The Influence of Marketing Mix (8'Ps) on Purchasing Decision of a Life Insurance

by Ni Nyoman Sawitri

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(Abstract) Insurance is a financial industry that has a very large income. Unfortunately, there is a phenomenon of income decline in insurance companies from 2011 to 2014. This study aims to know the influence of marketing mix (8P) consisting of product, price, place, promotion, people, process, physical environment, productivity and quality on purchasing decision.

This research was conducted at 374 customers selected as respondents through simple random sampling. Data collection using the questionnaire. Methods of analysis is Structural Equation Models (SEM) and the tool of analysis using Partial Least Square (PLS).

The results of this study demonstrate that the product, promotion, people, process, productivity and quality influence on purchasing decisions. While price, place, and the physical environment does not influence on purchasing decisions.

Keywords: Marketing Mix (8Ps), Purchasing Decision, Structural Equation Model, Insurance

1. INTRODUCTION

In 2015 quarter III, the financial services authority (OJK) noted an increase in the development of the insurance industry in the country. It is increasingly clear that the public start to understand the insurance product. It is part of risk management that should be prepared in their life either as self-protection, protection efforts, and financial protection. Insurance is a method widely used by the community at the end of this decade, because of promising protection to the insured parties (clients) against the risks faced by individuals as well as the risks faced by the company. In addition, insurance business as one of the financial institutions becomes an important role because of its protection activities in risk. Insurance companies are able to gather a Community Fund from the receipt of the premium.

In the midst of slowing growth of the national economy, according to a report of the life insurance Association (AAJI), Indonesia Life Insurance industry registered have a positive performance in the second quarter of 2015. It is clearly shows from the increasing growth of premium total income from Rp.53.58 trilion to Rp.67.82 trilion. This 26.6% grow, come from the total revenue of new business premiums. This income managed to grow by 28.2% to 39.19%. This is a positive signal of confidence into Indonesia society against life insurance industry, as a provider of long term financial protection.

Meanwhile, the premium incomes of existing products also increase 24.4%. Its mean, the public more understands the nature of long-term life insurance protection. They committed to maintain ownership of their policy to protect their financial when something happened in the future.

However, regardless of the magnitude of the opportunity, there are still a lot of challenges for the insurance industry to take its benefits. There are five main challenges that we have to be aware of: first, a low level of understanding against the importance of the insurance. Financial literacy survey by the Financial Services Authority (OJK) in 2014, show only 18% of the community who understand insurance products and only 12% of the Indonesia communities that utilize insurance products. Second, low of accessibility and distribution of insurance product amongst the people. Third, the presence of insurance office in areas still classified as low. Fourth, the insurance product marketing capacity is still limited as a result of marketing model that still tend to use the conventional way. Fifth, not optimally utilizing communication technologies and the number of insurance agents is still limited.

Based on data from the insurance Media Research Institute (LRMA), showed the fifteenth best life insurance company that is able to master the life insurance market share in Indonesia to 83.6% of total premium income from 50 life insurance company, with a value of Rp 91.4 trillion to 114.4 trillion. Even though, PT. Asuransi Jiwa Sinarmas

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MSIG was in the Sixth position from 15 market leader, the company experienced a drop in premium income obtained from the sale of a life insurance policy.
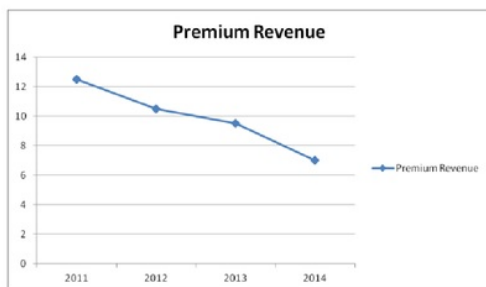

figure 1. The Premium Income of PT Asuransi Jiwa Sinarmas MSIG.

The graph show that the premium income of the life insurance PT Sinarmas MSIG has decreased from the year 2011 to the year 2014. Premium income decreased due to several factors: increase the intense of competition, due to the rise of new competitors in the world of the life insurance industry. Offering a wide range of life insurance products with their respective advantages as well as the price and competitive insurance facilities. The competitors also make the best strategy to satisfy their customers from service quality of the policy purchasing process until the disbursement claims, provides the best facilities and the best distribution strategy of marketing product.

In the face of it, the management of PT Asuransi Jiwa Sinarmas is required to have an effective strategy for achieving its strategic competitiveness and produce the maximum profit. Marketing strategy is a very important thing for a company where it is the way of achieving the objectives of the company. Marketing is something that covers the entire system connected with the purpose to plan and determine the price up to promote and distribute goods and services that can satisfy the needs of actual or potential buyers (Stanton, 2001).

The marketing mix is a great tool for marketers that is composed of various elements of a marketing program that need to be considered in order for the implementation of marketing strategies can run successfully (Lupiyoadi, 2001). Kotler (2008) popularized a classification of the seven elements of the marketing mix instruments, known as 7P i.e. product, price, place/distribution, promotion, people, process, and physical environment. Furthermore, Lovelock (2010) was developed marketing mix instrument into 8P by adding productivity and quality. Factors that exist within the marketing mix were the variables that are expected to create the customer's decision to buy an insurance policy.

Therefore, PT Asuransi Jiwa Sinarmas MSIG prosecuted to predict how clients or consumers will respond to a marketing strategy that is applied. In order to achieve the desired objectives, the role of the promotion undertook to determine the successful new products that company created. Development strategies should be built on the basis of the existence of the continuity between the deferential product, the distribution channels or strategic places to serve the customer, process and physical evidence that support each other.

According to Wahyudi (2012), that product, price, promotion, and place are the most significant variables affecting consumer satisfaction. This result is reinforced by Sefnedi research (2013), which are Product, Price, Promotion, Place, People, Process, Physical Evidence, partially significant influential against the decision of the selection program Bachelor's degree. While in the year of 2014, Suardika research showed a significant effect for variable products and prices, while variable location and promotion effect insignificant against a decision of purchase organic vegetable CV Golden Leaf Farm. In addition, by the year of 2015, Wahyuningsih said that product, price, place, promotion, people, process and physical environment simultaneously positive effect against purchasing decisions by women workers in The Province of Daerah Istimewa Yogyakarta. The purpose of this research is to know the influence of product, price, place, promotion, people, processes, physical environment, productivity and quality on the purchasing decision of a life insurance policy PT Sinarmas MSIG.

2. METHODS

Jogiyanto (2011), explained that the characteristics of participant or situations have different values in the study. The variable must be defined operationally, that is capable of describing a variable in terms of operationalizes or the techniques used to measure a concept. Operational variables that used in this study are purchasing decision as a bound variable and product, price, place, promotion, people, processes, physical environment, and productivity and quality as free variable.

The population was combined with all elements form events, things, or people who have similar characteristics that became the center of the universe for the study (Augusty, 2006). In this study population is the client headquarters of PT. Asuransi Jiwa Sinarmas MSIG who purchased life insurance product in 2016 with 5,746 customers. The sample is a subset of a population, whose members are known as the subject and the population is a member of the element. Using simple random sampling that is sampling from a population is randomly done simply regardless of strata in the population (Sugiyono, 2007). Determination of a large amount of samples in this research used the Slovin method (Umar, 2009) then obtained the sample of 374 people.

The data used in this research is the primary data, i.e. data obtained directly from the original sources (without going through intermediaries) with method survey (Sugiono, 2007). Primary data in this study includes data from the customer questionnaire of PT. Asuransi Jiwa Sinarmas MSIG selected respondents. This research also uses secondary data include the study of the theory of corporate finance, reports, and reports the premium income of the life insurance Association (AAJI) Indonesia. Data retrieval method is the collection of data in this study through the dissemination of the questionnaire (question form) against the client PT. Asuransi Jiwa Sinarmas MSIG.

Methods of data analysis will be done in this study include descriptive analysis and inferential analysis using Structural Equation Models (SEM) which is a statistical technique for testing and estimate causal relationships by integrating analysis of factors and path analysis (Jogiyanto, 2011). Process modeling in the SEM consists of two basic stages, i.e. the measurement model validation and testing model. This method

of analysis chosen because SEM give priority to the right confirmatory modeling for testing theory (quantitative study) that begins with the development of the hypothesis, model representation, and operational variables using the instrument measurement and testing of the model. In addition, SEM has the ability to measure the latent variables which are not measured directly but through the estimation of indicators or parameters.

Partial Least Square (PLS) is a multivariate statistical technique that does benchmark between multiple dependent variables and multiple independent variables (Jogiyanto, 2011). PLS is one of the statistical methods of SEM based on variant that designed to resolve multiple regression when specific problems occur on the data, such as the sample size is small, the research data are missing (the missing value), and multicollinearity (Joginyanto, 2011). The PLS purpose is to predict the influence of the variable X against Y and explain the theoretical relationship between both variables. Therefore, these research use PLS.

Evaluation model of Partial Least Square (PLS) is done by Jogiyanto (2011), among others, the evaluation of the outer model or models of measurements, including the convergent validity and discriminant validity through cross loading and the root of the average variance extracted as well as composite reliability and evaluation of inner models or structural model, evaluated through R^2 (reliability indicator) for the dependent invalid constructs and value the t-statistic of coefficient test path.

Evaluation of the outer model is done by Convergent Validity test, with reflective indicators assessed based on loading factor (correlation between the scores of items/ score components with a score of invalid constructs). Rule of thumb which is usually used to make the initial inspection of the matrix factors are considered ± 30 meets the minimal level, for loading ± 40 is considered better, and for loading > 0.50 is considered significant in partial. Thus, the higher the value of the factor loading, the increasingly important role of loading in interpret matrix factors. Rule of thumb used to convergent validity is the outer loading > 0.5.

Discriminant validity test with reflexive indicators can be assessed based on cross loading between indicators with the construct. If invalid constructs with correlation measurement of items greater than the size of the other invalid constructs, it will be shown that latent invalid constructs predict the size of the block is better than another block size. The other way is to look at the value of the AVE. When the value of the AVE each invalid constructs larger 0.50 then the model can be said to have a discriminant validity. Test reliability in PLS can use two methods, namely, composite reliability and Cronbach alpha. Invalid constructs declared reliable if the value of composite reliability nor the Cronbach alpha above 0.70 (Jogiyanto, 2011).

Evaluation of inner models or structural model is done by looking at the R-square for each dependent latent variable. The Change of the R-square can be used to assess the influence of latent independent variables to the latent dependent variable. the value of R-square higher, result in better model predictions (Jogiyanto, 2011).

Decision to accept or reject of the hypothesis can be seen by the provisions value of the outer weight of each indicator and the value of their significance. The value of the weight is suggested above 0.50 (positive) and T-statistic above the value of T-table for $p < 0.10$; $p < 0.50$; and $p < 0.01$. Indicators that have a value under that provision must be drop from the model

and then do a test. The value of the inner weight of relations between latent variables can be seen by the value of the weight of the relationship must indicate the positive direction with a value of the T-statistic above T-table for $p < 0.10$; $p < 0.05$; and $p < 0.01$. Alternative hypothesis (Ha) is accepted if the value of the weight of the relationships between latent variables indicates the positive direction as to the value of the T-statistic above T-table to $p < 0.10$; $p < 0.05$; and $p < 0.01$. On the contrary, the Ha is rejected if the value of the weight of the relationships between variables indicates the negative direction and value of T-statistic under the T-table for $p < 0.10$; $p < 0.05$; and $p < 0.01$. The t-table value specified in this study is of significance to $1.977 < p \, 0.05$. Next t-table values serve as the values for the cut off for the acceptance or rejection of the proposed hypothesis.

3. RESULT AND DISCUSSION

Description of assessment all variables are as follows:

As shown in figure 2, The relationship of Purchasing decision and marketing mix indicate the criterion of very good or very interested is 82 people (21.9%), the criterion of good or interested is 189 people (50.5%), the criterion of enough is 53 people (14.2%), not good or not interested is 33 people (9%), and the criterion of not very good or not very interested is 17 people (4.5%). Pragash & Karunanity (2017) concluded that there is a very large positive relationship between marketing mix and consumer buying decision.
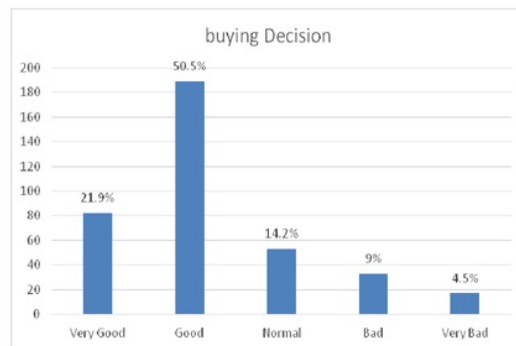

Figure 2: Description Buying Decision

Table 1 below demonstrated that Product description indicates the criterion of very good is 87 people (23.3%), the criterion for good is 118 men (31.6%), the criterion of enough is 103 people (27.5%), the criterion of not good is 54 people (14%), and the criterion not very good is 12 people (3.2%).

Description of price indicates the criterion of very good is 39 people (10.4%), criterion for good is 129 people (34.5%), the criterion of enough is 140 people (37.4%), not good only 34 people (9%), and the criterion not very good is 32 people (8.6%).

Place description shows that the criterion of very good is 115 people (30.7%), the criterion for good is 146 people (39%), the criterion of enough is 86 people (23%), the criterion of not good is 16 people (4%), and the criterion of not very good only 11 people (2.9%).

Table 1: Description of marketing mix (8'Ps)

	Very Good	Good	Normal	Bad	Very Bad
Product	87	118	103	54	12
	23.30%	31.60%	27.50%	14%	3.20%
Price	39	129	140	34	32
	10.96%	34.50%	37.40%	9%	8%
Place	115	146	86	16	11
	30.70%	39%	23%	4%	2.90%
Promotion	70	148	96	18	42
	18.70%	39.60%	25.70%	5%	11.20%
People	76	170	86	34	8
	20.30%	45.50%	23%	9%	2.10%
Process	82	180	83	23	6
	21.90%	48.10%	22.20%	6%	1.60%
Physical Environment	76	147	111	23	15
	20.90%	39.30%	29.70%	6%	4%
Productivity and service quality	91	129	117	18	19
	24.30%	34.50%	31.30%	5%	5.10%

Table 1 above shown than description of the Promotion shows that the criterion of very good is 70 people (18.7%), the criterion for good is 148 people (39.6%), the criterion of enough is 96 people (25.7%), the criterion of not good is 18 people (5%), and the criterion of not very Good is 42 people (11.2%).

The task force demonstrated that the criterion of very good is 76 people (20.3%), the criterion for good is 170 people (45.5%), the criterion of enough is 86 people (23%), the criterion of not good is 34 people (9%), and the criterion of not very good only 8 people (2.1%).

The process criterion that shows the criteria for very good is 82 people (21.9%), criterion for good is 180 people (48.1%), the criterion of enough is 83 people (22.2%), the criterion of not good is 23 people (6%), and the criterion for not very good only 6 people (1.6%).

Description of the physical environment indicated that the criterion of very good is 78 people (20.9%), the criteria for good is147 people (39.3%), the criterion of enough is 111 people (29.7%), not good is 23 people (6%), and the criterion of not very good only 15 people (4%).

Productivity and quality criterion indicate that the criterion of very good is 91 people (24.3%), good is 129 people (34.5%), for enough is 117 people (31.3%), not good is18 people (5%), and for not very good only 19 people (5.1%).

Figure 3: After Loading Factor Drop

Based on outer loadings there is one indicator that has a value of < 0.5 i.e. PS5 (the ease and speed in recovery policy) with a value of 0.474 which means that indicator is not valid. So that the indicator must be drop or deleted. Based on table outer loadings drop after PS5 (invalid indicator) drop or deleted, it can be seen that all the indicators have reflective loading factor above 0.50 which means the entire indicator reflective declared valid.

The AVE score above 0.5 indicates the entire indicator is valid. The results of the construct of reliability test is both composite reliability value and Cronbach alpha, on the whole constructs above 0.70 which mean the entire constructs revealed reliability.

Here is a diagram of a value of the t-statistic based on the output with Smart PLS.
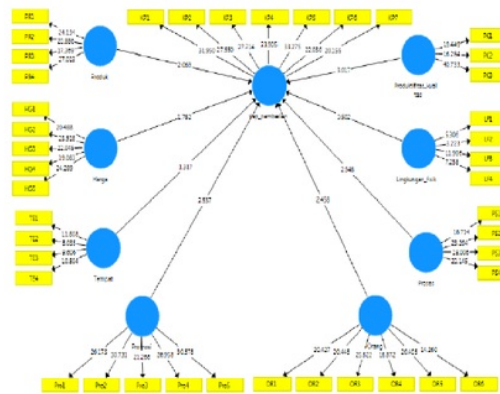

Figure 4: The Results of T-Statistics Test

The Results of testing R-square can be seen on figure 4 above, that the value of R-square for constructs purchasing decision is 0.308 which means that Purchasing decision variability can be explained by the variability of constructs product, price, place, promotion, people, process, the physical environment, productivity and quality of 30.8% whereas 69.2% explained by other variables outside of the researched. A hypothesis test is performed with the path-coefficients test by looking at the value of t-statistics and the original sample. The value of t-81 statistics indicates the significance constructs, while the original sample demonstrates the nature of the relationship between constructs (positive or negative). The limitation of reject and accept the hypotheses presented above is 1.977 for p < 0.05.

Table 2: Result of Path Coefficients Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Price to buying decision	0.132	0.129	0.074	1.782	0.075
Physical Environment to Buying Decision	0.023	0.043	0.045	0.502	0.616
People to Buying Decision	0.132	0.128	0.054	2.458	0.014
Product to Buying Decision	0.132	0.135	0.064	2.069	0.039
Productivity Quality to Buying Decision	0.163	0.167	0.054	3.017	0.003
Promotion to Buying Decision	0.139	0.139	0.055	2.537	0.011
Process to Buying Decision	0.151	0.149	0.051	2.948	0.003

Place to Buying Descision	0.061	0.070	0.047	1.317	0.188

1. The results of the testing path-coefficient obtained the value of the t-statistic is 2.069 and the value of the original sample is positive 0.132 indicating that products effect positive significant against purchasing decision. The first hypothesis (H_1) that the influence on product to purchase decision is accepted.

   A product is anything that can be offered to the market to look for, to get, to use, include physical items, experiences, events, people, places, property, organization, idea (Kotler, 2008). The product is conceptually any casualty that can be offered by manufacturer to fullfil market need or desire (Tjahyono, 2009). The result of this research shows the quality of the products offered by PT Sinarmas MSIG Insurance into consideration in determining the customer's purchasing decision. PT Asuransi Jiwa Sinarmas does not only offer protective benefits of its national psyche but also gives a sense of security through financial protection planning for the future. So it can meet the needs of its customers and investment protection.

   This result supported by Indumathi & Dawood (2016) stated that Product Factor is important to consumer buying behavior. Budiwati (2012) demonstrated that the quality of the product can influence the decision of consumer to buy such products. Fajri (2013) research shows that the items of various savings products offered by Bank Muamalat Indonesia gave considerable influence decisions to save the customer. In addition, Suarjana (2014) stated that both good or poor quality of the products sold in Indomart can influence the purchasing decision and Wahyuningsih (2015) explained that the various be nefits of the insurance products may affect the customer's purchasing decision.

2. The results of the testing path-coefficient obtained the value of the t-statistic is 1.782 and the value of the original sample is positive of 0.132 indicating that price is not significant influence the Purchasing Decisions. The second hypothesis (H_2) that the price effect on purchasing decisions is rejected.

   Swastha propounded theory (2008), the price is the amount of money (plus a few products if possible) that it takes to get a number of combinations of products and services. From the notion that it can be known that price is an amount of money that must be spent by consumers to get benefit from a product or service. In this research, the result explained that the price of products offered by PT Sinarmas MSIG is not be a consideration in determining customer purchasing decisions, because the insurance rates charged to clients tailored to conditions within the customer itself and insurance benefits desired by the customer. Determination of the price charged to each customer customized by age, a period of insurance, employment, benefits and the level of health. In addition, the customer prefers its usefulness not the price level. Besides that the magnitude of the premium rate also is regulated by the financial services authority (OJK).

   The results of this study in accordance with the results of Fajri research (2013) stated that the client is not affected the administrative costs and the price in deciding to save on Bank Muamalat. Son (2012) added that the customers

of prepaid cards XL feel that the price is not a thing that influenced them to use prepaid cards XL. In addition, Sari Devi (2015) shows that the fees charged to students do not affect their decision of saving and Sari Ockta (2015), also support this result that the cost charged to the customer does not affect the saving decision.

3. The results of the testing path-coefficient obtained a value of the t-statistic of 1.317 and the value of the original sample is positive i.e. of 0.061 indicating that the place has no significant effect towards purchasing decisions. Thus the third hypothesis (H_3) in this study which stated that the place influence on purchase decisions is declined.

   Swastha (2008) state that conceptually place is a location where the business activity or business done. Indicators of the place assessment, among other things, namely: an easy to find the office, very representative, easy to reach, and comfortable. In this study, place is no effect on purchasing decisions due to the high mobility in the urban communities makes an easy way to go any place eventhough with long distance. Moreover, the transaction is accessible via the official website and also through the call center that is already provided by PT Asuransi Jiwa Sinarmas. The propuse is for facilitating clients in all types of transactions they need. In the time of technological advancements like nowadays, place is not into consideration clients in taking purchasing decision because, through telecommunications and sophistication of internet access, customers can easily access information or perform the transaction associated with the insurance product. So it is reasonable if the factor of the place has no longer influence in purchasing decisions.

   The result of this research is appropriate with Andreti (2013) stated that the purchasing decision at the supermarket does not influenced by a place. Fajri (2013) also support this result, stating that the place does not affect the customer's decision for saving in Bank Muamalat, because the customer can do any type of transaction in any banking via internet banking. Ardiansyah (2013) Stated that the location of the hotel have no effect on the consumer's decision. Moreover, Sari Ockta (2015) shows that the location of the Office is not the subject of consideration of students for saving.

4. The results of the testing path-coefficient obtained a value of the t-statistic of 2.537 and the value of the original sample is positive 0.139 which suggests that promotion significant positive effect against purchasing decisions. Thus the fourth hypothesis (H_4) in the study that States that the promotion effect on purchasing decisions is accepted.

   The research indicates that significant positive effect on promotion against the purchasing decisions. This shows either good or bad promotion conducted by PT Asuransi Jiwa Sinarmas. MSIG into consideration clients in the purchasing decision. Tjiptono (2007), said that conceptually promotion is a form of marketing communications which is a marketing activity that seeks to diffuse information, influencing/persuading, and/or raising target market, so the costumer is willing to receive, purchase, and loyal to the product offered the company. PT Sinarmas try to make a good strategic promotion in order to increase awareness of consumer perception, attract first buyers, achieving a higher percentage of consumers who

repeatedly buy the product, creating brand loyalty, increase average check, improve sales on specific products or specific times, and introduce new products. In this study the promotion factor influence on the buying decision of PT. Sinarmas customer. Through promotion, potential borrowers will be more interested towards life insurance product offered by PT Asuransi Jiwa Sinarmas, so it could be a consideration in their purchasing decisions of life insurance product. The promotion works to remember their products, also affect the customer to purchase and eventual will also enhance the company's image in the eyes of its customers.

The results of this study match with the previous research carried out by Jeevarathnam (2017) shows that the promotion were found to rise awareness and encourage positive Change in buying decision. Rendy (2017) stated that Advertising is the main factor giving direct & positive impact on purchasing decision. Furthermore, Andreti (2013) which stated that the promotion effect on consumer purchasing decisions at the supermarket because consumers will be more interested in buying a product in offer interesting promotions such as the granting of discounts, cash back or reward at the time of purchase of the product. Wahyuningsih (2015) which stated that the promotion may affect the prospective customer in determining purchasing decisions insurance products. Satit (2012) shows an interesting promotion can influence the consumer's decision to use a travel agent. In addition, Wowor (2013) stated that through the good promotion can attract consumers to buy products of the Toyota.

5. The results of the testing path-coefficient obtained a value of the t-statistic of 2.458 and the value of the original sample is positive 0.132 indicating that people significant positive effect against purchasing decisions. Thus the fifth hypothesis (H_5) in this study which States that "the effect on purchasing decisions is accepted.

The research indicates that significant positive effect People variable against buying decision variable. Kotler (2008) States that a person is all actors play an important role in the presentation of the service so as to influence the assessment of the buyer. All the attitude and actions of employees, how to dress and appearance have an impact on the success of the delivery of services. The employee in performing services to the customer may affect the assessment of the customer about the company. PT Asuransi Jiwa Sinarmas MSIG is a service company offering a very good service where the employee's mastery the product knowledge, friendliness and politeness to serve the customer. That becomes important considerations for the customer in determining the purchasing decision of life insurance product. In addition, Mastery knowledge of insurance products can increase customer confidence towards products that they buy, so that it becomes the customer consideration in taking decisions purchase.

The results of this study match with the previous research conducted by Wahyuningsih (2015) which States that if an employee has a mastery of product and have hospitality in serving the customer, then the customer will be more confident purchase a product or services. So in this case, people influence on purchasing decisions. Sefnedi (2013) stated that the quality of teachers can influence the decision of choosing a University.

Furthermore Wowor (2013) shows that the quality of salespeople can affect consumer decisions to purchase Toyota. Son (2012) also support this result that employees can influence the purchasing decisions of prepaid XL products.

6. The results of the testing path-coefficient obtained a value of the t-statistic of 2.948 and the value of the original sample is positive 0.151 of which indicates that the process effect significant positive against purchasing decisions. Thus the sixth (H_6) hypothesis in this study who claimed that the process influence on purchase decisions is accepted.

The research indicates that significant positive effect of process variable toward purchasing decision variables. This means the speed and accuracy of the process can be a material consideration in taking the customer purchase decisions. Process is all the actual procedures, mechanisms, and the flow of activities that used to deliver the service (Kotler, 2008). The elements of this process mean something to deliver services. Process in the service is a major factor in the marketing mix of services such as customer service will be glad to feel the system of delivery of services as part of the service itself. In this case the speed and accuracy of the issuance of the policy, the premium is due, notice how easy payments, ease and speed the process of disbursement claims, the ease and speed in recovery policy can be a major consideration in the determine the decision in buying insurance products in PT Asuransi Jiwa Sinarmas. MSIG.

The result of this research is appropriate with Wahyuningsih (2015) result which States that the decision of the customer in the purchase of insurance is affected by the processes that exist within an insurance company from the beginning before buying After the purchase process to occur. Fajri (2013) stated that the speed and ease of the saving process could affect the customer in making a decision to save. This also supported by Son (2012), it show that ease process for purchasing a prepaid product XL can be a consideration of the consumer to buy. Gultom (2014) also stated that the quality of teaching and learning can affect students in choosing a University.

7. The results of the testing path-coefficient obtained a value of the t-statistic of 0.502 and the value of the original sample is positive amounted to 0.023 indicating that the physical environment not significant positive effect of the purchase decisions. Thus the seventh hypothesis (H_7) in this study which stated that the physical environment affect purchasing decision is rejected.

This research result shows that Physical environment variables do not affect significantly to variable purchasing decision. This means that the situation and the physical environment can be apart of customer consideration in making purchase decision. The physical environment is a State or condition in which also includes atmosphere of the company. In terms of the characteristics of the physical environment is most visible in relation to the situation that is the geography condition and environment of the institution, decorating, room, sound, scent, light, weather, setting and layouts that appear important or environmental stimuli as an object. Although the atmosphere of the

physical environment of the Office is comfortable and condusive that assessed by the customer, but it did not become a major consideration in determining the purchasing decisions, due into potential consideration is the benefits of the insurance products, In addition, during this period the customer has already facilitated by advances in technology which all access about the transaction and the complaint claims they can do via web access.

The results of this study supports the previous research that has been done by Fajri (2013) stating that the physical environment has no effect on the decision of saving, because of the new era where information technology is so free and also supported by the rising of the middle class rapidly. Son (2012) stated that the physical environment is not influencing consumers to purchase prepaid XL and Sari Devi (2015) also shows that the physical environment is not the subject of the consideration of the customer in the purchase decision.

8. The results of the testing path-coefficient obtained a value of the t-statistic of 3.017 and the value of the original sample is positive of 0.163 showing that productivity and quality effect significantly positive towards purchasing decisions. The eighth hypothesis (H_8) in this study which stated that the productivity and quality influence on purchase decisions are accepted.

The research indicates that the variables productivity and Quality significantly positive effect against variable purchase decisions. This means that productivity and service quality can be a material consideration in purchasing decisions. According to Lovelock (2010) Productivity and quality is the extent to which efficiency of inputs into outcomes services that can add value for customers, while quality is the degree of a service that can satisfy customers because can meet the needs, desires, and expectations. Productivity and quality in providing service to the customer is an important factor that should be guarded and constantly improved by the company since productivity and good quality will attract customers to buy products or services offered by the company.

PT Asuransi Jiwa Sinarmas MSIG is a company's service provider, suitability of product benefits and the quality good service into consideration clients in taking purchasing decision because the customer will feel satisfied if they get services in accordance with they want. The appropriate insurance benefits, product availability and service satisfaction obtained by the customer will be a primary consideration in determining purchasing decision in PT. Sinarmas MSIG Insurance. The customer will feel more appreciated if given in accordance with the service they expect.

The results of this research are appropriate the research results Andreti (2013) stating that the productivity and quality of influence on purchasing decisions at the supermarket. Good service will make customers feel comfortable when shopping at the supermarket. So customers strongly consider productivity and service quality is the determination of purchasing decision. Gultom (2014) stated that productivity and service quality can affect the decisions of college students in selecting a University.

4. CONCLUSION

The study used eight marketing mix to analysis the influence on purchsing decision of life insurance product. The test results shows that the product variable, promotion variable, peolpe variable, process variable dan productivity & service quality variable have significant and positive influenced on purchasing decision of life insurance product. While the price variable, place variable and physical environment have no influenced on purchasing decision of life insurance product.

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