

Analysis of the Relationship Between Digital Reputation Index and Financial Performance of Indonesian Insurance Companies

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ABSTRACT

The enthusiasm of the Indonesian people for social media makes digital marketing strategies an important factor in increasing brand strength through improving the company's *positive* image. Social media is a place for companies to form positive online perceptions and reputations. This condition forms the basis for research to determine how the consistency of positive reputation affects the financial performance of insurance companies in Indonesia. The relationship between the Digital Reputation Index (*Indeks Reputasi Digital*, IRD) and the financial performance of insurance companies (gross premiums, productivity ratio, and company profit) was analyzed based on data from 12 life insurance companies and 12 conventional general insurance companies, respectively. The Spearman correlation test resulted in a significant positive directional relationship between the Digital Reputation Index and gross premiums (for life and general insurance companies). There was a non-significant positive directional relationship between the Digital Reputation Index and the productivity ratio (for life and general insurance). There was also a non-significant positive directional relationship between the Digital Reputation Index and the profits of life insurance companies, while a significant positive relationship occurred with the profits of general insurance companies.

Keywords: Digital reputation; perception; financial performance.

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INTRODUCTION

The movement of technology in the 21st century—namely the fourth industrial revolution with the internet—is increasingly adopted by Indonesians, making Indonesia one of the world's top five internet users. It is recorded that 230 million Indonesians, or around 80%, are now connected to the internet, and one of the causes of this high penetration is the public's desire to participate in social media. The public's enthusiasm for social media shows the importance of the business world and industry using social media to build communication with consumers. Social media can be a vehicle where companies build a positive reputation.

The use of social media allows for more intensive interaction, and changes in the way of interaction also occur (Kaplan & Haenlein, 2019; Akar, 2020). Communication between businesses and consumers is now not only one-way namely, the flow of information from producers to consumers but consumers can also give their opinions (Hennig-Thurau et al., 2021; Kaur, 2020). Consumers are becoming more critical, giving a lot of consideration and expecting a better experience on social media (Barreda et al., 2021; Dwivedi et al., 2020). Various factors become the standard for consumers to judge a product or service (Smith et al., 2020; Ryu & Lee, 2020). Consumers who are loyal to a product or service occur not only because of appropriate prices but also because today's consumers consider the long-term value, integrity, and reputation of the brand they consume (Morimoto & Kunimoto, 2021; Jang et al., 2021).

Organizational reputation is a collection of work, behavior, and appearance conveyed by the organization (company) to related stakeholders in a certain period (Sugiono, 2020).

Consumer experience when related to a service or brand causes access to memory and forms perception. Perception includes the process of relating meanings, memories, and stimuli that consumers receive, then selecting, rearranging, and translating them into a certain understanding for the consumer (Sangadji and Sopiah, 2022). This perception that is in the long-term memory of consumers is the basic material that shapes the reputation of individuals or business organizations that are of concern to consumers.

The use of the internet on social media for interaction between companies and consumers leads to online reputation or digital reputation (Stenger, 2014). Digital reputation management to increase the company's popularity is a company's effort to monitor and manage reputation by minimizing negative consumer opinions so that the company has a reputation that tends to be more positive (Attuluri and Mehta, 2018). Practically, there are three stages of online reputation management: namely, monitoring web 2.0, participating in web 2.0, and then measuring the impact obtained (Stenger, 2014). The influence of digital transformation is different for each company depending on the resources, knowledge, and management system (Lantip and Daljono, 2023).

Digital reputation can be formed based on various company activities recorded in cyberspace. Various opinions that appear in online media will affect the quality of products, so company management must ensure that the quality is up to the expected standards (Pasha and Prastia, 2025). A variety of public opinion plays a role in the business continuity of financial services businesses such as insurance. Insurance is a financial mechanism that allows for protection for individuals and organizations against potential financial losses due to unforeseen events.

The insurance industry is a long-term financial industry based on the power of information and trust, so of course, a positive digital reputation will further improve the smooth running of the business. In the last five years, the Indonesian insurance industry has experienced various problems related to large companies such as Jiwasraya, Bumi Putera, and Wana Artha Life, which have made the public have a negative perception of insurance.

Opinions about insurance companies can vary greatly depending on various accompanying factors such as financial literacy, information about insurance, personal experience, and socioeconomic cultural conditions. The variety of opinion formations that can cause certain perceptions makes researchers interested in reviewing the relationship between the results of public conversations in cyberspace—which then give rise to digital reputation—and the condition of the financial performance of insurance companies. Will a better (positive) digital reputation be followed by a better financial position?

Several studies on the role of digitalization in the insurance world focus more on the technical transformation of insurance companies in serving customers, such as research by Hernita, Daulay, and Lubis (2024), which found the importance of digitalization and business transformation to encourage the development of customer services. Also, research by Satriadi and Widodo (2025), which emphasizes the significant influence of digital marketing strategies on insurance product purchase decisions. Research by Aboalghanam and Alzghoul (2024) in Jordan confirms the influence of digital marketing on the development of insurance companies' reputations. Research linking the role of reputation to the financial performance of insurance companies has not been widely done in Indonesia.

Theoretically, the use of social media plays a role in strengthening brand awareness and knowledge so that it is expected to expand marketing reach (Satriadi and Widodo, 2025). In the position of insurance companies, it is expected that there will be an increase in premium income, productivity, and corporate profits. The hypothesis in this study is: There is a positive directional relationship between the digital reputation of insurance companies and the acquisition of the company's gross premiums. There is a positive directional relationship between the insurance company's digital reputation and productivity ratio. There is a positive relationship between digital reputation and company profits.

METHOD

This research was a quantitative study to determine the direction of the relationship between the digital reputation of insurance companies and their financial performance. The data used were secondary data, namely the Digital Reputation Index published by InfoBank magazine in March 2025 and the financial performance data of insurance companies published by ojk.go.id.

The research population was conventional life insurance companies in Indonesia that actively published financial statements in the 2024 observation year. Conventional general insurance/loss companies in Indonesia that actively published financial statements in the 2024 observation year.

Table 1. Research Sample

LIFE INSURANCE COMPANIES	GENERAL INSURANCE COMPANY / LOSS
1. Prudential Life	1. Jasindo
2. AXA Mandiri	2. Primary Monument
3. BRI Life	3. Credit Insurance Indonesia
4. Generali Life	4. Multi Tools
5. IFG Life	5. Zurich Insurance Indonesia
6. Inhealth	6. Jasaraharja Putera
7. MNC Life	7. AXA Insurance Indonesia
8. Avrist	8. Allianz Utama Indonesia
9. Pertalife	9. Safe Property
10. Hanwha	10. ASEI
11. Central Asia Raya	11. Star Insurance
12. AJ. National	12. Victoria Insurance

Digital Reputation Index

The Digital Reputation Index (IRD) was obtained from the results of social media monitoring by media intelligence company Isentia published by INFOBANK in March 2025. The processing of conversations (buzz) related to certain brands and names of the insurance company extracts data into five categories of sentiment perception, namely very negative, negative, neutral, positive and very positive. The total number for the five categories is then indexed.

Financial Performance

In this study, the financial performance used as a parameter is: Gross premium: gross premium reflects the total revenue from the total sales of insurance products before the calculation of reinsurance and administrative and acquisition costs. Productivity ratio (ratio of

gross premium to own capital): Productivity ratio shows the ability of the company's management to utilize inputs (capital) to obtain sales results (gross premium). Profit: A positive profit reflects the efficiency of governance and the revenue potential of the insurance company.

Data Analysis Methods

The Digital Reputation Index variable has an ordinal data scale, in this case to assess the direction of the relationship between digital reputation and financial performance, a non-parametric correlation, namely Spearman correlation, is used. In the initial stage of data processing before using Spearman correlation analysis, the data of all observed companies is ranked/ranked, namely the largest data gets the 1st rank until the next to the smallest data. This is to be able to use the Spearman Correlation formula: $R_s = 1 - \{ (n \sum d^2) / (n(n^2 - 1)) \}$. A positive correlation value of R_s indicates a one-way relationship between digital reputation and the financial performance of the sample companies. Processing of ranking data becomes a Spearman correlation value by using IBM SPSS version 23.

RESULT AND DISCUSSION

Life Insurance Company Category Throughout 2024, life insurance companies will be the subject of public discussion, especially netizens. This can be seen in table 2, the Digital Reputation Index (IRD) column. The index describes the frequency with which the company's name appears in public conversations in cyberspace.

Table 2. Digital Reputation Index Data, Gross Premium, Ratio Productivity and Profit of Life Insurance Companies

Company name	Reputation Index Digital	Ugly Awards (million rupiah)	Productivity Ratio (%)	Profit / Loss (Millions)
Prudential	1462	20 750 693	314,16	1740 986
Axa Mandiri	947	11 840 434	310,56	1594 316
BRI Life	911	8 879 017	86,58	950 993
General	1351	2 474 374	210,99	(158 966)
IFG Life	959	6 261 859	125,74	(94 851)
Inhealth	534	4 681 486	305,02	(21 989)
MNC Life	396	664 772	388,77	61 787
Avrist	166	403 541	22,88	42 550
Pertalife	147	1 252 342	206,64	103 156
Hanwha	277	252 951	13,40	62 263
Central Asia	265	1 798 047	51,47	207 319
AJ. National	99	295 594	158,47	12 747
Mean	6261,7	4.9613E6	1.5714E4	3.7333E5
Std. Deviation	481,87	6.2304E6	5.3793E4	6.6436E5

Netizens' conversations have various tones that are categorized as: very negative, negative, neutral, positive and very positive. The index is calculated by summing all the frequencies of conversation in the five categories and subtracting twice the number of negative and very negative frequencies. This means that if the digital reputation index has a positive value, then the conversation about the company is more positive. Data shows that life insurance company Prudential is the most mentioned or discussed brand in cyberspace.

This condition is also followed by the amount of gross premium, productivity ratio and company profit. Even so, the diversity of conditions occurs in other life insurance companies, especially with negative profit data (loss). General Insurance Company Category In table 3, it can be seen that general insurance companies tend to be a lot of public discussion in cyberspace based on monitoring various social media. The insurance company Jasindo is the most popular because of the highest digital reputation index.

Table 3. Digital Reputation Index Data, Brutto Premium, Productivity and Profit Ratio of General Insurance Companies

Company name	Table of Contents Reputation Digital	Ugly Awards (Rs. 106)	Productivity ratio (%)	Profit / Loss (Rs. 106)
Jasindo	3238	3 797 143	126,90	106 769
Primary Monument	1775	5 318 693	92,21	803 165
Credit Insurance	1165	5 588 771	57,18	405 862
Multi Tools	360	2 430 333	133,70	247 655
Zurich Indonesia	356	2 585 188	58,35	134 936
JasaRaharjaputera	298	1 189 778	83,23	187817
AXAIndonesia	1038	997 123	84,29	27 197
Alliance	545	695 455	79,74	27 700
Safe Haven	92	660 945	296,00	5823
ASEI	115	237 200	51,79	(73001)
Star Insurance	70	271 052	63,97	18 225
Victoria Insurance	54	118 077	77,62	7 936
Mean	2,090E3	1.9075E6	1.0042E2	1.7201E5
Std, deviation	5,012E3	1.9580E6	66,65987	2.4854E5

The diversity of data can be seen in financial performance data with a wide range of gross premiums, productivity ratios and also company profits. As with life insurance, in 2024, there are general insurance companies that experience negative profits (losses).

Spearman Correlation Calculation

Spearman's correlation is used to answer the hypothesis of the tendency of a positive relationship between the Digital Reputation Index (IRD) and financial performance: Gross Premium, Productivity and Profit Ratio. Life Insurance Category The results of the Spearman correlation calculation for life insurance companies are shown in table 4. In the table, it can be seen that there is a significant (positive) one-way relationship between the Digital Reputation Index (IRD) and the acquisition of gross premiums of insurance companies. Digital popularity increases premium income.

Table 4. Correlation Values of Life Insurance Company Spearman

Variable X vs Y	Spearman correlation magnitude (Rs)	Prob value. Significant (p value)
IRD vs Ugly Awards	Rs = 0.636*	0,026
IRD vs productivity ratio	Rs = 0.460	0,133
IRD vs Profit	Rs = 0.077	0,812

Table 4 also shows the correlation between IRD and productivity ratio, which has a unidirectional (positive) but not significant tendency. Likewise, the correlation between IRD and company profit is very weak ($R_s = 0.077$ close to 0).

General Insurance Categories

The condition of the relationship between the IRD of a general insurance company and its financial performance can be seen in Table 5. In this general insurance industry, the increasingly high Digital Reputation Index (meaning the increasing frequency of conversations in cyberspace) will be followed by significantly larger brutto premiums. This condition does not apply to the relationship between IRD and productivity ratio. In the relationship between the IRD variable and the productivity ratio, there is a positive but not significant directional trend. Meanwhile, a significant positive directional relationship condition occurred in the correlation of IRD with company profit.

Table 5. Correlation Values of Spearman Loss Insurance Companies

Variable X vs Y	Spearman Correlation Magnitude	Prob. significant value (p value)
IRD vs Ugly Prizes	$R_s = 0.839^{**}$	0,001
IRD vs Productivity ratio	$R_s = 0.245$	0,443
IRD vs Profit	$R_s = 0.680^*$	0,015

Insurance companies as financial companies that must maintain the trust of customers and the public must be able to take advantage of the opportunity to provide information and increase a positive reputation through the use of social media that is popular with the public. Consumer perceptions shared on social media quickly went viral and spread to all circles. Today's society often uses other people's experiences as a reference to determine certain companies or brands.

In this study, a high Digital Reputation Index (positive perception) was significantly correlated with gross premium earnings, both for the life insurance company and general insurance categories. This also shows that a high reputation has an impact on more enthusiasts. The role of management strategy in the use of social media has a positive impact. This is in line with research by Cenora and Hermawan (2022) that public perception is significant for purchasing decisions.

Likewise, research by Aguspriyani, Polindi, Fitriandi, Darmansyah and Setiadi (2023) shows that digital marketing strategies have a positive effect on increasing the purchase of insurance products. The millennial generation uses 5 popular social media (Instagram, Youtube, Facebook, Whatsapp, Twitter) to obtain information as a reference for purchase decisions. Satriadi and Widodo (2025) stated that digital marketing strategies can reach a wider range of consumers.

The acquisition of gross premiums is one of many factors that play a role in productivity and profit recording so that the correlation of IRD with significant gross premiums is not necessarily followed by significant conditions with Productivity Ratio as well as Profit. As part of the Indonesian financial industry, there are three factors that play a role in the company's financial performance, (1) Macro factors (2) Messo factors and (3) Micro factors. Because each company experiences the same macro and meso factors, in this case the company is more influenced by the company's micro or internal elements, namely the activities and financial management strategies of each company (Wirasadi, Hendrian and Pujiwati, 2023). Insurance

companies, in addition to having to use social media to improve their reputation, also have to increase investment returns and efficiency of costs/operational expenses so that they do not experience negative profits.

CONCLUSION

This study found a significant positive correlation between the digital reputation index of Indonesian insurance companies (both life and general) and gross premium earnings, with higher digital reputation scores corresponding to elevated premium income. The relationship between digital reputation and productivity ratio was unidirectional (positive) but not statistically significant for either sector. Similarly, the correlation with company profits was positive and significant for general insurance, yet not significant for life insurance. For future research, scholars could explore mediating factors such as consumer trust or digital marketing strategies in larger samples spanning multiple years to better understand these sector-specific differences.

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