



The Influence of Insurance Service Reputation, Customer Relationship Management, and Price Attractiveness on Insurance Service Customer Customer Experience: A Literature Review

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Abstract

In the service industry, a positive company reputation will influence customers' decisions to choose that business for their insurance needs. This reputation is systematically built by upholding the importance of responsibility and engaging in open dialogue with clients to foster a sense of client loyalty to insurance services. Customer loyalty is significantly influenced by customer relationship management. The most crucial thing for management to do is to uphold trust and service standards so that clients are satisfied with the products and services the business offers. Price is not only significant to customer service but also a key indicator of service quality. Client experience can influence a customer's trust in a company. The purpose of this literature review is to provide an overview of previous research on the impact of insurance service reputation, customer relationship management, and price attractiveness on insurance service customers' experiences. The method used is a literature review, which is a study that collects, comprehends, analyzes, and then concludes national and international journals. The findings of this literature review show that there is a relationship between customer loyalty and customer experience and the reputation of insurance services. Additionally, there is a relationship between customer relationship management and price attractiveness on customer loyalty and customer experience.

Keywords: Insurances Service Reputation, Customer Relationship Management, Price Attractiveness, Costumer Experience

1. Introduction

The reputation of an insurance firm will affect customers' opinions of its services. By upholding the importance of responsibility and exhibiting environmental and social responsibility, a company's reputation can be strategically built (Maseke & Ipinge, 2021). Then, transparency, candor, and open discussion define communication. There is no doubt that public perception has influenced both the rise and decline in the use of life insurance services. When a client evaluates the choice to purchase goods or services from businesses like insurance, perception is crucial not only during the processing stage for businesses but also after the consumer has used the product or service (Kempa et al., 2020). The insurance industry in Indonesia has developed well over the last several years. The growth of the insurance sector in Indonesia is known to have a key role in assisting the process of national development, according to data made public by the Financial Services Authority (OJK).

Insurance businesses work hard to extend and advance the business they have been running up until now, in addition to improving services to their consumers. The release of numerous new and cutting-edge items for its clients is one of the actions implemented. The two main product categories in insurance are life insurance and health insurance. *PT Prudential Life Assurance, PT Asuransi Jiwa Manulife Indonesia, PT Asuransi Jiwa Sinarmas MSIG, PT Asuransi Jiwa Sraya, PT AIA Financial, PT Asuransi Allianz Life Indonesia, PT Axa Financial Indonesia*, and other individual insurance companies are just a few examples of the numerous individual insurance companies in Indonesia that specialize in life insurance, health insurance, education insurance, and other insurance.

The insurance services sector in Indonesia has the lowest levels of customer loyalty compared to other sectors (Fachmi et al., 2020). Due to the fierce rivalry among Indonesian insurance companies, there is a low level of client loyalty to the country's insurance market. Only insurance companies that can innovate and show cost leadership will be able to thrive in the future. According to the current situation, customers seem to be finding it challenging to decide which insurance sector in Indonesia is the best.

Customer experience issues, price attractiveness, customer relationship management issues, and reputational issues with the insurance services sector are all thought to have an impact on how loyal customers are to that sector. Companies may increase customer loyalty by offering a greater customer experience. This is supported by the research results of Wereda and Grzybowska (2016) Customers who have pleasant experiences are more likely to return for additional purchases, are more likely to recommend a firm to friends, and are less likely to switch to competitors. According to Mashingaidze (2016), research shows that emotional experiences have a significant impact on a customer's brand loyalty. According to Khraim (2013) research, customers of insurance services have considerable behavioral intentions that are influenced by the perception of the insurance service business and the quality of the services they receive.

The low level of customer loyalty in the insurance services sector demonstrates that this sector has not been able to deliver a superior customer experience that will motivate customers to stay loyal. current client value regarded as a phenomenon connected to customer experience and value utilization (Helkkula et al., 2012) The phenomenon is thought to be related to problems in developing price attractiveness. According to Kamaladevi (2009), insurance services must focus on the factors identified in the factor analysis that enhance consumer experience, namely brand, service, loyalty, price, loyalty points, and consumer engagement. The findings of prior research support this allegation by demonstrating how price attractiveness is related to customer loyalty.

In addition, Handayani (2019) discovered that price attractiveness and quality service are elements that contribute to a rise in the share of the customer experience. Reliability, responsiveness, assurance, empathy, concrete value, and convenience are the criteria used to evaluate the quality of a service. Meanwhile, affordability, discounts, and the suitability of prices are used to measure price attractiveness. According to these two viewpoints, there is a connection between customer experience and customer value, making it possible to see the phenomenon of low customer experience from the phenomenon of high customer value. Because the present marketing period has transitioned from the transactional to the relational era, it is also common to infer low customer loyalty by the ineffectiveness of programs to retain customer relationships. Customer relationship management is used in the aviation sector to manage interactions with clients.

Previous studies have shown that customer relationship management affects client loyalty and value. The findings of Ou et al (2011) study on loyalty programs demonstrate that these programs have a positive impact on the loyalty and quality of relationships. Law (2017) noted that while the frequent flyer program is a less alluring inducement, it does affect airline service customers' propensity to repurchase. Adamson et al (2003) noted that developing parallel communication channels with consumers, which demonstrate flexibility in their relationship and optimize the benefits of reciprocal relations, is necessary to enhance customer trust in businesses.

Wilson (2018) research also discovered that sales promotion and CRM have a key role in generating customer value for aviation services in Indonesia. Reservation simplicity, brand recognition, and special treatment from aviation insurance services are some of the criteria used to evaluate Customer Relationship Management (CRM). The attractiveness of the sales promotion package, the offer's compatibility with specific credit cards, and the duration of the event are the aspects by which sales promotion is measured. While this is going on, the findings of prior study show a connection between brand reputation and consumer loyalty and experience. According to the research findings of abd-el-salam et al (2013), there is a connection between a company's reputation and image, as well as service quality, client loyalty, and these three variables. In addition to this, Ariffin et al (2013) discovered that a company's management team has a positive working relationship with its customers' perception of insurance service. Based on the background information provided above, the researcher is interested in examining how price attractiveness, customer relationship management, and reputation of the insurance service's customers can improve the customer experience and have a positive impact on a customer's likelihood to remain a loyal customer.

2. Method

The research technique utilized is a literature review, which identifies, evaluates, and interprets all data on a study topic with the goal of responding to preset research questions. A literature review focuses more on an in-depth analysis of prior research on a topic than it does on just reading the literature. Similar research journals will be gathered, summarized, and then the contents of the study aim, outcomes, and discoveries will be analyzed.

3. Result and Discussion

3.1 Insurance Service Reputation

The insurance industry is a service sector that has grown extremely quickly. Because customer satisfaction is impacted by trust and service quality, these two factors form the foundation of all service organizations (Siddiqui & Sharma, 2010). A company's reputation will affect clients' decision to use its insurance services. Reputation for a company can be developed in a planned way by upholding the value of responsibility, by exhibiting environmental responsibility, and by demonstrating social responsibility. After that, communication is characterized by openness, complete disclosure, and open debate. Perceptions that form in society can undoubtedly influence both the rise and fall in the decision to use life insurance services(Maseke & Iiping, 2021). The customer's assessment of the decision to

purchase goods or services for businesses like insurance is an example of how perception is crucial not only in the processing stage for businesses but also after the consumer has used the product or service.

A positive company reputation will be able to boost profitability since it will be able to draw in customers who will use the firm's products, investors who will invest in the company, and employees who will want to work there. The value of the company's publicly listed shares will generally rise as its self-esteem rises. The market value of the shares can be used to determine the economic value of the company's reputation. The customer's perception of the legitimacy, accountability, and dependability of insurance services is reflected in the reputation of the insurance services as positive or negative affective or emotional responses (Kwon & Wolfrom, 2016).

3.2 Customer Relationship Management (CRM)

Customer relationship management (CRM) is an approach that sees customers as the center of their business and believes that a company's success depends on how well it manages its relationships with customers. CRM is expanding into more and more business applications, making it an intriguing business process or strategy to discuss. All facets of the client life cycle are managed by marketing efforts. CRM is a complete business strategy that enables the best possible use of all customer life cycle processes (Brata & Soediantono, 2022; Choudhury & Harrigan, 2014; Diffley & McCole, 2015).

CRM is a strategy for building long-lasting bonds between businesses and their shareholders and stakeholders. Currently, a lot of businesses use CRM to forge tight connections with their clients. emotional ties capable of fostering intimate, open commercial relationships as well as two-way or reciprocal communication between them, preserving consumer loyalty and preventing them from quickly moving to other products and brands, especially those of rival companies (Riyanto, 2022).

The company's key to generating customer satisfaction is improving the level of service provided to clients. Customers with a high level of education demand that businesses provide prioritize the quality of their services. Customers who are pleased with the company's performance will indirectly have a significant positive impact on the company's long-term success, loyalty is an addition to customer psychological satisfaction with customer feelings. Customers will become more devoted to businesses that can increase customer satisfaction (Naini et al., 2022). Loyalty in this case refers to customers who pay a lot of money to get the company's products; in other words, customers do not bother with the amount of money spent (Abu-Shanab & Anagreh, 2015; Baisalim & Soediantono, 2022; Brata & Soediantono, 2022; Yanto & Asiah, 2021). Companies must keep up with the times and follow the market demands of their clients considering the business world's quick development.

Companies must keep up with the times and follow the market demands of their clients considering the business world's quick development. CRM is one of the business strategies that the company pays particular attention to due to the tight connection between its function and customer satisfaction and loyalty (Hardjono & San, 2017). Customer and company relationships will be significantly impacted when the organization's CRM strategy is implemented optimally. The major factor in the emergence of customer loyalty to the business is satisfaction (Hajikhani et al., 2015).

According to Haryandika & Santra (2021); Bin-nashwan (2017); Sota et al (2018); Rahimi & Kozak (2017) the benefits of customer relationship management include the following the first one is building client loyalty Utilizing information from all client interactions including those made via the internet, through call centers, and with marketing and customer service representatives in the field is made possible by customer relationship management for businesses. The second one is the organization can consistently give clients with superior service because to the consistency and accessibility of information regarding consumer situations in the field, reducing expenses Through a targeted and focused marketing program strategy that is delivered to the right customer at the right time, the use of technology in customer relationship management can help reduce some costs for businesses. The third one is Improved operational effectiveness Automation of service processes can reduce the risk of declining service quality while lowering cash flow costs. The utilization of contact centers and web technology will reduce administrative costs, prices, and costs associated with bureaucratic hurdles. The last is time to market improvement Customer relationship management (CRM) enables businesses to advertise their products more swiftly by employing better data and information about clients and their purchase tendencies as well as by generating better plans through interaction with Enterprise Resource Planning (ERP) tools.

The term of customer relationship management (CRM) may not have a standard definition, there is consensus that it refers to the coordination of customer strategies and business practices in order to achieve long-term objectives relating to their satisfaction and loyalty and to bolster business effectiveness. It ensures a long-term engagement with the consumer and excellent value for both sides, which may be expressed in cash value (Pohludka & Štverková, 2019).

3.3 Price attractiveness

Nurzana & Bustami (2022) define pricing as a description of the value or sum that customers must trade for an offer. Sales or market share, image improvement, customer satisfaction, competitive effort, and profit are used to

assess price attractiveness performance. While the available price methods include: Based on Cost, Based on Demand, based on the Competition, Based on Customers Need, and Based on New Product Pricing. Price is not only important to customer service, but also the primary indicator of service quality. The Price Performance Dimension The Four Customer Definition of Price Value approach, which takes into account cheap cost, quality gained for the price paid, all that is sought from the service, and everything that is obtained is compared to what is offered, is used to evaluate attractiveness (Zhafirah et al., 2021).

3.4 Customer Experience

Customers' experience of a company can influence their trust in it (Murwatiningsih, 2019). Creating a positive customer experience is a strategy for leading the market (Pakurár et al., 2019). According to Murwatiningsih (2019) a positive customer experience can satisfy a consumer's demands and foster trust in their recollections, allowing them to develop positive, emotional responses toward the business. In line with that Maylawati et al. (2018) stated that one strategy for attracting and keeping clients is to build trust with them. When a customer trusts a business, they are more likely to be satisfied and use their services again. In this manner, clients might be persuaded to pay for the business' services if a need or desire of theirs is met (Konečnik Ruzzier et al., 2014).

Customer experience is the consequence of a combination of emotional and cognitive perceptions that customers have while interacting with a business directly or indirectly (M et al., 2020). Customer experience is defined as an encounter that can foster personal value and increase consumer interest in brands and businesses, which can positively affect the success of businesses (Rahmawati et al., 2019). A customer's perception of their use and experience of a product or service might be positive or negative (Mufid et al., 2019). Customer experience indicators are as follows: (1) Cognitive; (2) Emotional; (3) Physical; (4) Sensory; (5) Social (Keiningham et al., 2017).

4. Conclusion

The insurance industry in Indonesia has developed well over the last several years. The growth of the insurance sector in Indonesia is known to have a key role in assisting the process of national development. Only insurance companies that can innovate and show cost leadership will be able to thrive in the future. Insurance companies may increase customer loyalty by offering a better customer experience. Customers who have pleasant experiences are more likely to return for additional purchases. Price attractiveness and quality service are elements that contribute to a rise in the share of the customer experience. CRM is expanding into more and more business applications, making it an intriguing business process or strategy to discuss. Customers with a high level of education demand that businesses provide the quality of their services. Companies must keep up with the times and follow the market demands of their clients considering the business world's quick development. Customer and company relationships will be significantly impacted when the organization's CRM strategy is implemented optimally. The major factor in the emergence of customer loyalty to the business is satisfaction. CRM enables businesses to advertise their products more swiftly by employing better data and information about clients and their purchase tendencies.

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