*Original article*

# Opportunities and Challenges of Insurance Company on Creating E-Learning Application

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*Abstract -* *The Industrial Revolution 4.0 produces disruptions that change the landscape of human social interaction. One of the fundamental changes in this revolution is the existence of an internet network that is able to connect all people in any part of the world in a short time. The effectiveness and efficiency of social interaction, which is the result of technological progress, also affects the economy of a country. The Internet opens up new business opportunities with a broad reach but low cost. One of the business variants that is developing along with this momentum is the e-learning business.*

*E-learning is a new platform where one can get education from any level, anywhere, and anytime. In Indonesia, the e-learning business is one of the emerging businesses because the players are still relatively few while the market niche is relatively large. This research was made using a literature review method and enriched by case studies by taking the example of the Ruang Guru and Quipper platforms as the main players in the e-learning business in Indonesia, which can be the best learning blueprints for e-learning applications for insurance companies.*

*This study answers the question of how prospective this business is in Indonesia with the finding that the e-learning business for insurance companies can develop further by targeting a market niche that has not been captured by two players that are still dominated by non-insurance companies.*

*Keywords -* *E-learning, Insurance, Business, Education, Technology*

## I. INTRODUCTION

The benchmark for the progress of a country is the increase in the welfare of the people. One of the indicators of people's welfare is the low level of unemployment. Therefore, the government is trying as much as possible to provide jobs for the community in order to control economic growth, which ends: welfare. Social welfare as the ultimate goal of state life as well as the constitutional mandate is the basis of national building. Without it, it is impossible to imagine a country would be at peace.

The availability of job opportunities is always supported by entrepreneurship, both at the initiative of citizens and through foreign investment. Entrepreneurship is the sector that absorbs the most labor and contributes the largest income to the country. The more individuals engage in the world of entrepreneurship, the more labor is absorbed, and the more developed a country is. Currently, the number of entrepreneurs (entrepreneurs) in the country penetrates 3.1% of the total population (260 million people) or about 8.06 million people. This figure exceeds international standards (2 %)

The world of entrepreneurship in Indonesia is dominated by the Micro, Small, and Medium Enterprises (MSME) sector, including the insurance industry. Based on Law No. 40 of 2014 concerning Insurance, these developments in various financial services industries have resulted in the depletion of boundaries and differences in the types of services provided by the financial services industry. Such developments require a better and integrated system of regulation and supervision of the financial sector. Quantitative restrictions on ownership of foreign legal entities. The limitation may be in the form of a maximum percentage of foreign ownership in an Insurance Company.

The challenges of insurance companies in educating the public are increasingly complex entering the industrial revolution because, in the era of the industrial revolution 4.0, the world is entering a period of digitalization based on the internet and satellite networks. Technology that utilizes wireless network transmission has changed the global economic landscape from being offline or conventional to online. This change in landscape was enthusiastically welcomed by business people because, with internet facilities, business expansion can be carried out effectively and efficiently. Entrepreneurs can take advantage of internet access as a marketplace. In conventional business, products can only be offered offline so that the target market is very limited, but with the existence of the internet as the foundation of current connectivity, products can not only be marketed in unlimited space but also reach foreign markets. The development of the internet also opens up new business opportunities and encourages the mental activation of entrepreneurship among the nation's children, from cities to

remote parts of the country. With the Palapa Ring project underway, progress and development that is expected to start from the periphery can occur.

One of the rapidly growing businesses in the early 21st century is electronic learning (e-learning). It is undeniable, one of the obstacles faced by this nation is the low quality of education. This is evidenced by the results of an assessment conducted by The Organization for Economic and Development (OECD) entitled Program for International Student Assessment (PISA) in 2018, which placed Indonesia at number 74 out of 79 countries (the bottom six) regarding the quality of secondary education. The low quality of education in Indonesia is caused by disparities or quality gaps between regions. In general, educational institutions in Java are of higher quality than in other regions due to issues of access to development and the consistency of local governments regarding the budget allocation of 20% of the APBD for the education sector. Meanwhile, education is the main component for strengthening the Human Resources (HR) aspect, which is an indicator of the nation's progress, so that improving the quality of education is very urgent in order to increase competitiveness in the global arena. There is an empty space between the low quality of education and the urgency to fix it. This empty space is what e-learning activists want to fill.

This paper intends to dissect the portrait of the e-learning business in the country which is emerging in order to obtain a comprehensive picture of the prospects of this business and the opportunities that can be utilized by anyone who wants to pursue this business.

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## II. THEORIES OF THIS PAPER

This research was made using literature review and enriched by case studies. In the research process, the researcher examines a number of pieces of literature relevant to the topic to be discussed. The main references used are the book Business Models for e-learning (Gabriella Hoppe & Michael H. Breitner), the book Exploring e-learning (E. Pollard & J. Hillage), Journal of Governance for the Implementation of e-learning in Performance Improvement Training Organizer (Renata DN Damanik), Journal of Strategy for Development and Utilization of e-learning in the Learning Process (I Kadek Suartama), Journal of The Future of e-learning: e-learning Ecosystem (Lorna Uden & Ernesto Damiani), and Journal of E-Learning Markets and Providers: Some Issues and Prospects (Kate Fry).

This research is enriched by case studies conducted on a small scale. A case study is a study of the status of the research subject with respect to a specific or distinctive phase of the whole personality.[1] Another definition explains, a case study is a research design found in many fields,

especially evaluation, where researchers develop an in-depth analysis of a case, including programs, events, activities, processes, or one or more individuals. [2] In the case of studies, research subjects can be individuals, groups, institutions, or communities. Researchers want to study intensively the background and environmental interactions of the social units that are the subject. The purpose of the case study is to describe in detail the background, characteristics, and characteristics that are typical of the case or the status of the individual, which is then made into a general matter. The results of case study research are generalizations of typical case patterns from individuals, groups, institutions, and so on. Depending on the purpose, the scope of the case study can cover a particular segment or section or cover the entire life cycle of individuals, groups, and so on, either with an emphasis on specific case factors or covering the entirety of factors and phenomena. Case studies emphasize the study of relatively large variables in a small number of units.[3]

The case study has the advantage of being a study that supports large studies in the future. Case studies can provide hypotheses for further research. From an educational point of view, case studies can be used as illustrative examples, both in problem formulation, the use of statistics in analyzing data, and methods for formulating generalizations and conclusions.[4]

### A. E-learning

The term e-learning is commonly mentioned and listed in a number of seminars, books, and journals in the 21st century. Imagine, this electronic-based learning system has become a new means of acquiring knowledge either in real-time or not, face to face or remotely without reducing its quality. In short, electronic-based learning is relatively the same as face-to-face learning in the classroom. E-Learning is an effective learning process produced by combining digital delivery of material consisting of support and services in learning. Historically, the term e-learning has been known since the 1960s and has evolved in a number of aspects (business, education, training, and military). In the school context, e-learning refers to software-based and online learning. In the broad context of education, the use of e-learning terminology means not only the use of online-based technology, multimedia, simulations, games, and mobile platforms but is also characterized by the active participation of students. This means that e-learning does not only focus on providing learning infrastructure that is more up-to-date than conventional learning but also changes the mindset of all components of education regarding active student participation as the object. If in the conventional learning process the teacher's role seems dominant, in this new

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[1] Moh. Nazir. *Metode Penelitian* (Bogor: Ghalia Indonesia, 2014). p. 45.

[2] John W. Creswell. *Research Design* (Yogyakarta: Pustaka Pelajar, 2016). p. 19.

[3] *Ibid.*

[4] *Ibid.* p. 46.

process, student-centered-oriented methods are put forward in order to adapt to the development of this new learning model.

The e-learning system consists of three components, namely the Learning Management System (LMS), e-Content, and e-Services. As an e-learning machine and system, LMS are made by various private companies, and some are made by the public using open source. E-Content is a learning material developed by teachers and facilitators who want to teach certain subjects. To support the e-learning system to run as expected, a supporting stall is needed that provides electronic services.

The e-learning business model is classified into the market model, activity model, and asset model. The market model is a partition in the business structure that includes business actors, roles, and market structures. Meanwhile, the activity model focuses on business activities. It integrates manufacturing, marketing, and post-sales, and other support activities related to the supply chain. The asset model combines costs and revenues.

The e-learning business model must be guided by a sustainable business model, which includes a number of requirements :

- The business model pyramid, which includes market model, activity model, and asset model, must be run consistently;

- Target consumers and market segments must be carefully defined;

- Investments invested must have medium-term and long-term returns. The gap between production costs and selling prices must be closed.

- Given the rapid changes in the field of e-learning, the ability to adapt and scale-up is needed. Adaptation refers to the ability to adapt to changes in market structure, while scale-up refers to the development, use of technology, and distribution.

- Consumers tend to like products that suit themselves in addition to low prices and unique product elements. Therefore, the marketing process and brand recognition must be carefully thought out and executed.

### B. Insurance Company

Insurance intermediation comes under a range of headings (Lester, 2009, p.16):

- Tied agents who normally represent only one insurer for each class of insurance.

- General agents, which may have agency arrangements with a number of insurers for a given class, and which employ sub-agents. This category is banned in many countries because of the confusion it can cause for consumers.

- Brokers who represent the insured and who can deal with any insurer. Brokers can accept commission from the insurer in most countries, and

ideally, they should be required to disclose this to their clients.

- Insurers own staff selling from the insurers own premises.

- Bancassurance, where a bank either acts directly for an insurer or provides space for an insurer's representative in its retail outlets. This channel has become very successful in such countries as France and Italy and is being implemented in many countries around the world as high initial costs can be offset by lower distribution costs in the long run.

- Call centers have had mixed success but can be very                                         effective For highly specialized markets and when linked with radio and internet advertising. Like bancassurance, initial costs can be very high.

- Other businesses where insurance is ancillary to the main business, such as travel agents.

Government intervention to enforce mandatory insurance (most commonly third motor party, workman's compensation, and constructors all risk) aside, private insurance markets form naturally when risk aversion ensures that individuals will pay more than the expected loss in order to hedge against the possibility of a loss that is large relative to available resources (Lester, 2009, p.2).

### C. Semiotics Brand

Based on my dissertation (Wikantari, 2020), Brand Semiotics is a metamorphosis of brand symbols and signs in conveying meaning to everyone. Approaches to brand semiotics are difficult because of the lack of an accepted analytic definition of a phenomenon, as well as the broad metaphysical extensions of which brands are identified with semiosis (signs and sign processes). Customer satisfaction does not mediate the influence of brand semiotics on customer loyalty so that customers can become loyal without feeling satisfied with the company's brand or product. In the long run, it is more profitable to keep repeat customers than to continually attract and develop new customers to replace departing customers.

### D. Consumer decision-making

Exploratory factor analysis from consumer decision-making are factors are labeled as (a) security and integrity, (b) tangibles, (c) credibility, (d) customer service, and (e) value-for-money (Sorizo, 2016, p.7).

Insurance companies pro- vide the option to select the coverage that suits individual customer needs, which will be reflected in the pricing. Airlines may determine the pricing based on multiple variables, not only general information, such as current demand level and route competition but also individual travelers' customer lifetime value. Technology also enables the "everything-as-a-service" business model for previously big-ticket purchases such as enterprise software or a car (Kartajaya&Setiawan, 2021, p.122).

Based on Petra's research (2012, p.21), consumer decision-making has long been of interest to researchers. Beginning about 300 years ago, early economists, led by Nicholas Bernoulli, John von Neumann, and Oskar Morgenstern, started to examine the basis of consumer decision-making (Richarme, 2005). This early work approached the topic from an economic perspective and focused solely on the act of purchase (Loudon, 1993). The most prevalent model from this perspective is „Utility Theory," which proposes that consumers make choices based on the expected outcomes of their decisions. Consumers are viewed as rational decision-makers who are only concerned with self-interest (Schiffman, 2007; Zinkhan, Human, 1992). Where utility theory views the consumer as a „rational economic man" (Zinkhan, Human, 1992), contemporary research on Consumer Behavior considers a wide range of factors influencing the consumer and acknowledges a broad range of consumption activities beyond purchasing. These activities commonly include; need recognition, information search, evaluation of alternatives, the building of purchase intention, and the act of purchasing, consumption, and finally disposal. This complete view of consumer behavior has evolved through a number of discernible stages over the past century in light of new research methodologies and paradigmatic approaches being adopted.

## III. ANALYSIS

The e-learning business became a new business idea at the beginning of the 21st century. Imagine, this idea was born from the condition when the world was connected by the internet. The Internet allows e-learning businesses to grow and develop. The e-learning business has two components, namely academic R&D institutions and commercial providers. Academic R&D institutions are tasked with creating e-learning technology that is intended for a small number of people. This division focuses its activities on the pedagogical function and the usefulness of technology. Meanwhile, commercial providers are separated from the research function and focus on the economic aspect. They concentrate their resources on the aspects of fast, easy to sell, and cost-efficient production. This division thinks about a strategy on how to package the product as attractively as possible (UI & UX Friendly) and at the lowest possible price.

Quipper and Ruangguru are the two main providers of e-learning services in Indonesia. Actually, there are so many e-learning service providers, including Zenius, IndiHome Study, Qonstanta, and Rumah Belajar, but the two brands above dominate the e-learning market share with total accumulated subscribers reaching tens of millions of people. On its website, Ruangguru calls itself the No.1 Online Bimbel in Indonesia with an additional explanation: the complete solution in one application that has been trusted by more than 17,000,000 students and more than 300,000 teachers in Indonesia. The teacher's room is under the auspices of PT. Ruang Raya Indonesia was founded in 2014 by Belva Devara and Iman Usman. Currently, Ruangguru is

developing various technology-based learning services, including virtual classroom services, online exam platforms, subscription learning videos, private tutoring marketplaces, and other educational content that can be accessed via the web and applications. Meanwhile, Quipper chose the tagline Bimber online with the best quality, making them confident in achieving achievements. Quipper is an educational technology company with a mission to provide the best education to remote areas. Quipper was founded in 2010 by Fumihiro Yamaguchi in London. Quipper services are currently used in more than 85,000 schools in 34 provinces, 350,000 teachers, and more than 5 million students.

The growth of the e-learning business in Indonesia cannot be separated from the high public interest in quality education. Indonesia currently ranks 8th in the growth of startups in the e-learning field, with a growth rate of 25% per year. Considering the large population with an increasing school force, the prospects for the e-learning business are increasingly promising.

As is the case with e-learning service providers (guru's room, quipper, zenius, qonstanta, India home Study, and so on), this business is relatively prospective considering the facilities offered. The advantages are :

- Materials in e-learning can be accessed at any time and adapted to user needs;

It- Cheaper than conventional learning. In comparison, if conventional tutoring charges Rp 10 million a year, e-learning service providers only charge Rp 2 million at the most expensive.

- The material is always up to date

- The learning process is short, solid, and clear

- The material studied can be adjusted to the user's needs

- Online learning (e-learning) has minimal risk caused by sociocultural constraints or bias

- The content is consistent. Everyone gets standardized content

- Interactive and collaborative, making it more fun

- Improve users' digital literacy

One of the challenges, as well as opportunities in the e-learning business, is aggressive business behavior. Aggressive business behavior towards the e-learning market can stimulate the market to focus on e-learning products. An easy example can be seen on e-commerce platforms. The marketing aggressiveness of e-commerce with its promotional program can attract people to shop on that platform. However, when there are other e-commerce platforms that can offer better deals, aggressive consumers will quickly switch platforms. This has the potential to happen also in the e-learning business.

E-learning for insurance companies certainly requires consideration of dimensions in the insurance industry that must be in accordance with existing dimensions. The updated dimensions for influential variables include:

1. Brand Meaning: Unbranded, Brand as a reference, Brand as personality, Brand as an icon, Attributes, Awareness, Associations, Identity, Image.

2. Brand Semiotics: Logo, Slogan, Brand name

3. Relational Marketing: Social factors, Information exchange, Emotional Branding, Employees.

4. Trust: Competence, Integrity, Communications, Benevolence, Commitment.

5. Customer Satisfaction: Claim settlement, Transaction ease, Adaptation, Engagement.

6. Customer Loyalty: Service quality, Corporate image, Switching cost, Communication.

The results of my dissertation (Wikantari, 2020) research show that Brand Meaning has an effect on Life Insurance Customer Loyalty. This is in line with the results of several studies, such as Roopa and Dhannur (2015) regarding A Study on Emotional Branding and Its Impact on Brand Loyalty with Reference to Life Insurance Companies in Bangalore, India. The purpose of the study was to determine the relationship between emotional branding (one of the indicators of the brand meaning dimension) and brand loyalty and to determine the relationship between the emotional branding dimensions. This study reveals the scope of emotional branding and its consequences for the life insurance industry. It also shows a significant relationship between emotional branding and brand loyalty. Emotional branding allows customers to pay more attention and show more positive emotions towards a product. This actually provides confirmation to the relationship theory because relationship theory builds its premise on the inadequacy of brand meaning to influence customer loyalty because it only relies on the company's strategy in attracting consumers rather than regulating relationships with consumers. Emotional branding is always associated with feelings of pride, joy, trust in a brand.

In establishing e-learning for insurance purposes, at least 4 (four) things need to be considered:

1. Education Commission

Standardization of Insurance Workers in Indonesia

2. Communications Commission

Dissemination of Literacy and Study of Insurance Industry

3. Secretariat

Organizational Administration and Innovation

4. Activities:

a. Insurance Literacy

b. Insurance Industry

This journal supports my dissertation (Wikantari, 2020), which concludes that based on a descriptive study, it is known that all respondents answered all indicator statements by agreeing and strongly agreeing. All respondents rate positively on all indicators of all variables. The percentage value of each statement item above 68% is a score of 4 and 5,

so it is declared positive. At the end of the discussion, input was given to the management of the life insurance company. Solutions need to be considered by life insurance companies based on input from respondents for positive improvements for customers in order to achieve customer satisfaction which can have an impact on loyalty. The accepted hypotheses are:

a. Brand meaning affects customer loyalty in the life insurance industry in Jakarta.

b. Brand semiotics affect customer satisfaction in the life insurance industry in Jakarta.

c. Brand semiotics affect trust in the life insurance industry in Jakarta.

d. Trust has an effect on customer loyalty in the life insurance industry in Jakarta.

Therefore, e-learning should be prioritized based on client satisfaction. For example, in the e-learning application, there are steps to solve the problem of claim handling (crucial).

In addition to e-learning applications, there is also a need for a special team under the AAJI (Indonesian Life Insurance Association), with the rules contained in Law no. 21 of 2011 concerning OJK. A special team (committee) consisting of people who understand insurance regulations and are experts in SOPs, and good product knowledge. This special team cooperates with life insurance companies in Indonesia. The activity includes regular meetings to discuss issues related to claims that are viral on social media.

## VI. CONCLUSION

The e-learning business is a prospective business considering the open market share for the education industry. Given the low quality of education in the country, e-learning service providers must step in and fill the void and pave the way for equity and improvement in the quality of education.

Both Ruangguru and quipper, as major players in the new e-learning business, hold less than 50% of this business's market niche. Therefore, the current e-learning business prospects are relatively promising.

In relation to insurance companies, sometimes many client claims have gone viral, even though they actually require a claim process. This is where e-learning applications are needed not only for education about insurance but about the claim procedure itself.

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