THE EFFECT OF DIGITAL MARKETING ON INCREASING INTEREST IN PURCHASING MOTOR VEHICLE POLICIES IN GENERATION Z IN PALEMBANG CITY

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Abstrak : The development of technology in this day and age has grown rapidly. Many entrepreneurs use technology to market goods and services. Digital marketing is one way entrepreneurs develop markets for goods and services. Digital Marketing is now also used by non-bank financial services companies such as insurance companies. Many insurance companies develop technology to market insurance policies. Motor Vehicle Insurance Policy is one of the insurance products that is often echoed through digital media platforms. In addition to marketing through social media, companies also innovate by developing Insurtech applications. Generation Z today can be said to be the most tech-savvy generation, and is quite capable of using motorized vehicles. They rely on digital marketing and technology media in choosing, getting information and buying Motor Vehicle insurance policies, this also affects the increase in interest in ownership of Motor Vehicle Insurance Policies.

Keywords: digital marketing, insurance policy, motorized vehicles

INTRODUCTION

In this era, the use of internet media is ideal for marketing a good or service. With the internet, in this digital era, the business world is expanding through the emergence of e-commerce and the growth of other online buying and selling activities. There are various marketing strategies used in a business in this digital era or using electronic media and the internet. Basically, digital marketing strategies or digital marketing strategies are product marketing activities in the form of goods or services using digital-based media or technology. In terms of content, digital marketing is not much different from conventional marketing. The difference is, there is an opportunity to interact directly with potential customers when you market products via the internet. So in addition to increasing sales figures, the product and its advantages can be better known.

At present, developments in the world of technology and information are also followed by technological developments in the world of insurance, especially general insurance companies. General Insurance Company, is a company that provides risk coverage services that provide compensation for loss, damage, costs incurred, loss of profit, or legal liability to third parties that may be suffered by the insured or policyholder due to the occurrence of an uncertain event. The development of insurance companies in Indonesia is currently experiencing rapid development and getting better every day. This is because insurance companies always improve services to their customers and continue to develop their products to suit the needs of the customers concerned.

The use of digital marketing is very important because it can help insurance companies increase consumer awareness and trust in the products and services they offer. By doing digital marketing, it will increase accessibility - With digital marketing, consumers will easily get information about insurance products and make purchases online. This allows insurance companies to reach more customers and increase sales volume.

One of the insurance products used by the public is motor vehicle insurance products. Based on data from the Indonesian General Insurance Association, there has been an increase in motor vehicle insurance premiums.

Table of Recorded Premiums for General Insurance, Semester 1 (2022-2023)

LINI USAHA	PREMI DICATAT			
	smt 1-2022	GROWTH (%)	smt 1-2023	GROWTH (%)
PROPERTY	14,959	36.4%	12,552	-16.1%
MOTOR VEHICLE	8,759	18.3%	9,841	12.4%
MARINE CARGO	2,133	17.4%	2,526	18.4%
MARINE HULL	1,128	-1.1%	1,219	8.0%
AVIATION	429	17.0%	462	7.7%
SATELITE	446	1928.1%	31	-93.0%
ENERGY ON SHORE	147	58.7%	128	-13.1%
ENERGY OFF SHORE	928	4.4%	974	4.9%
ENGINEERING	1,665	13.3%	2,297	38.0%
LIABILITY	1,829	14.2%	2,131	16.5%
PERSONAL ACCIDENT	1,090	-29.6%	1,462	34.2%
HEALTH INSURANCE	3,420	28.1%	3,905	14.2%
CREDIT INSURANCE*	6,396	8.9%	8,406	31.4%
SURETY SHIP	626	-26.9%	910	45.4%
MISCELLANEOUS	2,083	25.5%	2,064	-0.9%
TOTAL	46,038	20.0%	48,909	6.2%

Based on the data from AAUI above, it can be seen that there was an increase in motor vehicle insurance policy premiums of 12.4% during the first semester of 2023. This is of course also influenced by digital marketing carried out either by insurance companies, or third parties from insurance companies such as brokers or Insurance Technology Companies.

In Palembang City itself, there are many General Insurance companies and third-party Insurance Companies that offer Motor Vehicle Insurance products through their digital content to attract the market. The market share for motor vehicle products itself can be said to be varied, ranging from individuals, companies and even government agencies. This market share is also able to reach the Gen Z young generation. Those who are mostly students, students or novice workers begin to realize how important this motor vehicle insurance is. Many of them who are still young can already use motorized vehicles, especially four-wheeled vehicles. Road and urban conditions that are increasingly crowded with vehicles raise their awareness of the importance of having a Motor Vehicle Insurance Policy.

Digital marketing content created by insurance players has created self-awareness to have a motor vehicle policy. In Palembang City itself, several well-known insurance brands use digital marketing through social media to increase interest in ownership of motorized vehicle insurance policies, this triggered the author to conduct this research.

THEORETICAL REVIEW

Marketing according to Kotler and Armstrong (2018) is a stage where companies create value for consumers and build strong relationships with consumers that aim to capture value from consumers in return. According to Kotler and Keller (2016) is an activity that involves a series of institutions to carry out stages to produce, communicate, deliver, and exchange value for consumers, partners, and society in general.

The definition of service marketing according to Kotler and Keller (2016: 422) in

(Aditya 2020) is an action that can be offered by one party to another which is basically non-physical and cannot produce any ownership. Based on the definition explained by Kotler and Armstrong (2016: 225) in (Aditya 2020) service marketing functions as a social and managerial process activity in which individuals and groups get what they need and want through the creation of an offer.

Kotler and Armstrong (1997: 48) explain that the Marketing Mix is a set of tactical marketing tools that can be controlled and combined by companies to produce the desired response in the target market. According to Gulid (2013: 18), in his journal said "Traditional marketing mix was defined by the four Ps (product, price, place, and promotion). In the service sector, the marketing mix includes thee additional Ps, which are people, physical evidence, and process ". This means that the traditional marketing mix is defined by the four Ps (product, price, place, and promotion). There are three additional Ps in the service sector, namely people, process and physical evidence, or hereinafter known as 7P. The meaning of 7P according to Fandy Tjiptono (2014: 42) in (Prasetya: 2020), namely:

1. Product: Products are a form of organizational offerings that are designated to achieve organizational goals through satisfying customer needs and desires. In this context, products can be anything (whether physical or not) that can be offered to potential customers to meet certain needs and desires. The product mix decisions faced by service marketers can be quite different from those faced by goods marketers. The aspect of developing new services also has a special uniqueness that is different from goods, namely that new services are difficult to protect with patents.

2. Price: Price mix decisions concern strategic and tactical policies, such as price levels, discount structures, payment terms, and the degree of price discrimination among different customer groups. In general, these aspects are similar to those commonly found in the goods market. However, there is also a difference, namely that the intangible characteristics of services make price a significant indicator of quality. The personal and non-transferable characteristics of some services allow for price discrimination within the service market, while many services are marketed by the public sector at subsidized or even free prices. This causes complexity in service pricing.

3. Promotion: The traditional promotion mix includes various methods to communicate the benefits of services to potential and actual customers. These methods consist of advertising, promotion, sales, direct marketing, personal selling, and public relations. Although the promotional mix for goods is largely the same as for services, the promotion of services often requires a particular emphasis on enhancing the tangibility of services. In addition, in the case of service marketing, production personnel are also an important part of the promotional mix.

4. Place: Distribution decisions concern the ease of access to services for potential customers. These decisions include physical local decisions (e.g., decisions regarding where a hotel or restaurant should be located), decisions regarding the use of intermediaries to increase the accessibility of services to customers (e.g., whether to use the services of a travel agent or to push vacation packages directly to customers), and non-local decisions that are determined for the sake of service availability (e.g., the use of telephone delivery systems).

5. People: For most services, people are a vital element in the marketing mix. If production can be separated from consumption, as is the case in most manufactured goods marketing, management can usually reduce the direct influence of human resources on the final output that customers receive. Therefore, how a car is made is generally not an important factor for the car buyer. The customer is less concerned about whether the

production employees are disheveled, speak badly at work or show up late to work. What matters to the buyer is the quality of the car he buys. On the other hand, in the service industry, every person erupts in the service industry.

6. Physical Evidence: Intangible characteristics of services cause potential customers to be unable to evaluate a service before consuming it. This causes the risk perceived by customers in purchasing decisions to be greater. Therefore, one of the important elements in the marketing mix is an effort to reduce this risk by offering physical evidence of service characteristics. This physical evidence can be in various forms, for example, an attractive holiday package brochure containing photos of the holiday location and place to stay; a neat and polite appearance of the staff; pilot and flight attendant uniforms that reflect their competence; attractive internal and external decoration of the building (for example, many special children's hospitals and pediatrician's practices are decorated with children's nuances in the hope that children will not be afraid when being examined by a doctor); a comfortable waiting room; and others.

7. Process. The production or operation process is an important factor for high-contact services customers, who often also act as co-producers of the service in question. Restaurant customers, for example, are greatly affected by the way staff serve them and the length of wait during the production process. Various issues arise with regard to the boundary between producers and customers in terms of the allocation of production functions. For example, a restaurant may require its customers to pick up their own food from a particular counter or put their used plates and cutlery in special places. In service businesses, marketing management and operations management are closely related and difficult to distinguish clearly.

Digital Marketing according to Chaffey and Chadwick (2016) "Digital marketing is the application of the internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives." Digital Marketing is the application of the internet and related digital technologies in conjunction with traditional communications to achieve marketing objectives.

According to Philip Kotler and Hermawan Kartajaya, digital marketing is the application of digital technology to connect, interact, and communicate with customers to fulfill their needs and wants. According to Dave Chaffey and PR Smith, the meaning of digital marketing is the application of digital technology and digital media to create, promote, and distribute products and services that provide added value. Meanwhile, based on the opinion of Ridwan and Josua, the definition of digital marketing is a series of marketing that uses sites or websites and other media. The media referred to here include blogs, electronic mail, and various other information networks. The main function of digital marketing is to increase sales quickly. Because customers can find out information about a product only through the internet. This method is certainly effective because customers can get information about products without being limited by distance and time.

According to M. Nur Rianto (2012: 212) insurance is a protection mechanism for the insured party if he experiences risks in the future where the insured party will pay a premium to get compensation from the insurer.

Motor vehicle insurance is an agreement that provides a guarantee of compensation to the Insured because the insured vehicle is damaged and / or loss due to events caused by guaranteed risks. The main guarantees on motorized vehicles are:

1. Comprehensive: Guarantees the risk of partial or total loss/damage due to the risks guaranteed in the Motor Vehicle Insurance Policy.

2. Total Loss Only (TLO): Guaranteeing the risk of total loss / damage, namely the cost of repairing the unit is estimated to be equal to the price of the unit shortly before the loss and due to loss due to theft.

Purchasing Decisions According to Kotler and Armstrong (2016), "Consumer buyer behavior refers to the buying behavior of final consumers - individuals and households that buy goods and services for personal consumption". This definition can be interpreted that Purchase Decision behavior refers to the final buying behavior of consumers, both individuals and households who buy goods and services for personal consumption. All final consumers combined will form a consumer market.

Stillman's research (2017) suggests that generation Z is the latest working generation, born between 1995 and 2012, also called the net generation or internet generation. Based on this research, generation Z is different from generation Y or millennials. In his book Stillman (2017) How the Next Generation Is Transforming the Workplace explained the differences, one of the differences between gen Y and gen Z is that generation Z masters technology more advanced, more open-minded and less concerned with norms.

RESEARCH METHODS

This research is used to find out whether there is an influence of digital marketing on interest in motor vehicle policy ownership among gen Z people in Palembang city. It is hoped that this research can fulfill one of the hypotheses below, namely:

H0 : there is an influence of digital marketing on increasing motor vehicle policy ownership.
H1 : there is no effect of digital marketing on increasing ownership of motor vehicle policies.

The research method used is a quantitative method using data analysis, namely multiple linear regression analysis. Data collection was carried out by distributing questionnaires to consumers of motor vehicle insurance owners in Palembang City where for this study it was devoted to generation Z consisting of young people, students and students as well as novice workers as many as 150 motor vehicle insurance policy customers from several general insurance companies in Palembang City. The questionnaire has 15 questions where 10 questions represent digital marketing variables, and 5 other questions represent purchasing decision variables. The sample technique used was purposive sampling. This study uses an instrument test, which consists of a validity test to test whether the questionnaire results obtained are valid or invalid and using a margin of error of 5% (0.05) and a reliability test to determine the results of the analysis to remain consistent, the measurement technique uses alpha Cronbach technique, the calculation results are> 0.6, so it can be said to be reliable (Ghozali, 2011). Finally using Simple Linear Test analysis, Hypothesis Test consists of Partial Significant Test (t test), Simultasn Significant Test (F test), Coefficient of Determination (R2). To test the analysis using SPSS tools.

RESULTS AND DISCUSSION

Calculation of research results begins with using a validity test to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire. This study uses a margin of error of 5% or with a table R value of 0.098.

Based on the calculation of the validity test for each questionnaire question, no calculated R value was found below the R table value of 0.098. 15 question items show an average number above 0.098, so it can be concluded that this means that all items are valid or can be said to be valid.

After checking the validity and obtaining valid statement items, then checking the reliability using the Cronbach Alpha formula to ensure the consistency of these items. The reliability of the questionnaire question items can be determined if the Cronbach's Alpha score is greater than 0.60. In the reliability test, the results are obtained as shown in the table below:

Reliability Statistics

Cronbach's Alpha	N of Items
,894	15

Source: data processed

From the exit table above, N of items shows 15 questionnaire questions, and Cronbach's Alpha shows 0.894, or greater than 0.60. So it can be concluded that the question items on the questionnaire can be said to be consistent or reliable..

Case Processing Summary

		N	%
Cases	Valid	150	100,0
	Excluded[a]	0	,0
	Total	150	100,0

a. Listwise deletion based on all variables in the

procedure.

In the table above, it can be explained that the total sample is 150 people. Because there is no empty data or in the sense that all respondents fill out the questionnaire, the validity level is 100%.

The purpose of the simple linear regression analysis test is to assess whether the two variables are related. Below is the formula used to determine the test:

$$Y = a + bX$$

X : Variabel Independen
Y : Variabel Dependen
a : Konstanta
b : Konstanta Regresi Variabel

In this study, SPSS was used to perform the calculations required for the regression analysis. As seen in the table below, the attached analysis yielded the following findings.

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	3,753	1,055		3,558	,001

X	,401	,028	,758	14,126	,000

a. Dependent Variable: Y

Source: data processed

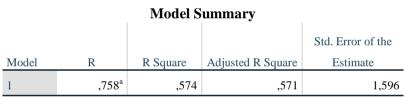From the interpretation of the SPSS output table above, the following equation is obtained:

Y: 3,753 + 0,401X

The value of A in the equation above is 3.753. This figure is a constant number which means that if there is no digital marketing influence (X), the consistent value of interest in motor vehicle insurance ownership (Y) is 3.753.

The value of B is the value of the regression coefficient, which is 0.401. This means that every additional 1 digital marketing influence (X), there is an increase in motor vehicle policy ownership of 0.401.

Due to the positive regression coefficient value, which is 0.401, it can be said that there is a positive influence of digital marketing on the interest in ownership of motor vehicle insurance policies with the equation Y: 3,753 + 0,401 X.

It is known that the calculated T value from the table above is 14.126. The T table value is 1.655. So with this it can be concluded that H0, namely there is an influence of digital marketing on increasing ownership of motor vehicle policies. Meanwhile, from the calculation below:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,758[a]	,574	,571	1,596

a. Predictors: (Constant), X

From the table above, it can be seen that the R square value is 0.574, or 57.4%. This means that the ability of the independent variable, namely the influence of digital marketing in explaining the interest in motor vehicle policy ownership, is 57.4%, while the remaining 42.6% is explained by other variables outside the regression model. It can be said that 57.4% of the variables in the questionnaire are able to explain the variable interest in motor vehicle policy ownership.

CONCLUSIONS AND SUGGESTIONS

Based on the results of data analysis, it can be concluded that there is an influence of digital marketing on the interest in ownership of motor vehicle insurance policies for generation Z in Palembang city. The strategy of insurance companies using digital features or using insurance technology is able to foster interest in ownership of motor vehicle insurance policies. In addition, the information provided through insurance technology, as well as information obtained at the general insurance office directly is no different, both in terms of usefulness, explanation and calculation. The use of Digital Marketing is very important for the progress of insurance companies, where currently many insurance companies have begun to develop Insurance Technology applications to facilitate access to information and can directly buy insurance policies, not only motorized vehicles but also other property insurance. So that

in the future Insurance Companies will compete to use digital marketing as one of the strategies to increase ownership of motor vehicle policies, and develop Insurance Technology features to make it easier to use for consumers, especially for young people who are increasingly savvy in using technology**.**.

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