The Effect of Physical Evidence, Responsiveness, and Assurance on Customer Purchasing Decisions at PT. Asuransi Reliance

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Abstract

In modern times, the need for transportation is very high, this is indicated by the large number of people who have their vehicles. As the number of private vehicles increases, the possibility of traffic accidents occurs, the solution to deal with this problem is: utilizing vehicle insurance services. PT. Asuransi Reliance is a car insurance company that is committed to being the best choice in the vehicle insurance industry. In the preparation of this thesis, the main thing discussed is the effect of responsiveness, guarantees, and physical evidence on customer purchasing decisions on PT. Asuransi Reliance. In this study, the author used an interview method that focuses on primary data as a data source. Based on the findings of this study, the author concludes that physical evidence, responsiveness, and guarantees influence the purchase decision of PT. Asuransi Reliance, where the better physical evidence, responsiveness, and guarantees are owned by PT. Asuransi Reliance then the higher the level of customer purchase decisions. From the conclusions and results of the analysis in the discussion chapter, the author would like to provide suggestions, namely: the company PT. Asuransi Reliance needs to improve the quality of their company's physical evidence, responsiveness, and assurance to improve purchasing decisions.

Keywords: *Responsiveness, Guarantees, Physical Evidence, Purchasing Decisions.*

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A. INTRODUCTION

One of the components that determine the success of the company is the many benefits obtained by the company (Da Rato & Wahidahwati, 2021) (Sari & Hidayat, 2022). Profit itself is influenced by many factors, one of which is: sales (Lourenço et al., 2020). The company will not run for a long time if the company does not have good sales (Aprilly & Nursasi, 2021). Sales are one of the determining factors for the level of development of a business, this applies to large companies and also to medium, small, and micro companies. That's why companies try their best to maximize their buying decisions (Koch et al., 2020).

PT. Asuransi Reliance is a company that focuses on car insurance located at Jalan T Amir Hamzah 48 O, Medan, North Sumatra. This company offers insurance products on vehicles, more specifically car vehicle insurance. The need for car insurance is a type of insurance that is widely targeted by the people of Indonesia, especially Indonesians with middle-class and upper-class economic levels living in urban areas. This is because there is still a lack of public transportation facilities available in Indonesia, where people have to use their vehicles to carry out their daily activities. In addition, another reason why vehicle insurance is an insurance product

that is in demand by the public is because of the possibility of traffic accidents (Grinerud et al., 2021). Even if done accidentally, traffic accidents can still result in material losses for motorists.

From the reasons above, the sales level of PT. Asuransi Reliance, which is engaged in vehicle insurance, increases along with traffic accident cases, but the level of sales at PT. Asuransi Reliance has not increased and has not even reached its target, this is an indication that there is a phenomenon of a decline in customer purchasing decisions. Here is the sales data of PT. Asuransi Reliance in the period June 2021-June 2022.

Table 1. Sales Data of PT. Asuransi Reliance Period July 2021 to June 2022

Moon	Sales Target	Sales Realization
June	IDR 5,000,000,000	4,960,847,118.06
July	IDR 5,000,000,000	3,323,129,381.44
August	IDR 5,000,000,000	3,505,138,817.66
September	IDR 5,000,000,000	3,958,633,178.50
October	IDR 5,000,000,000	3,602,341,533.65
November	IDR 5,000,000,000	4,968,813,603.79
December	IDR 5,000,000,000	5,267,944,782.41
January	IDR 5,000,000,000	5,397,544,410.93
February	IDR 5,000,000,000	2,504,624,057.10
Maret	IDR 5,000,000,000	4,268,566,300.18
April	IDR 5,000,000,000	2,834,124,743.38
May	IDR 5,000,000,000	3,510,949,447.57
June	IDR 5,000,000,000	3,917,054,628.58

From the table, it can be concluded that the company PT. Asuransi Reliance experienced a decline in sales in July 2021 – October 2021 and in February 2022 – June 2022. Starting from July 2021 PT. Asuransi Reliance did not reach the sales target of Rp. 5,000,000,000. This happened again in the following month and stopped in November 2021 to December 2021 when the sales rate increased from the previous month, but after that, the sales rate fell again.

Company PT. Asuransi Reliance needs to analyze to find out what is the cause of the phenomenon of the decline in customers' purchase decisions resulting in a decrease in their sales rate.

Physical evidence is a factor that can improve a company's purchasing decisions and determine consumers using the services of the company (Nabella, 2021). Some of the elements included in physical evidence include buildings, environments, colors, logos, equipment, and corporate atmosphere (Ward et al., 2020).

Physical evidence of this company is still inadequate, it can be seen from the company building that looks unkempt, hot rooms due to lack of air conditioning, and narrow parking lots, this results in customers being uncomfortable and dissatisfied with the company's services, this will have an impact on the level of sales (Rosen, 2020) (Elfving-Hwang, 2020).

Responsiveness is the ability and willingness of the company to serve its customers quickly and responsively, if the company fails or is late in delivering its services, the company will try to improve the situation or reduce the losses experienced by customers, to ensure customers are satisfied with the service received (Madhani, 2019) (Noor et al., 2023).

The responsiveness of this company is still not perfect, some employees are still overwhelmed responding to customer questions, and employee responses when asked through chat applications such as WhatsApp are still slow (Yadav et al., 2022). As with physical evidence, deficiencies in responsiveness will have an impact on falling sales levels (Zhu et al., 2021).

Assurance is all the company's efforts to foster a sense of customer trust and security. Assurance involves the quality, professionalism, and reliability of staff (Frazer, 2020). The guarantee at this company is good enough, employees are polite and friendly when they serve customers, besides that the transaction process is transparent, safe, and straightforward, and this will have a positive impact on the level of company purchasing decisions.

Based on the phenomenon at PT. Asuransi Reliance, researchers feel interested in conducting research that aims to analyze the effect of physical evidence, responsiveness, and guarantees provided by PT. Asuransi relies on its customers' purchasing decisions. By achieving this goal, researchers will gain a deeper understanding of how these elements influence purchasing decisions in the context of insurance companies. In addition, this research will be a scientific contribution that can be used as a reference for students and other researchers in the Management Study Program of the College of Universitas Prima Indonesia. Share PT. Asuransi Reliance, the results of this study will be a guideline to overcome the decline in purchasing decisions that occurred in July 2021 - October 2021, to improve the company's performance in attracting customers. Thus, this study has significant benefits for all parties involved in the study.

B. METHODS

The object of research in this research is the insurance company PT. Asuransi Reliance is located at Jalan T Amir Hamzah 48 O, Medan, North Sumatra. This research was conducted at PT. Asuransi Reliance is located at Jalan T Amir Hamzah 48 O, Medan, North Sumatra. The study ran from October 2022 to September 2023. The research was conducted using a quantitative approach method where data was collected first and then the data would be analyzed. A quantitative approach is used to examine the impact of the independent variable on the dependent variable.

This study uses quantitative data, which means the data can be measured, given numerical values, and calculated. The source of data in this study is primary data, namely the results of filling in the questionnaire. The population used in this study is customers of PT. Asuransi Reliance is located at the address T Amir Hamzah 48 O, Medan, North Sumatra. The saturated sample technique was used in this study,

which is an approach that uses the entire population to be sampled (Sugiyono, 2016: 85). The data collection method uses a questionnaire technique that involves submitting a series of questions to respondents to answer

C. RESULTS AND DISCUSSIONS

PT. Asuransi Reliance Indonesia is a financial services company that offers comprehensive financial solutions to customers. Their service portfolio includes investment, protection, and financing. In the field of investment, they provide securities trading and investment management.

PT. Asuransi Reliance provides insurance services using a quality management system according to international standards. In addition to providing flexible and comprehensive insurance products, they also provide Hotline services 24 hours a day, seven days a week, as well as Reliance Towing. In addition, we have built more than 350 workshop networks throughout Indonesia, so that customers can easily and conveniently access our services according to their needs. PT. Asuransi Reliance Indonesia has a strong commitment to protecting policyholders with a focus on good service. We understand the needs and desires of our customers to protect themselves from risk and reduce losses due to unforeseen events.

In this study, researchers used questionnaires. The questionnaire consisted of 4 statements for the independent variable X1 (physical evidence), 4 statements for the independent variable X2 (responsiveness), 4 statements for the independent variable X3 (guarantee), and 4 questions for the dependent variable Y (purchase decision). The questionnaire was distributed to 34 respondents who were research samples. This study used the Likert scale method for data measurement

Respondents' Responses/Answers

Researchers distributed questionnaires to conduct surveys to look for the effect of physical evidence, responsiveness, and assurance on the purchasing decisions of PT. Asuransi Reliance.

The questionnaire distributed to the sample consisted of 4 questions with physical evidence topics, 4 questions with responsiveness topics, 4 questions with guarantee topics, and 4 questions with purchase decision topics, with a total of 16 questions. Data collected from the field will be presented in quantitative table format:

Table 2. Questionaire Table

No.	Statement	Number of Answers				
		SS	S	RR	TS	STS
Physical Evidence						
1.	The appearance of employees look neat and professional	2	19	5	8	0
2.	The external physical appearance of the building looks clean and well-maintained	0	3	11	13	7
3.	Facilities such as (AC, Wi-Fi, Toilet, and	1	5	19	7	2

	Parking Lot) are complete and functional					
4.	The condition of the room is comfortable, clean, and neatly arranged	0	12	13	9	0
Responsiveness						
1.	Employees can answer questions appropriately and quickly	3	14	9	7	1
2.	The information provided by employees is easy to understand and clear	0	13	13	7	1
3.	Employees are always willing to help with any difficulties experienced by customers	2	9	14	9	0
4.	Employees are always willing to help with any difficulties experienced by customers	0	8	9	10	7
Guarantee						
1.	Employees have sufficient knowledge to answer customer questions	5	13	9	7	0
2.	The transaction process feels safe and hassle-free	5	10	11	6	2
3.	Achievements and reputation of PT. Asuransi Reliance is good and proven	4	4	18	7	1
4.	Employees have a friendly and polite attitude when serving customers	2	13	8	11	0
Purchasing Decision						
1.	I am satisfied with the services of PT. Asuransi Reliance will reuse its services.	0	9	12	13	0
2.	I use the services of PT. Asuransi Reliance because it matches the price and quality I expected	0	6	16	11	1
3.	I am satisfied using the services of PT. Asuransi Reliance and will recommend to others	0	9	18	7	2
4.	Before I used the services of PT. Asuransi Reliance I have searched for information on other car insurance companies	1	5	18	9	1

Validity Test

Used to evaluate the feasibility and validity of each item in the questionnaire. Questionnaire data will not be useful to researchers if it is not valid, because invalid data cannot be used as a measuring tool. Analysis of validity tests in this study using the help of SPSS application version 26.0.

The questionnaire data is declared valid if the ^{calculation} is > ^{rtable} or if the significant value < 0.05. To obtain the value of the r table, the product moment degree of freedom (df) = N – 2 table is used. The number of respondents to this study is 34, then df = 34 –

2 = 32, so the rtable value is 0.349.

Table 3. Physical Evidence Validity Test Results

Questionnaire No.	R count	R table	Say.	Information
X1	0,768	0,349	0,000	VALID
X2	0,807		0,000	
X3	0,688		0,000	
X4	0,530		0,001	

Source: SPSS 26.0

It can be concluded that each physical evidence variable questionnaire question is valid because each value has a value of > 0.349 and a significant value of < 0.05.

Table 4. Responsiveness Validity Test Results

Questionnaire No.	R count	R table	Say.	Information
X1	0,737	0,349	0,000	VALID
X2	0,711		0,000	
X3	0,657		0,000	
X4	0,681		0,000	

Source: SPSS 26.0

It can be concluded that each question of the responsiveness variable questionnaire is valid because each value has a value of > 0.349 and a significant value of < 0.05.

Table 5. Responsiveness Validity Test Results

Questionnaire No.	R count	R table	Say.	Information
X1	0,635	0,349	0,000	VALID
X2	0,772		0,000	
X3	0,702		0,000	
X4	0,620		0,000	

Source: SPSS 26.0

It can be concluded that each questionnaire question of the responsiveness variable is valid because each value has a value of > 0.349 and a significant value of < 0.05.

Table 6. Responsiveness Validity Test Results

Questionnaire No.	R count	R table	Say.	Information
X1	0,727	0,349	0,000	VALID
X2	0,797		0,000	
X3	0,643		0,000	
X4	0,547		0,000	

Source: SPSS 26.0

It can be concluded that each question of the responsiveness variable questionnaire is valid because each value has a value of > 0.349 and a significant value of < 0.05.

Reliability Test

Reliability tests are used as a tool to see the confidence level of measuring instruments. Reliability is measured by Cronbach's Alpha method. With this method, the measuring instrument is declared reliable if the value of Cronbach Alpa is> 0.60.

Table 7. Reliability Test Results

Variable	Cronbach's Alpha	Standard of Reliability	Information
X1	0.659	0,60	Reliable
X2	0.640		
X3	0.621		
And	0.607		

Source: SPSS 26.0

From the table, it can be concluded that each variable can be trusted and reliable as a measuring instrument because it has a Cronbach Alpha value of > 0.60.

Normality Test

Used as a measuring instrument to see if the residual value of regression has a normal distribution or not. Normality is measured using the Kolmogorov-Smirnov method. The value is expressed as normal if it is above 0.05.

Table 8. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		34
Normal Parameters,b	Mean	.0000000
	Std. Deviation	108.855.459
Most Extreme Differences	Absolute	.101
	Positive	.101
	Negative	-.056
Test Statistic		.101
Asymp. Sig. (2-tailed)		.200c.d

Source: SPSS 26.0

It can be concluded that the residual value of the dependent variable and the independent variable has a significance value of 0.200. That is, the distribution of residual values is normal because the value is greater than the significance of 0.05.

Uji Multikolinieritas

Used as a measuring tool to see if there is a relationship or not between the independent variable and the dependent variable in the regression model. To identify the presence of multicollinearity in the data can be seen from the tolerance value or variant inflation factor (VIF) displayed in the coefficient table. if the tolerance > 0.1 and the VIF < 10, then multicollinearity is in the data.

Table 9. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	Bright
1	(Constant)		
	Physical Evidence	.844	1.185
	Responsiveness	.874	1.144
	Guarantee	.962	1.039

a. Dependent Variable: Purchase Decision

Source: SPSS 26.0

From the table, it can be seen that the tolerance value of each variable is> 0.1, and the VIF value of each variable is < 10, meaning that there is no multicollinearity in all independent variables in this study.

Partial Significant Test (T-Test)

Used as a measuring tool to test if the independent variable has a significant influence on the dependent variable individually. This test is based on the comparison of the calculated t value with the table t value, if t count > table t means that there is a partial influence between the independent variable and the dependent variable.

The t-test can also be done by paying attention to the significance of the t-test. If the significance value of the t-test < 0.05, it means that there is a partial influence between the independent variable and the dependent variable.

Table 10. T Test Results

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Say.
1	(Constant)	-.237	1.383		.172	.865
	Physical Evidence	.342	.089	.400	3.866	.001
	DayaTanggap	.412	.081	.521	5.120	.000
	Guarantee	.221	.073	.292	3.015	.005

Source: SPSS 26.0

It can be concluded, namely physical evidence, responsiveness, and assurance have a significant influence on purchasing decisions, because the significance of the t test is smaller than t table and the calculated t value is greater than t table (2.042).

Simultaneous Significant Test (Test F)

Used as a test to see if the independent variable has a significant effect on the dependent variable simultaneously. This test is done by comparing the calculated f value with the table f value, if the f count > the table then there is a simultaneous influence.

Table 11. F Test Results

ANOVA

Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	104.926	3	34.975	26.833	.000b
	Residual	39.103	30	1.303		

Total	144.029	33			

Source: SPSS 26.0

It can be concluded that the independent variable has a simultaneous influence on the dependent variable because the significance of the test f: 0.00 > 0.05 and f count is greater than f table (26.833 < 2.0)

Test Coefficient of Determination (R2)

Used to see how much the independent variable affects the dependent variable.

Table 13. Coefficient of Determination Test Results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854a	.729	.701	1.14169

a. Predictors: (Constant), Assurance, Responsiveness, Physical Evidence
b. Dependent Variable: Keputusan

Source: SPSS 26.0

It can be seen that the value of R^2 is 0.729 which means that the independent variable simultaneously has an influence of 72.9% on the dependent variable. From these results, it can be concluded that Ha is accepted and H_0 is rejected, meaning that physical evidence, responsiveness, and guarantees influence the purchase decision of PT. Asuransi Reliance.

D. CONCLUSIONS

By referring to the explanation of the previous chapter, conclusions can be described, namely: physical evidence, responsiveness, and assurance have a significant influence on purchasing decisions because the significance of the t-test is smaller than t table and the value of t count is greater than t table (2.042). And from the table of coefficient of determination test results, it can be seen that the value of R^2 is 0.712 which means that the independent variable simultaneously has an influence of 71.2% on the dependent variable. From these results, it can be concluded that Ha is accepted and H0 is rejected, meaning that physical evidence, responsiveness, and guarantees influence the purchase decision of PT. Asuransi Reliance

Based on the results of previous research and discussion, researchers want to provide some relevant suggestions. First, for PT. Asuransi Reliance, it is recommended that companies continue to improve the quality of physical evidence, responsiveness, and guarantees provided to their customers. This action is expected to play an important role in improving consumer purchasing decisions, which in turn will have a positive impact on the company's revenue. Second, for the Management Study Program of the University of Prima Indonesia, the results of this research should be integrated as a valuable reference in literature studies, learning, and scientific research enrichment. Finally, for other researchers, the results of this research are expected to be a valuable contribution in the development of knowledge in the field of marketing management, thus broadening understanding and insight in the discipline.

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