PURCHASING DECISION BEHAVIOURS OF HEALTH INSURANCE PRODUCTS AND THE DETERMINANTS OF COMPETITIVE ADVANTAGE

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Abstract: As a company that provides services in managing risks, coverage for the uncertainties faced by potential customers in the future makes the insurance business utilize several marketing models, such as personal selling combined with competitive premium prices and service quality. This study aimed to analyze the effect of competitive price strategies, service quality, and personal selling on purchasing decisions for health insurance products in Indonesia by implementing the role of mediating competitive advantage. This research was conducted using a random sampling technique using a sample of 220 respondents from customers of health insurance products in Greater Semarang, Central Java, Indonesia. Data was collected by distributing questionnaires, which were processed and analyzed using PLS (Partial Least Square) with SEM Structural Equation Modeling (SEM) with WarpPLS software. The results of the study show that personal selling, competitive price strategies and service quality positively affect competitive advantage and purchasing decisions. The findings also confirm the mediating role of competitive advantage in bridging the relationship between independent variables and purchasing decisions. Practically, these findings underscore the importance of health insurance uniqueness as an important part of the formation of purchasing decisions by custumers.

Keywords: personal selling, competitive price, service quality, competitive advantage, purchasing decision

Abstrak: Sebagai perusahaan yang memberikan jasa dalam mengelola risiko, perlindungan atas ketidakpastian yang dihadapi oleh calon nasabah di masa depan membuat bisnis asuransi menggunakan beberapa model pemasaran, seperti personal selling yang dipadukan dengan harga premi yang kompetitif dan kualitas layanan. Penelitian ini bertujuan untuk menganalisis pengaruh strategi harga kompetitif, kualitas layanan, dan personal selling terhadap keputusan pembelian produk asuransi kesehatan di Indonesia dengan menerapkan peran mediasi keunggulan kompetitif. Penelitian ini dilakukan dengan menggunakan teknik random sampling dengan menggunakan sampel sebanyak 220 responden dari pelanggan produk asuransi kesehatan di Semarang Raya, Jawa Tengah, Indonesia. Pengumpulan data dilakukan dengan menyebarkan kuesioner, yang diolah dan dianalisis menggunakan PLS (Partial Least Square) dengan SEM Structural Equation Modeling (SEM) dengan software WarpPLS. Hasil penelitian menunjukkan bahwa personal selling, strategi harga bersaing dan kualitas pelayanan berpengaruh positif terhadap keunggulan bersaing dan keputusan pembelian. Temuan juga mengkonfirmasi peran mediasi keunggulan kompetitif dalam menjembatani hubungan antara variabel independen dan keputusan pembelian. Secara praktis, temuan ini menggarisbawahi pentingnya keunikan asuransi kesehatan sebagai bagian penting dari pembentukan keputusan pembelian oleh pelanggan.

Kata kunci: penjualan pribadi, harga kompetitif, kualitas layanan, keunggulan kompetitif, keputusan pembelian

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INTRODUCTION

Many insurance products are marketed today in Indonesia, with various products released to cover various risk coverage needs, both health, life, accident, education and old age insurance. Data from BPS (2019) shows an increasing number of people covered by health insurance, either national or private insurance. In more detail, the data shows that in 2016, there were 171,939,254 people out of a total of 258,705,000 residents who enjoyed health insurance or 66.46 percent coverage. In 2017, this percentage increased to 716 people per thousand population (187,982,949 people compared to a total population of 262,581,958). In 2018, the number of residents covered by health insurance amounted to 208,054,199 out of a total population of 261,890,900 or 794 per 1000 residents. This shows the increasing public awareness of self-protection through health insurance. Moreover, the Covid-19 pandemic has further increased the importance of health insurance and has become a positive catalyst for the growth and sustainability of the insurance industry. Based on the General Insurance Association of Indonesia (AAUI), insurance industry assets grew 13.2 percent in the second quarter of 2022 or reached IDR 1,675.8 trillion. For life insurance, it has a portion of 36 percent with an annual growth of 7.9 percent, while the portion for general insurance is 12 percent with an annual growth of 7.2 percent (Kontan, 2023).

To increase target custumers, insurance companies also combine fund management through various investment features such as conventional and unit-link insurance which are invested in accordance with the agreement between the company and the policyholder. With its various types and features, insurance must retain old customers, while at the same time trying to attract new customers as a basis for the company's growth. To achieve this goal, insurance literacy and understanding of potential customers is an important point of how the insurance industry in general can grow and manage the market. Broadly speaking, all insurance products have the same functions and benefits, namely minimizing the risk of loss. The next benefit of insurance is that it can be used as savings and future investments. As a service that offers products for future coverage, insurance requires policyholders to regularly pay their obligations. With such a business model, the insurance business combines the uncertainty faced by customers with managing premium funds, and returning them to policyholders when they need them. Unfortunately, most of Indonesia's population is still low literacy in the insurance business and its benefits. According to Anam (2022) quoting a survey report from the Financial Services Authority (OJK), the insurance literacy level of the Indonesian people was at 19% in the 2016-2019 period.

In order to expand the customers base, the insurance business utilizes several marketing models with binding, such as personal selling. This sales model encourages sellers to provide product understanding to customers to choose certain insurance products. Personalized selling methods are used to assist businesses in informing and persuading customers to use to gain more trust. Several previous studies have confirmed the relationship between personal selling and purchasing decisions. Personal selling is defined as direct or face-to-face communication between sellers and potential customers to introduce a product to potential customers (Tjiptono, 2016). The purpose of this sales model is basically to form a customer's understanding of the product with the main objective of purchasing the product by the customer. Personal selling can be determined in retail stores, door to door sales, and Business to Business (B2B) outreach. Personal selling is relevant to businesses on the basis of risk protection such as insurance. Hung (2009) stated that high uncertainty affects the value judgment of potential customers for insurance. This indicates that uncertainty is a key factor that will drive costumer preference for insurance. Similarly, Guiso & Jappelli (1998) state that people who face uncertain background risks such as future income or health risks are more likely to buy more insurance.

Good company performance will be characterized by service quality that can convince customers in determining the decision to buy a product (Sureshchandar et al. 2002). Based on this view, the influence between service quality and competitive advantage has a significant relationship with purchasing decisions in strategic and business decisions (Lassar et al. 2000). Service quality is a measure to compare the services provided by the organization with customer expectations. Parasuraman et al (1991) elaborated five dimensions of service quality including tangibility, reliability, responsiveness, assurance and empathy. Meanwhile, competitive advantage or competitive advantage is the ability gained through the characteristics and resources of a company to have a higher performance than other companies in the same

industry or market. The indicators used to measure competitive advantage in service industry included cost, flexibility, delivery, and quality (Amoako-Gyampah et al. 2019).

Taylor & Baker (1994) explained the influence between service quality and purchasing decisions is an important part in creating the level of desire to buy for customers, so as to create income and profits for the company. To achieve maximum customer satisfaction, service companies must maximize service quality in order to compete in the market, because service quality and customer purchasing decisions can be a source of building competitive advantage (Tam, 2004; Suprapti & Suparmi, 2022). Wijetunge (2016) explained that when a company's service quality increases, customers will respond to this by increasing profitability, increasing customers in making purchasing decisions, customer loyalty, the company's ability to retain customers and positive recommendations. However, the findings of Johnson & Sirikit (2002) explained that the effect of service quality on competitive advantage is not significant. Findings from Tam (2004) explained that service quality can improve purchasing decisions, whereas Lassar et al. (2000) draw the overall conclusion that service quality does not have a significant impact on purchasing decisions. Afolab & Adegoke (2014) explained that there is a strong influence between purchasing decisions on competitive advantage. good purchasing decisions will create a competitive advantage over its competitors.

Service quality is a concept that showed the achievement of customer needs, requirements and expectations for a service. Customer quality is assessed based on a comparison between customer expectations of performance and service quality with customer perceptions obtained when these customers actually enjoy service. Narteh (2017) explained that service quality is conceptualized as a focused evaluation that reflects the customer's view of the service dimension. The customer's decision in making a purchase is a very important aspect for the company to understand if the company wants to remain competitive and grow. Customer purchasing decisions are the result of customer perceptions and usage, which compares the value of satisfaction with the product and its usability compared to the value of the costs incurred and the consequences borne to obtain the goods/services. According to El-Garaihy et al. (2014), customer purchasing decisions are evaluations of customers'

emotional responses regarding the enjoyment customers receive in consuming goods or services. Customer satisfaction has two indicators, namely customer feelings, where the customer's emotional feelings while consuming a product or service and expected performance, which is the exceedance of the level of customer expectations for the product or service compared to actual satisfaction. In addition, product purchases in health insurance products are also determined by competitive premium prices and quality of service. The purpose of this study was to analyze the effect of competitive price strategies, service quality, and personal selling on purchasing decisions for health insurance products in Indonesia by implementing the role of mediating competitive advantage.

METHODS

This study was designed with a quantitative approach to analyze the relationship between independent and dependent variables, as well as investigate the role of mediating variables. The independent variables used in this study are personal selling, competitive price strategies and service quality. For the dependent variable used is purchasing decision, while the mediating variable that is utilized is competitive advantage. This research was conducted in the Semarang area, Central Java, Indonesia from June to August 2022. The population of this study is not known with certainty, due to the absence of data on the number of customers of health insurance in the study area. The sampling technique used in this research is simple random sampling. The sampling method in this study was carried out using the sampling formula from Lemeshow, given the unknown population size:

$$n = \frac{z^2 p\,(1-p)}{d^2}$$
$$n = \frac{1.96^2\,0.5\,(1-0.5)}{0.05^2}$$

Description: n (number of samples); z (Standard value = 1.96); p (Maximum estimate = 50% = 0.5); d (alpha (0.5) or sampling error = 5%).

Based on this formula, the number of samples in this study were 384 respondents. The data collection method in this study was carried out by distributing questionnaires directly to the respondents. The respondents selected as the sample were patients and employees who use health insurance. The

distribution of the questionnaire received responses from 235 respondents, with a response rate of 61.19%. Furthermore, there are several questionnaires with incomplete answers. The calculation results collect a total of 220 questionnaires which can be analyzed in further tests.

Previous research argued that personal selling plays a vital role in the promotion of products and services in the healthcare business. Personal selling aims at providing direct and proficient communication resources in the target market (Elrod & Fortenberry, 2020). Sharma (2016) showed that a company's ability to achieve competitive advantage is enhanced through how it manages customer relationships. With the advantage of direct communication to the target market, personal selling can increase a business' competitive advantage. A skilled sales force can contribute positively to enhancing an organization's reputation and competitive advantage (Lam, 2012; Cummins et al. 2016). Goebel et al. (2013) also showed that Personal Selling with effective communication can have a positive effect on organizational reputation and customer relations.

In healthcare business, the marketing model of personal selling is considered unique with respect to the need for prudence in conveying messages to customers (Elrod & Fortenberry, 2020). As a form of individual communication, salespersons relate themselves to potential buyers and influence them to buy their products or services. They are active in helping customers choose the best products according to their own needs and desires (Shimp, 2010). Personal selling is beneficial in personally communicating urgent and useful informations to customers (Pride & Ferrell, 2015). Previous research argue that personal selling is positively related with costumer interest and decision to buy the product (Familmaleki et al. 2015; Hanaysha, 2018).

Previous research also showed that price can be an important antecedent in the formation of competitive advantage. According to Thompson & Coe (1997), strategic price creation can have an effect on product competitive advantage. This means, products with a price that is perceived as appropriate for its quality will be more likely to have a competitive advantage than products that are perceived as providing a lower value. According to Parasuraman et al. (1991), perceived value can be used as the most important determinant in gaining competitive advantage. Al

Badi (2018) also showed that price can affect product competitive advantage. Hinterhuber & Liozu (2017) confirmed the need for innovation in pricing as an important basis for creating competitive advantage by marketers. In relation to purchasing decisions, Maslowska et al. (2017) show that strategic pricing influences purchasing decisions for products sold by online retailers. Nagle & Müller (2017) explained that strategic price management can be more profitable for marketers to grow. Furthermore, Nagle & Müller (2017) identify strategic pricing as a pricing decision which is more proactive in motivating purchasing decisions, managing customer value perceptions, and shifting the demand curve. Rachmawati et al. (2019) found that price as a component of the marketing mix has a significant effect on purchasing decisions for residential products in Malaysia. Hanaysha, (2018) also found that pricing is more likely to increase costumer purchasing decisions on products.

Competitive advantage is the function and ability of a company to manage and organize its activities, so that it can create more added value to customers than competitors in an industry (Wijetunge, 2016). A company will have a competitive advantage when the company has a better aspect compared to its competitors in order to protect market share and competitor pressure (Afolabi & Adegoke, 2014). Competitive advantage can be measured using several indicators, namely price/cost (a form of price leadership and profit margins compared to its competitors), quality (can create more added value than its competitors), delivery dependability (ability to meet customer needs), innovation (the company's ability to creating and developing new products or services through modifying resources and knowledge) and time to market (responsiveness and adaptability of the company to changes in market demand) (Sinaga et al. 2021). In today's modern competitive environment, excellent service quality is the key to obtaining a sustainable competitive advantage (Angelova & Zekiri, 2011; Kuswibowo, 2022). An organization will gain a competitive advantage if the organization acquires or develops features or a set of features that enable the organization to outperform its competitors (ElGaraihy et al. 2014).

Purchasing decision from a customer becomes the goal and focus in implementing strategy, in order to increase a company's competitive advantage over other companies. Customer purchasing decisions are a large part that contributes to organizational

profits and in generating the company's competitive advantage. Satisfied customers will be the foundation of a successful business, because purchasing decisions will lead to repeated purchases, loyalty and positive feedback, giving rise to competitive advantage (Angelova & Zekiri, 2011). When customers get a strong bond because of their experience, these customers will tend to prefer that company over other companies, thus creating loyalty and competitive advantage. Competitive advantage has an influence on customer satisfaction. Tsao (2014) stated that competitive advantage has an influence on customer purchasing decisions. This competitive advantage has a fairly high rating according to customers because customers perceive that the company pays special attention to them, by always informing them of new products, service quality or if there are changes in product prices. Thus, customers will not be left behind in terms of information, considering that information is one aspect of making choices in choosing products. Sulistyandari & Sri (2013), stated that competitive advantage is a tool in achieving organizational financial goals to gain success beyond its competitors. Competitive advantage is a function of identifying the right market product dimensions for the company's position. Competitive advantage as an effort to create better customer value than its competitors by carrying

out specific activities economically or with superior quality/service or a combination of both compared to its competitors. Accordingly, the following hypotheses were proposed:

H1: Personal selling has a positive effect on the competitive advantage of health insurance

H2: There is a positive influence of personal selling on the decision to purchase health insurance

H3: Competitive price has a significant effect on the competitive advantage.

H4: There is a positive relationship between competitive price strategies and the decision to buy health insurance

H5: Service quality has a significant influence on competitive advantage.

H6: There is a positive influence of service quality on health insurance purchasing decisions

H7: There is a significant effect of competitive advantage on purchasing decision.

H8: Competitive advantage mediates the relationship between personal selling, competitive price strategies and service quality on purchasing decisions

Based on the theoretical basis and discussion as well as the hypotheses proposed, the development of this research model can be arranged as Figure 1.
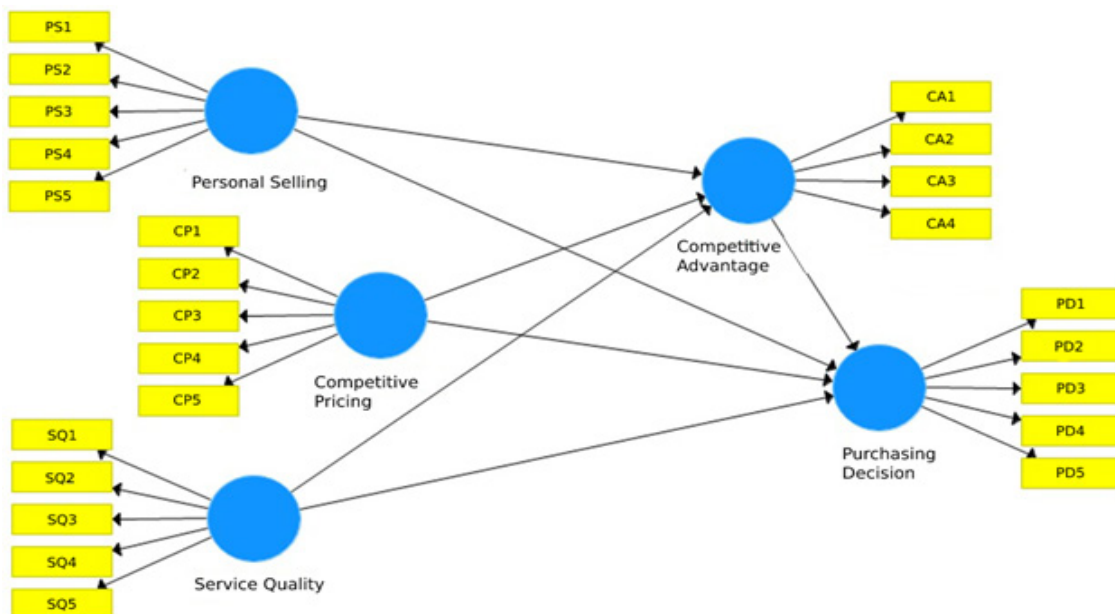

Figure 1. Theoretical Model

The analysis used in this study uses quantitative analysis. The data analysis method used in this study is the PLS-SEM method with the WarpPLS software. The first stage examines the variables of competitive price, service quality, personal selling on competitive advantage, and the second stage examines the variables of personal selling and competitive advantage on purchasing decisions (Table 1).

RESULTS

The results of the questionnaire show that the average respondent is over 36 years old and works as a private employee. Most of the respondents have an income of two million to five million rupiah. The data analysis process used in this study uses WarpPLS software. In the early stages, the data is tested first through validity and reliability tests. Next is the classical assumption test, and the goodness of fit test.

Based on the analysis that has been done, it can be seen that the questionnaire model is said to be valid and reliable. A model is said to be valid if the significance value is <0.05 and a model is said to be reliable if it has a Cronbach alpha value > 0.7. Cronbach alpha value for competitive price variable is 0.800, service quality is 0.942, personal selling is 0.920, competitive advantage is 0.909, and Purchasing decision is 0.874. The results of the analysis show that the loading factor value is above >0.7 for all confirmatory items. The calculation results are detailed in Table 2.

Furthermore, discriminant validity testing was carried out to analyze the validity of each construct used in this study. The results as shown in Table 3 find that all constructs have a value above 0.7. This indicates that all items and constructs in this study are valid and can be used for further testing.

Table 1. Variables and Indicators

Research variable	Operational definition	Indicator	Reference
Purchasing Decision	The integration process combines knowledge consumer attitudes to evaluate two or more alternative and the decision to make the purchase of health insurance products.	Problem recognition Information search Alternatives evaluation Purchase decision Post-purchase evaluation.	Voramontri & Klieb (2019); Mason et al. (2020).
Competitive Advantage	The higher performance of health insurance companies compared to competitors is obtained through an exploration of the characteristics and resources they have.	Cost Flexibility Delivery Quality	Amoako-Gyampah et al. (2019); Prabhu et al. (2020)
Personal Selling	Direct interaction between sellers and customers of health insurance by making presentations, answering questions, and ordering.	Presentation Communication Prospecting Approach Adaptive Behavior Product Knowledge	Kotler and Amstrong (2012); Rodriguez et al. (2022).
Competitive price	Pricing strategy of health insurers use competitors' prices or industry averages as a benchmark to set competitive prices for consumers	Price level Price competitiveness Price conformity with product quality Price conformity with product benefits Affordability	Kusmadeni & Eriyanti (2021); Stanton et al. (1993).
Service Quality	How far the difference between reality and customer expectations for the service of health insurance they receive.	Tangibility Reliability Responsiveness Assurance Empathy	Parasuraman (1991)

Table 2. Outer Loading

Indicators	PD	CA	PS	CP	SQ
PD1. Problem recognition	0.793				
PD2. Information search	0.747				
PD3. Alternatives evaluation	0.805				
PD4. Purchase decision	0.719				
PD5. Post-purchase evaluation	0.789				
CA1. Cost		0.908			
CA2. Flexibility		0.913			
CA3. Delivery		0.899			
CA4. Quality		0.868			
PS1. Presentation			0.890		
PS2. Communication			0.895		
PS3. Prospecting Approach			0.811		
PS4. Adaptive Behavior			0.897		
PS5. Product Knowledge			0.938		
CP1. Price level				0.884	
CP2. Price competitiveness				0.882	
CP3. Price conformity with product quality				0.908	
CP4. Price conformity with product benefits				0.937	
CP5. Affordability				0.869	
SQ1. Tangibility					0.897
SQ2. Reliability					0.906
SQ3. Responsiveness					0.899
SQ4. Assurance					0.911
SQ5. Empathy					0.905

*PD (Purchasing Decision); CA (Competitive Advantage); PS (Personal Selling); CP (Competitive Pricing); SQ (Service Quality)

Table 3. Discriminant Validity

Variable	Competitive Price	Purchasing Decision	Competitive Advantage	Service Quality	Personal Selling
Competitive Price	0.896	-	-	-	-
Purchasing Decision	0.727	0.771	-	-	-
Competitive Advantage	0.623	0.766	0.900	-	-
Service Quality	0.555	0.722	0.582	0.904	-
Personal Selling	0.716	0.780	0.738	0.600	0.887

The reliability test was carried out using the standard Cross loading >0.7, Cronbach's Alpha value > 0.70 for Confirmatory and > 0.60 for Explanatory. Whereas Composite Reliability is set to > 0.70 for Confirmatory and > 0.60 for Explanatory. The results of the analysis as shown in Table 4 show that all variables have values above the standard used, so that it can be declared that all constructs are reliable.

Structural equation modeling testing requires a fit model analysis to analyze the feasibility of the model used. In the goodness of fit test, a causality effect study was carried out (t test) and it can be seen that all independent variables are significant at α 0.05 and in the model feasibility test study (F test), both models are significant at α 0.05. All independent variables are appropriate to explained the purchasing decision variable. The fit model used in this study is to equate the value of the saturated with the estimated used for the criteria used (SRMR, d.ULS, d-G, Chi-square and NFI). The results of the analysis show that the model used is fit, which is indicated by the estimated model fit for all criteria (Table 5).

Furthermore, hypothesis testing is carried out to analyze the relationship between constructs. The test results as shown in Table 6 found a significant relationship between the constructs used. In detail, in testing the first hypothesis regarding the effect of personal selling on the competitive advantage of health insurance, it showed a positive and significant effect. This is indicated by a coefficient value of 0.520 and a p-value of 0.000 <0.05. Thus, the first hypothesis is accepted. This suggests that personal selling is more likely to increase competitive advantage. This is in accordance with Kertonegoro (2011) that in providing services, the human element plays the most important role because in essence the service is personal. Nigel (2016) showed that a company's ability to achieve competitive advantage and business performance is improved through the way they manage customer relationships.

Furthermore, in testing the second hypothesis about the relationship between personal selling and the decision to purchase health insurance, the statistical results show a coefficient value (Original Sample (O)) of 0.242 and a p-value of 0.000 <0.05. This showed a significant effect of personal selling and the decision to purchase. Therefore, the second hypothesis is accepted. This means that personal selling can increase the possibility of customers to decide to buy health insurance products. This is in accordance with Polger (2019) that personal selling can improve purchasing decisions and will be more likely to be able to maintain long-term business relationships with customers.

Table 4. Reliability test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Competitive Price	0.939	0.944	0.953	0.803
Purchasing Decision	0.830	0.830	0.880	0.595
Competitive Advantage	0.941	0.943	0.955	0.810
Service Quality	0.944	0.945	0.957	0.817
Personal Selling	0.932	0.940	0.949	0.787

Table 5. Fit model

Indices	Saturated Model	Estimated Model
SRMR	0.090	0.090
d_ULS	2.641	2.641
d_G	1.107	1.107
Chi-Square	1228.994	1228.994
NFI	0.796	0.796

Table 6. Direct effect

Hypotheses	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	p-value
Personal Selling → Competitive Advantage	0.520	0.518	0.060	8.611	0.000
Personal Selling → Purchasing decision	0.242	0.242	0.058	4.154	0.000
Competitive Price → Competitive Advantage	0.147	0.148	0.057	2.578	0.010
Competitive Price → Purchasing Decision	0.214	0.212	0.051	4.214	0.000
Service Quality → Competitive Advantage	0.188	0.186	0.053	3.547	0.000
Service Quality → Purchasing Decision	0.293	0.293	0.044	6.633	0.000
Competitive Advantage → Purchasing Decision	0.284	0.287	0.048	5.947	0.000

The results of the analysis in testing the third hypothesis show that there is a significant competitive price effect on the competitive advantage, which is indicated by a coefficient value of 0.147 (Original Sample (O)), with a p-value of 0.010. Thus, the third hypothesis is accepted. This showed that competitive price strategies determine the competitive advantage of health insurance. This is supported by previous research conducted by Thompson and Joe (1997) which found that competitive price strategies are an important way to achieve and maintain competitive advantage. In addition, there is also consistent with Nair (2019), Hinterhuber & Liozu (2017), Bačík et al. (2014) finding that pricing strategies have a significant impact on competitive advantage. Hocking (2012) also showed that personal selling is an important aspect in influencing costumer purchasing decisions.

Statistical tests also show a significant effect of competitive price strategies on the decision to buy health insurance, which is indicated by an Original Sample (O) value of 0.214, T-statistics (|O/STDEV|) of 4.214, and a p-value of 0.000<0.05. Thus, the fourth hypothesis is accepted. This suggests that increasingly competitive price strategies are more likely to increase the likelihood of customers using health insurance products.

The fifth hypothesis analysis found a significant effect of service quality on competitive advantage, which is indicated by the Original Sample (O) of 0.188 and p-value of 0.000<0.05. Thus, the fifth hypothesis is accepted. This showed that improvement in service quality can increase competitive advantage. Further analysis also found a significant effect of service quality on purchasing decisions, which is indicated by Original Sample (O) of 0.293, T Statistics (|O/STDEV|) of 6.633 and p-value of 0.00<0.05. This showed that the sixth hypothesis is accepted, which means that improving service quality can increase costumer decisions in buying health insurance products. Full model in Figure 2.
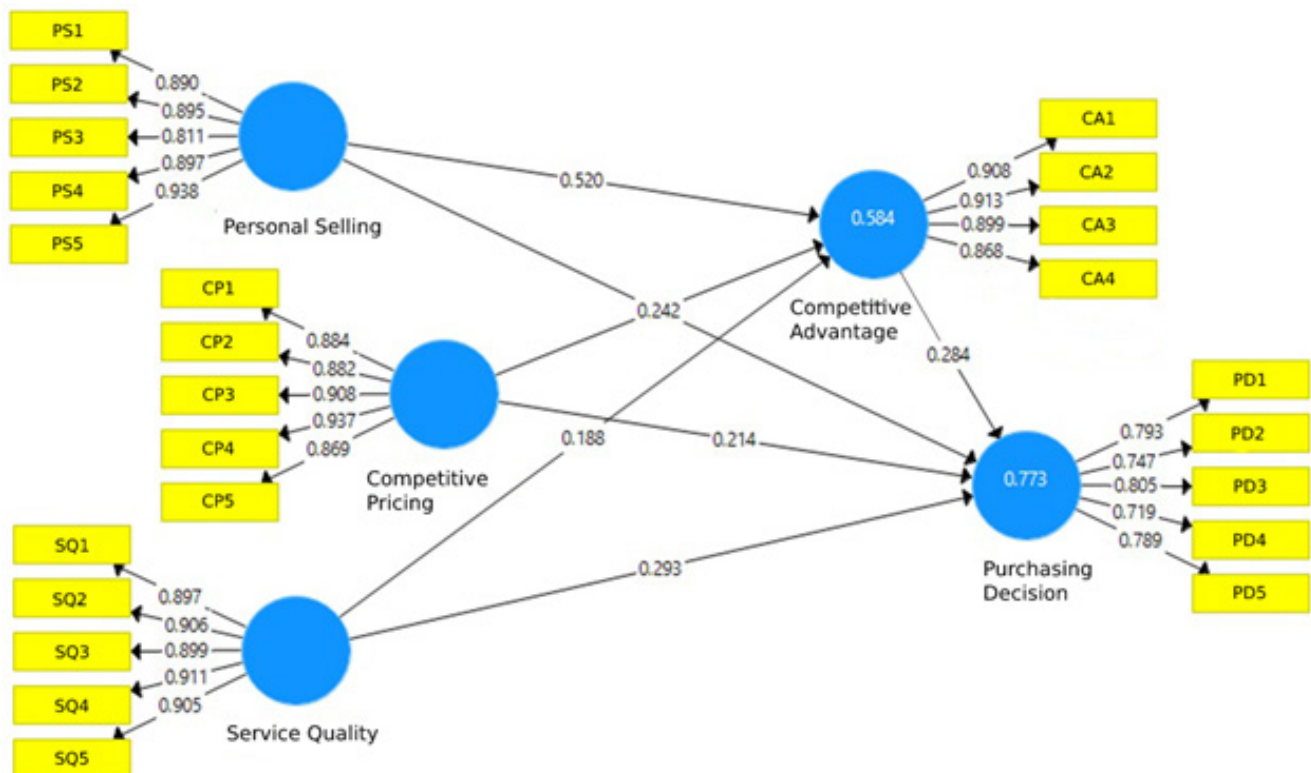

Figure 2. Full model

Statistical output showed that there is a significant influence of competitive advantage on purchasing decision, which is indicated by Original Sample (O) of 0.284, T Statistics (|O/STDEV|) of 5.947 and p-value of 0.00<0.05. Thus, the seventh hypothesis is accepted. This means that the more competitive an insurance product will be, the more likely customers will buy the product. The results of this study indicate that competitive advantage has a positive and significant effect on purchasing decisions. Kotler and Amstrong (2012) stated that the purchasing decision stage is a very important stage to understand because it will relate to the success of a marketing program. This is reinforced by previous research conducted by Parmana et al. (2019), Baedowy et al. (2020) showed that competitive advantage has a strong correlation with costumer purchasing decisions. Therefore, the presence of a competitive advantage in a company will have implications for an increase in purchasing decisions made by customers (Keller & Kotler, 2015).

Porter (2008) stated that competitive advantage is an advantage obtained through the application of competitive strategies that aim to build a profitable and sustainable position against market forces that determine industry competition. According to Kotler and Amstrong (2012), competitive advantage is an advantage over competitors that is obtained by offering lower value or by providing greater benefits because the price is higher. Companies must create special competitiveness in order to have a strong bargaining position in competition (Sinaga et al. 2021). Boyd et al. (1998) stated that competitors are industry structures, the actions of various competitive forces that affect the ability of an industry.

The results of the indirect analysis test as shown in Table 7 show the role of competitive advantage mediation in mediating the relationship between personal selling and purchasing decisions (p-value 0.00 <0.05), competitive price and purchasing decision (p-value 0.022 <0.05), and service quality on purchasing decision (p-value 0.053<0.05). This showed that competitive advantage is able to mediate the relationship between personal selling, competitive price, and service quality in purchasing decisions for insurance products. Thus, the eighth hypothesis is accepted.

Table 8 presents the variability of the independent variables in explaining the dependent variable of purchasing decisions, which is indicated by the R-square value. The statistical results show the value of variability (adjusted R-square) of Competitive Advantage of 0.579 or 57.9 percent and purchasing decision of 0.769 or 76.9 percent. This means that the personal selling, competitive price, and service quality variables are able to explained the competitive advantages of health insurance products. Likewise, the variables of personal selling, competitive price, and service quality and competitive advantage are able to moderately determine purchasing decisions for health insurance products. The results also show the predictive relevance of the model's observed values and parameter estimates, which are indicated by the Q-square. Statistical analysis showed that the Q-square value for Competitive Advantage is 0.464, and purchasing decision is 0.431.

Table 7. Indirect effect dan total effect

Relationship	Indirect Effect		Total Effect	
	Original Sample (O)	P Values	Original Sample (O)	P Values
Personal Selling → Competitive Advantage → Purchasing decision	0.148	0.000	0.389	0.000
Personal Selling → Competitive Advantage	-	-	0.520	0.000
Competitive Price → Competitive Advantage → Purchasing decision	0.042	0.022	0.256	0.000
Competitive Price → Competitive Advantage	-	-	0.147	0.010
Service Quality → Competitive Advantage → Purchasing decision	0.053	0.001	0.346	0.000
Service Quality → Competitive Advantage	-	-	0.188	0.000
Competitive Advantage → Purchasing Decision	-	-	0.284	0.000

Table 8. Q Square and R square

Q Square	SSO	SSE	Q² (=1-SSE/SSO)
Competitive Price	1100.000	1100.000	
Purchasing decision	1100.000	625.954	0.431
Competitive Advantage	1100.000	589.516	0.464
Service Quality	1100.000	1100.000	
Personal Selling	1100.000	1100.000	
R Square	R Square	R Square Adjusted	
Competitive Advantage	0.584	0.579	
Purchasing decision	0.773	0.769	

The results of calculations regarding the significant effect of personal selling on competitive advantage are in accordance with Elrod & Fortenberry (2020) and Sharma (2016) which state that personal selling plays an important role in providing direct and proficient communication resources in the insurance market in connection with the importance of prudent behavior in delivering message to customers. Familmaleki et al. (2015) Hanaysha (2018) also suggested that personal selling has a positive relationship with customer decision to buy a product. In the relationship between personal selling and purchasing decision, the finding is in accordance with Yousif (2016) stating that there is a significant effect of personal selling on purchasing decision. The results are also consistent with Gautam et al. (2021) stating that salesperson's involvement, personal characteristics and initiated promotion significantly affect consumer decision to purchase.

Regarding the influence of competitive pricing on competitive advantage, the findings are consistent with Al Badi (2018), Hinterhuber & Liozu (2017) and Maslowska et al. (2017) showing that innovative strategies in competitive pricing are an important antecedent for creating competitive advantage by marketers. Moreover, with respect to the significant effect of competitive prices on purchasing decisions, the findings support Maslowska et al. (2017) which shows that strategic prices have a positive effect on product purchasing decisions. The results are also consistent with Nagle & Müller (2017), Hanaysha, (2018) and Rachmawati et al. (2019 who found that strategic prices have a significant effect on managing customer value perceptions, shifting the demand curve and increasing consumer purchasing decisions for products.

The results showed the significant impacts of service quality on competitive advantage and purchasing decisions. The findings are supported by Anabila (2019)

stating that service quality is more likely to improve competitive advantage of private healthcare providers in Ghana. Moreover, the results are in line with Syapsan (2019) demonstrating that there is a significant effect of service quality on competitive advantage. Regarding the effect of service quality on purchasing decisions, the results are consistent with Rita et al. (2019), and Dapas et al. (2019) showing a significant effect of service quality on purchasing decisions. Lastly, the findings regarding the relationship between competitive advantage and purchasing decisions, the results are in line with Angelova & Zekiri (2011), ElGaraihy et al. (2014) and Tsao (2014) stating that company's competitive advantage had a significant impact on customer purchasing decisions.

Managerial Implication

The research results obtained from this study have practical implications for health insurance marketing managers in Indonesia to continue to increase consumer awareness about health insurance and risk coverage in the future as well as the financial pressures that are very likely to occur during treatment. In addition, the value creation of insurance services also needs to emphasize the obligation of consumers to pay their premiums and create an overall positive branding for health insurance. Furthermore, marketers need to emphasize caution in conveying messages, rights and obligations between consumers and companies as well as clearly informing insurance risks and the types of coverage that are covered. In addition, to mitigate the emergence of problems, marketers need to strengthen the marketing code of ethics in health insurance services. Companies also need to strengthen service quality, responsiveness and competitive and strategic pricing strategies to motivate consumers and potential customers to buy products.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The results of this study found a significant relationship between personal selling and competitive advantage and the decision to purchase health insurance products. The findings also show that the competitive price variable plays a significant role in increasing competitive advantage and the possibility of customers to use insurance products. In the relationship between service quality and competitive advantage, statistical results confirm that there is a significant relationship. Likewise, the analysis showed that service quality is a determinant of purchasing decisions for insurance products. Finally, the mediation analysis to investigate the empirical role of competitive advantage finds that competitive advantage is able to mediate the relationship between personal selling, competitive price, and service quality in purchasing decisions for insurance products.

Recommendations

In this study there have some limitations. It is hoped that these limitations and deficiencies will be an improvement in future research. First, in this study, variable processing only uses 18 indicators which are used as a reference in data processing, so that it still cannot represent lane indicators. Second, in an effort to increase purchasing decisions that carry the purchasing decision variable as the dependent variable. The study only focused on 4 variables, namely competitive price strategies, service quality, personal selling, and competitive advantage. Based on the limitations that have been described, research on purchasing decisions can be further developed in future studies. Future research can see the limitations in this study as input. Future research is suggested to add other variables that have not been included in this study and be able to explain a greater variation in purchasing decision variables, such as: facilities, product design, income, customer satisfaction, sales activities, and custumer behavior.

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