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Analysis of Brand Awareness and Perceived Quality on Repurchase Intention of Indonesian Insurance Companies

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Abstract— **Entering the era of the Asean Economic Community and the existence of the Social Security Organizing Body in Indonesia, insurance companies must be prepared to face competition and manipulation. Insurance companies that have more businesses in searching for consumers gradually implement marketing strategies to be able to compete with other similar companies and retain existing customers. This study builds on determining the effect of Brand Awareness & Perceived Quality on Repurchase Intention. This study using a quantitative approach with analysis using SPSS. The study population was users of insurance products, while the number of respondents 110 insurance service product owner who had used these insurance products in East Java, Indonesia. The sampling uses a non-probability sampling method with a purposive sampling technique. The results of this study shows that brand awareness has a negative effect and also significant (direct effect) on Repurcase Intention. The quality received has a positive and significant influence (can influence directly) repurcase intention. Brand Awareness and Preceived Quality are simultaneously accepted in influencing Repurcase Intention.**

Keywords - brand awareness, insurance company, and perceived quality, repurchase intention

I. INTRODUCTION

Indonesia has an insurance company with private company status as well as a Badan Usaha Milik Negara (BUMN). As has happened in many other industrialized countries, the insurance market has undergone major changes over the past 20 years. The deregulation of financial services led to increased competition and internationalization of the insurance business. This change resulted in the establishment of an integrated risk management system in insurance companies [1].

Providing affordable health services for low and middle level people is a matter of sustainable development. WHO estimates in 2010 that 100 million people were pushed into poverty and 150 million suffered financial disasters because of indirect expenditure on health services every year. Consequently, universal health coverage is a priority on the global development agenda [2].

This research [1] provides sharper insight into the level and determinants of efficiency in the insurance industry. The available data makes it possible to investigate the internationalization strategies of insurance companies. In the service industry, SERVQUAL has been successfully applied in a variety of service settings, including insurance services [3].

Based on the Law of the Republic of Indonesia No. 24 of 2011, the DPR together with the government have established two Badan Penyelenggara Jaminan Sosial (BPJS), namely the Health BPJS with their duties and responsibilities to organize health insurance programs for all communities and BPJS Employment with the duties and responsibilities of organizing work accident insurance programs, guaranteed days old age, life insurance and pension benefits for all formal workers and informal workers.

Social insurance becomes a more reliable system to support improvements in the welfare of the community, because it is done in a "mutual cooperation", those who are not affected help those affected, who do not have accidents to help those who have accidents and the rich help the poor become the factor is more dominant in social insurance. This explanation is one part of the insurance mechanism [4].

The existence of guarantees or social insurance in a country is a manifestation of one of the responsibilities and obligations of the state to establish "Welfare States". In accordance with

research [2], the country of Rwanda has made impressive strides towards universal health, especially by providing health insurance for the poor in the informal sector through community-based health insurance (CBHI). The government program in health insurance is a challenge for other insurance companies. Insurance companies carry out strategies to increase brand equity, by increasing brand awareness through advertising and service improvements, so that the quality of products can be felt by consumers. The strategy is aimed at making consumers satisfied.

Insurance is a risk management service company, so for consumers who entrust an insurance product, of course these consumers have high trust in the products of the insurance company. The results of the study [5] show that perceived risk and customer trust have a direct effect on customer loyalty.

Facing a competitive market as today, brands have an important role to play in the survival of a company. Future marketing pays more attention to competition between brands, namely competition to win consumers through brands. Brands are not only considered as a name, logo or symbol. Brand is the value offered by a product for consumers who use it. Brands are actually a means of distinguishing goods from one producer to another. The availability of data related to customers can be utilized by companies to improve service development and customer satisfaction [6].

Brand equity is a set of brand assets and liabilities relating to a brand, name, symbol that can add or reduce the value given by a product or service to a company or customer company. Brand equity is the desire of someone to continue using a brand or not. Measurements of brand equity are strongly related to loyalty and the measurement section of new users becomes loyal users.

A brand has been considered an asset (equity) by a company or better known as brand equity. Brand equity as a device of five asset categories consisting of:
1. brand loyalty (brand loyalty)
2. brand awareness (brand awareness)
3. perceived quality
4. brand association
5. other ownership assets (property brand assets)

Brand awareness is a key element in brand equity as expressed by Villarejo, that "Brand awareness is a key element in the generation of brand equity". Through a strong brand image, the customer will have a positive assumption on the brand of the product offered by the company, so that consumers will not hesitate to buy the product the company will offer. Especially for insurance service companies where all brands have something in common with each other.

Brand Awareness is the ability of a prospective buyer to recognize and recall that a brand is part of a particular product category. Brand awareness is not only a memory but also a learning process for consumers of a brand that ultimately can become a consideration for consumers in buying a brand. There are four levels of brand awareness, namely unware brand, brand recognition, brand recall, top of mind.

The main goal of the company to increase brand awareness is to make its brand top of mind in certain product categories. Brand awareness can also affect the level of satisfaction, where consumers tend to be satisfied with the brand that they have known to be compared with a brand that is less well known in their minds. Some studies state that perceived quality has a significant effect on consumer satisfaction, where consumers can feel satisfied if the perception of the quality of a product or brand matches what he expected.

Brand awareness can also affect repurchase intention, where brand awareness illustrates the ability of a prospective buyer to recognize, recall a brand as part of a particular product category. In general, consumers tend to buy products with a brand that has been known on the basis of convenience, security and others. However, a well-known brand avoids consumers from the risk of use with the assumption that a brand which already known is reliable.

Perceived quality is a consumer perception of the overall quality or superiority of a product or service that is the same as the intended purpose. Perceived quality is one of the key dimensions of brand equity. Consumers who participate in an event have greater satisfaction with the quality of the event than the cost of their brand. Thus, the higher the perceived value of the event, the more the perceived value of the event. Perceived quality can also affect repurchase intention by consumers, where consumers will tend to choose a brand that has the same quality as they expect, with good quality, consumers will be loyal to the product [8]. The results of the study [9] showed a moderate significant relationship between perceived quality and emotional value towards purchase intention. Therefore this study aims to evaluate the strategy, namely the influence of brand awareness, and perceived quality on repurchase intention mediated by customer satisfaction.

Consumer satisfaction is also an important part. Satisfaction is the feeling of being happy or disappointed someone who appears after comparing perceptions or impressions of the performance (results) of a product and its expectations. Satisfaction is a customer response to a discrepancy between the previous level and the actual performance that is felt after usage. So it can be concluded that customer saticfaction is a someone feels after they get comparison of the given performance with the desired expectations. Consumers in making purchases evaluate the service between the desired and perceived performance (overall service quality). This then produces a satisfaction after comparing the perceived performance with expectations. Satisfied or dissatisfied this affects the interest in repurchasing. The interest in buying will ultimately affect the output in the form of a decision to buy back the product.

Being able to compete in the insurance service industry, companies must have the right strategy, one of them is by evaluating the marketing strategy that they have done, namely the brand awareness and perceived quality approach that is expected to affect consumer satisfaction and repurchase intention.

The structure of this research consists of several stages. In the initial stage, the researcher conducts a preliminary study to determine the formulation and objectives of the study, then conducts a literature study by mapping out previous research to find state of the art from this research. Next is the implementation of the research process, which consists of taking data from respondents through questionnaires and analyzing. The last step is to discuss and draw conclusions
.

II. Literature Review

A. Brand Awareness

This research [10] shows that the Brand Managers will prioritize brand performance, to create sales growth. They monitor the growth of brand awareness and the overall penetration of their brands in the market and are sensitive to the influence of these two variables.

Research [11] and [12] after analyzing said word of mouth has a positive relationship to brand awareness. Consumers will make a repeat purchase if they get input from previous customers who are satisfied with the product.

The expertise of the company revealed is very much related to brand equity and attachment to company goals. In addition, loyalty was found to affect attachment to goals, while brand awareness had a positive impact on brand loyalty [12]. To create a brand awareness retailers can use print media such as newspaper, brochure, or magazine to promote their product. In addition, several sponsors can increase brand awareness and, in turn, increase trust in these brands [13].

B. Customer Satisfaction

Technological developments also require companies to service digitally. Good quality web design can increase customer satisfaction which leads to higher purchase intentions [14]. E-Satisfaction has a positive and significant effect on E-loyalty [8]. Quality perception has an indirect effect on customer loyalty through customer trust [5], with the trust of customers, customers will be reluctant to turn to other products

C. Perceived Quality

Customers who have information on prices can have price sensitivity more or less. As stated in the theoretical section, for example low price sensitivity can be associated with higher quality perceptions; customers who expect higher quality may show lower price sensitivity. In addition, higher quality experienced can lead to lower price sensitivity [15].

Awareness of a brand can influence through its use as a heuristic for a choice and its influence on perceived quality. Pioneer research at the level of individual decisions by examining the effect of brand awareness on consumer choice. The study examined how the impact of brand awareness as a heuristic, and explored its effect on perceived quality [16].

A positive relationship is seen between word of mouth communication to the dimensions of brand equity, where one of them is perceived quality [11]. Perception of quality is influenced by perceptions of competitive prices and web site reputation, which in turn affects perceived value; and perceived value, website reputation, and perceived risks affect online trust, which in turn affects repurchase intentions [17].

D. Repurchase Intention

Research from [15] shows that the company's image has a positive impact on customer repurchase intentions, with low and high price levels moderating this effect. So the insurance company is expected to also have a fairly competitive product price. Other research by [17] shows that the effect of perceived benefits on repurchase intention is not significant while perceived value and trust are the main determinants of repurchase intention.
Satisfaction with a product or service is crucial in determining repurchase intention. Similarly, customer satisfaction is found as a direct determinant. Research with hotel objects found that the intention to repurchase by first-class guests and luxury hotels and brand trust was a moderator among them focusing on service recovery [18].

E. Research Framework

The following is the framework in this study

Fig 1. Research Framework

III. Research Method

This research uses a quantitative approach using a descriptive approach, where research analysis uses Path analysis techniques, to better explain this research model.

Quantitative analysis is a method of analysis with numbers that can be calculated or measured. Data were analyzed using statistical methods that examined correlation and intended to estimate the magnitude of the influence quantitatively from changes in one or several other events using statistical analysis tools [11].

The collection of information and research data was carried out through field surveys and structured questionnaires. Primary data obtained directly from the respondents by distributing questionnaires (questionnaire). Questions from the questionnaire came from each of the indicators of the research variable. The filling out of the questionnaire uses a Likert scale to measure a person's attitudes, opinions and perceptions. Number 1 (one) means strongly disagree and number 5 (five) means strongly agree with the statement of the questionnaire.

Analysis of data from respondents using Partial Least Square (PLS) statistical techniques. The purpose of using PLS

is to analyze the correlation of variable X to variable Y and then explain the relationship between the two based on existing theories. In addition, PLS is also useful for testing hypotheses. The outer model defines how each indicator block relates to its latent variable. Outer models are evaluated with reflexive indicators evaluated with convergent validity, discriminant validity or with Average Variance Extracted (AVE), and composite reliability. While the inner model describes the relationship between latent variables based on subtantive theory. The inner model is evaluated by looking at R-squares for each latent dependent variable.

IV. RESULT & DISCUSSION

A. Characteristics of Respondents

This study used a number of respondents 110 people / users of insurance services in East Java, Indonesia. The following are the characteristics of respondents based on several criteria:
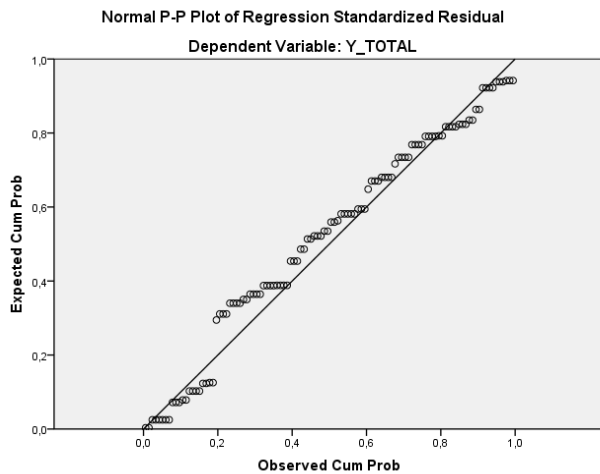
TABLE 1. RESPONDENTS CHARACTERISTICS

Sex		Occupation		Education	
Male	61%	Civil Servant	20%	Senior High Scool	8%
Female	39%	Private employees	42%	Diploma	15%
Usia (Tahun)		Enterpreneur	29%	S1	50%
20-29	20%	Others	9%	S2	21%
30-39	29%			S3	6%
>40	51%				

B. Normality Test

The normality test aims to test the regression model, the residual variable has a normal distribution. The results of the normality test using the SPSS program are as follows:

Fig 2. Normality Test

From the display of the results of the histogram graph above gives a normal distribution pattern and on the normal P_P chart the plot shows scattered points around the diagonal line, and its spread follows the direction of the diagonal line. Based on these results, the regression model meets the assumption of a normality test.
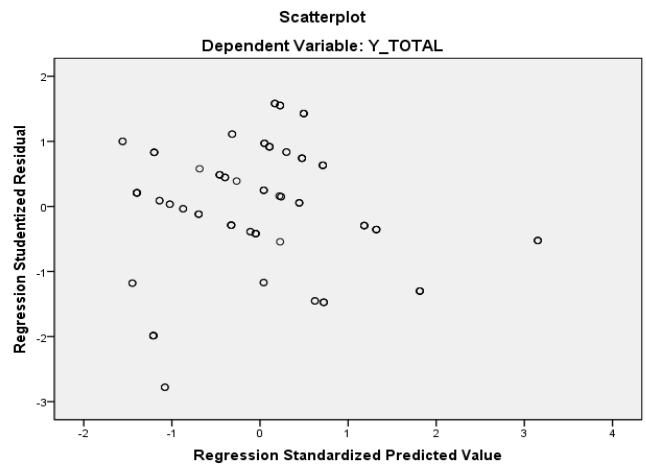
C. Multicollinearity Test

Multicollinearity test aims to test whether in the regression model there is a correlation between independent (independent) variables. To detect the presence of multicollinearity can be done by looking for the magnitude of the Variance Infaction Factor (VIF) and its Tolerance value. If the VIF value is less than 10 and the Tolerance value is more than 0.10, the regression is free from multicollinearity. The results of the multi-collinearity test using the SPSS program are Tolerance values less than 0.10 which means there is no correlation between the independent variables. The results of the calculation of the Variance Inflation Factor (VIF) value also show the same thing that there is no one independent variable that has a VIF value of more than 10. So it can be concluded that in the regression model there is no multicolonity between independent variables.

D. Heterocedasticity Test

Heterocedasticity test aims to test whether in the form of regression there is an inequality of variance from recidual one observation, to another observation.

Fig 3. Heterokedastisity Test

The results of the heteroscedasticity test using the SPSS program are seen that the points spread randomly and spread both above and below the number 0 on the Y axis. This can be concluded that there is no heteroscedasticity in the regression model and the regression model is feasible to be used in this study. .

E. Test the Hypothesis

The autocorrelation test shows that the Durbin value is 1.428, which is between -2 to 2 and is considered to pass the autocorrelation test.

F test (simultaneous test) is conducted to test whether there is an effect of independent variables simultaneously on the dependent variable. The F test results obtained F count of 7.643 with a significant value of 0.000, because the significance value <0.05, Ho is rejected, this shows that brand awerness (X1) and preceived quality (X2) have a simultaneous effect on Repurcase Intention (Z).

T test (partial test) is used to test whether each independent variable, namely Brand Awarness (X1), and Preceived Quality (X2) have a positive and significant effect on the dependent variable, namely Repurcase Intention (Z) partially. The partial test results (t test) from the results of Path analysis on SPSS for equation 1, namely the brand awarness variable (X1) is obtained at 0.420 and the probability of 0.000 for the Customer Satisfaction (Y) variable.

The SPSS results show that the Brand Awarness (X1) variable has a positive and significant effect on Customer Satisfaction (Y). The Preceived Quality (X2) variable is 0.021 and the probability is 0.675 for the Customer Satisfaction (Y) variable. From these results it can be concluded that the Preceived Quality (X2) does not have a direct and insignificant effect on Customer Satisfaction (Y). For the equation 2, the Brand Awarness variable (X1) is obtained at -0.294 and the probability of 0.013, which means that it has a significant negative effect on the Repurcase Intention (Y) variable.

The Preceived Quality (X2) variable is obtained at 0.177 and the probability is 0,000, which means a positive and significant effect on the Repurcase Intention (Z) variable. The intervening variable is the Customer Satisfaction (Y) variable which has a value of 0.197 and a probability of 0.21, which means <0.05, it can be concluded that it has a positive and significant effect on the Repurcase intention (Z) variable. From all these results it is known that the Brand Awarness variable (X1) can directly or indirectly influence (through the Customer Satisfaction variable) on the Repurcase Intention (Z) and Preceived Quality (X2) variables directly affecting the Repurcase Intention (Z) variable without variables intervening.

To find out the magnitude of the contribution of the influence of Brand Awarness (X1) and Perceived Quality (X2) simultaneously on Repurcase Intention (Z) can be known based on the Adjust R Square value of 0.155. The value of 15.5% indicates that the two variables are independent with a dependent variable of 15 , 5%, this means that 84.5% of the variation in repurcase intention variables can be explained by other factors outside the regression model in this study.

V. CONCLUSION

Based on the results of research and discussion on Brand Awareness and Perceived Quality on Repurcase Intention in Indonesian insurance companies, it can be concluded that Brand Awerness has a negative and significant (direct effect) on Repurcase Intention on insurance products provided by the company. Preceived Quality has a positive and significant influence (can have a direct effect) on Repurcase Intention. Awareness and Perceived Quality brands simultaneously affect Repurcase Intention.

The results showed that respondents who are also consumers of insurance products prioritize perceived quality when compared to brand awareness, because insurance services prioritize trust

The researcher feels that there are several things that can be developed from this research. For research related to repurchase intention in the future, it can be done with adding the number of variables or variations in the relationship, for example by adding the customer satisfaction variable as a mediating variable. In addition, the number of respondents can also be added, so that the results obtained can represent the actual conditions.

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