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MARKETING | RESEARCH ARTICLE

Iqra Plus Partner Product Development Strategy in Determining the Orientation of Sharia Life Insurance Market Segmentation

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Abstract: Mitra Iqra Plus is one of the products owned by PT. Asuransi Jiwa Syariah Bumiputera, Medan Branch, which aims to help fund children's education. The purpose of this study was to determine the development strategy of Mitra Iqra Plus in the orientation of insurance market segmentation at PT. Asuransi Jiwa Syariah Bumiputera, Medan Branch. This type of research uses qualitative research. Data collection techniques include interviews, observations, and documentation. The results of the study indicate that PT Asuransi Jiwa Syariah Bumiputera, Medan Branch is in accordance with sharia elements, namely it does not contain maysir (gambling), gharar (uncertainty), *haram*, *usury*, and *bathil*. The contracts used at Mitra Iqra Plus are *Tabarru* contracts, *Wakalah bil ujarah* contracts, and *Mudharabah* contracts. The marketing strategy chosen is to use a traditional marketing channel strategy through agents. The goal is to provide the best service and satisfaction to prospective customers.

Keywords: Product Development Strategy, Iqra Plus Partners, Market Segmentation Orientation.

JEL Classification Code: G22, M31, Z12.

1. INTRODUCTION

The increasing number of sharia insurance companies offering various types of sharia insurance is one of the visible developments in the sharia economy. Insurance is not a bank but a financial institution with a role that is almost the same as a bank, offering services to the public to reduce risks that are not expected later. Therefore, the development of insurance is very profitable (Sulistyaningsuh Meliana, 2023). By using the name of Sharia insurance contributions, Islamic law regulates the insurance industry by eliminating elements such as *gharar* (cheating), *maysir* (gambling), *riba zhulm* (oppression), *riswah* (bribe), and *haram* objects from the premium business. Sharia insurance, especially life insurance, is expanding its business reach to protect customers from financial losses during education because of the importance of education for customers. In order to meet this factor, PT. Jiwa Asuransi Syariah Bumiputera Medan launched an insurance product called Mitra Iqra (Plus). This product offers assistance in providing education funds for children from elementary school to college. The expensive education portfolio makes many parents save to ease their burden. Benefits: If a father or mother is sick and cannot continue to earn a living effectively, their children will receive death benefits, which means they no longer have to pay premiums or are considered free of insurance. They will also receive funds to finance the education of children left behind until college (Ardhia Meianti, 2023).

The growth opportunities for the life insurance industry are still wide open, but the industry has begun to recover from the global monetary crisis. In addition, its products attract consumers, such as life insurance. In addition, the education funds offered by Iqra Plus partners have many benefits. Therefore, understanding this product is important in the sharia insurance industry. Insurance in the form of non-bank financial institutions must provide information about the products provided. This



is done to make people familiar with and interested in buying insurance products according to their needs and desires. Insurance companies sell a lot of their goods, both new and modified from old products. Some are unable to achieve customer satisfaction. The buyer market is always changing.

One of the products that attracts public attention is education insurance, due to the increasing awareness of parents about the importance of education for their children. Because every child has the right to a decent and quality education. However, the cost of education continues to increase every year to ensure that children receive a decent and guaranteed education, good financial planning is needed (Atika Andriani, 2023). Mitra Iqra Plus is a product intended to help children learn. This program allows children of customers to get education funds that are appropriate to their level of education. Parents also have the opportunity to benefit from investments and develop participation funds that are paid with a profit-sharing system known as *mudharabah*. In Mitra Iqra Plus (Education Insurance), the *Tabarru*, *Wakalah bil Ujrah*, and *Mudharabah* contracts are used.

Table 1. Number of Sharia Insurance Participants of PT. AJS Bumiputera Medan Branch Mitra Iqra Plus Products for the Period of 2019 – 2023

No	Year	Number of Participants	Premium Amount (In Rupiah)
1	2019	151	80.397.000
2	2020	163	86.555.000
3	2021	188	94.225.000
4	2022	197	103.475.000
5	2023	237	115.543.000

The table 1 shows the increase in participants of Bumiputera Sharia Life Insurance every year. The Mitra Iqra Plus sharia insurance product has 151 participants and paid 80,397,000 premiums in 2019. In addition, the number of sharia insurance participants in 2020 increased to 163, with a total premium of 86,555,000. However, in 2021, the number of participants increased to 188 with the addition of 25 sharia insurance participants who paid a premium of 94,225,000. In 2022, there were 9 additional participants who became 197 sharia insurance members with a premium of 103,475,000, and in 2023, there were 40 additional members who became insurance participants with a premium of 115,543,000. The results show that from 2019 to 2023, the total insurance participants of PT. AJS Bumiputera increased in the Sharia insurance product of Mitra Iqra Plus. This shows that the development strategy of PT. AJS Bumiputera is going well. A company can use market segmentation, which is the target market of a product or company, in determining its position in the market. Seeing the market from a different perspective from its competitors, market segmentation can be an important factor in the company's efforts to win market competition (Ivonne Ayesha, 2022). Market segmentation allows companies to use their resources more efficiently and more focused to provide customer satisfaction (Mochamad Zain Alifudin, 2021).

2. LITERATURE REVIEW

2.1. Development Strategy

The purpose of the development strategy is to address and avoid the implementation of activities that require top management decisions on business development. In addition, the development strategy affects the company for at least five years. Strategy development is the process of making long-term plans to effectively address environmental opportunities and threats, namely considering the company's capabilities and weaknesses. The strategy that will be used in more detail depends on the operational activities of the administration (Sulistyaningsuh Meliana, 2023). Strategy is a way to combine important elements for success in achieving desired goals. This includes communicating what tasks will be done, who will carry them out, and to whom they are communicated, as well as assessing performance. Because it is related to the benefits of strategy, namely to maximize the achievement of performance targets by optimizing superior resources. Viewed from the concept of management: the best step to achieve targets, performance, and goals is to empower resources effectively and efficiently (Lilik Rahmawati, 2021).

2.2. Iqra Plus Partner Products

Mitra Iqra Plus is a product intended to help children learn. This program allows children to receive regular education funds according to their level of education. Moreover, parents also have the opportunity to benefit from investments and develop participation funds that are paid with a profit-sharing system known as *mudharabah*. For Mitra Iqra Plus (Education Insurance), the *Tabarru*, *Wakalah bil Ujrah*, and *Mudharabah* contracts are used. Advantages: In addition to being able to plan funds for children's education, customers do not need to pay premiums again if there is a claim in the middle of the contract, and the insured child has rights until the education is completed. In addition, investments are made transparently. Disadvantages: The funds can be disbursed after the child enters elementary school, junior high school, high school, or college.

2.3. Insurance Market Segmentation Orientation

Market orientation is a corporate culture that places the market as the key to the company's survival. Therefore, in order to maintain the company's growth rate amidst increasingly complex competition, the market must be managed with systematic efforts, by exploring information and identifying customer needs so that the products and services produced provide satisfaction to customers (Rizki Maulana Wahyu, 2019). An important idea that supports the company's marketing strategy and organizes the resources needed to implement marketing initiatives is market segmentation (Habib Bayhaqi, 2022). As a result of market segmentation analysis, marketing responsibilities are as follows:

- a. Finding buyer groups with different needs.
- b. Finding where each need is different.
- c. Finding one or more buyer groups that in meeting their needs are in accordance with where the company is going (effective marketing program targeting).

Aspects such as age group, income, and lifestyle are closely related to how you buy cars, food, financial services, and other consumer goods (Mulyana, 2019). The marketing strategy known as market segmentation is based on the idea of consumer-centric marketing management. Market segmentation allows for more targeted marketing activities and more efficient use of company resources (Arini Lestari N. A., 2022).

2.4. PT. Asuransi Jiwa Syariah Bumiputera

PT Asuransi Jiwa Syariah Bumiputera was established in 2002 as a Sharia Business Unit (UUS) of Asuransi Jiwa Bersama Bumiputera 1912. Along with business growth and in an effort to provide better services to the community. After standing alone as UUS AJB Bumiputera 1912, PT Asuransi Jiwa Syariah Bumiputera (Spin Off) began operating on September 5, 2016 after obtaining a sharia-based life insurance business license from the Financial Services Authority (OJK) with Number KEP74/D.05/2016. PT Asuransi Jiwa Syariah Bumiputera was established with the aim of expanding the reach of the sharia life insurance market and providing the best service to the people of Indonesia. PT Asuransi Jiwa Syariah Bumiputera is a life insurance company that has a wide network with more than 3,000 experienced sharia insurance marketing staff and 50 Sharia Marketing Offices (KPS) in 39 cities. PT Asuransi Jiwa Syariah Bumiputera has the accuracy of competition in the sharia life insurance market which is always developing from time to time because it inherits the company's long history and has more than 105 years of experience.

3. RESEARCH METHODS

This study uses an overall qualitative methodology, which means that the research produces oral descriptions of the subject being studied or from experts in the field. (Sugiyono, 2015). The research location is the research environment in which data is collected. The branch of PT Asuransi Jiwa

Syariah Bumiputera in Medan, which is located in Petisah Hulu, Medan Baru Regency, Jl. Iskandar Muda No. 138, Medan City, North Sumatra 20154, is the subject of this study. This research is a qualitative research, and the author will use a descriptive method to explain the situation objectively.

3.1. Research Subject and Object

Suharsimi Arikunto stated that the research topic is an area where researchers limit and make research variables relevant to objects, people, or things (Salma, 2017). The researcher conducted this research on the agency director of PT. AJS Bumiputera. According to Husein Omar, the purpose of the research is not only to obtain information, but also to obtain the right research subjects. Including considering the location and time of the research. (Karim, 2017). This research will investigate PT. Asuransi Jiwa Syariah Bumiputera Medan Branch. Researchers use observation methods to see events in the field. In this case, researchers observe PT. Asuransi Jiwa Syariah Bumiputera Medan Branch and study how the sharia supervisory board handles savings funds for iqra partner products. An interview is a meeting between two or more people conducted in the form of questions and answers to exchange ideas and information (Putera, 2011). The author conducted an interview with the agency director of PT Asuransi Jiwa Syariah Bumiputera Medan Branch regarding the implementation of market segmentation orientation. Data and profiles of PT Asuransi Jiwa Syariah Bumiputera Medan Branch are part of the documentation procedure. Secondary data is usually collected from various sources, both institutional and individual. Documentation comes from the word "document", which means "written object".

3.2. Data Analysis Techniques

The process of collecting systematic data through interviews, field notes, and documentation is known as data analysis. Miles and Huberman stated that the paradigm of data analysis is collecting data, reducing data, presenting data, and drawing conclusions (Albi Anggito, 2018). Data collection, which means collecting data at the research location, involves observation, interviews, and documentation. This is done in order to choose the right approach for data collection and determine the focus and depth of data for the next stage of data collection. Data reduction is the stage of selecting, focusing, abstracting, and changing raw data that has been collected directly in the field. Therefore, data reduction begins when researchers concentrate on their research topic. After data reduction is complete, the next stage is data dissemination, which is a collection of information that allows research to be carried out. To identify PT Asuransi Jiwa Syariah Bumiputera Cabang Medan in reviewing the practices and potential of Mitra Iqra Plus and concentrating on the development strategy of Mitra Iqra Plus to orient and disseminate the sharia life insurance market, all data obtained in the field, including documents, observations, and interviews, are reviewed according to the theory explained previously. According to Miles and Huberman, the third stage in qualitative data analysis is drawing conclusions and confirming them. In qualitative research, the desired results are new findings. Drawing conclusions or verification is the final stage of the data analysis process. Researchers have collected data and presented the results in this section. This task aims to interpret data to find relationships, parallels, or discrepancies.

4. RESULTS AND DISCUSSION

4.1. Iqra Plus Partner Products

Products produced by the business world are divided into two categories: tangible products and intangible products. Each product that is said to be tangible or intangible has certain features or characteristics. Tangible products are goods that are seen, touched, and felt before being purchased, while intangible services are goods that are not seen or felt before being purchased. Another thing that distinguishes these two types of products is that tangible products can last a long time, while intangible products cannot (Aqwa Naser Daulay, 2019). Based on the results of interviews collected from the branch office of PT. Asuransi Jiwa Syariah Bumiputera in Medan, PT. Asuransi Jiwa Syariah

Bumiputera is part of the Bumiputera joint life insurance company that handles Islamic-based life insurance. This type of life insurance does not contain the following elements: *maisir* (gambling), *gharar* (uncertainty), *haram*, *usury*, and *bathil*. There is a sharia council that is responsible for product management and fund investment, so that its management is clear and accountable. One of Bumiputera's sharia insurance products is Mitra Iqra Plus, which is an education fund. This program guarantees the cost of children's education from elementary school to overcoming the calamity of death.

Mitra Iqra Plus is a sharia life insurance that aims to provide life protection and investment benefits and education savings. The purpose of this product is to help consumers plan their financial future in a sharia-compliant manner. In addition, consumers will have the opportunity to donate money, which will be paid through a profit-sharing system and considered as investment returns (mudharabah):

1. The *Tabarru* Agreement is a grant agreement in which participants give money to the Tabarru Fund to help all other participants.
2. The *Wakalah bi Ujrah* Agreement is an agreement made between its members for business purposes, either collectively or individually, which gives the firm the right to use all rights or privileges given to it in the form of *Ujrah*.
3. The *Mudharabah* Agreement is an agreement made between a company and a participant—either individually or in a group—for business purposes that allows the company to manage the *Tabarru* Fund investment as Mudharib in the form of profit returns.

Benefits Of Iqra Plus Partner Life Insurance Products

1. Policyholders or participants will receive payment of educational fund stages if they live during the insurance period. This payment can be made instantly or in installments.
2. For the payment of a lump sum premium, in addition to receiving educational fund stages, which can be taken in stages or periodically at college, they also receive the cash value of the premium deposit.
3. If the designated child dies during the insurance period or during the payment of educational fund stages, the policyholder or participant can appoint another child as a substitute for the recipient of educational fund stages that have not been given according to the table below.
4. The initial benefit is a minimum of five million rupiah.
5. The premium consists of savings, tabarru', and costs.
6. The savings premium is the same as the total premium minus the tabarru' premium and minus the cost premium.

Contract

1. Based on the *Wakalah bil Ujrah* Agreement, I represent PT. AJS Bumiputera in managing risk with ujroh:
 - a. For Contribution Payment, a maximum of 40% of the 1st year's contribution, a maximum of 19% of the 2nd year's contribution, and 9.34% of the 3rd year's contribution onwards.
 - b. The policy fee is Rp.100.000- (one hundred thousand rupiah)
2. Based on the Tabarru' Agreement, I donate part of the Contribution into the Tabarru' Fund with the aim of helping fellow participants if someone experiences a disaster.
3. Based on the Mudharabah Agreement, I entrust the investment management of the Tabarru' Fund to PT. AJS Bumiputera with a profit sharing ratio of 70% for the Tabarru' Fund and 30% for PT. AJS Bumiputera.
4. Based on the Mudharabah Agreement, I entrust the investment management of the participant's Investment Fund to PT. AJS Bumiputera with a profit sharing ratio of 70% for the Policy Holder's Investment Fund and 30% for PT. AJS Bumiputera.

5. If there is an Underwriting Surplus in the Tabarru' Fund, I agree to allocate 50% to the Tabarru' Fund, 30% to eligible Policyholders, and 20% to PT. AJS Bumiputera.
6. Policyholders who are entitled to Underwriting Surplus are: (a) The Policyholder's policy is still valid and continues to run for at least 12 (twelve) months; (b) The Policyholder has never filed a claim or received payment of Insurance Money; and (c) The Policyholder has paid off his/her Due Contribution.
7. The Company will provide a loan in the form of Qardh to the Tabarru' Fund in the event that:
 - a. The solvency level of the Tabarru' Fund is less than the minimum amount required.
 - b. The amount of investment in wealth that can be taken into account in the calculation of the level of financial health of the Tabarru' Fund, is less than the amount of technical provisions/reserves and the obligation to pay the Insurance Money/self-retention claim from the Tabarru' Fund.
 - c. There is a gap or deficit in the underwriting of the Tabarru' Fund'
 - d. Tabarru' funds are not enough to pay the Insurance Money/claims against the participant
8. The return of Qardh to PT. AJS Bumiputera is made from the Surplus Underwriting and/or the Tabarru' Fund.

4.2. *Iqra Plus Partner Development Strategy*

With economic growth, efforts are needed to mobilize and utilize public funds optimally. The insurance industry is engaged in the field of service and coverage is one of the non-bank financial sectors that contributes the most to increasing public funds. PT. AJS Bumiputera uses the following strategies to market iqra plus partner insurance:

a. Strategy Through Agents

Marketing agents who market sharia insurance products also play a role in marketing and servicing prospective participants. Therefore, a good and proper understanding is needed to improve the function of sharia insurance agents (Dinna Miftakhul Jannah, 2019). Individual who work individually or as business entities for insurance companies and meet the requirements to act as representatives of insurance companies in selling insurance products are called agents (Arini Lestari T. I., 2022). Therefore, the strategy through agents is carried out in several stages, namely:

- 1) Prospective agents are recruited and professionally selected, then provided with various education before going to the field. Furthermore, prospective agents receive hands-on training.
- 2) Once trained and trained, agents provide motivation and encouragement, provide confidence to potential clients, and evaluate employee performance productivity. They were also given awards according to applicable regulations.

b. Improving Service Quality

According to existing theory, service quality will certainly lead to customer satisfaction. Customers will assess whether the services provided by the company meet their expectations or not. In terms of providing services to business partners, companies must always pay attention to the little things (Nurmala Kumarasari Pasaribu, 2023). Service quality is measured by comparing the quality of service provided by the company with customer expectations. Service quality is achieved by balancing customers exceeding expectations and meeting their needs (Rama Muhamad Pramudya, 2022). The main marketing strategy for Mitra Iqra Plus is to improve service. To improve service quality, the following strategies can be used:

- 1) Supervision and supervision of services, which are carried out maximally in accordance with the Standard Operating Procedures (SOP) set with friendly, fast, precise, and correct standards.

- 2) Provision and marketing support, by providing supplies to work partners and supporting the importance of customer service.
- 3) Portfolio order, inviting influential policyholders to participate in certain events in the business to increase customer trust and satisfaction.
- 4) Service policy, setting minimum service standards that regulate the types and quality of basic services that each customer is entitled to.
- 5) Customer satisfaction assessment: use surveys or questionnaires to find out if customers are satisfied with the services they receive and if there is anything that needs to be improved.

Companies that want to maintain customer satisfaction and loyalty must improve their service quality. Companies can improve customer experience by understanding customer needs in depth, providing effective training to employees, and utilizing technology to facilitate interactions. In addition, continuous evaluation and improvement, as well as fast and responsive complaint handling, ensure that service quality is maintained. PT. AJS Bumiputera must use effective direct or door-to-door sales methods. This can be achieved by inviting influential policyholders to participate in certain events related to the business to increase customer trust and satisfaction. The company looks at the age, income, location, and habits of customers to identify different market segments. After identifying the segments, Mitra Iqra Plus creates specific products for each group by adjusting features, prices, and designs according to the preferences and needs of each group.

5. CONCLUSION

The Mitra Iqra Plus product is part of PT. AJS Bumiputera's sharia life insurance, protecting children from school costs. This is a combination of saving and helping to deal with death. Certain insurance products must be created to support specific goals because of the need for Muslims to meet children's educational needs. Because this Bumiputera sharia life insurance product does not contain elements of maysir, gharar, or usury, Mitra Iqra Plus' development strategy is in accordance with Islamic ethics. The goal is to provide the best service and satisfaction to clients and potential customers. This strategy not only increases customer satisfaction but also makes the company more competitive in the sharia life insurance market. Overall, PT. AJS Bumiputera has succeeded in increasing product relevance, increasing customer loyalty, and maintaining a consistent competitive advantage through the use of segmentation methods.

Mitra Iqra Plus' product development strategy in determining the orientation of sharia life insurance market segmentation at PT. AJS Bumiputera Medan Branch is still faced with several challenges, such as a lack of public understanding and trust in sharia insurance, as well as the limited number of agents which can hinder market penetration. For further development, this research suggests that in-depth studies be carried out in several areas, such as exploring long-term customer satisfaction with sharia insurance products, the impact of digital marketing strategies in attracting and retaining customers, as well as comparisons between sharia and non-sharia insurance products in the context of needs and consumer perceptions.

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