia

Corresponding author: rullysari23@gmail.com

Abstract

Covid-19 affects the economy and threatens people's health and lives. On the one hand, Covid-19 is an opportunity for insurance companies because it can protect customers from health risks. But on the other hand, the economic conditions of the people affected by Covid-19 are it challenging for them to get insurance. This study aims to analyze PT Prudential life assurance Rembang's strategy in marketing its products, especially during the Covid-19 pandemic. This study used the descriptive qualitative method. SWOT analysis analyses the strengths, weaknesses, opportunities, and threats related to the marketing strategy of PT Prudential life assurance Rembang. Data were obtained through interviews, observation and documentation to see how the marketing strategy carried out by PT Prudential life assurance Rembang was in developing its business, both before and after the Covid-19 pandemic. The study results found that PT Prudential life assurance Rembang has more significant strengths than weaknesses, and opportunities factors are more significant than threats. PT Prudential life assurance branch Rembang needs to improve its marketing strategy, which is more massive, especially through social media, to companies that have the potential to register their employees as insurance participants. In addition, companies need to recruit new marketers and agents to reach a broader market. The results of this study can be input and consideration for insurance companies in marketing strategies, especially for Muslim customers, so they are interested in Islamic insurance as an alternative to risk management.

Keywords: sharia insurance; SWOT analysis, marketing strategy; Prudential life assurance

Introduction

Insurance is a term that is already familiar to the ear. Self-insurance is also often associated with risk. These risks include illness, accident, property loss due to fire, theft, and natural disasters. The purpose of insurance is a guarantee that everyone will be protected from the risks that will be suffered if an unexpected

event occurs (Robbyah, Mubarak, El Junusi, & Wahyudi, 2021). Of every problem that exists, of course, there is a risk that cannot be avoided, and this is contrary to human nature, which does not like risk and, of course, requires to incur costs in reducing these risks (Nababan, Mangantar, & Maramis, 2019). This is where it goes wrong one role of managers and financial institutions serves as a place intermediary, where from funds - funds just in case - the insurance company. Insurance company ready to bear every risk faced by their customers, individuals and business entities (Sena & Suherman, 2021). In today's millennials, the public wants to fulfill the purchase of insurance on a sharia basis to make it suitable with Islamic law.

Insurance based on sharia principles with mutual help (ta'awun) and mutual protection (takāful) among the participants through the formation of a collection of funds (tabarru' fund) which is then managed by sharia principles to facing certain risks is the meaning of sharia insurance (Rustamunadi & Amaliah, 2020). In sharia insurance, a system is applied in which participants will donate part or all of the contribution that will be used to pay a claim if any participant experiences a disaster (Rustamunadi & Amaliah, 2020). In other words, it can be said that, in Islamic insurance, the insurance company's role is only limited to operational management and investment of several funds received. With the existence of sharia-based insurance, it is expected to be able to fulfill the wishes of the general public, especially Muslims, to take insurance as a form of self-protection and investment assets (Al Awwaliyah, 2021).

Sharia life insurance is essential to be owned by a family head as a member of the family breadwinner (Kuswanto & Damayanti, 2019). For sharia, health insurance is more owned by the community. Because the insurance guarantee can be used if: There are risks, such as illness and accidents, that lead to hospitalization (Möhlmann, 2021). With the emergence of sharia insurance products, this can be a solution to purchase insurance without usury and maysir or gambling because the insurance compensation is from tabarru' funds. This is different from the conventional concept of insurance, which is the premium paid for the protection that buys the company insurance (Wilar, Mangantar, & Tulung, 2018). In the event of a risk, the insurance company will provide the amount of insurance coverage.

The emergence of the Coronavirus disease (Covid-19) pandemic that has hit the world today has two sides influence for insurance in Indonesia. The current crisis is different from the crises previously. This is because the Covid-19 pandemic not only suppresses the economy but also threatens the health and life of the community (Hasan, Ahmad, & Nordin, 2018). There is an increase in demand for insurance in some products, such as health and life insurance, because people want to protect themselves from the pandemic. Even though, on the other hand, people's purchasing power is depressed due to the declining economy, the increase in demand for insurance cannot compensate for the decrease in general. This is the problem in the insurance world in Indonesia which later emerged various new marketing strategies or techniques carried out by the insurance company.

This research was conducted at the insurance company PT Prudential life assurance (Prudential Indonesia) Rembang branch. In marketing their products, marketers or agents of PT Prudential life assurance in Rembang branch must be able to convince potential customers that insurance is very important. In addition, they need to convince Muslim customers, especially that PT Prudential life assurance has sharia-compliant products, so they don't have to worry about its halal status. This needs to be socialized continuously because this sharia insurance product is relatively new in Indonesia, so the general public does not understand much about the difference between the concept of sharia insurance and conventional insurance.

The company has created a well-targeted marketing program to attract potential customers. In this case, the company creates a working system through reliable and certified marketers. Trained marketers must have a more positive, enthusiastic, and confident personal character and have a vision and mission for the future. Marketers are burdened with quite heavy duties and responsibilities to develop their careers, but they also have to maintain the credibility of insurance companies in the eyes of customers and competitors. In terms of protection planning through insurance, marketers must also hone their knowledge of good financial management. To measure success in the field of marketing, companies must know the progress of each marketer who performs weekly prospects and closings carried out by administrative staff.

PT Prudential life assurance marketers meet prospective customers directly. This promotional activity is carried out with the aim that the wider community knows the existence of the sharia insurance concept so that it is expected to increase the market share of sharia insurance from PT Prudential Life Assurance. Promotion must be one of the factors supporting the success of PT Prudential life assurance. The research results show that PT Prudential life assurance has a pretty good marketing strategy in the current pandemic. Marketers must always learn about marketing strategies during this pandemic because employee performance has a significant influence on the company.

Literature review

Marketing strategy

The word strategy comes from the Greek “strategia” which means “the art of the general” or the art of a commander-in-chief usually used in warfare. Strategy is a method or process used to achieve a goal. Using a strategy, the goals that will be carried out will run well and be arranged. A company implements a strategy to advance its company, not to lose to compete with other companies. According to Craig & Grant (1996), defines that strategy is the setting of long-term goals and objectives (targeting and long-term goals) of a company and its course of action and resource allocation of the resources needed to achieve the goals and objectives (Suryani, 2013).

Experts put forward many definitions of marketing. Philip Kotler defines that marketing is a social and managerial process by which individuals and groups obtain what they need and want through the creation and exchange of products and services value with others” (Kotler & Keller, 2016). In general, marketing is comprehensive and planned activities carried out by a company or institution to make various efforts to meet market demand. The goal is to maximize profits by creating a sales strategy. Management will carry out planning, organizing, actuating and controlling activities. Then marketing management is a tool for analyzing, planning, implementing, and controlling programs designed to create, build and maintain profitable exchanges with the target market to make a profit. One of the keys to a company’s success is the way companies get customers. To be able to do it with either company must have a strategy. The purpose of having this strategy is so that the product

or service services offered can get a superior position among other companies as a form of competition. This then emerges regarding the marketing strategy. According to Philip Kotler, defines that marketing strategy is how the marketing function organizes its activities to achieve profitable growth in sales at the marketing mix level.

Sharia insurance

In law number 2 of 1992 concerning the insurance business, insurance is an agreement between two or more parties, in which the insurer binds themselves to the insured by receiving insurance premiums to provide reimbursement to the insured due to loss, damage, or loss of expected profits or third party legal liability that may be suffered by the insured who arise from an uncertain event (Suyatna, 2021).

Insurance is not only available abroad but also widely circulated in Indonesia. In today's modern world, insurance is essential because it can lighten the load of an unexpected event. Insurance is vital for society because it is believed to increase one's self-confidence in living. In general, insurance has a function: to help the policyholder (insurance owner) minimize losses from the risk of unexpected events that might happen at any time, such as the cost of catastrophic losses fires, accidents, and hospital care costs.

The word sharia is currently widely discussed by the public. In everyday life- The day of sharia is closely related to the science of fiqh. Because basically, sharia is the foundation of the science of fiqh. Sharia has the meaning as a rule, stipulation, and law that Allah has created for all His servants. In its form and meaning, the word sharia is divided into two explanations. First, etymologically, the word sharia comes from the Arabic syara'a, meaning the straight path must be followed. This is where the word sharia was formed, which means a source of drinking water. Second, terminology, sharia is a system of God's rules that regulates the relationship between humans and their God, human relations, and the human relationship with all His creations in this universe.

In general, sharia insurance can be interpreted as an insurance system in which the funds are managed in accordance with Islamic law. Through a contract (commitment), Islamic insurance provides a pattern of refunds to deal with certain risks according to Islamic law. This contract (engagement) is carried out with the aim of goodness

and help, not just for commercial purposes. Using mutual assistance helps bear the risk (risk sharing) between the company and the participants. This is how sharia insurance works. With the principle of help, if a disaster or disaster affects one of the participants, it will be resolved automatically by mutual cooperation with other participants by using social funds. Social Fund This will later be included in the tabarru' fund. Risks that occur to participants will be paid from the tabarru' fund, known as insurance benefits. Sharia concept This can be a consideration for a Muslim who wants insurance. This matter because the investment funds placed are not related to usury and are not contrary to sharia principles. It can be ensured that the management of funds by the company will be adequately managed without violating sharia principles because the company already has legal standards from the National Sharia Council (Dewan Syariah Nasional).

Research methods

The method used in this study is a qualitative descriptive research method using SWOT as an analytical tool. This method describes existing phenomena, both now and in the future. While the SWOT analysis is used to analyze the weaknesses, strengths, opportunities and threats related to the marketing strategy undertaken by PT Prudential life assurance (Prudential Indonesia). This research was conducted at PT Prudential life assurance Rembang branch at Jl. Gajah Mada No. 48 Rembang. Sources of data in this study consist of primary data (primary) and supporting data (secondary). The primary data in this study are the results of interviews and field observations. Interviews were conducted with leaders and staff at PT Prudential life assurance Rembang branch. The observation method was used to obtain data and observe how the marketing strategy was carried out by PT Prudential Life Assurance in developing its business, both before the pandemic and after the Covid-19 pandemic. While the source of supporting data (secondary) is obtained from literature studies related to the problem to be studied.

Results and discussion

Strengths

1. PT Prudential life assurance company has enough well-known brand names in the insurance market, both in Rembang and

outside the city of Rembang. Especially in big cities, this company already has many branches. This can be proven by the existence of branch companies in each company city throughout Indonesia and not only one branch per city.

2. With a mission to become the best retail financial services company in Indonesia, exceeding the expectations of its customers, salespeople, staff and shareholders by providing impeccable service, quality products, highly committed professional salespeople and generating profitable investment income, PT Prudential life assurance always strives to do the best and following company goals.
3. In terms of the quality of products and services sold to prospective customers, always noticed. Products are made based on the needs of prospective customers and according to present conditions.
4. Having adequate financial resources is very helpful for PT Prudential life assurance company to stay strong and make the company can maintain the results of financial performance every year.
5. The key to the success of PT Prudential life assurance's corporate goals is the wrong one is to prioritize good service. A power marketing that is quick to respond and swift in dealing with customers is one form of service provided by PT Prudential life assurance in attracting and retaining potential customers.
6. PT Prudential Life Assurance is a company with long experience in the insurance business. It was founded in November 1848 in London (England), and in November 1995, it was established in Indonesia and continues to grow today. Indonesia's Financial Services Authority (Otoritas Jasa Keuangan) has also registered and supervised PT Prudential. This is a form of trust for potential customers or customers the public that the company PT Prudential life assurance is trusted and quality.
7. The concept of sharia insurance following Islamic law, without usury, and anti-gambling is a new concept offered by PT Prudential life assurance. In this case, one of the company's strengths is offering sharia insurance products to the public.

Weakness

1. Insurance payment premiums that are too high make potential customers not able to pay, especially the lower middle class.
2. Inadequate human resources become one of the weaknesses of PT Prudential life assurance Rembang branch. This makes the company's management activities a little off maximum because there is no improvement in the quality of human resources, good by providing training/training to administrative staff, or recruiting resources such as marketers to fill managerial positions empty or lacking.
3. Limited marketers affect promotional activities. This to become one of the weaknesses of the company PT Prudential life assurance Rembang branch. Inadequate promotions make potential foreign customers new products, thereby reducing the number of insurance purchases.

Opportunities

1. There is a very good market potential to develop insurance in Rembang city and the surrounding area.
2. Public demand for insurance during the Covid-19 pandemic is getting higher, thus making the company PT Prudential life assurance move and create new products to attract potential customers.
3. New products with low premiums offered by PT Prudential life assurance. This is one of the great opportunities for PT. Prudential life assurance to compete with other companies in the insurance business.
4. The company's policy during the Covid-19 pandemic in making new products with sharia concepts and low premiums is an opportunity for PT Prudential life assurance to sell products to the Indonesian people who are predominantly Muslim.

Threats

1. Other competitors of insurance companies are increasingly prevalent in today's world is a threat to the company PT Prudential life assurance. Competition at this time relies on product quality and offers great benefits to insured consumers.
2. The emergence of the worldwide Covid-19 pandemic is a threat to the insurance company. In addition to lowering company

profits, this pandemic also reduces the community's economy, ultimately closing the insurance they follow.

3. Changes in the global economy due to the Covid-19 pandemic have become a threat to the company because if the company is unable to analyze and predict the economic growth rate will be hazardous for the company. The strategy of PT Prudential life assurance Rembang branch in improving strategy marketing.

The strategy used by PT Prudential Life assurance Rembang Branch in improving the marketing strategy so far is to provide product quality and good service. This strategy is believed to be able to create positive value in the eyes of the prospective customer. PT Prudential life assurance Rembang branch continues to experience growth. This is due to good service and high-quality products insurance. However, a good service strategy and high quality cannot compete and gain a wide market share. With the development of the times, new competitors continue to exist and emerge with more selling innovative products. This is the biggest threat to the company PT Prudential life assurance Rembang branch. In recent years, a decrease in product sales at PT Prudential life assurance Rembang branch can prove this threat.

Apart from the emergence of new competitors, the Covid-19 pandemic in the last two years has also impacted the decline in insurance sales. The decline in insurance sales prompted the company to make strategies and plans to overcome this. Planning must be well-prepared and made for the long term. With good planning, companies can reduce the risk of uncertainty. By preparing a strategic plan, it will be easier for companies to maintain their business so that they can achieve their goals. Because good planning and strategy will help improve company performance. In addition, strong cooperation between employees and leaders is also needed to achieve goals and excel in business competition.

The marketing strategy that PT Prudential life assurance Rembang branch can do are:

- a. Carry out promotional activities by companies and marketers who can increase sales of insurance products, such as product promotions in various activities, sponsoring an event, banners, providing lower premiums, etc.

- b. Maintaining the quality of insurance products by conducting periodical control
- c. Carry out door-to-door marketing techniques (door to door) with offers of various sharia insurance products, such as education, health, life insurance, or insurance to invest.
- d. Introducing new products every year to avoid being left behind by other competitors and to attract public interest. For example, prospective customers can obtain insurance for the Covid-19 pandemic with a life sharia insurance premium of 100 thousand.
- e. Conduct training for marketers on new products or systems marketing to improve the quality of marketers and become a marketer.
- f. Make a list of new disease claims during the Covid-19 pandemic, which can take health or mental benefits if the customer becomes sick or dies from the Covid-19 pandemic.

Conclusion

Based on the analysis of the research data that has been described and the results of the SWOT analysis on the strategy of PT Prudential life insurance Rembang branch in marketing insurance during the Covid-19 period, it can be concluded that PT Prudential life insurance Rembang has a strengths factor that is greater than a weakness factor. Likewise, the opportunities it has been greater than the threats. From the results of this study, the authors make several suggestions: *First*, PT Prudential life assurance Rembang needs to improve its marketing strategy by implementing massive marketing techniques, especially for companies to register their employees as insurance participants. *Second*, using social media as a promotional medium also needs to expand the market. *Third*, adding or recruiting new marketers to reach a wider market. *Fourth*, establishing a good working relationship between staff and marketers and leaders.

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