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**ANALYSIS THE RELATIONSHIP OF CUSTOMER PROTECTION TO THE CUSTOMER SATISFACTION IN AXA FINANCE INSURANCE MANADO****ANALISA HUBUNGAN DARI PERLINDUNGAN KONSUMEN TERHADAP KEPUASAN KONSUMEN DI AXA FINANCE INSURANCE MANADO**

By:

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**Abstract:** Some of the regulation might have impact to the customer's satisfactions, While, rules that have been determined by the government asked the right of consumers could be fulfilled, based on the obligation which should be done by consumers. On the relationship between line with the act no.8 of 1999 on consumer protection and customer satisfaction, can be known that consumer protection is instrument pivotal to the ethics business. Consumer protection is Laws to protect people when they have bought goods or services, covering things such as price, quality, or safety. The aim for this study is to analysis of act no.8 of 1999 about the customer protection in AXA Finance Insurance Manado. The population of this research is the Customer who has been joined for AXA Health Insurance for more than 3 years and active until now. The sample of this research using purposive sampling with qualitative methodology of the sample is little and selected according to the purpose of research.

**Keywords:** *customer protection, customer satisfaction, insurance*

**Abstrak:** Peraturan-peraturan perlindungan konsumen sangat berdampak pada kepuasan pelanggan. Peraturan yang telah ditentukan oleh pemerintah menjamin bahwa hak konsumen dapat terpenuhi berdasarkan kewajiban yang harus dilakukan oleh konsumen. Pada hubungan antara garis dengan UU no.8 tahun 1999 tentang perlindungan konsumen dan kepuasan pelanggan, dapat diketahui bahwa perlindungan konsumen merupakan instrumen yang sangat penting bagi etika bisnis. Perlindungan konsumen adalah Hukum untuk melindungi orang ketika mereka membeli barang atau jasa, meliputi hal-hal seperti harga, kualitas, atau keamanan. Tujuan dari penelitian ini adalah untuk menganalisis UU no.8 tahun 1999 tentang perlindungan nasabah di AXA Finance Insurance Manado. Populasi dalam penelitian ini adalah Pelanggan yang telah tergabung dalam Asuransi Kesehatan AXA selama lebih dari 3 tahun dan aktif sampai sekarang. Sampel penelitian ini menggunakan purposive sampling dengan metodologi kualitatif sampel yang sedikit dan dipilih sesuai tujuan penelitian.

**Kata kunci:** *perlindungan konsumen, kepuasan pelanggan*

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## INTRODUCTION

### Research Background

In the development of the business, the company often giving facilities and an interesting service to consumers so that the businesses can maintain consumer confidence. Regarding the business applied by the businesses, the government then applied various regulation to protect customers of various kinds of fraud or forgery. Government regulation this is what come to consumer protection. Some of the regulation might have impact to the customer's satisfactions, While, rules that have been determined by the government asked the right of consumers could be fulfilled, based on the obligation which should be done by consumers. One of the models in a business engaged in the services sector is insurance. Insurance was a term used to refer to the act of, system, or businesses in which protection financial (or compensation financially) for the soul, property, health and others be reimbursed of the days of not might be expected that can happen as death, lost, any damage or hurt, in which involves payment of a premium regularly in a certain period of time instead of policy that ensures the protection.

One example is an insurance company offer investment to consumers who usually be long-term. As we know, insurance was kind of business that puts forward services to protect consumers from the possibility of bad will happen in the future will be dating, for example health insurance. Health insurance is a type of insurance product that specifically guarantee the cost of health care or the members of such insurance if they fall ill or have an accident. Broadly speaking there are two types of treatments offered insurance companies, i.e. hospitalization (in-patient treatment) and ambulatory (out-patient treatment). To shelter the health of the insurance company, the consumer or which will be called customers, obliged to fill out a form and approve regulations set by insurance sides. A few rules from the company often collide by want of on the consumer itself.

In some cases, there are many mistakes of insurance companies and depositors itself. For example, in a case, the customers need protection insurance against a chronic disease which are of his, for example heart disease. At the time however the customer will be claimed an insurance policy that has invested, the customers cannot withdraw the fund because there are several regulations that are not being met. Insurance policy is an agreement insurance or face approved, and must be made in writing in a deed between parties at an agreement. On deed made in writing it is called policy. So, policy agreement is proof reason that is written evidence. For example, in the explained that insurance policy will not bear disease sufferers who has suffered the disease was is former (pre-existing condition), while, the borrowers had heart disease long before purchasing an insurance policy. So automatically, the customer cannot claim the funds already issued because the case is not meet the terms and agreement that has been deal in the policy. When a customer will be decided to use insurance services, the customer will be welcome to choose the types of insurance that would be used, then so they can welcome to fill the form provided by insurance agent. The customers must complete documents for applying to insurance policy, and then customers will then welcome to read the insurance policy selected. Errors and a mistake that often occur namely if customers did not read carefully the content of an insurance policy that described by the agent, various provisions set out in policy often nor ignored impassable by customers, that led to the customers do not understand carefully the contents of the insurance policy. The second error is from the insurance agents.

The main target of an agent insurance is looking for customers as much as possible so they can reach the sales target then will be rewarded with a bonus in a specified amount. In several cases have occurred, at the time of customer will be put forward a claim insurance and have been rejected, customer will be officially complaints that at the time when approval and the signing of an insurance policy, the agent did not tell clearly to customers about stipulation shown on policy. Looking from situation that happens, various kinds of other activities business that occurred in Indonesia has been protected to regulations that determined by the government in act no 8 of 1999 about consumer protection. On April 20, 1999, the Government of Indonesia has confirmed and instituted a law number 8 of 1999 on the protection of consumers. Consumer protection legislation is expected to educate people to be more aware of Indonesia all rights and obligations owned against the perpetrators of the attempt.

As stated in the preamble of the Act on the protection of consumers, which States that in order to enhance the dignity and the dignity of consumers need to increase awareness, knowledge, caring, ability, and independence of consumers to protect themselves, as well as develop an attitude of responsible trade. AXA Finance Insurance is very pay attention about the customer satisfaction. The company thinks that the customer satisfaction can guarantee the re-purchase intention of the customer. Insurance company is one of the service companies that have a continuing service for the customer. One of the most important aspects that should be gained by the insurance company is the consumer trust. Consumer trust is the basic things to maintain the good relationship between consumer and company. Nowadays, the issues about the infringement of insurance is formed the mindset of the customer that will decreased the consumer trust to the insurance.

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### Research Objective

1. To analyze the relationship of Consumer Protection and Consumer Satisfaction in AXA Finance Industry Manado.
2. To analyze the relation between customer satisfaction and company's regulation based on act no 8 of 1999.

## THEORETICAL FRAMEWORK

### Marketing

Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others. According to Kotler and Armstrong (2012:22) broadly defined marketing as "a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging value with other. In a narrower business context, marketing involves building profitable, value-laden exchange relationship with customers. Marketing as the process by which companies create a value for customers and build strong relationships in order to capture value from customers in return".

### Insurance Marketing

The development and increase on the use of insurance services from year to year has become attention in the community. This can be seen by outbreak of competition between service in insurance companies. Marketing activities as one of operational activities company it is important to increase the volume of sales and introduce goods or services which will be offered to the community. Distribution is one of the most visible palpable and be in all of the functions are performed in business. This event is an activity that most of us face daily in our work (Goodwin, 1994:78)

### Consumer Protection

Reichheld (1990:2) defined Consumer protection is an indicator from the annual value of gross transfers to consumers that is valued in time of determining price.

### Consumer Satisfaction

Peter and Olson (2005) defined Customer satisfaction is a critical concept to marketing thought and customer research. It is generally argued that if customer is satisfied with a product, service or brand, they will be more likely to continue to purchase it and tell others about their favorable experiences with it.

### Previous Research

Nwaizugbo (2013) Measuring Consumer Satisfaction with Consumer Protection Agencies-Insights from Complainants to CPA Offices In Anambah State. The results show that overall consumer satisfaction is derived from the objectives accomplished, roles played and procedural obstacles removed by consumer protection agencies. Interestingly, the roles played by these agencies proved to be the dimension that influences consumer satisfaction most.

### Conceptual Framework



**Figure 1. Conceptual Framework**

*Source: Data Processed, 2017*

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## RESEARCH METHOD

### Type of Research

This study is a qualitative research. This research tries to ask the people to express their thoughts about a variety of topics without giving them a lot of directives or guidelines how to what to say.

### Place and Time of Research

This research was conducted in Manado especially in AXA Finance insurance. For approximately 2 months, August to September 2017.

### Population

According to Sudman and Blair (1998) the population is the entire set of elements being studied and should be defined in terms of time, place element and sample unit. Population of this research is the Customer who has been joined for AXA Health Insurance for more than 3 years and active until now.

### Data Collection Method

Hoz and Boeje (2005) explain that primary data is original data collection for a specific research goal. Primary data were collected from interviewing total of 10 respondents.

### Data Analysis Method

#### Validity and Reliability

To ensure reliability and validity of qualitative research, it is helpful to uses triangulation. Triangulation is the effort to check the accuracy of data or information obtained by researchers from a variety of different perspective by reducing as much as possible the differences that occur when we collect data analysis (Moleong 2008).

## RESULT AND DISCUSSION

### Result

The following are the round up result after interviewing 10 informants of AXA Finance Insurance in Manado. Interview questions has been arranged beforehand as guidance.

#### Informant 1, Male

*"I've become a customer for AXA Finance since 2012, the agent that asked me for joining AXA as customer is my high school friends. He told me that Insurance is very important for protecting my life financially. He told me to make a comparison if I save my money in bank and decided to take that in 25 years than investing my money in Insurance so if something bad happen in my health, I can take the money immediately so I have no worry about my life. When I joined insurance, whenever I need information and explanation about something, He explained me about everything in insurance so well. My experience of the benefit of Insurance was when I went to hospital and I have to take some nights in hospital, my agent helps me to claim my money back so I have no worries about financial when I go to hospital. The drugs, surgery, and hospital care is fully covered by Insurance. I choose health insurance because I need a protection for my health, and my family financial. I'm very satisfied for joined AXA Finance Insurance."*

#### Informant 2, Female

*"I use insurance so my future guaranteed if there is something undesirable happen. I decided to become a customer of AXA Insurance because of my parents. They told me to joining insurance because I need a protection for my family. But before I join insurance, my parents told me to read carefully about the terms and agreement about insurance, and choose carefully the kind of insurance, because they don't want me to feel the same as they felt before about the mistakes and problem in process of claim. I choose health insurance because i am a hard worker and I my job in office taking much of my time so I have to protect my family financial in case I have something bad about my health and have to go to hospital. Because I am fully understood about the terms and agreement, I have no problem about the process of claim. I choose the right kind of insurance, and I bought the*

*right policy for my investment. I am fully satisfied about AXA Finance insurance because beside of my parents' advice, my agent is so reachable and friendly so whenever I need her, she always there for me."*

### **Informant 3, Female**

*"AXA Finance Insurance is the second insurance in my life. I change my insurance because I think the product of my pervious insurance is not so suitable for my family financial. The first time I know about AXA Finance insurance in 2013, I found AXA Hospital Plus Life is so suitable and I choose that product of AXA because the information from the agent is so clear and understandable. I have no problem in the claiming process because I understood and I have experience before about insurance. When I have to go to hospital and I asked my agent to do the claim process, it worked so well because I have a lot discussion with my agent before the doctor ask me to go to hospital because I have to get a treatment for my heart. I am very satisfied about the service of AXA Finance Insurance, because I have a right kind of protection for my family, and I have no problem since the first time I joined the insurance."*

### **Informant 4, Female**

*"I used to be an Insurance agent for the other Insurance. I decided to stop for working as an agent since I work in bank. In 2012, I decided to become the customer of Insurance because my friend that works as an agent offering me about AXA Cancer care because she knows that I've been for the chemotherapy for my breast cancer in 2008 and I think it is very useful for me if I need to take a chemotherapy again in case something bad happen again. I ever went to hospital for medical checkup and the claim process of AXA is very simple and easy because my agent is reachable and able to discus with about my health problem."*

### **Informant 5, Female**

*"I went to hospital for the first time in my life because my son had a dengue fever. At that time I am so confused because my husband is working overseas and I have no idea about the payment and the right treatment for my son. Then my brother offering me to join AXA Finance insurance and take AXA Hospital Plus Life product of AXA Finance Insurance because that product is contained the treatment for tropical disease and I think that is the right way to protect my family if something bad happen again. At that time, I think Health insurance can help replacement of my financial when I have to stay at hospital. My brother and the agent help me to understand well about the function and usefulness of Insurance so when I have to do the claim process, I feel so satisfied because the process is so simple and easy."*

### **Informant 6, Female**

*"I am a hard worker and sometimes I have to travel overseas to do some office work. I choose AXA Finance Insurance since 2009 because AXA Finance Insurance has a link with many hospitals around the world so I think I have no worries if something bad happened in my work time. I ever had a bad experience with the claiming process when I went to USA. Unfortunately, the product of AXA is not working on USA, so my family moved me to Canada to take the treatment there. I had a good experience with AXA Finance Insurance when my second child birth day and I had to do some process of claim but my husband is working overseas. The process of claim is so easy and because my agent helped me to do the claim process, I have no worries about the financial of my family, because at that time, even I have to take the surgery for my child birth. I am so satisfied about the service of AXA Finance Insurance that time."*

### **Informant 7, Female**

*"I joined AXA Finance Insurance as a customer in 2010. I decided to join insurance because my friend told me that saving money for the future protection is so important for me. At 2011, I got mutated to Maluku and unfortunately, few months before I have been placed at Maluku for work, I got Dengue Fever. I have a problem to claim my policy because my ex-agent did not tell me the right explanation about the product of AXA Finance Insurance. At that time, I just realized that I have no enough understanding about the terms and agreement about the product of AXA Finance Insurance. It was so quick and I have to decide which product that I have to take before I move to another city. But since I change my agent, I feel satisfied about the service of AXA Finance Insurance. They help me to find a new agent that close with me and reachable every time I need my agent."*

**Informant 8, Female**

*“I start to become a customer of Insurance in 2013 because I think investment is so helpful for my future. I stare to invest my money to bank and property then I met my friend and she explained me about the investment of insurance for my health protection. Because I am a new customer of insurance at that time, it took a month for me to learn about the function and usefulness of Insurance. Lucky, my agent helps me to understand about the insurance itself. The terms and agreement sometimes made me so confused, but I am so satisfied because my agent treats me so well. I have no problem about claiming process because I tell everything about my health to my agent, so my agent helps me to choose the right product to my health treatment. I feel very satisfied about the service of AXA Finance Insurance.”*

**Informant 9, Female**

*“AXA Finance Insurance is a kind of insurance that protects many things for someone life. There are several products of AXA Finance that will cover the future of someone. Start from Education insurance, life insurance, health insurance, properties insurance, and etc. Health insurance is the one of the most useful product from AXA Finance Insurance. It covers someone financial if there is something bad happen to their health, starts from cancer treatment, heart treatment, until pregnancy treatment are served by AXA Finance Insurance. AXA Finance insurance is train their agent so well to satisfying their customer and maintain the customer satisfaction and good relation between customer and AXA, customer and agent, and customer to customer. One of the materials in training is the way to treat the customer as best as we can in way to being reachable and trustable for every time. The agents need to help the claiming process and keep checking about the customer healthy every time.”*

**Informant 10, Male**

*“The priority of AXA is protecting someone for unwanted accident in future. Nowadays, the cost of health care is become higher and higher. Nobody knows what will happen in the future. AXA Finance Insurance guarantee the customer satisfaction with serve a good service that will maintain a good relationship between AXA and customer. We trained our agents to serve the right information and the right option consider to the customer condition of health. We will help the customer to choose the best option for their health protection. We will do the best to protecting our customer from fraud and unwanted action from our agents and company. The information and service from each of our agent if the most important thing to keep our customer safe. Customer satisfaction is our priority.”*

**Discussions**

Based on the act no.8 of 1999 about the costumer protection, this law is created to maintain and to protect the business activities in Indonesia. This law is very concerning about the safety and the fluency of business activities. As regulated in the chapter 2 article 2: Consumer protection is based on the principles of benefit, justice, balance, security, safety and legal security of the consumers. Each of company and customer has to maintain a legal action in business. In insurance, the protection of the costumer right become priority since insurance is the kind of the service company.

One of the most important aspects that should be gained by the insurance company is the consumer trust. Consumer trust is the basic things to maintain the good relationship between consumer and company. Nowadays, the issues about the infringement of insurance is formed the mindset of the customer that will decreased the consumer trust to the insurance. in the middle of conversation, Informant 10, as the marketing staff of AXA Finance Insurance many times mentioning about the quality service of insurance agent of AXA Finance Insurance Manado.

For individuals, family and business activities, the insurance function is protection, also to encounter risk of uncertainty, and supply rest inner and increase their sense of confidence. The customer of insurance will feel more protected about their future. The customer will have less of worries about the medication treatment when they are protected by insurance. The cost of medical treatment is one thing that everyone thinking about when they are going to go to hospital.

Insurance is one of the solutions to avoid the possibility of difficulty financing in the time of medical treatment. The protection that provided by insurance has many kinds. Started from hospitalization, surgery, and even the drugs payment.

AXA Finance Insurance is very pay attention about the customer satisfaction. The company thinks that the customer satisfaction can guarantee the re-purchase intention of the customer. Insurance company is one of the service companies that have a continuing service for the customer. Once the customers buy the policy of

insurance, the company should maintain the customer satisfaction so they will keep paying their policy and give a good testimonial about the service of the insurance itself.

This study has a similar result that found about the customer protection is fully controlled by the government, and the government is the part to controlling the business actions with protecting the right of the consumer. In this study, Iran's Government is taking care the customer protection very seriously. The regulation that has been arranged in Iran is very protecting the customer in many aspects of business activities.

## CONCLUSION AND RECOMMENDATION

### Conclusion

After examining the findings and discussing them, there are some conclusions in this research, listed as follows:

1. The AXA finance insurance, health insurance. Existence have a good relationship with the customer. Particularly related to the customer protection, and customer satisfaction.
2. Based from the findings, the impact of act no 8 of 1999 about customer protection to the customer satisfaction is the act helps customer to get their right and avoid them from the fraud.
3. Good quality service that provides by AXA Finance Insurance helps by the act no 8 of 1999 helps AXA to maintain the quality service to get customer satisfaction.

### Recommendation

This study was done with hope that it could contribute to the Future Researchers, The Company, The Government, and AXA Finance Insurance, health insurance. There are recommendations that hopefully can be useful as suggestion, as follows:

1. For the customer, AXA Finance Insurance should provide a better quality control and full protection about the health insurance because there are several type of product that actually can be combined as one product.
2. The Management should consider about the obligation of the insurance with train the agent of insurance to mention the obligation of company based on act no 8 of 1999 so the process of claim will become easier and understandable.

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