

# Unleashing the Potential: A Cutting-Edge Digital Marketing Strategies to Drive Insurance Penetration in Indonesian Insurance Technology (Insurtech) Industry

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**ABSTRACT :** *The insurance industry in Indonesia faces significant challenges, including low market penetration and a lack of awareness among the population regarding the importance of insurance. Negative stereotyping against insurance and the concentration of efforts in urban areas further hinder industry growth. To address these challenges, exploring the potential of insurance technology (Insurtech) becomes crucial. This study employs qualitative descriptive methods and analysis tools such as PESTEL, Porter's Five Forces, and VRIO to assess the internal and external factors influencing the Insurtech industry. The 5A's Customer Path Framework is utilized to provide a comprehensive understanding of customer behavior and to recommend effective digital marketing strategies to increase insurance penetration. The analysis focuses on three prominent Insurtech companies, namely BIP, SZT, and ABS. By leveraging technology and forming partnerships with digital platforms, these companies aim to overcome the low penetration rates and reach a wider audience. However, ineffective marketing tactics and a lack of customization hinder their efforts. To address these issues, the article proposes tailored marketing approaches, utilizing search engine optimization (SEO), social media marketing, content marketing, mobile marketing, and video marketing. These strategies aim to increase visibility, enhance brand awareness, educate and engage the audience, and showcase insurance offerings. This research provides valuable insights for Insurtech companies operating in Indonesia, emphasizing the importance of customer-centric digital marketing strategies to drive insurance penetration and accelerate industry growth.*

**KEYWORDS -** Digital Marketing, Insurtech, Insurance Penetration

## I. INTRODUCTION

The insurance sector in Indonesia has great market potential, but there are key challenges it faces. First is the low market penetration, indicated by the small proportion of customers using insurance compared to the overall market size. In 2022, the insurance market penetration was only 3.18%, well below the global average of 7.3%. Additionally, insurance density, which measures the percentage of income spent on insurance, was at a mere 1.4% in Indonesia [1]. These figures demonstrate that the insurance market in Indonesia has not reached its full potential and falls below the global average.

Another challenge is the lack of awareness among Indonesian people about the importance of insurance. Factors such as low-income levels, a focus on immediate needs, and underdeveloped infrastructure in rural areas contribute to this low awareness. Many individuals prioritize other urgent needs over setting aside income for insurance, and there is a general reluctance to spend money on something that has not yet occurred. In addition to that, insurance companies tend to concentrate their efforts on big cities, where market share is seen as more promising, neglecting underdeveloped areas. This uneven focus contributes to the limited awareness of insurance in rural regions.

Negative stereotyping against insurance also poses a challenge to the industry. One of the examples are insurance agents. Agents play a crucial role in distributing insurance products and account for a significant portion of the industry's sales. They generate at least 50 percent of total gross written premium [2]. However, some agents are perceived negatively due to aggressive sales tactics aimed at maximizing their commissions. This perception affects the customer experience and raises doubts about the agents' genuine concern for customer protection rather than sales and commissions.

To address these challenges, it is necessary to look beyond the conventional method that still dominates in insurance market. As the world transform from traditional to digital, the potential of insurance technology (Insurtech) should be explored. Insurtech mainly markets digital insurance products with low premiums and short coverage periods, often sold through partnerships with brokers and digital platforms. These platforms, such as e-commerce, fintech, banking, and ride-hailing companies, provide a business ecosystem to reach

millions of potential customers. It is reported that digital insurance policies issued by a single leading Insurtech company can reach to 650 million policies in 2020 [3].

Despite the growing use of digital technology and digital insurance policies have gained traction, insurtech still faces the issue of low penetration rates. Inefficient marketing tactics, such as relying solely on social media advertising, may not effectively reach all target demographics. Lack of understanding of the local market and failure to customize marketing approaches further contribute to low conversion rates. To overcome these challenges, Insurtech companies need to identify and rectify ineffective marketing techniques, engage with the target audience, and build trust with potential customers. Analyzing the true potential of Insurtech can help accelerate the growth of the insurance sector and overcome the aforementioned issues.

In order to do so, this article will analyze the opportunities and challenges in Insurtech Industry both from internal and external using PESTEL, Porter's Five Forces, and VRIO Analysis. After identifying opportunities and challenges, 5A's Customer Path Framework and examining the digital strategies employed by three Insurtech companies will be used to provide clear picture and provide recommendation on Insurtech's digital marketing strategies that can contribute to increased insurance penetration. The three Insurtech companies that will be discussed using aforementioned analysis tools, namely BIP, SZT, and ABS.

## **II. LITERATURE REVIEW**

### **2.1 Insurtech**

Insurtech refers to technological innovations that improve the efficiency of the insurance business model. Insurtech comprises a network of companies, often startups, that are centered around innovation and aim to create value for clients and insurance industry incumbents. These companies achieve this by introducing disruptive solutions or addressing challenges throughout the insurance value chain. They achieve this by leveraging technology and adopting an efficient, customer-oriented approach [4]. This definition is not open and inclusive in order to cater to the rapid technological advancement that may come in the future. Insurtech aims to tackle challenges faced by conventional insurers that still having hard time to adapt to digital transformation, which often suffer from low penetration of technology, low transparency, low speed, and low IT security [5].

The prevailing discussion surrounding Insurtech often operates under the assumption that innovative startups will triumph over traditional incumbents, with the focus primarily on transforming distribution models and improving customer-centric approaches. However, Insurtech encompasses far more than a handful of trendy applications attempting to replace established, worn-out insurance products. By harnessing emerging technologies and introducing fresh perspectives from outside the industry, Insurtech has the potential to empower incumbents in further enhancing the vital societal role that insurance plays through more affordable insurance, more insurable risks, and improving consumer centricity to close communication gap [6]. Insurtech can making insurance more affordable, as many Insurtech companies, mostly startups, possess transformative business models that aim to reduce high distribution expenses, ultimately making insurance more affordable for a larger segment of the population. Insurtech can also use technology to create more transparency and provide better customer experience which will tackle issues on customer engagement and customers lack of awareness as seen in today's insurance industry.

Slaughter [7] states that Insurtech nowadays have become global phenomenon that can providing positive impact in insurance value chain. Insurtech provides transformative distribution model by shifting online, blurring market boundaries and enabling internationalization. Policy and claims management also made easier as Insurtech offers opportunities for digital claims handling, automated assessments, fraud detection, and self-servicing of claims. In payments, Insurtech provides innovations within the finance sector that can be applied to the insurance value chain, including mobile wallets, risk pooling models, peer-to-peer insurance, and streamlined payments. Customer service is also evolved by using artificial intelligence (AI) that can assist customers and contextualize data in real-time, providing a seamless experience. Insurtech enables the repackaging of existing products, development of new digital products and services, and personalized offerings through online and mobile channels.

### **2.2 Digital Marketing**

Digital marketing refers to the set of principles and concepts that guide the use of digital channels to promote products or services. According to Ryan [8], digital marketing is "the practice of leveraging digital technologies to create a targeted, measurable, and interactive dialogue between a brand and its customers or prospects". Digital marketing allows businesses to reach a wider audience and engage with customers in a more personalized way than traditional marketing methods. Another definition comes from Chaffey and Smith [9], who describe digital marketing as "achieving marketing objectives through applying digital technologies and media". They note that digital marketing can be used to support a range of marketing goals, such as increasing brand awareness, generating leads, and driving sales.

Digital marketing has continued to evolve rapidly over the past decade, with new technologies and platforms emerging all the time. With the growth of digital media and technologies, businesses have access to a range of tools and techniques to reach and engage with their customers. Some of the key digital marketing strategies that businesses can use to promote their products and services are including but not limited to Search Engine Optimization, Pay-Per-Click Advertising, Social Media Marketing, Email Marketing, Mobile Marketing, and Video Marketing. [8], [9]. Another key trend in digital marketing is the use of video content. Videos have become increasingly popular on social media platforms like Facebook, Instagram, and YouTube, and businesses are using video content to engage their audiences and promote their products and services.

### III. RESEARCH METHODOLOGY

#### 3.1 Research Design

In this study, researchers utilized a qualitative descriptive method. Qualitative research, also known as naturalistic research, is conducted without engineering or prearrangement. It involves assumptions, interpretive frameworks, and the exploration of meanings imposed by individuals or groups on social or human problems [10]. The data collection process employed a qualitative approach in a natural environment, allowing for sensitivity to dynamic changes. Data analysis followed a deductive approach, identifying patterns and themes. The research report includes participant voices, researcher reflexivity, problem descriptions, contributions to the literature, and calls for change. The study aims to gather detailed insights through in-depth interviews to explore the digitalization of insurance products. Primary and secondary data sources, including interviews and documents, will be combined to answer research questions and provide comprehensive results.

This study utilized a case study methodology to analyze the marketing strategies employed by Indonesian Insurtech companies for improving insurance penetration. Case studies involve in-depth exploration of specific programs, events, activities, processes, or individuals [10]. Various data collection approaches were used, including interviews, observation, questionnaires, and surveys, with flexibility to incorporate qualitative and quantitative methods. Three companies (BIP, STZ, and ABS) were examined as units of analysis, and data analysis involved categorizing and comparing information on marketing strategies, channels, and target audiences. Similarities and differences among the cases were identified to uncover effective digital marketing techniques for increasing insurance penetration in Indonesia.

#### 3.2 Data Collection

To collect primary data, in-depth interviews are used in this research. It involves direct face-to-face communication and participants are asked unstructured and open-ended questions to gather their views and opinions. Interviews are conducted in person with Jakarta-based stakeholders and through various online channels for stakeholders residing elsewhere. The study aims to conduct interviews with 5 industry experts / key persons from Insurtech companies, as well as 20 customers who have purchased digital insurance through digital platforms. These interviews will provide valuable primary data on current digital marketing strategies. Secondary data is collected through literature studies in academic journals, reports, documents, and news.

### IV. RESULTS AND DISCUSSIONS

#### 4.1 External Analysis

This study finds that Insurtech industry in Indonesia still have untapped potential to grow amidst the domination of traditional insurance companies, although it still needs to tackle and prepare for several challenges that lie ahead. PESTEL analysis and Porter’s Five Forces are used to complete external analysis.

##### 4.1.1. PESTEL Analysis

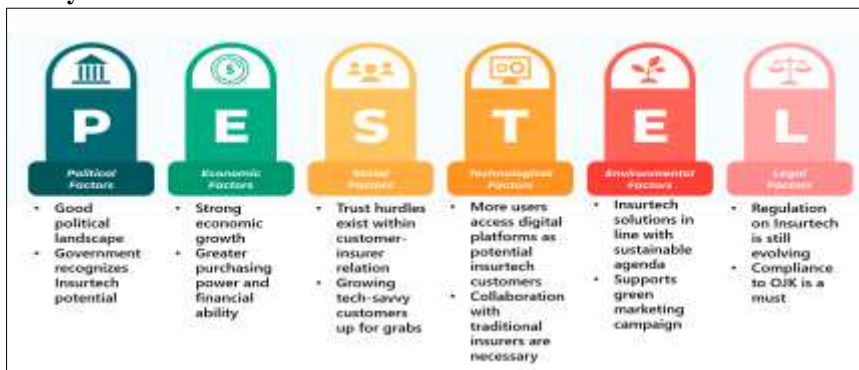


Figure 1. PESTEL Analysis Summary of Insurtech Industry in Indonesia

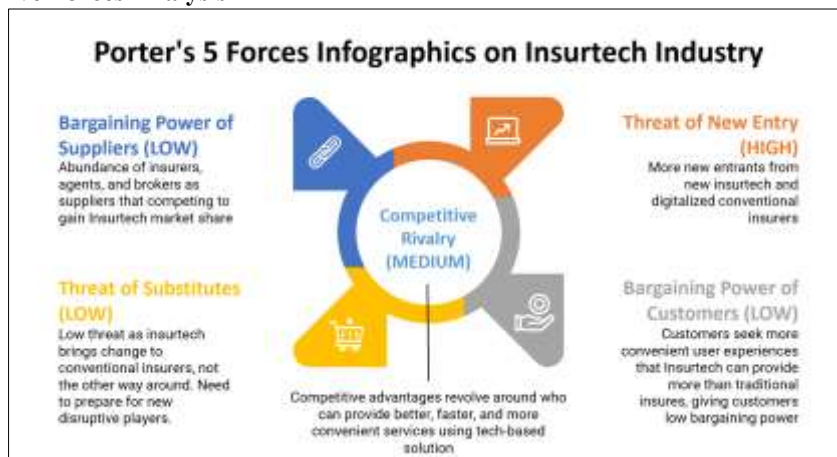
Based on the PESTEL Analysis, it is determined that the external factors surrounding Insurtech industry provide opportunities that comes from political, economic, technological, and environmental factors. Political climate in Indonesia is suitable for Insurtech to thrive as one of the growing financial services. This is supported by strong economic growth and better purchasing power and financial ability to buy Insurtech products. The Financial Service Authority further stated that as of July 2021, total general and life insurance premiums disbursed via Insurtech had reached IDR 6 trillion. This amount represents 3.94% of total national general and life insurance premiums [11]. This is also reflected that the stability of political aspect in Indonesia can boost the growth of Insurtech industry.

In terms of technological factors, Indonesia have growing users that have access to digital platforms and tech infrastructure from conventional insurers that can be leveraged to accelerate Insurtech growth. Chauhan and Singh [12] stated that digital platforms and mobile application contribute to the openness and transparency of information which indirectly affects the growth of insurance penetration. Insurtech companies can capitalize on this trend by developing user-friendly mobile applications that allow users to easily purchase policies, manage claims, and access insurance-related information.

As for environmental factors, Insurtech solutions is in line with sustainable agenda which may attract customers through its green marketing campaign. Digital insurance allows Insurtech companies to streamline their operations, decrease administrative costs, and consume less resources [13]. By minimizing the use of paper, printing supplies, and energy usage, automated operations, digital claims submissions, and electronic communication channels contribute to environmental sustainability. Insurtech companies can link themselves with the growing need for sustainable solutions and attract environmentally concerned customers by emphasizing the environmental benefits of digital insurance [14]. Incorporating environmental message into their marketing campaigns and emphasizing the paperless nature of their services will resonate with people who value environmentally friendly practices.

Threats are determined from social and legal factors. As insurance literacy is still moderately low, Insurtech still shares trust hurdles with conventional insurers that affect customer relations. The hurdles came from years of insurance bad practice including difficult and unfair claims handling, fraud, and aggressive marketing. The country’s culture also makes people avoid to spend money for protection against unforeseeable predicament. In addition to that, regulation of Insurtech in Indonesia is still evolving, which does not contribute to improving people’s awareness on Insurtech. However, more and more people are identifying as tech-savvy and regularly interact with digital platforms and transact in digital product. This is a must-grab for Insurtech to increase their customer base and gaining market share in the middle of conventional insurers.

**4.1.2. Porter’s Five Forces Analysis**



**Figure 2. Porter’s Five Forces Infographics Summary on Insurtech Industry in Indonesia**

To survive in current insurance market landscape, Insurtech needs to established their competitive advantages by leveraging the existing opportunities and tackle the challenges that lies in Indonesia market. Based on the above Porter’s Five Forces Analysis, Insurtech industry has opportunity in their technological advantages which covers their ability to bridge the information gap that exist in conventional insurance. This will allow increased transparency, personalized products and services with wider range suitable for the customer’s need. Insurtech also enjoy the low threat of substitutes as their core product is unique to its own industry, which means with their technological advancement they have the potential to gain control of the market that dominated by traditional insurers. Traditional insurance companies, although adapting to digitalization, still face challenges in providing the same level of convenience and personalized experiences



offered by Insurtech [15]. Abundance of suppliers that competing each other to gain Insurtech market share also a competitive edge that needs to be retained by Insurtech companies.

However, there lies challenges in several aspect, including the threat of new entrants from existing conventional insurers with more funding and investment in digitalized products. To tackle such challenges, Insurtech companies should focus on continuous innovation to stay ahead of the competition. This can involve developing new insurance products, enhancing user experiences, or exploring emerging technologies. Establishing strategic partnerships with complementary companies, such as technology providers or distribution channels, can help broaden reach and competitiveness. As the market landscape shift from traditional to digital, potential suppliers will also compete to establish partnership with Insurtech. Therefore, it is also crucial to leverage partnerships with established insurers, brokers, agents as suppliers to gain access to a broader customer base and enhance credibility.

**4.1.3 5A’s Customer Path Framework Analysis**

To enhance insurance penetration within the Indonesian Insurtech industry, it is imperative to craft an innovative digital marketing strategy that seamlessly aligns with the customer journey. Effectively comprehending the customer's path and strategically engaging potential consumers at each stage play pivotal roles in boosting conversion rates and fostering enduring customer relationships. To gain deeper insights into the customer journey, a series of interviews were conducted with 20 respondents, enabling a comprehensive understanding of their experiences in each stage.

**a) Aware Stage**

**Table 2. Interview result on Aware Stage**

Stage	Interview Questions	Answer
Aware	How many times have you bought digital insurance products through online platforms?	- 3 respondents said always buy it when they are making online transactions and there were digital insurance attached to those transactions - 10 respondents said they already bought it for more than 2 times - 7 respondents said they only bought it for 1/ 2 times
	What digital tools tell you that you can buy digital insurance products online?	- Social media: instagram, tiktok, and youtube - Company's website - Application (insurance company or from the other apps such as ride hailing, online travel agent, etc) - Online advertising

Based on the interview findings, all respondents demonstrated awareness of Insurtech products, with each claiming to have come across advertising content or information related to Insurtech through various mediums. Notably, social media emerged as the primary platform through which respondents became acquainted with Insurtech, as relevant content and advertisements consistently appeared in their feeds. Video marketing on platforms like YouTube and TikTok also played a significant role in providing firsthand information about Insurtech. In addition to that, many respondents reported visiting official websites of Insurtech companies after being exposed to information about their products. Online advertisements played a substantial role in raising awareness of digital insurance products, particularly among tech-savvy customers.

In line with these findings, the three Insurtech companies discussed in this study have demonstrated efforts to increase public awareness of their products and services. While the level of awareness may vary across companies, all three have utilized essential platforms to disseminate information and generate interest. Social media marketing was employed by all three companies, reflecting its effectiveness in reaching the respondents and providing them with information. However, additional efforts should be made to leverage multiple platforms for broader information dissemination and to further enhance people's awareness of Insurtech.

**b) Appeal Stage**

**Table 3. Interview result on Appeal stage**

Stage	Interview Questions	Answer
Appeal	What features made you interested in buying a digital insurance product?	- Accessible - Very cheap premium - Simple claim assessment - Simple customer journey
	What digital facility is your first destination to get information about digital insurance products?	- Search Engine - Social Media - Video marketing in social media

According to the interview results, the respondents unanimously agreed that the ease of accessing Insurtech products and services was a major appealing factor. This represents a significant shift brought about by Insurtech in the insurance industry. Unlike traditional insurance, Insurtech allows people to freely and openly access information without relying on intermediaries to explain the intricate details. Digital insurance products are readily available on various digital platforms, providing customers with a seamless and improved experience.

Another appealing feature highlighted by the respondents is the claims handling process in Insurtech. By leveraging technological advancements and adopting customer-centric practices, Insurtech has transformed claims experiences to be faster, more efficient, and transparent. This is particularly crucial in Indonesia, where insurance literacy remains low and skepticism surrounding claims handling is prevalent due to its traditionally slow, lengthy, and complex nature. Insurtech disrupts this process through technological advancements, positioning it as a competitive advantage over conventional insurers. Respondents expressed agreement that fast and easy claims handling is a game changer in their perception of insurance.

To effectively cater to customer needs, these major appealing factors should be easily accessible on digital platforms. The majority of respondents emphasized the importance of easily finding information through search engines, websites, and social media platforms. Additionally, they highlighted the value of video content in enhancing comprehension.

In light of these findings, BIP, SZT, and ABS have taken measures to ensure the accessibility of their products and services by featuring them on their websites and applications. However, it is crucial for these companies to prominently showcase their offerings, clearly present terms and conditions, and provide transparent information about their claims handling procedures. By doing so, potential customers can familiarize themselves with the available options, positioning these companies as the preferred choice for digital insurance purchases.

**c) Ask Stage**

**Table 4. Interview result on Ask stage**

Stage	Interview Questions	Answer
Ask	What information do you want to know before buying digital insurance products online?	- Coverage and benefit - Premium - How to claim - Other related terms and conditions
	How do you find further information about the digital insurance product you want to buy?	- Search Engine - Company's website
	Do you find it difficult to find information about the digital insurance product that you are going to buy?	- 14 respondents said no difficulty - The rest said it is difficult to find detail information since they only receive general terms and conditions of the products

In the realm of Insurtech, the ask stage revolves around implementing strategies that facilitate customer inquiries, provide relevant information, and address any doubts or hesitations. According to the interview results, a majority of the respondents expressed their interest in learning more about Insurtech after being initially exposed to information. To gain further insight, they turned to various digital platforms such as search engines, social media, Insurtech's official websites, and even video content. The respondents commonly sought information regarding benefits and coverage, premium rates, and the claims handling process. Some respondents utilized these aspects as benchmarks for comparing products and services across different Insurtech companies. However, they also noted that acquiring complete information in one go was not always an easy task. Often, they needed to conduct additional research, including scouring social media platforms for authentic user reviews, to gain a better understanding from a fellow customer's perspective.

Considering the aforementioned findings, BIP, STZ, and ABS have all developed reliable websites to present comprehensive information about their insurance offerings. However, among the three companies, only BIP has taken an additional step by incorporating a chatbot feature that allows customers to access more in-depth information.

d) Act Stage

Table 5. Interview result of Act stage

Stage	Interview Questions	Answer
Act	What digital insurance products have you purchased?	- Travel Insurance - Gadget Insurance - Marine Cargo/ Asuransi Pengiriman - Personal Accident Insurance
	Where do you buy insurance products online?	- Ecommerce - Company's website/ apps - Online Travel Agent - Other apps such as ride hailing
	After getting the information, how long did it take you to decide to buy digital insurance products online?	- Less than 24 hours
	What things do you consider before buying digital insurance products online?	- Coverage and benefit - Seamless claims process - Seamless customer journey

Based on the interview results, a significant number of respondents have purchased digital insurance products from Insurtech companies through various digital platforms. E-commerce platforms play a prominent role in offering micro-insurance options such as cargo insurance and gadget insurance, which are easily accessible and sometimes bundled with specific purchases. These platforms also serve as one-stop shops for customers to purchase general and life insurance from multiple partnered insurers. The company's website and application also influence customers' decisions to purchase digital insurance products. Therefore, it is crucial for Insurtech companies to establish a compelling brand image that resonates with customers and remains top-of-mind when considering insurance purchases.

Additionally, online travel agencies offer personalized travel insurance options, while ride-hailing services embed cancellation and goods insurance within their services, including rides, food delivery, and other deliveries. The majority of respondents have gained access to at least one digital insurance product offered on various digital platforms. It is worth mentioning that over half of the respondents expressed a sense of urgency to purchase digital insurance products after becoming familiar with essential information, particularly regarding benefits and coverage, premium prices, and the claims handling process.

This indicates that companies that effectively communicate and provide informative details to potential customers can offer better customer experiences and increase conversion rates from potential customers to actual customers. In line with these findings, BIP, SZT, and ABS have taken the right approach by forming partnerships and collaborations with digital platforms such as e-commerce, online travel agents, and ride-hailing services (specific partner company names are not disclosed for confidentiality reasons). Moreover, BIP is one step ahead as they are currently developing their own applications to attract potential customers.

e) Advocate stage

Table 6. Interview result on Advocate stage

Stage	Interview Questions	Answer
Advocate	What factors make you want to buy digital insurance products again?	- Peace of mind especially when buying insurance for big transaction such as electronic, gadget, airlines ticket - Easy to find out more information - Low premium - Seamless claims procedures
	After you buy a digital insurance product, do you want to know more and are interested in other insurance products?	- 12 respondents said no - The rest said yes, they want to know more about other insurance products
	Have you ever recommended a digital insurance product that you bought to other people?	- 3 respondents said yes because they have experience claims settlement - The rest said no because insurance is not something common/ familiar

The interview results reveal that the primary motivation for respondents to repurchase digital insurance products is the peace of mind they experience, knowing that their risks are covered and the claims process is seamless. This satisfaction stems from a customer-centric approach that prioritizes meeting and exceeding customer expectations throughout the entire Insurtech value chain. However, it is important to note that customer satisfaction alone does not necessarily translate into customer advocacy. Interestingly, the majority of respondents did not feel compelled to recommend digital insurance products to others. This highlights the responsibility of Insurtech companies to design a customer experience that not only satisfies customers but also

drives them to become advocates. Given the aforementioned findings, it becomes crucial for Insurtech companies to offer relevant insurance products alongside exceptional services in order to encourage repeat purchases from customers.

## **4.2 Internal Analysis**

This study explores three prominent Insurtech companies (BIP, SZT, and ABS) and analyze them using VRIO Analysis. This aims to gain insights into their competitive positioning and potential for long-term success in the Indonesian insurance market. In addition to that, this study also assesses digital marketing strategies employed by the three companies to understand how deep they are in their effort to implement digital marketing.

### **4.2.1 VRIO Analysis on BIP**

Data collected through in-depth interviews with two key persons in BIP and considering other documented sources available, it is found that there are two main resources that contribute to their competitive advantage: technology driven company and global presence in South East Asia (SEA). VRIO is used to analyse the Value, Rarity, Inimitability, and Organization of those two resources.

#### **a) Value**

The technology-driven approach of BIP adds substantial value to the firm. BIP has created new insurance products and services that respond to the needs of a digitally savvy customer base by harnessing technology. Their digital solutions improve customer experience, streamline insurance operations, and enable efficient data analysis. These value-added services give BIP a competitive advantage in the market. While The global presence of BIP in SEA (Indonesia, Vietnam, and Thailand) adds substantial value to the organization. The SEA region has a sizable and growing population, a growing middle class, and a growing demand for insurance products. BIP's capacity to expand and build a firm footing in numerous SEA nations enables it to enter this lucrative industry. BIP can acquire a significant market share and produce significant money by providing insurance solutions adapted to the specific demands of the region.

#### **b) Rarity**

BIP's technology-driven resources and competencies are somewhat rare in the insurance sector. While many insurance companies use technology to some level, BIP's stands out by putting technology at the core of their operations. Because of their extensive data analytics, machine learning algorithms, and automation technologies, they can provide customized insurance solutions, automate claim procedures, and identify emerging market trends. For example, in 2022, the company had rapid development, with 87% of total non-credit insurance claims settled within 24 hours. BIP's system enabled it to resolve 77% of all claims for gadget protection insurance within two hours [16]. BIP's global presence in many SEA nations distinguishes it from a local Insurtech that only operates in one country, such as Indonesia. While the local Insurtech has an extensive presence in its native nation, its reach is limited in comparison to BIP's spread throughout various SEA countries. BIP's uniqueness stems from its ability to handle the regulatory settings, cultural intricacies, and market dynamics of several SEA countries. This necessitates major time, resource, and regional skill expenditures. BIP's activities in different SEA nations demonstrate its capacity to tailor its products, services, and business strategies to each market's unique demands and preferences. BIP's rarity, demonstrated by its wider geographic footprint and deeper market penetration in SEA, gives it a competitive advantage in the market. BIP has likely developed strong partnerships, acquired valuable market knowledge, and built a reputable brand across multiple countries, which are difficult for the local Insurtech to replicate in a short period.

#### **c) Inimitability**

The inimitable of BIP's technology-driven resources is determined by a variety of elements. While other insurance businesses can invest in technology, recreating BIP's same combination of resources, talents, and organizational processes may be difficult. BIP has most likely created proprietary software, algorithms, and data systems that are difficult to replicate. In addition to that, the company's established partnerships, client base, and brand reputation all contribute to its strong position. The inimitable of BIP's global presence in SEA is determined by a variety of factors. Expanding and creating a strong presence in numerous nations across the region necessitates significant expenditures in time, resources, and local knowledge. BIP has most likely formed alliances with local insurance providers, established contacts with regulatory organizations, and tailored its products and services to individual market nuances. While competitors may attempt to enter the SEA market, recreating BIP's existing presence and local ties may be difficult and time-consuming, giving BIP a long-term competitive edge.

#### **d) Organization**

BIP's technology-driven resources are organized and managed effectively. The organizational structure of the corporation likely encourages cross-functional collaboration, allowing for the seamless integration of



technology into many elements of insurance operations. BIP have a team (mainly in India) of competent data scientists, software engineers, and technology specialists who create and upgrade their digital platforms on a regular basis. BIP's competitive advantage stems from the organization's devotion to technology and its alignment with business goals. BIP also displays outstanding worldwide organization and administration of its SEA presence. The organization is likely to have a well-structured multinational team with a thorough awareness of each SEA country's local markets, legislative requirements, and client preferences. The organizational structure and processes of BIP enable effective coordination and collaboration across borders, ensuring a uniform and localized approach to insurance operations. This organizational skill enables BIP to maximize the impact of its worldwide presence in SEA.

#### **4.2.2 VRIO Analysis on SZT**

Upon conducting an extensive interview, this study finds that SZT possesses two fundamental resources that merit in-depth assessment and analysis within the context of this research, namely: technology infrastructure and strong financial capital. Below are the VRIO analysis in detail.

a) Value

The technology infrastructure at SZT adds significant value to the firm. It facilitates the creation and deployment of innovative services, improves operational efficiency, and enhances the entire client experience. The advanced technology infrastructure enables SZT to obtain insights, automate processes, and provide customized insurance solutions to its consumers by leveraging data analytics, artificial intelligence, and digital platforms. This value offer increases SZT's industry competitive edge. The financial capital provided by SZT adds substantial value to the company. It offers SZT with the resources it needs to spend in R&D, technological improvements, market expansion, and strategic initiatives. The availability of substantial financial capital enables SZT to keep ahead of competitors, capitalize on development possibilities, and strengthen its competitive position in the Insurtech business.

b) Rarity

In the Insurtech market, SZT's technical infrastructure is relatively uncommon. Not all businesses have invested in developing a strong and scalable technology foundation. The architecture of SZT's, which includes proprietary software algorithms, seamless integration of digital platforms, and data analytics capabilities, distinguishes it from many competitors. Because of the rarity of this resource, SZT is able to differentiate itself and acquire a competitive advantage in the market. While financial capital is not necessarily rare, the capacity to access significant financial resources through investments, partnerships, and funding rounds can be scarce in a competitive landscape. SZT achievement in raising considerable financial funding distinguishes it from many competitors and demonstrates investor trust in the company's potential. This rarity strengthens SZT's capacity to implement its growth strategies and achieve a competitive advantage.

c) Inimitability

The technology infrastructure of SZT is moderate to high in imitability. While competitors may seek to duplicate specific components of the technology infrastructure, such as deploying digital platforms or data analytics, recreating the complete system and reaching the same degree of integration and functionality can be difficult and time-consuming. Additionally, SZT's continuous investments in technology, research, and development further raise the barriers to imitation and provide the company with a sustainable advantage. In Insurtech industry, financial capital is highly imitable. Competitors, like SZT, might seek and secure their own financial resources through a variety of techniques. While SZT has been successful in attracting significant financial backing, it does not have a distinct advantage in terms of financial capital. Competitors can follow SZT's lead by cultivating investor contacts, presenting a compelling value proposition, and completing successful investment rounds.

d) Organization

SZT's IT infrastructure has been properly organized and incorporated into its broader business processes. The organization has a specialized team of IT professionals, data scientists, and engineers who ensure the infrastructure's seamless operation and continual improvement. The organizational structure of SZT encourages innovation, cooperation, and the integration of technology activities with business objectives. This organizational structure maximizes technology infrastructure use and increases its contribution to SZT's competitive advantage. The efficient structure and management of SZT's financial resources is crucial to enhancing its value and competitive advantage. Budgeting, risk management, and resource allocation are all part of the company's solid financial management processes. SZT optimizes its operations, fosters innovation, and drives growth by carefully managing its financial resources.

#### **4.2.3 VRIO Analysis on ABS**

This study finds that ABS possesses two fundamental resources that warrant detailed evaluation and examination in the context of this study, namely: the strategic partnership with an industry expert and a focus on agility and customer-centricity. Below are the VRIO analysis in detail.

a) Value

ABS gains tremendous value from its strategic cooperation with an industry expert. The industry expert's expertise, knowledge, and resources can help ABS gain a competitive advantage in the Insurtech market. The collaboration has the potential to result in creative product creation, improved risk assessment, and improved consumer experiences. ABS can improve its strategic decision-making processes and gain a competitive advantage by harnessing the insights and direction of an industry expert. ABS also benefits significantly from its focus on agility and customer-centricity. ABS can respond swiftly to market changes, alter its strategy, and stay ahead of competition by stressing agility. This enables ABS to seize new opportunities and efficiently traverse the Insurtech industry's evolving landscape. In addition to that, client-centricity guarantees that ABS provides customized insurance solutions, great customer experiences, and develops strong relationships with its customers, which leads to customer pleasure and loyalty.

b) Rarity

Strategic collaboration with an industry specialist is uncommon and difficult for ABS's competitors to obtain. Collaboration with an industry specialist necessitates the development of trust, credibility, and a mutually beneficial partnership. Such collaborations are uncommon and frequently necessitate a meticulous screening process. Because of the rarity of this collaboration, ABS has a distinct advantage over competitors who may not have access to comparable expertise and resources. Whereas the focus on agility and customer-centricity can be relatively rare in the industry. Many companies struggle to embrace and implement a culture of agility and customer-centricity due to organizational weakness and traditional practices. ABS's dedication to these values distinguishes it from competitors. The uniqueness of this approach strengthens ABS's competitive advantage and distinguishes it from other insurance companies

c) Inimitability

Competitors may find it challenging to replicate the strategic relationship with an industry specialist. Creating a similar alliance necessitates developing a solid reputation, credibility, and industry connections. The unique expertise and insights developed by the industry expert through years of experience are difficult to reproduce. The fact that ABS was able to develop and sustain this cooperation shows that it possesses skills or resources that competitors may find difficult to replicate. Similar to that, competitors may find it challenging to replicate the emphasis on agility and customer-centricity. A cultural transformation, reduced processes, and a willingness to welcome change are all required to achieve organizational agility. Similarly, becoming truly customer-centric entails harmonizing internal procedures, training personnel, and cultivating a customer-centric culture across the firm. Competitors may find it difficult to replicate ABS's capacity to react fast and place customers at the center of their operations, which makes it an unrivalled resource.

d) Organization

The organizational structure and competencies of ABS are critical for maximizing the strategic cooperation with the industry expert. The organization must develop clear communication channels, effective cooperation processes, and goal alignment with the expert. ABS should guarantee that the expert's views and recommendations are successfully integrated into company operations. The ability of the company to adapt and implement the expert's advice will determine the success of this relationship. The organizational structure and capabilities of ABS are also crucial in implementing agility and customer-centricity effectively. The organization's internal procedures, systems, and structures must support and encourage agility and customer-centric practices. Empowering staff, building a creative and inventive culture, and adopting feedback methods to continuously enhance client experiences may all be part of this. The ability of the business to match its strategies and operations with agility and customer-centricity will determine its ability to leverage these resources.

#### **4.2.4 Digital Marketing Strategy Analysis**

In today's dynamic digital landscape, businesses understand the vital role of a successful digital marketing strategy. With a multitude of online channels and the growing significance of digital platforms, businesses face the challenge of effectively reaching their target audience. This research aims to examine the digital marketing strategies employed by Insurtech companies, namely BIP, SZT, and ABS. Through interviews with industry experts and customers who have purchased digital insurance online, this study aims to provide insights into the marketing approaches and techniques utilized by Insurtech companies.

**Table 1. Digital Marketing Strategies Matrix**

No	Digital Marketing Strategies	BIP	SZT	ABS
1	Search Engine Optimization (SEO)	x	x	x
2	Pay-Per-Click Advertising (PPC)			
3	Social Media Marketing	x	x	x
4	Email Marketing			
5	Content Marketing	x		
6	Mobile Marketing	x		x
7	Video Marketing	x		

BIP implements a well-rounded digital marketing strategy that encompasses various elements to maximize their online presence. BIP aspires to engage with a varied audience and position itself as a market leader by leveraging the power of technology and the vast reach of internet platforms. They utilize SEO to enhance visibility, social media marketing to raise brand awareness, content marketing to educate and engage their audience, mobile marketing to effectively target mobile users, and video marketing to deliver captivating messages and showcase their insurance products. By leveraging these strategies, BIP harnesses the power of technology to expand their reach, build their reputation, and drive insurance penetration in the Indonesian Insurtech industry.

SZT has strategically focused its digital marketing initiatives on two primary platforms: its website and LinkedIn. By leveraging the power of technology and the extensive reach of online platforms, SZT aims to connect with a diverse audience and position itself as a leader in the market. This targeted approach allows SZT to maximize its online presence and establish its expertise in the Insurtech sector.

On the other hand, ABS has concentrated its digital marketing efforts on multiple fronts, including its website, social media platforms like LinkedIn and Instagram, and mobile marketing methods. However, ABS currently faces challenges in terms of follower counts and engaging content on its social media pages, particularly LinkedIn and Instagram. These platforms are still in the early stages of development, with limited content beyond basic congratulatory messages.

**4.3 Business Solution: Proposed Digital Marketing Strategy for Indonesian Insurtech Industry**

**4.3.1 Aware Stage: Empower Social Media Channels**

In Aware stage, utilizing social media channels such as Instagram, TikTok, and LinkedIn can be an effective strategy for providing digital insurance products to uninsured individuals and raising awareness about the importance of insurance. To execute this approach, several crucial steps are proposed:

- a) Determine the target audience based on demographics or interest groups and create tailored marketing campaigns that address their unique needs and showcase the value of insurance products.
- b) Engaging and interactive content should be developed, utilizing videos or live sessions to make the information visually appealing and easily accessible.
- c) Collaborating with relevant influencers on Instagram, TikTok, and LinkedIn who have a large following can help influence the target demographic and promote the significance of insurance.
- d) Running giveaways or competitions that encourage social media users to engage with the company's content and share it with their network can increase brand awareness and attract new followers.
- e) Actively participating in discussions related to insurance on social media platforms and providing helpful information will position the company as a knowledgeable authority in the industry.
- f) Leveraging sponsored advertising opportunities on each platform and utilizing targeting capabilities can ensure that the company's adverts are displayed to users who are likely to be interested in insurance products.

**4.3.2 Appeal Stage: Utilize and Improve the Company's Website**

In Appeal stage, it is crucial to implement various strategies on the website. to ensure effective communication and engagement with potential customers with steps as follows:

- a) Creating clear and concise content that explains insurance products, premiums, and claims handling procedures using simple language and avoiding jargon.
- b) A dedicated FAQ section should be included, addressing common queries and providing comprehensive answers.
- c) Incorporating a live chat feature allows for real-time assistance and personalized interactions.
- d) Interactive tools such as premium calculators and claims estimators help potential customers get personalized quotes and estimate their potential claims.
- e) Creating an online community or blog to share customer testimonials and success stories enhances trust and credibility.

- f) Optimizing search engines through SEO techniques, including relevant keywords related to premiums and claims handling, improves the website's visibility in search engine results.

#### **4.3.3 Ask Stage: Resourceful Website and Community Blog**

In Ask stage, to enhance customer engagement and provide valuable resources, implementing several strategies can be beneficial as follows:

- a) Create a community blog on the company's website, allowing customers and potential customers to interact and access helpful information. Encourage guest contributions and foster a sense of community through comments and discussions.
- b) Establish online customer forums or communities where policyholders can connect, communicate, and share their experiences, fostering a supportive environment.
- c) Develop a knowledge base or self-help area on the website, organizing articles and tutorials into categories and ensuring regular updates to cover common inquiries.
- d) Offer email newsletters with insurance-related news, industry insights, and useful suggestions, customized based on customer interests.
- e) Create video tutorials to simplify complex insurance concepts, explain jargon, and provide step-by-step instructions for common tasks. Share these videos on the website and social media platforms to reach a wider audience.

#### **4.3.4 Act Stage: Leverage Social Media Engagement**

In Act stage, it is crucial to optimize social media engagement and drive conversions. Below are measures that can be implemented:

- a) Optimize call-to-action (CTA) buttons to encourage users to take desired actions, such as visiting the website or requesting a quote.
- b) Collaborate with influencers or industry leaders who have relevant audiences to promote Insurtech products through sponsored postings, reviews, or endorsements, leveraging their credibility and reach.
- c) Utilize social media platforms for live Q&A sessions and webinars to address consumer concerns in real-time, establishing trust and positioning the organization as an industry expert.
- d) Implement remarketing and retargeting campaigns on social media platforms to target users who have shown interest but haven't completed their purchase, displaying customized ads or sponsored posts to remind them of the insurance options and benefits.
- e) Display positive reviews, testimonials, and case studies on social media platforms as social proof to build trust and credibility. Encourage customers to share their experiences and tag the Insurtech company's social media pages or use specific hashtags.

#### **4.3.5 Advocate Stage: Cultivate Customer Advocacy and Referrals through Various Method**

In Advocate stage, it is vital to enhance customer engagement and loyalty. These are steps that can be taken:

- a) Launch user-generated content campaigns that encourage customers to share their experiences through testimonials, videos, photos, or social media posts, utilizing branded hashtags for increased visibility.
- b) Encourage satisfied customers to leave positive reviews and ratings on relevant platforms, leveraging social proof to influence potential customers.
- c) Maintain regular communication with customers through email marketing, social media updates, and personalized messaging, providing product updates, industry trends, and exceptional customer support.
- d) Develop thought-provoking and informative leadership content, such as blog articles, whitepapers, or webinars, to position the Insurtech company as a trusted industry leader.
- e) Send regular newsletters tailored to customer preferences, offering valuable content, tips, educational resources, and informative articles.
- f) Identify upselling and cross-selling opportunities based on customer behavior, sending targeted emails recommending additional insurance products or relevant add-ons.
- g) Establishing customer engagement activities such as, inviting loyal customers to exclusive events, webinars, or workshops to provide them with additional knowledge and insights, offering perks for their advocacy.

## **V. CONCLUSION**

The potential challenges facing the Insurtech industry in Indonesia include trust hurdles and low insurance literacy, stemming from past bad practices and a cultural aversion to spending money on protection. Additionally, the evolving regulatory landscape poses a challenge in raising awareness and understanding of Insurtech. The success of an Insurtech company relies on implementing a range of strategies to enhance



customer engagement, raise awareness, and build trust in the digital insurance industry to tackle such challenges. Key elements include leveraging social media platforms for effective marketing, utilizing clear and concise content, FAQs, live chat support, and interactive tools on websites to provide a seamless customer experience. Creating a community through blogs, customer forums, and knowledge bases fosters a sense of belonging and support. In addition to that, optimizing call-to-action, collaborating with influencers, and conducting live Q&A sessions and webinars help to build credibility and reach a wider audience. Remarketing and retargeting campaigns, along with showcasing social proof through good reviews and testimonials, play a crucial role in influencing potential customers. Utilizing user-generated content campaigns, continuous communication, leadership content, newsletters, and exclusive events offer personalized engagement opportunities and drive customer loyalty. By incorporating these strategies, Insurtech companies can establish themselves as industry leaders, improve customer satisfaction, and attract a wider customer base in the digital insurance landscape.

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