

# Interpersonal Relationship of Salesperson to Customer Trust on Islamic Insurance in Surabaya

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This study aims to determine the influence of customer orientation, sales orientation, experience, and likability of salesperson to customer trust and its consequences on Islamic Insurance in Surabaya. This study uses a quantitative approach. This study used a sample of 100 respondents. The characteristics of the population in this paper is the Islamic insurance customers in Surabaya. The analysis technique used is multiple regression. Results from the study show that customer orientation, sales orientation, experience, and salesperson likability reveal a significant effect on customer trust. Other results showed that customer orientation, experience, and likability have a positive effect on customer trust, whereas sales orientation has a negatively affect on customer trust in Surabaya.

**Key words:** *Customer orientation, Customer Trust, Experience of salesperson, Islamic insurance, Likability of salesperson, sales orientation.*

## Introduction

Islam as a comprehensive and universal religion has shown something that is needed by humans, in terms of faith, morality and Islamic law. The comprehensiveness and universality of Islamic law makes Muslims in the world in general and in Indonesia in particular want institutions that can accommodate and allow them to apply their Islamic law, including economic behaviour (Ahmed, 2006: 3). The emergence of Islamic bank institutions has triggered other financial products which are also based on Islamic law, to support Islamic banking in the Islamic financial system. The specificity of economic transaction behaviour is based on the values and principles of Islamic economic systems, namely: abolishing usury, gharar (obscurity), maysir (gambling), Dzolim, and haram, requiring that Islamic banks also have partner institutions or non-financial products with other banks in accordance with

Islamic sharia values and principles in carrying out economic and financial transactions. One of the products of Islamic-based institutions is insurance that is based on Islam or takaful (Wirnyaningsih, et al. 2005: 13).

Trust is the most universally accepted variable as a reason or basis for humans in conducting interactions and exchanges (Guenzi and Georges, 2010: 115). This means that trust is the initial value that comes to the minds of customers before making a transaction. Therefore, trust is also very relevant in the marketing relationship perspective (Guenzi and Georges, 2010: 115). There are several variables that affect customer trust. The variables are customer orientation, sales orientation, experience, and salesperson likability (Guenzi and Georges, 2010). This study aims to determine the influence of customer orientation, sales orientation, experience, and likability of salesperson to customer trust and its consequences on Islamic insurance in Surabaya.

## **Literature Review**

### ***Interpersonal Relationships in the Marketing Perspective***

Ratnasari (2011) states that Islamic marketing is an organisational function and an array of processes for creating, communicating, and conveying value to consumers and for handling consumers so that they are beneficial to the organisation and its stakeholders. The overall process must be based on the principles of muamalah in Islam to get the pleasure of Allah SWT.

The occurrence of a sale and purchase transaction is preceded by a personal relationship between the company represented by the salesperson and the customer (Geiger and Turley, 2003). So that in Islamic marketing, salespersons act as company representatives in the sale and purchase contract as well as providing information to the customer.

According to Guenzi and Pelloni (2004), interpersonal relationships in a marketing perspective are relationships between individuals as subjects that are interrelated or involved in marketing activities. The objects of interpersonal relations can be divided into two, namely: a company employee and another customer. According to Norazuwa (2013), interpersonal relations affect service recovery performance (SRP) of customer service employees in life insurances companies. Life insurances industries in Malaysia are facing stiff competition due to growing consumerism, changing consumer choices and expectations. SRP is a very important aspect for the insurance firms towards retaining the customer, and one of the key competitive advantages for sustainability and adding value to the organisation in the future.

## Customer Trust

Customer trust is affected by the behaviour of salespersons, and is a measure of how a company can be trusted in the long-term. Measurement of customer trust is adopted from the research of Swan, et al (1999), which is adjusted to the conditions in the field using the following statement items:

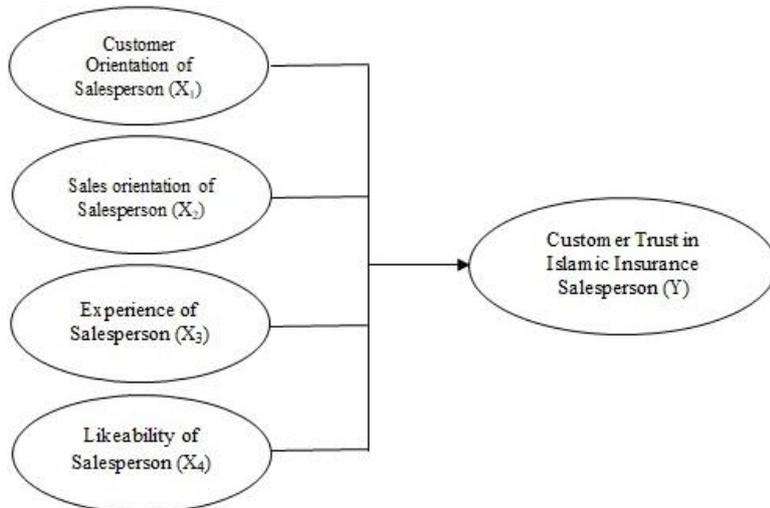
- a. Islamic insurance salespersons are honest in transactions with customers.
- b. Islamic insurance salespersons do not make an honest offer on the goods offered.
- c. Islamic insurance salespersons behave indifferently to customer needs, and appear to be concerned only with sales.
- d. Islamic insurance salespersons are not trusted by others who know about them.
- e. Islamic insurance salespersons cannot be trusted because in general they do not offer good service to customers.

## Methodology

### Conceptual Model and Hypothesis

The following are figures of the conceptual model of the Effect of Customer Orientation, Sales Orientation, Experience, and Salesperson's Likability on Customer Trust in Sharia Insurance Salespeople in Surabaya:

**Figure 1.** Conceptual Model



Customer trust can be measured using several models. To be able to identify a model that fits the needs in this study, the model used is the extensive framework of meta-analysis suggested by Swan, et al. (1999), which is the most comprehensive research framework model to explain the influence and consequences of customer trust on salespersons.

**H1:** Customer Orientation, Sales Orientation, Experience and Likability of Salespersons have a significant effect on Customer Trust.

The consequence of the high level of customer perception in determining decisions to conduct transactions with companies means the company must have the trust of its customers, while customer trust requires special handling, namely the salesperson's orientation. The results of research by Guenzi and Georges (2010), state that the influence of customer orientation will be able to increase customer confidence. Based on this theory and empirical basis, we hypothesised that:

**H2:** Salesperson's customer orientation has a positive effect on customer trust in Islamic insurance salesperson in Surabaya.

Whereas in the results of their research, Guenzi and Georges (2010), stated that the sales orientation negatively affects customer trust in salespersons because Sales Orientation gives a bad effect on customer perception. Customers feel that they are only used to pursue company sales figures represented by their salesperson, so that the interests of customers are ignored (Guenzi and Georges, 2010).

**H3:** Sales orientation of salespersons has negatively affected customer trust in Islamic insurance salespersons in Surabaya. Bello (2018), stated that communication directly influences reputation, trust and commitment. Communication also indirectly influences loyalty through reputation, trust, and commitment and communication indirectly influences via trust and commitment. In turn, reputation influences trust and trust impacts on relational commitment.

Guenzi and Georges (2010), stated that increasing customer trust through customer experience and orientation will be able to contribute to the creation of positive relationships with strong and sustainable customers. Good internal process performances will have an impact on better customer performance, because it will increase market share, maintain the number of existing customers, increase the number of customers, increase customer satisfaction and also improve customer performance, because it will provide more value to customers (Hariyati, Tjahjadi, & Soewarno, 2019). In the process of interaction between salespersons and customers, the success of salespersons is largely determined by the way salespersons handle customers, this experience has a role to play in making customers feel comfortable with salesperson services so that they are not impressed that salespeople make sales regardless of customer interests. Empirical evidence shows that organisations that are able to increase sales, profits and cost efficiency are organisations whose activities focus on customer satisfaction through quality services (Asnawi, Sukoco, & Fanani, 2019). Just like customer orientation, experience has a positive effect on customer confidence:

**H4:** The experience of salespersons has a positive effect on customer trust in Islamic insurance salespersons in Surabaya.

This effectiveness is indicated by the number of items sold to consumers and such as the influence of research. Nucholson's research, et al (2001, in Guenzi and Georges, 2010) regarding personal relations channels found that personal interest (customer) influenced customer confidence. Therefore, Likability can be a variable that causes the emergence of customer confidence in salespeople. Although long-term relationships do not affect customer trust in salespeople personally, in the short term, Likability affects customer trust in salespeople . Loyal customers can keep the company's revenue through the sales of its products and can further maintain the company's business continuity (Isnalita & Narsa, 2017).

**H5:** Salesperson likability has a positive effect on customer trust in Islamic insurance salespersons in Surabaya.

## **Study Method**

### ***Research Approach***

This study uses an explanatory quantitative approach, which is a measure that aims to prove the hypothesis with measurable data and is expected to produce a conclusion that can be generalised. Sugiyono (2012:14) states that the purpose of quantitative research is to find relationships between variables tested, test theories, and find generalisations that have predictive values. The analysis technique used in this quantitative research is using inferential statistics in the form of parametric statistics, namely technical analysis used in a population to analyse sample data in the form of interval data or ratio data (Sugiyono, 2012: 147-150).

### ***Data Analysis Technique***

This study uses multiple regression analysis techniques. Multiple linear regression analysis is an analysis of regression models that have more than one exogenous variable. This analysis technique is used to examine the effect of Customer Orientation, Sales Orientation, Sales Experience and Likability on Customer Trust in Islamic Insurance salespeople in Surabaya. This analysis technique is carried out using the SPSS program. This multiple regression analysis aims to determine the relationship between exogenous variables and endogenous variables. The following are the research models used:  $Y = X + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + + \beta_4X_4 + e \dots \dots \dots (1)$

where:

- Y = Customer trust to salesperson  
B1...β3 = Regression coefficient  
X1 = Customer orientation of salesperson  
X2 = Sales orientation of salesperson  
X3 = Experience of salesperson  
X4 = Likability of salesperson  
e = error term

## Results and Finding

In this study multiple linear regression analysis was chosen because the test aims to determine the effect of independent variables on the dependent variable with interval scale data. Based on the results of data management, the regression equation in this study is:

**Table 1:** Multiple Linear Regression Test Results

Variable	Regression coefficient	Significance
Constanta	1,203	0,232
Customer Orientation	3,604	0,001
Sales Orientation	-2,103	0,038
Experience	6,338	0,000
Likability	5,271	0,000
F <sub>test</sub>	42,238	
Significance	0,000	
Multiple correlation (R)	0,797	
Coefficient of determination (R <sup>2</sup> )	0,635	

Based on the results of the regression calculation above, the regression equation can be formulated as follows:

$$Y = 1,203 + 3,604 X_1 - 2,103 X_2 + 6,338 X_3 + 5,271 X_4 + e$$

Regression coefficients with positive signs indicate changes in the direction of the independent variable to the dependent variable. The calculation shows all the independent variables have positive-signed coefficients.

### *Coefficient of Determination*

In Table 1 it can be seen that the value of R<sup>2</sup> or the coefficient of determination is equal to 0.635, this means that the Customer Orientation, Sales Orientation, Experience, and Likability by Salespeople influence the Customer Trust (Y) of 0.635 or 63.5% while the

remaining amount is 0.365 or 36.5% is influenced by other variables outside the independent variables used in the study.

### *First Hypothesis Testing*

To test the effect of independent variables, the F-test statistical technique is used. Formulation of statistical hypothesis:

- 1)  $H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$ , means variable Salesperson's Customer Orientation, Salesperson Sales, Salesperson's Experience and Salesperson's Likability have no significant effect on customer trust.
- 2)  $H_1: \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4 \neq \beta_5 \neq 0$ , means variable Salesperson's Customer Orientation, Salesperson Sales, Salesperson's Experience and Salesperson's Likability have a significant effect on customer trust.

The test results showed that the calculated F value was 41,238 with the calculated F significance level of 0,000 ( $p < 0.05$ ) meaning Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Salesperson Likability (X4) had a significant effect on Islamic Insurance Customer Trust in Surabaya, so that  $H_a$  can be accepted as truth. A T-test is then carried out to determine the effect of each independent variable partially on the dependent variable. The formulation of the statistical hypothesis for partial testing is as follows:

**Table 2:** The Formulation of the Statistical Hypothesis

Null hypothesis	Alternative hypothesis
$H_0 : \beta_1 = 0, H_0 : \beta_2 = 0, H_0 : \beta_3 = 0, H_0 : \beta_4 = 0,$	$H_1 : \beta_1 \neq 0, H_1 : \beta_2 \neq 0, H_1 : \beta_3 \neq 0, H_1 : \beta_4 \neq 0, H_1 : \beta_5 \neq 0$
Means that Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Likability Salesperson (X4) variables do not have a significant effect on dependent variable (Y).	Means that Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Likability Salesperson (X4) variables have a significant influence on dependent variables (Y)

Determination of whether or not partially accepted testing can be seen from the significance value of the t test smaller than 0.05. Based on these assumptions, the decision on whether or not to influence each variable is as follows:

**Table 3:** Decision Making from T-Test Results

Variables	Significance	Information
Customer orientation	$0,001 < 0,05$	Any significance influence
Sales orientation	$0,038 < 0,05$	Any significance influence
Experience	$0,000 < 0,05$	Any significance influence
Likability	$0,000 < 0,05$	Any significance influence

Based on the comparison of the significance value of the t test is smaller or equal to 0.05 it can be concluded that the Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Likability Salesperson (X4) variables have a significant effect on customer trust.

### Testing the Second, Third, Fourth, and Fifth Hypothesis

The second hypothesis states that customer orientation of salesperson has a positive effect on customer trust in Islamic insurance salespersons in Surabaya. The third hypothesis states that salesperson sales orientation negatively affects customer trust in Islamic insurance salesperson in Surabaya. The fourth hypothesis states that the experience of salespersons has a positive effect on customer trust in Islamic insurance salespersons in Surabaya. And the fifth hypothesis states that the salesperson's Likability has a positive effect on customer trust in Islamic insurance salespersons in Surabaya. To know the positive or negative effects between variables, we can use the results of t-test. The following is a t-test table to determine the negative or positive effect between variables x on the variable y.

**Table 4:** T-test Result

Variables	T <sub>test</sub>
Customer Orientation	3,604
Sales orientation	2,103
Experience	6,338
Likability	5,276

Based on the calculated t value described above, the effects of the variables x and y can be specified as follows:

- Customer orientation of salespeople has a positive effect on customer trust in Islamic insurance salesperson in Surabaya, indicated by a positive t-test of 3.604.
- Sales orientation of salesperson has a negative effect on customer trust in Islamic insurance salesperson in Surabaya, indicated by a negative t-test of -2.103.
- The experience of salespeople has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t-test which is 6.338.

- d. Salesperson's likability has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t count, which is 5.271. Based on the statistical data above, it can be concluded that the second, third, fourth, and fifth hypotheses of the research are accepted.

## Discussion

Interpersonal Relationship of Salesperson on Customer Trust Customer Orientation, Sales Orientation, Experience and Likability Salespersons have a significant effect on Customer Trust.

According to the research results obtained, it shows that the Customer Orientation, Sales Orientation, Experience, and Likability of Islamic Insurance salespersons in Surabaya have a significant effect on Customer Trust. The result of the t-test that shows a value less than 0.05 is proof of the significance of these variables to customer trust. The results also showed that there was an influence of salesperson behaviour on customer trust based on the calculated F-value of 41.238 with a calculated F-test significance level of 0.000 ( $p < 0.05$ ).

These results show conformity with research from John E. Swan, Michael R. Bowers, and Lynne D. Richardson (1999), entitled "Customer Trust In The Salesperson: An Integrative Review and Meta-Analysis Of Empirical Literature" in the Journal of Business research that describes four (4) variables that affect customer confidence in salespeople, namely: Customer Orientation, Sales Orientation, Experience and Likability. Thus, Customer trust in salespersons can indeed be demonstrated by the attitudes of salespersons in handling their customers, such as in making an offer, must be in accordance with customer needs, not by direct selling that tends to force customers and aims only for the number of sales received by Salespersons without seeing to the needs of customers.

Salesperson's customer orientation has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, The results showed that there was an effect of salesperson behaviour on customer trust based on the calculated F-value of 41.238 with a calculated F-test significance level of 0.000 ( $p < 0.05$ ) and a positive t-test value (3.604) which means Customer Orientation (X1) has a positive effect on Customer trust. This shows that the second hypothesis can be accepted. This result is corroborated by previous research conducted by Huang (2008), which states that customer orientation has a positive effect on customer trust. Likewise with the study of Guenzi and Georges (2010) which also states that customer orientation has a positive effect on customer trust.

The sales orientation of salespersons has a negative influence on customer trust in Islamic insurance salespersons in Surabaya. In contrast to customer orientation, the results of this

study indicate salesperson sales orientation negatively affects customer trust in Islamic insurance salespeople in Surabaya, indicated by a negative t-value of -2.103. This shows that the third hypothesis is acceptable. This result is corroborated by previous research conducted by Huang (2008), which states that sales orientation negatively affects customer trust. Likewise, with the research of Guenzi and Georges (2010) which also states that sales orientation negatively affects customer trust.

Salesperson's experience has a positive impact on Customer Trust in Islamic Insurance Salespersons in Surabaya. Based on the results of this study, the experience of salespersons has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t-test which is 6.338.

Likability of Salespersons Has a Positive Effect on Customer Trust in Islamic Insurance Salespersons in Surabaya, Salesperson's Likability, from the results of this study, has a positive effect on customer trust in Islamic insurance salespeople in Surabaya, indicated by a positive t-test value of 5.271. This is in accordance with the results of research from Crosby, et al (1990) which states that salesperson's Likability has a positive effect on customer trust. Also in accordance with the research of Newell, et al. (2011) about the positive influence of salesperson Likability on customer trust.

## **Conclusion**

There are significant effects of Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Likability of Salesperson (X4) variables together on Islamic Insurance Customer Trust in Surabaya (Y) which can be known from the F test calculation value having a significance value below 0.05. The partial test results also show that there is an influence of Customer Orientation (X1), Sales Orientation (X2), Experience (X3), and Likability of Salesperson (X4) jointly have a significant effect on Islamic Insurance Customer Trust in Surabaya (Y) with a significance value t-test less than 0.05. The amount of influence of all variables on Customer Trust (Y) is 63.5%. With these results the research hypothesis is accepted.

Variables of Salesperson's Customer Orientation have a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t-test which is 3.604. The Salesperson's Sales orientation has a negative effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a negative t-value of -2.103. The experience of salespersons has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t-test which is 6.338. A Salesperson's likability has a positive effect on customer trust in Islamic insurance salespersons in Surabaya, indicated by a positive t-test which is 5.271. Based on the statistical data above, it can be concluded that the



second, third, fourth, and fifth hypotheses of the research are accepted. The influence of interpersonal relationships on customer trust has consequences on customer behaviour:

- 1) Customer orientation that has a significant positive effect on customer trust results in the customer's intention to recommend.
- 2) Expertise which has a significant positive effect on customer trust results in the customer's intention to re-buy / cross-buy.
- 3) Expertise that has a significant positive effect on customer trust has a negative impact on the customer's intention to switch to competitors.

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