
SOCIAL MEDIA TECHNOLOGY IN IMPROVING MARKETING OF SHARIA INSURANCE PRODUCTS (*TAKAFUL*) TO ISLAMIC BANKING ACADEMICS

Wasilatur Rohimah¹, Haniatur Rofika¹, Kurniawati Meylianingrum¹,
Abdelaziz Mounadil², Nur Asnawi¹

¹Universitas Islam Negeri Maulana Malik Ibrahim Malang
Jl. Gajayana No.50, Dinoyo, Malang City, East Java, 65144, Indonesia

²Universite Ibn Tofail, Kenitra, Morocco
Av. de L'Université, Kénitra, Morocco
meylianingrum@uin-malang.ac.id

ABSTRACT

Indonesia, one of the countries with the largest Muslim majority in the world, can develop opportunities for sharia-based insurance (*takaful*). Nowadays technological developments have changed the marketing strategy of sharia insurance. Thus, the purpose of study is to find out how far influence technology and social media have in increasing sharia insurance marketing. Meanwhile, the research method used was descriptive qualitative, and the object was sharia insurance institution customers with digitalization of technology and social media. This research was implemented on sharia banking course materials. Based on the research results, people's activities today prioritize the use of technology and digitization. Especially during the pandemic, people make transactions through digital media. This affects the activities of sharia insurance which used to do direct marketing, now it was done through online. Hence, the target consumer becomes more because the reach knows no boundaries. In addition, as many as 70% of respondents knew about sharia insurance through social media. In other words, marketing sharia insurance using social media has higher reach and opportunities than other manual promotion systems.

Keywords: Sharia Insurance, *Takaful*, Marketing, Technology, Social Media

INTRODUCTION

Indonesia is a country that has the largest muslim population in the world. Then based on the report of the Royal Islamic Studies Center (RISSC) there are a total of 231.06 million Indonesians who embrace islam, of this number equivalent to 86.7% of the total population of Indonesia. Of that number, it should make opportunities for the development of sharia insurance, and as the largest muslim country, the Indonesian population should also mostly use sharia products, especially sharia insurance (Susmita et al., 2022).

Insurance is an agreement between two parties, namely between the insured and the insurer. An insured must pay contributions to an insurer to obtain financial protection or reimbursement to protect themselves from losses that may occur unexpectedly. Usually, the insured is the insurance company, and the insurance company is their client. Insurance depends on uncertain things, such as unexpected events in the future that can endanger our lives (Naufal et al., 2021). Islamic insurance is also called *takaful*. The islamic insurance sector (*takaful*) has become one of the leading islamic financial mechanisms that sustain economic growth. Indeed, it represents the second most valuable social organization in all muslim societies through its instrumentality in fighting poverty. Sharia insurance is also called *takaful* because in the principle of sharia insurance is a joint risk or bias also said to be risk sharing between insurance companies and clients (Yeop et al., 2018).

Takaful has been established in Indonesia since 1994, *takaful* has been established more than three decades ago, but the growth is very profitable and insignificant compared to conventional insurance. At the same time, it is unclear whether existing *takaful* policyholders maintain their loyalty with *takaful* participation or convert it to conventional life insurance. The slow growth of sharia insurance is also caused by the lack of public

awareness and awareness, literacy and knowledge, and exposure to sharia insurance products. But on the other hand, along with the development of the current era, the development of science and technology is growing intensely. The presence of the digital world in the dominance of millennials and gen z is very facilitative and motivating in changing marketing management under the auspices of a market economy.

Conferences and transaction activities between a buyer and seller are now more practical and easy due to the development of the digital world. Indonesian people and even most people throughout the country choose to move their activities to virtual platforms such as LinkedIn, Instagram, Twitter and so on.

Therefore, the existence of social media in addition to having a function in communicating also has a major influence on aspects of human life, especially economic aspects. Even the marketing strategy of sharia insurance is now increasingly utilizing digital developments as a medium for marketing each product. This study aims to find out how much influence technology and social media have in improving sharia insurance marketing (Susmita et al., 2022).

LITERATURE REVIEW

Islamic Insurance

In the Islamic economy, there are 2 forms of financial institutions, namely financial institutions in the form of banking and financial institutions in the form of non-banking, one of which is an example of a sharia insurance institution. In Arabic insurance is also known by the terms: *takaful*, *tadhamun*, *ta'min* which means to bear. The one who bears is called by *mu'amin* and the one who is born is called by *musta'min* (Ramadhani, 2015). Insurance based on law number 40 of 2014 that sharia insurance is an association of agreements either from sharia insurance institutions with an insured (policyholder) or from fellow policyholders, they all agree on management based on Islamic sharia to contribute between each insured to help and protect each other (Susmita et al., 2022).

Takaful or commonly referred to as sharia insurance has long been active in Indonesia although with a slightly slow journey but the journey of sharia insurance is quite fruitful at this time. Then with the existence of PT Takaful, several sharia-based insurance companies were issued in Indonesia (Hariyadi & Triyanto, 2020). In sharia insurance, of course, using contracts that are in accordance with the provisions of Islamic law. Based on POJK No.69 / POJK.05 / 2016 concerning the implementation of business in the form of sharia insurance, namely by using *tabarru'* and *tijarah* or *wakalah bil ujah* contracts (meaning that insurance companies get wages from *tabarru'* fund management services and investments from an insured) (Susmita et al., 2022).

Social Media

Also known as microblogging services, status update services are like Twitter that allow people to share brief updates about people or events and to see updates made by others. In social media there is also virtual world content, where these sites offer virtual environments such as games where users interact. One example is an imaginary world built in second life, where users create avatars (virtual representations of users) that interact with others. Social media also contains sites that allow users to post videos or photos. Popular examples include YouTube, Pinterest and Instagram. These categories overlap to some degree. Twitter, for example, is a social networking site as well as a status update service. Likewise, users of the social networking site Facebook can share photos, and users of the media-sharing site Pinterest can follow others (Hit & Edition, 2012).

During different eras of time different communication methods have evolved and changed everyday life. Social media has become a method of statement in the 21st century, allowing people to express their beliefs, ideas, and ways in completely new ways. This way of

delivering messages also has a major impact on corporations, where they have realized that without the right social media plan or strategy, they will not have the opportunity to rise in the rapidly changing digital freedom (Farma & Umuri, 2020). To guarantee a successful presence on social media, companies need to consider different marketing theories so that they can boost their brand in different aspects. If this can be coupled with an original way of consumer interaction, the company has a good chance of taking the lead in social media marketing.

METHODS

The research method in this study is descriptive qualitative, is a research based on the philosophy of postpositivism which is commonly used to examine the natural condition of objects, where with this method researchers have a role as a key instrument and describe a situation in real / objective (Olsson, 2008). This research was conducted from a lecture of Maulana Malik Ibrahim State Islamic University Malang. This study aims to determine how much influence from technology and social media has in increasing the marketing of sharia insurance products (*takaful*). This type of research is qualitative research and using a descriptive approach, where this research method will produce data in the form of an image / descriptive. The object of this research is students who have sharia insurance and social media. Then the source of data obtained by researchers is primary data in the form of in-depth interviews with informants and secondary data representing previous studies discussing the development of social media in sharia insurance.

RESULTS AND DISCUSSION

Marketing of Sharia Insurance Products (*Takaful*) Through Social Media

Marketing is a word of origin from the market which means a means of meeting and a place of application of buying and selling transactions between each other, while according to marketing terms is an activity or stage to market, persuade, bargain on products, convey and exchange one item for another item that has an economic price value. Presented by Kotler and Keller, marketing is an art form on the science of selecting target markets by maintaining, creating and developing a customer through the delivery of communication of superior customer value. In sharia insurance, marketing is something that must still be upheld for fairness, honesty, openness and fairness while carrying out *muamalah* contracts and contracts in Islamic business transactions. In sharia insurance, it is permissible to make a profit as long as there is no element of *riba gharar* or *maisir* in its marketing.

In a marketing process, promotion is needed to inform the product to the public audience. Promotion itself is a one-way information made with the aim of influencing all groups (both individuals or institutions) to make buying and selling transactions. There are 4 strategies in promotion, namely: advertising, personal selling, sales promotion and publicity. While promotion in islam has been taught by the prophet SAW, namely by promotion that is carried out honestly and in accordance with the circumstances of the product offered / sold, because when excessive in promoting (lying) it is called *najashi*, so promotion in accordance with islamic sharia is promotion that tells the truth without reducing or exaggerating.

Along with the development of the times, the development of technology is also very drastic, through technology people can do many things ranging from communication to commerce, a lot of social media platforms are used as references for the community in carrying out their activities. With the existence of social media, all work is easier to do, most of the community activities can be done through virtual media such as Facebook, Instagram, WhatsApp, Tik-Tok, Shoope, Lazada and so on. Business activities can also be done through the applications above, not only stuck on selling and buying goods they can also bargain, see details and many more things that can be done virtually.

This social media marketing system shows that technology is very influential in life, technology can make it easier for individuals around the world to connect with each other through virtual networks. The movement of social media is very fast so that when promoting something using social media will be more quickly reached by people in the wider community. Modern digital business is now growing rapidly and is more in demand by the wider community.

The Affected of Social Media on Sharia Insurance Products (*Takaful*)

In the current era of technological development and digitalization, every job and activity in the community is easier. Even the development of technology today penetrates all aspects of life, whether in the field of life, economy, or others. But on the other hand, people become unproductive. They prefer to do quick or instant work. So this must be reviewed again in the marketing of Sharia insurance. Every marketer must keep up with the times to understand consumers' wants and needs. For example, during a pandemic like this, which was originally all community activities carried out in real terms, transactions were carried out directly until finally, many were transferred to digital media due to meeting limitations.

Before the pandemic, the marketing system of sharia insurance products was carried out directly / door to door, word of mouth promotion or also through manual advertising (print media). The range is narrow, so sharia insurance products are less known in the community and still need improvement to develop conventional insurance. Therefore, with this pandemic which changes every activity to online marketing through social media, sharia insurance can take advantage of technological developments well. However, this is not a fatal problem because, with this pandemic, marketing is also diverted through social media platforms whose reach is wider than print media or other manual promotions. So it becomes an opportunity for the development of Sharia insurance. In addition, the marketing system through social media is also more efficient because it does not require high costs compared to previous marketing.

Based on research data through interview media from respondents, getting to know sharia insurance through social media platforms such as Instagram, websites, YouTube and others. At the same time, others know and know sharia insurance through lectures/courses. From the explanation above, Islamic insurance marketing using social media has a higher reach and opportunity than other manual promotion systems. With the public understanding of sharia insurance, it will be an opportunity to grow rapidly, even equivalent to conventional insurance. Sharia insurance or sharia insurance has been known in many circles, from the statements of respondents also show that most of them understand sharia insurance, even though they can mention the differences between sharia insurance and conventional insurance. Most respondents are also aware of the importance of using sharia insurance. It shows the great opportunity for sharia insurance to develop because people have realized that it is important to use insurance. From the number of respondents, it does show that they know about Sharia insurance. However, it also does not rule out the possibility that the wider community must still become more familiar with Sharia insurance. So, in this case, there is still a need for promotion and education to the public to introduce Sharia insurance products.

Sharia insurance from the name is clear that this insurance is sharia-based. Sharia insurance is certainly known as a brand which, in every activity, is marked by differences in whether this insurance follows Sharia standards or is still mixed with conventional insurance. As a Muslim community, we will pay attention to the halal of every transaction made. Therefore, Islamic financial products, both banking and non-banking, such as Islamic insurance institutions, have been ensured to follow Islamic rules far from all sides of fraud, usury, obscurity in transactions, gharar, maysir and others. Once confirmed that each Sharia insurance product follows islamic rules, it will be able to attract Muslim buyers or consumers.

In the current millennial era, people more often hold gadgets, laptops, tablets or other communication devices, which can be used as opportunities for sharia insurance in marketing each of their products. Millennials currently use social media as an intermediary in the marketing system. They can take advantage of the ease of exploring information that spreads on social media and facilitate buying and selling transactions. Utilizing social media in the marketing process is an effective action because people receive information faster with social media. Technology development is producing quite good results on the development of sharia insurance, as evidenced by data inputted by OJK. There are 19 sharia business units from conventional insurance companies that sell specifically sharia-based products. The insurance did it because they saw opportunities from public interest and interest in Sharia insurance; besides that, the company also sees that the majority of Indonesian people who embrace islam will become a scavenger in the sale of sharia-based products, so the development of sharia insurance will be wide open.

With the help of social media, sharia insurance products are currently widely known in the community, but this should not be considered safe. The insurance should be careful with the current times. Promotion and education must still be intensified so that sharia insurance is growing and continues to grow.

CONCLUSION

Life in today's millennial era, where the development of technology is very rapid, makes people like easy and efficient things that every activity they do without having to spend much energy. Moreover, the pandemic is very long, so people are limited by activities outside the home, making them accustomed to doing things from home. All activities are mostly glued to digital tools. All activities ranging from education, entertainment, and even the economy, can be done at home. The development of this technology can solve every problem for loyal individuals. Previously every activity, information and others were obtained outside the home (directly). Now, by holding a gadget tool, even the community will get whatever they want, from knowledge to the economy.

Virtual communication also has a good impact on various parties. Sharia insurance marketing strategies can also be done through virtual communication or social media. Sharia Insurance can use social media such as websites, Instagram, YouTube, Tik Tok, Facebook and other media in marketing their products so that the product is more quickly known among the public. Marketing insurance products using social media is quite effective because people are faster in getting to know sharia insurance which creates opportunities for sales of sharia insurance products.

LIMITATION

The disadvantage of this study is because respondents are students who have studied sharia insurance courses. The population and sample must be more comprehensive, such as people who have used sharia insurance services. Data collection is only through interviews with a few respondents but needs to be continued for further observation related to this problem.

REFERENCES

- Farma, J., & Umuri, K. (2020). Implementasi Etika Bisnis Islam dalam Strategi Promosi Produk Asuransi Takaful. *Cakrawala: Jurnal Studi Islam*, 15(1), 19–29. <https://doi.org/10.31603/cakrawala.v15i1.3268>
- Hariyadi, E., & Triyanto, A. (2020). Peran Agen Asuransi Syariah Dalam Meningkatkan Pemahaman Masyarakat Tentang Asuransi Syariah. *Jurnal Ekonomi Dan Perbankan Syariah*, 5(1), 19–38. <https://doi.org/10.46899/jeps.v5i1.164>
- Hit, J. O. F., & Edition, S. S. (2012). 陈家喜 1, 2 (1. . 9(4), 4–9.
- Naufal, H., Adifio, M., Dike, M., Ariq, A., & Farisy, R. (2021). *The Growth of Islamic*

Insurance in Indonesia. 4(2), 74–83.

Olsson, J. (2008). dalam Penelitian Pendidikan Bahasa. 信阳师范学院, 1(1), 305.

Ramadhani, H. (2015). Prospek dan Tantangan Perkembangan Asuransi Syariah di Indonesia. *Al-Tijary*, 1(1), 57–66. <https://doi.org/10.21093/at.v1i1.422>

Susmita, D. A., Aslami, N., Ekonomi, F., Islam, U., & Sumatera, N. (2022). *VISA : Journal of Visions and Ideas Potensi Teknologi dan Media Sosial Dalam Meningkatkan VISA : Journal of Visions and Ideas*. 2(1), 39–52.

Yeop, O., Sekolah, A., Bisnis, P., Fakultas, L., & Internasional, K. (2018). *Othman Yeop Abdullah Sekolah Pascasarjana Bisnis, Universiti Utara Malaysia, Malaysia Labuan Fakultas Keuangan Internasional, Universiti Malaysia Sabah, Malaysia*. 21.