



The Effect of Entrepreneurship Orientation and Product Innovation on Axa Mandiri Insurance Marketing Performance (Case Study of AXA Mandiri Customers in Palopo City)

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ABSTRACT

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The discussion in this study is focused on the marketing performance of AXA Mandiri's insurance. Which is located in the city of Palopo – South Sulawesi. With a total of 89 data from 89 respondents. The analytical tool used in this research is multiple regression. The results show that entrepreneurial orientation has a positive and significant impact on marketing performance. Likewise, product innovation has a significant and positive effect on marketing performance.

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1. Introduction

In the modern era like today, it cannot be denied that insurance has become a part of the lives of most people. Insurance has a role that is able to touch the vital points of life. The role of insurance is not only on the health side, but more than that it can also involve education, vehicles, and so on. Insurance is currently considered a sector that is growing quite well in the midst of uncertain economic conditions. This should be a driving force for insurance companies to maximize their marketing performance. Every insurance company should have individuals with good competencies and capabilities so that they are able to seize opportunities and be able to read the challenges that will occur in the future.

The challenge that must be considered is how to maximize marketing performance by paying attention to its supporting aspects. Very competitive competition forces insurers to use all their entrepreneurial-oriented capabilities and innovate on products that are general in nature or also owned by other insurers. Currently, there are many types of insurance offered by various parties, both from the banking industry and private companies engaged in insurance providers. The emergence of various insurance providers is a challenge to maintain the company's existence. Choosing a strategy by paying attention to supporting aspects is one way for the existence of insurance companies to survive.

AXA Mandiri's Insurance is one of the many insurance companies registered and supervised by the Financial Services Authority (OJK). AXA Mandiri Insurance offers products through Bank Mandiri. The challenge currently faced by insurance service providers is that the competition is quite tight, so it is necessary to conduct a thorough evaluation of the marketing performance of AXA Mandiri's insurance. A new breakthrough is needed both in terms of entrepreneurial orientation and in terms of product innovation so that the marketing performance of AXA Mandiri's insurance can be excellent in the midst of the people of the city of Palopo.



2. Methods

This research is a quantitative research with a survey approach to collect data. This research is associative or examines the influence between variables. In this case the variables are entrepreneurial orientation, product innovation and marketing performance. This research was conducted in Palopo City, South Sulawesi, with the respondents being AXA Mandiri insurance customers. The sample in this study were 89 respondents. The saturated sampling technique was chosen as the method of determining the sample so as to facilitate the process of determining the sample. Likert scale is used to measure respondents' perceptions. Several data testing instruments were carried out to obtain accurate results in this study.

3. Results and Analysis

3.1 Research Result

a. Object of Research

AXA Mandiri is an insurance company whose share ownership is owned by Bank Mandiri (51%) and National Mutual International (49%). Since its establishment in 2003, AXA Mandiri has marketed its insurance products through Bank Mandiri. Until now, AXA Mandiri has served many customers. The innovative products provided by AXA Mandiri are in accordance with the needs of the community. These products include life insurance, health insurance, critical illness, education funds, old age, pension funds and others, making AXA Mandiri insurance quite calculated in Palopo City.

b. Validity Test

Seeing the validity of the data can be done by looking at the calculated r value and the r table value (Kuswanti & Prihandono, 2017). Using the *degree of freedom* (df) i.e. n-2, which means that n is the number of research samples. This study used a sample of 89 respondents, which means the value of r table is 89-2 = 87. This means that the value of r table for sample 87 is 0.208.

Table 1
Validity Test Results

Variable	No. Question Items	r Table	r Count	Information
Entrepreneurship Orientation	1	0.208	0.617	Valid
	2	0.208	0.507	Valid
	3	0.208	0.317	Valid
	4	0.208	0.590	Valid
Product Innovation	1	0.208	0.451	Valid
	2	0.208	0.523	Valid
	3	0.208	0.625	Valid
Marketing Performance	1	0.208	0.538	Valid
	2	0.208	0.559	Valid
	3	0.208	0.459	Valid
	4	0.208	0.471	Valid
	5	0.208	0.504	Valid

Source: primary data processed, 2021

Based on the basis of decision making on the validity test which says that it is said to be valid if the calculated r value is greater than r table, the research results for the validity test are valid. This statement can be justified by looking at the table above where all of the question items have an r arithmetic value greater than r table.

c. Reliability Test

Data reliability is often said to be the level of trust, reliability and stability of the research instruments used (Manahera et al., 2018). The reliability of the data can be known by processing SPSS by paying attention to the *Cronchbach Alpha* value. It is said to be reliable if the *Cronchbach Alpha* value is greater than 0.60.

Table 2
Reliability Test Results

Variable	Cronchbach Alpha	Information
Entrepreneurship Orientation	0.704	Reliable
Product Innovation	0.632	Reliable



Variable	Cronchbach Alpha	Information
Marketing Performance	0.620	Reliable

Source: primary data processed, 2021

Based on the basis of decision making on the reliability test which says that it is said to be reliable if the *Cronchbach Alpha* is greater than 0.60. So the research results for the reliability test are reliable. This statement can be justified by looking at the table above where all research variables have a *Cronchbach Alpha* value greater than 0.60.

3.2 Classic assumption test

a. Normality test

Normality of the data is done with the aim of seeing whether the data used in the study is normally distributed or not. One way to see whether the data is normally distributed or not is by looking at the normal probability plot. It is said to be normally distributed if the data is spread around the diagonal line and in the same direction as the diagonal line.

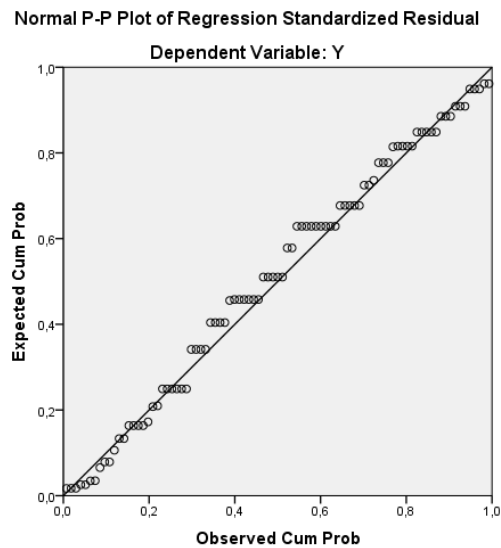


Fig 1. Normality Test Results

Source: Primary data processed, 2021

In this study, the data used were normally distributed. This statement is supported by figure 2 above which the distribution of the data spread around the diagonal lines and the direction of the diagonal line of 45 ° it.

b. Multicollinearity Test

The purpose of this test is to see if there is a correlation between the independent variables in this study. If multicolline symptoms occur, the way that can be done is to replace one of the independent variables. Symptoms of multicollinearity can be identified by looking at the VIF value less than 10 or the tolerance value greater than the 0.05 alpha level.

Table 3
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Entrepreneurship Orientation	0.972	1.029
Product Innovation	0.972	1.029

Source: primary data processed, 2021

In this study, it was not found that there were signs of multicollinearity. This statement is supported by table 3 above where the VIF value is 1.029 and the tolerance value is 0.927 for entrepreneurial orientation and product innovation. based on the basis of decision making which says that the symptoms of multicollinearity can be identified by looking at the VIF value less than 10 or the tolerance value greater than the 0.05 alpha level. So it was concluded that there were no multicollinearity symptoms found in this study.

c. Heteroscedasticity Test

The purpose of this test is to see if there is an inequality of variance (a measure of diversity involving all data) from the residuals of one observation to another. There are several ways that can be used to see the symptoms of heteroscedasticity in a study. In this study, the Spearman rank method was used. The basis for decision making is if the significance value of the independent variable with *unstandardized residual* is greater than the 0.05 level of negligent. Then free from heteroscedasticity symptoms

Table 4
Heteroscedasticity Test Results

		Entrepreneurship Orientation	Product Innovation	Unstandardized Residual	
Spearman's rho	Entrepreneurship Orientation	Correlation	1,000	,146	
		Coefficient		0.055	
		Sig. (2-tailed)	.	,172	
	Product Innovation	N	89	89	89
		Correlation	,146	1,000	0.035
		Coefficient			
	Unstandardized Residual	Sig. (2-tailed)	,172	.	,745
		N	89	89	89
		Correlation	0.055	0.035	1,000
		Coefficient			
		Sig. (2-tailed)	,611	,745	.
		N	89	89	89

Source: primary data processed, 2021

In this study, no signs of heteroscedasticity were found. This statement is supported by table 4 above where the value of Sig. (2-tailed) for product innovation is 0.172 and the value of Sig. (2-tailed) for Entrepreneurship Orientation of 0.745. based on the basis of decision making which says that heteroscedasticity symptoms do not occur if the significance value of the independent variable with *unstandardized residual* is greater than the 0.05 level of negligent. So it was concluded that there were no signs of heteroscedasticity in this study.

d. Multiple Regression Analysis

The method of analysis in this study using multiple regression. This is because in this study more than one independent variable and one dependent variable were used.

Table 5
Results of Multiple Regression Analysis
Regression Coefficient, F-Test, T-Test

Model	Unstandardized coefficients (B)	t Count	Sig. t
Entrepreneurship Orientation	0.432	3,528	0.001
Product Innovation	0.301	2.021	0.046
Constant = 11.250		f Count = 7.277	
R Square = 0.145		sig. f = 0.001	
Multiple R = 0.380			

Source: primary data processed, 2021

In table 5 above there is a regression equation that can be written as follows: $Y = 11.250 + 0.432X_1 + 0.301X_2$. This means that the value of the regression coefficient for entrepreneurial orientation is 0.432 and product innovation is 0.301, indicating a positive regression coefficient value. It can also be interpreted that the entrepreneurial orientation and product innovation have a positive influence on the marketing performance of AXA Mandiri's insurance in Palopo City. Entrepreneurship orientation is 0.432, if every one unit increase in entrepreneurial orientation it will have an impact on increasing marketing performance by 0.432. Product innovation 0.301, if every one unit increase in product innovation it will have an impact on increasing marketing performance by 0.301.

Value 0.380 or 38% for the correlation coefficient (*multiple R*). This means that the independent variables of entrepreneurial orientation and product innovation are correlated with marketing performance. Value 0.145 or 14.5% for the regression coefficient R square. This means that the ability of the independent variables of entrepreneurial orientation and product innovation affects marketing



performance. And the remaining 85.5% is influenced by other things that are not included in the research model.

3.3 Hypothesis Testing

a. t test results (partial)

The entrepreneurial orientation in table 5 above has a significance value of 0.001. means that this variable affects marketing performance significantly because its value is smaller than the alpha level of 0.05. product innovation in table 5 above with a significance value of 0.046. means that this variable affects marketing performance significantly because its value is smaller than the alpha level of 0.05.

b. f test results (simultaneous)

The f test with a significance value of 0.001 in table 5 above means that the variables of entrepreneurial orientation and product innovation jointly affect marketing performance significantly.

3.4 Discussion

a. Effect of entrepreneurial orientation on marketing performance

The results of hypothesis testing indicate that entrepreneurial orientation has a positive and significant effect on marketing performance at AXA Mandiri insurance in Palopo City. This study provides appropriate results or also strengthens previous research. Wirawan (2017) although different research objects but using almost the same variables, suggests that entrepreneurial orientation has a significant effect on marketing performance with a positive regression coefficient value. Research Fatmawati et al. (2016) also revealed the same thing, namely entrepreneurial orientation has a significant influence on marketing performance.

b. The effect of product innovation orientation on marketing performance

The results of hypothesis testing indicate that product innovation has a positive and significant effect on marketing performance at AXA Mandiri insurance in Palopo City. This study provides appropriate results or also strengthens previous research. The research of Priatin et al. (2017) although different research objects use almost the same variables, suggesting that product innovation has a significant effect on marketing performance with a positive regression coefficient value.

4. Conclusion

Referring to the findings of the results and discussions that have been carried out previously, it can be concluded several things including:

- a. The entrepreneurial orientation variable has a positive and significant effect on marketing performance.
- b. Product innovation variable has a positive and significant effect on marketing performance.
- c. Variables of entrepreneurial orientation and product innovation together have an effect on marketing performance.

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