

Customer Perception of Online Claim Service Applications on Car Insurance

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ABSTRACT

The decrease in premium income and the increase in the number of claims will erode the profits of insurance companies so that one of the strategies carried out by insurance companies during this pandemic is to encourage the use of online claim service technology to minimize costs in the claims management process. In this study, the authors took the subject of customer interest in online claim service technology in four-wheeled vehicle insurance and the level of adaptation or acceptance of customers to the claim service technology offered by insurance companies. The author uses the TAM (Technology Acceptance Model) model to develop and test variables for perceived of use and perceived of usefulness variables that affect customer interest in using online claim service applications (Davis, 1989). In addition, the author also develops and conducts tests for variable perceptions of customer trust in company competencies to find out whether the company's competence can affect customer attitudes and interests in using claim service applications.

ABSTRAK

Penurunan pendapatan premi dan meningkatnya jumlah klaim akan menggerus keuntungan perusahaan asuransi sehingga salah satu strategi yang dilakukan perusahaan asuransi dimasa pandemi ini merupakan mendorong penggunaan teknologi layanan klaim online untuk meminimalisasi biaya dalam proses manajemen klaim. Dalam penelitian ini, penulis mengambil subyek tentang minat nasabah terhadap teknologi layanan klaim online dalam asuransi kendaraan roda empat dan tingkat adaptasi atau penerimaan nasabah terhadap teknologi layanan klaim yang ditawarkan oleh perusahaan asuransi. Penulis menggunakan model TAM (Technology Acceptance Model) untuk mengembangkan dan melakukan test untuk variabel persepsi kegunaan (perceived of use) dan persepsi kemudahan penggunaan (perceived of usefulness) yang mempengaruhi minat nasabah dalam menggunakan aplikasi layanan klaim online (Davis, 1989). Selain itu penulis juga mengembangkan dan melakukan tes untuk variabel persepsi kepercayaan nasabah terhadap kompetensi perusahaan untuk mengetahui apakah kompetensi perusahaan dapat mempengaruhi sikap dan minat nasabah dalam menggunakan aplikasi layanan klaim.

INTRODUCTION

Digital transformation in the provision of goods and services has been a part of individual life since a few years ago. This digital transformation simplifies interaction between producers and consumers and makes for a more intense producer-consumer relationship. Digital transformation is a process of utilizing technology that can drastically change how a business performs and the way of customer service. Digital transformation for both large and small organizations will increasingly depend on technology and data to make the operation or production process more efficient and in providing more value to customers (Tanguy, Somesh, et al. , 2016).

Technology has also changed the way Insurance companies interact with their customers. Insurance companies are competing to increase the use of digital technology and the internet as a means of communication, interaction with customers, and distribution. Insurance Companies also try to influence their customers to use *online* applications both for insurance purchases and claim reporting. The use of technology in the claims process has begun to be introduced in recent years and the trend of using this claim application is increasing amid pandemic conditions. This is in line with the insurance company's policy to reduce physical contact between insurance *surveyors* and customers. The use of technology in the claims process can also reduce operational costs in claim processing. (Gowanit et al. 2016) . This led to the emergence of this research, how the impact of online claim service application technology on four-wheeled vehicle insurance and the level of adaptation or acceptance of customers to the technology of claim services offered by insurance companies.

Technology Acceptance Model (TAM) is a theory that explains individual behavior towards technological acceptance derived from previous researches, namely the *Theory of Reasoned Action* (TRA) by researcherS Ajzen & Fishbein, 1980, *Theory of Planned Behavior* (TPB) researcher Ajzen, 1985, and *Technology Acceptance Model* (TAM) by Davis, 1989. As for the concept used in this study to explain individual behavior in the acceptance of technology using the TAM Technology Acceptance Model (Davis, 1989). Ease of Use in Technology can be interpreted as the degree to which an individual believes that using a certain system can relieve him of difficulties or heavy efforts (Davis, 1989). The usefulness of technology is a system whose users believe that the system contributes positively to the performance of the work done by its users (Davis, 1989). Perception of Customer Trust in Company Competence, variabel *trust* used by the author here is a *perceived trust related company based* which is divided into two dimensions, namely the dimension of company credibility is the lowest level of *trust*, namely the customer's perception that the insurance company can be trusted and relied on. The second level of *trust* is a *benevolence dimension*, where customers believe that the representation of the company in this case the management will do its best in serving customers (Gidhagen and Persson, 2011).

The attitude of the individual is influenced by the perception that develops and exists in the mind of the individual. The individual as a consumer is the main determinant of successful sales and the source of profit of a company based on the purchase decision process taken. Therefore an enterprise must understand consumer behavior in marketing management. Analytical techniques for factors that influence consumers' purchasing decisions must be understood. Companies will always try to shape individual attitudes as consumers by understanding the influence of factors that consumers perceive as *beliefs* that have an influencing relationship with attitudes.

Users will be moved to use a system because the system functions for them then the second whether the system is easy or difficult to operate. Or users of a system will want to learn a rather difficult system in order to get a function that will make their work easier. If according to users the technology is easy to use and useful to improve user performance then someone will be interested in using the technology (Gebert-Persson et al. 2019).

Influence Between Variables

Here are the hypotheses used in this study

H1: The perception of ease of use of technology has a positive effect on attitudes towards technology

H2: Perception of the usefulness of technology has a positive effect on attitudes towards technology.

H3: Customer perception of the company's competence has a positive effect on attitude towards

H4: Attitude towards technology has a positive effect on customer interest in using claims service applications

RESEARCH METHODS

In this study, there were independent variables, dependent variables, and *intervening variables*. The independent variables in this study are the perception of ease of use of technology, the perception of the usefulness of technology, the perception of customers towards company competencies. The dependent variable in this study is customer interest in using claim service applications. The *intervening* variable in this study is the attitude towards technology.

Table 1 Research Variables and Indicators

Variable	Indicators
<i>Perceived ease of use of technology</i>	<ol style="list-style-type: none"> 1. Easy to learn 2. Easy to control 3. Clear and easy to understand 4. Easy to use (Davis 1989)
<i>Perceived usefulness of technology</i>	<ol style="list-style-type: none"> 1. Tasks/jobs become easier 2. Using this system shortens the time 3. Increase productivity 4. Increase effectiveness (Davis 1989)
Customer perception of the company's competence.	<ol style="list-style-type: none"> 1. The company is able to pay claims 2. Honest and trusted company 3. Reliable company 4. Staff and Managers have good faith and are competent (Gebert-Persson et al. 2019)
Attitude to technology	<ol style="list-style-type: none"> 1. Feel safe in using the app 2. Risks to personal data on the internet 3. Choosing the internet to report claims 4. Feel happy to be able to report claims over the internet (Gebert-Persson et al. 2019)
Customer interest using the application	<ol style="list-style-type: none"> 1. Choose to use online applications instead of offline 2. Try to understand the claim procedure through the application 3. Recommend using the app to others 4. Using a smartphone if you are going to report a claim (Gebert-Persson et al. 2019)

Source: Processed primary data, 2021.

The research method used is a quantitative method with *the Structural Equation Method* using data from the survey results of 100 customers who claimed four-wheeled vehicles in the repair workshop. This study used primary data for analytical purposes, while the tool used to

collect data was in the form of a questionnaire, which allowed researchers to get mixed responses from respondents (Sekaran and Bougie, 2016). The collection of secondary data, such as information from publication journals, websites, or other media will help researchers in compiling research in the early stages. Therefore, secondary data such as publication journals, master's theses, doctoral dissertations, *websites*, and other supporting media are also used in this study to develop research models.

In this study, the data analysis technique used *Structural Equation Modeling* (SEM) which was carried out through the AMOS (*Moment Structure Analysis*) program. SEM is often referred to as *Path Analysis*. In distributing research questionnaires to answer research questions using google form.

RESULTS AND DISCUSSION

Validity Test Results

Model testing using Structural Equation Modeling (SEM) in full model. It aims to analyze the fit of the models and hypotheses developed in this study. Testing of the SEM model is carried out in stages. Based on the full model SEM test, several outputs can be observed which are the main benchmarks for whether the model is fit or not on the full model SEM. Through the analysis process it was concluded that the model had met the criteria.

Table 2 Feasibility Testing Results

<i>Goodness of Fit Indeks</i>	<i>Cut off Value</i>	<i>Hasil Analisi</i>	<i>Keterangan</i>
<i>Chi - Square</i>	$\leq 68,669$	49,732	<i>Good Fit</i>
<i>Probability</i>	$\geq 0,05$	0,524	<i>Good Fit</i>
<i>CMIN/DF</i>	$\leq 2,00$	0,975	<i>Good Fit</i>
<i>GFI</i>	$\geq 0,90$	0,923	<i>Good Fit</i>
<i>RMSEA</i>	$\leq 0,08$	0,000	<i>Good Fit</i>
<i>AGFI</i>	$\geq 0,90$	0,883	<i>Marginal of Fit</i>
<i>TLI</i>	$\geq 0,90$	1,000	<i>Good Fit</i>
<i>NFI</i>	$\geq 0,90$	0,930	<i>Good Fit</i>
<i>CFI</i>	$\geq 0,90$	1,000	<i>Good Fit</i>
<i>IFI</i>	$\geq 0,90$	1,002	<i>Good Fit</i>

Source: Processed primary data, 2021.

Table 2 shows the output results of the full SEM model. The results showed that all models were accepted. The chi square value of 49,732 is less than the cut of value. The probability result is also known that the model was accepted, which is indicated from an output value greater than 0.05 i.e. of 0.524. Furthermore, the CMIN/DF value shows a result smaller than 2.00 which is 0.975. In addition, rmsea, GFI, CFI, AGFI, and TLI values also indicate that the model is accepted and fits the criteria.

Table 3 Regression Weight Structural Equational

			<i>Estimate</i>	<i>S.E.</i>	<i>C.R.</i>	<i>P</i>	<i>Label</i>
attitude	←	Uses	0.034	0.2	0.168	0.866	par_16
attitude	←	Competence	0.551	0.138	3.995	***	par_17
attitude	←	Ease	0.425	0.226	1.877	0.061	par_18

interest ← Attitude	0.775	0.112	6.911	***	par_19
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Source: Processed primary data, 2021.

Table 3 shows that all coefficients have a positive result, which is able to support the hypothesized test direction. Therefore, the statistical results received the entire hypothesis proposed from hypothesis 1 to hypothesis 4 positive and significant.

Discussion

The perception of ease of use of technology has a positive effect on attitudes towards technology.

In the first hypothesis, researchers want to prove whether the perception of ease of use of technology will have a positive effect on attitudes towards technology. The results were obtained that the variable perception of ease in the use of technology had no real effect on the attitude of the respondent, or in other words rejected the hypothesis H_1 . This result is not in line with research (Davis, 1989) which states that the perception of ease affects the adoption of a technology. However, according to (Gowanit et al., 2016) external factors such as the preference for face-to-face services, the competence of insurance companies affects the customer's attitude to the application more than the perception of convenience in the application itself.

The perception of the usefulness of technology has a positive effect on attitudes towards technology.

In the second hypothesis, researchers want to prove whether the perception of the usefulness of technology will have a positive effect on attitudes towards technology. The results were obtained that the variables of perception of the usefulness of the technology had no real effect on the attitude of the respondent, or in other words rejected the hypothesis H_2 . This result is not in line with research (Davis, 1989) which states that the perception of the usefulness of technology affects the adoption of a technology. But in line with (Wang and Lu, 2014) the perception that favors *such trusts* is more important than *perceived of use* and *perceived of usefulness*.

Customer perceptions of the company's competence have a positive effect on attitudes towards technology.

In the third hypothesis, researchers want to prove whether customer perceptions of company competencies will have a positive effect on attitudes towards technology. The result is that the better the customer's perception of the company's competence, the more positive the respondent's attitude towards technology. Thus, customer perception of the company's competence has a positive effect on attitudes towards technology, so hypothesis 3 is accepted. These results are in line with the study (Rejikumar et al. , 2019) which states that consumer attitudes and perceptions are influenced by the company's reputation. According to (Gebert-Persson et al. , 2019) The reputation and good name of companies that make online sales or transactions must be maintained so that these consumers have a greater attitude and interest in using online transaction services.

The attitude towards technology has a positive effect on customer interest in using claims service

applications.

In the fourth hypothesis, researchers want to prove whether attitudes towards technology have a positive effect on customer interest in using claims service applications. The result is that the better the attitude towards technology, the higher the customer's interest in using the claims service application. Thus the attitude towards technology positively affects customer interest in using claim service applications so that hypothesis 4 is accepted. These results are in line with the study (Gowanit et al. , 2016) which states that attitudes towards technology influenced by external and social factors influence customer interest in using online claims applications.

CONCLUSION

Based on the test results obtained, the conclusions are: 1) ease of use of technology is positive and insignificant to the attitude to technology, 2) perception of usability in the use of technology has a positive and insignificant effect on attitudes towards technology, 3) customer perception in the use of technology to the company's competence has a positive effect on the attitude towards technology and 4) attitude towards technology positively affects customer interest in using claims service applications

This research produces 2 steps that can increase customer interest in using motor vehicle claim service applications as follows: 1) Customer perceptions of company competencies are influential on attitudes towards technology. Previous research has mentioned that in insurance companies, the company's competence plays a significant role in the trust of customers. Indicators of customer perception of the company's competence in this study include customers believing that the insurance company will pay their claims, customer perceptions that the insurance company used is an honest and trusted insurance company, customer perception that the insurance company currently used can be relied upon when an *accident occurs* / claims, the perception that the staff and managers of the insurance company have good faith and are competent in their field. This research shows the results that customer perceptions of company competencies have been proven to affect customer attitudes towards online claim service applications. The more consumers respond positively or feel satisfied with the service and competence of the insurance company, the more positive the customer's attitude will be towards the online claim service application. The figure below shows the relationship between customer perceptions of the company's competence and customer attitudes towards online claim service application technology.

Attitudes towards technology that are influenced by customer perceptions of the competence of insurance companies will influence customer interest in using online claim service applications. This research shows the results that attitudes towards technology have been proven to affect customer interest in using online claim service applications. The figure below shows the relationship between the customer's perception of the company's competence in attitudes towards technology and customer interest in using the claims service application.

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