

Agent's Competence and Relationship Marketing Capability: A Study of Life Insurance Agents in Indonesia Using a Structural Equation Modelling Approach

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Abstract

The life insurance industry in Indonesia continues to grow significantly but faces persistent challenges related to low public trust, largely due to claim disputes and insurance company bankruptcies. Insurance agents play a crucial role as the primary link between companies and customers, where their relational behaviors and professional competence shape customer perceptions and loyalty. This study examined the effects of Customer Relationship Building Behavior (CRBB) and agent competence on customer trust, customer satisfaction, and renewal intention in the Indonesian life insurance industry, with agent competence representing the knowledge, skills, and professional attitudes of insurance agents. A quantitative survey was conducted with 237 life insurance policyholders in the Jabodetabek region and analyzed using PLS-SEM. The results showed that approaching and common grounding had a positive effect on customer trust, while only communication had a positive effect on customer satisfaction. Agent competence had positive effects on both customer trust and customer satisfaction. Furthermore, customer trust enhanced customer satisfaction and renewal intention, while customer satisfaction was the strongest predictor of renewal intention. The study concluded that, in the Indonesian life insurance industry, agent competence is a key driver of customer trust, satisfaction, and loyalty. These findings provide both theoretical contributions to relationship marketing literature and practical implications for insurance companies in developing agent training programs that emphasize technical competence and transparent communication. They also offer implications for regulators in strengthening professional certification requirements to reduce information asymmetry and enhance consumer protection.

INTRODUCTION

The life insurance industry in Indonesia continues to grow and plays a vital role in maintaining the economic resilience of the population. This is evidenced by an increase in premium income to more than IDR 19 trillion, or approximately 50% year-on-year, by the end of 2024 (OJK, 2025), supported by rising public insurance literacy from 36.9% to 45.45% (Ishaqi, 2025; OJK, 2025). However, the industry still faces challenges related to low public trust due to cases of claim denials and insurance company bankruptcies (Primantoro, 2023). Under these conditions, insurance agents play a crucial role as the primary link between companies and customers (Nasution & Yusrizal, 2022; Agyei et al., 2020).

Agent behavior is a critical determinant of public perception. Insurance agents are not only responsible for selling products but also for building relationships with customers through Customer Relationship-Building Behavior (CRBB), which includes approach, inducement, common grounding, networking, and communication (Moon et al., 2025). Their findings

indicate that empathetic and transparent behaviors—specifically approach, common grounding, and communication—significantly enhance trust and satisfaction, which ultimately influence renewal intentions (Wang et al., 2025; Yue et al., 2023). However, relational skills alone are insufficient because life insurance products are complex and require strong technical competence (Chaniago et al., 2024). A lack of product understanding and unclear policy information often triggers negative perceptions and customer dissatisfaction; therefore, agents must be able to explain products transparently and professionally (Dinesh et al., 2023; Buthelezi et al., 2024; Jannah & Nugroho, 2019).

The complexity of life insurance products often leads to information asymmetry, where technical misunderstandings, such as “pre-existing conditions,” can result in claim disputes (Dinesh et al., 2023). Agents must serve as a “communication bridge” to explain technical terms transparently and align customer expectations with policy conditions (Buthelezi et al., 2024; Jannah & Nugroho, 2019). Therefore, agent competence is one of the key factors in enhancing customer trust, satisfaction, loyalty, and repurchase intention (Ayuni & Rahmani, 2023; Hafsari & Fadillah, 2025). Professional competence and full disclosure are essential for building consumer confidence and ensuring professional accountability (Elomari, 2025; Hafsari & Fadillah, 2025; Verawaty & Rembulan, 2022). Today, insurance agents are expected not only to act as salespeople but also as financial consultants who possess adequate knowledge, certifications, and the ability to analyze customer needs (Ayuni & Rahmani, 2023; AAJI, 2025). This is further supported by OJK regulations on human resource development, which mandate certification requirements for personnel in the insurance industry (Cahyani, 2025).

Although previous studies have examined the influence of Customer Relationship-Building Behavior on customer outcomes in various contexts, research integrating both CRBB and agent competence within a single comprehensive model remains limited, particularly in the Indonesian life insurance industry. Moon et al. (2025) provided valuable insights into the role of CRBB in the South Korean context; however, their findings may not be fully generalizable to Indonesia due to cultural and market differences. Furthermore, the integration of agent competence as a complementary driver alongside relational behavior has not been sufficiently explored, especially in markets characterized by low trust and high information asymmetry such as Indonesia (Nor et al., 2025; Vlachos & Dyra, 2020; Wijaya et al., 2023). The novelty of this study lies in extending the Moon et al. (2025) model by incorporating agent competence as a critical determinant of customer trust, satisfaction, and renewal intention, as well as empirically examining it within the Indonesian insurance market context.

Based on this phenomenon, this study aimed to extend the work of Moon et al. (2025) by incorporating agent competence to examine the influence of CRBB and competence on customer trust, satisfaction, and policy renewal intention in the Indonesian life insurance industry. This study is expected to address the research gap regarding the integration of CRBB and agent competence in influencing renewal intention, as well as to evaluate the role of agents as risk consultants capable of reducing information asymmetry for customers (Dinesh et al., 2023; Hafsari & Fadillah, 2025).

METHOD

Data Collection and Sampling Methods

This research employed a quantitative approach, which was considered appropriate for testing theories and hypotheses while minimizing researcher involvement to reduce potential bias (Cooper & Schindler, 2014). Furthermore, quantitative research emphasized a deductive process in which relationships between variables were examined based on theoretical frameworks and prior empirical findings (Sekaran & Bougie, 2010). Accordingly, this study aimed to examine the relationships between Customer Relationship-Building Behaviors (CRBB) and agent competence in relation to customer trust, customer satisfaction, and policy renewal intention.

Primary data were collected through an online questionnaire measuring CRBB, agent competence, customer trust, customer satisfaction, and policy renewal intention. The use of online questionnaires was consistent with the approach applied by Moon et al. (2025). The questionnaire employed a seven-point Likert scale ranging from 1 (“strongly disagree”) to 7 (“strongly agree”).

The study applied purposive sampling, in which respondents were selected based on specific criteria to ensure their relevance to the research objectives (Cooper & Schindler, 2014). The sample criteria included Indonesian citizens aged 18 years or older, residing in the Greater Jakarta area (Jabodetabek), holding active private life insurance policies (excluding mandatory social insurance such as BPJS Kesehatan and employer-provided health benefits), purchasing insurance products through insurance agents, and having interacted with their insurance agents at least three times within the past 12 months.

The minimum sample size was determined using the 10-times rule, which states that the minimum sample should be ten times the largest number of indicators used to measure a construct or ten times the largest number of structural paths directed at a latent variable (Hair et al., 2019; Memon et al., 2020). Since the agent competence construct had the largest number of indicators (12 indicators), the minimum required sample size was 120 respondents. This study obtained 237 valid responses, exceeding the minimum requirement and therefore meeting the criteria for a large sample size according to Kline (as cited in Memon et al., 2020).

The questionnaire consisted of four sections: an introduction and informed consent, screening questions, core measurement items, and demographic information. The screening section ensured that respondents met the predefined sampling criteria, while the core section measured CRBB, agent competence, customer trust, customer satisfaction, and policy renewal intention using a seven-point Likert scale. The final section collected demographic data, including age, gender, occupation, marital status, and other relevant characteristics.

RESULTS AND DISCUSSION

Demographic

Based on the demographic data presented in Table 1, the majority of respondents were female, accounting for 145 respondents (61.18%), while 92 respondents were male. This finding is consistent with Moon et al. (2025), whose study was also dominated by female respondents. Most respondents were within the productive age group, consisting of 118 respondents aged 18–29 years (49.79%) and 113 respondents aged 30–45 years (47.68%). This indicates the relevance of insurance ownership among productive-age individuals, who

generally possess higher awareness regarding financial protection needs (Lusardi & Mitchell, 2013). In terms of education, most respondents held a bachelor's degree or equivalent (67.09%), while the majority of respondents worked as private-sector employees (75.95%), indicating that the sample largely represented individuals from the formal employment sector with stable income. Prudential Life Assurance was the insurer most frequently owned by respondents (72 respondents), followed by Allianz Life Indonesia (52 respondents). Together, Prudential and Allianz customers represented more than half of the total sample, reflecting their position as market leaders in Indonesia's joint venture life insurance industry (Media Asuransi, 2025).

Table 1. Demographic Results

Category	Options	Frequency	Percentage
Sex	Male	92	38.82%
	Female	145	61.18%
Age	18-29	118	49.79%
	30-45	113	47.68%
	46-61	6	2.53%
Educational Background	Diploma (D3)	22	9.28%
	Master (S2)	8	3.38%
	Bachelor (S1)	159	67.09%
	High School	48	20.25%
Monthly Income (in IDR)	<5,000,000	24	10.13%
	5,000,000 - 10,000,000	104	43.88%
	10,001,000 - 15,000,000	37	15.61%
	15,001,000 - 20,000,000	37	15.61%
	20,001,000 - 25,000,000	14	5.91%
	25,001,000 - 30,000,000	11	4.64%
	30,001,000 - 35,000,000	1	0.42%
	35,001,000 - 40,000,000	2	0.84%
	>40,000,000	7	2.95%
Occupation	Freelance	2	0.84%
	Teacher	2	0.84%
	State-Owned Enterprise Employee	6	2.53%
	Private-sector Employee	180	75.95%
	University Students	11	4.64%
	Homemaker/Housewife	1	0.42%
	Civil Servant	10	4.22%
	Entrepreneur	25	10.55%
	Owned Private Life Insurance Policy	ACA Asuransi	1
AIA Financial	20	8.44%	
Allianz Life Indonesia	52	21.94%	
Asuransi Simas Jiwa	1	0.42%	
AXA Mandiri	38	16.03%	
BNI Life	13	5.49%	

BRI Life	20	8.44%
FWD	1	0.42%
Mandiri Inhealth	1	0.42%
Manulife Indonesia	17	7.17%
Prudential Life Assurance	72	30.38%
Sunlife Financial	1	0.42%

Source: Primary data processed by researchers, 2025

Measurement Model Analysis (Outer Model)

Convergent Validity and Reliability Test

PLS-SEM was used to test validity and reliability of the constructs. Convergent validity was tested using outer loadings and Average Variance Extracted (AVE). The results showed that nearly all indicators had outer loadings above 0.708 and AVE values above 0.50, thus meeting the criteria for convergent validity (Hair et al., 2019). Furthermore, The Cronbach's alpha and composite reliability values ranged from 0.60 to 0.95, meeting the reliability criteria proposed by Hair et al. (2019) and Sekaran and Bougie (2016). Therefore, the measurement model can be considered reliable. Table 2 shows the result of convergent validity and reliability tests.

Table 2. Results of the Convergent Validity and Reliability Test

No.	Variable	Indicator	Outer Loading	AVE	Cronbach's alpha	Composite Reliability
1	<i>CRBB-Approaching</i>	CRBBAPP2	0.770	0.669	0.767	0.851
		CRBBAPP3	0.829			
		CRBBAPP4	0.853			
2	<i>CRBB-Inducement</i>	CRBBIND1	0.867	0.740	0.882	0.919
		CRBBIND2	0.856			
		CRBBIND3	0.900			
		CRBBIND4	0.815			
3	<i>CRBB-Common Grounding</i>	CRBBCG1	0.876	0.807	0.881	0.926
		CRBBCG2	0.938			
		CRBBCG3	0.881			
4	<i>CRBB-Communication</i>	CRBBCOM1	0.797	0.686	0.907	0.929
		CRBBCOM2	0.844			
		CRBBCOM3	0.872			
		CRBBCOM4	0.886			
		CRBBCOM5	0.821			
		CRBBCOM6	0.739			

No.	Variabel	Indikator	Outer Loading	AVE	Cronbach's alpha	Composite Reliability
5	Agent's Competence	KN11	0.734	0.599	0.939	0.947
		KN12	0.729			
		KN13	0.797			
		KN14	0.743			
		ATT11	0.715			
		ATT12	0.721			
		ATT13	0.800			
		ATT14	0.842			
		ATT15	0.839			

		AB11	0.770			
		AB12	0.795			
		AB13	0.792			
6	Customer Trust	TR21	0.852	0.729	0.876	0.915
		TR22	0.867			
		TR23	0.883			
		TR24	0.812			
7	Customer Satisfaction	SAT21	0.856	0.714	0.900	0.926
		SAT22	0.855			
		SAT23	0.843			
		SAT24	0.837			
		SAT25	0.834			
8	Renewal Intention	RENINT21	0.891	0.780	0.906	0.934
		RENINT22	0.869			
		RENINT23	0.877			
		RENINT24	0.896			

Source: PLS-SEM output processed by researchers, 2025

Discriminant Validity Test

Discriminant validity was assessed using cross-loadings, the Fornell-Larcker criterion, and the Heterotrait-Monotrait ratio (HTMT) to ensure each indicator uniquely measures its intended construct. While most HTMT values remained below the 0.90 threshold, minor elevations were noted for the relationships between customer satisfaction and agent competence (0.918) and renewal intention (0.946). Similarly, under the Fornell-Larcker criterion, the correlation between satisfaction and renewal intention (0.855) marginally exceeded the square root of the AVE for satisfaction (0.845). However, cross-loading analysis confirmed that all indicators loaded most strongly on their assigned latent constructs compared to others as shown in Table 3. These results collectively satisfy the requirements for discriminant validity within the measurement model.

Table 3. Cross-loadings Discriminant Validity Analysis

No.	Indicator	CRBB-Approaching	CRBB-Inducement	CRBB-Common Grounding	CRBB-Communication	Agent Competencies	Customer Trust	Customer Satisfaction	Customer's Policy Renewal Intention
1	CRBBAPP ₂	0.770	0.406	0.191	0.559	0.511	0.515	0.487	0.537
	CRBBAPP ₃	0.829	0.428	0.140	0.600	0.602	0.476	0.493	0.500
	CRBBAPP ₄	0.853	0.505	0.169	0.563	0.622	0.493	0.480	0.476
2	CRBBIND ₁	0.485	0.867	0.478	0.562	0.500	0.485	0.526	0.499
	CRBBIND ₂	0.481	0.856	0.509	0.555	0.522	0.503	0.544	0.503
	CRBBIND ₃	0.502	0.900	0.535	0.584	0.558	0.547	0.579	0.544
	CRBBIND ₄	0.407	0.815	0.534	0.491	0.516	0.499	0.466	0.405
3	CRBBCG ₁	0.199	0.536	0.876	0.327	0.269	0.347	0.248	0.243
	CRBBCG ₂	0.210	0.581	0.938	0.395	0.356	0.410	0.349	0.353
	CRBBCG ₃	0.132	0.481	0.881	0.278	0.251	0.297	0.232	0.274
4	CRBBCO _{M1}	0.498	0.535	0.319	0.797	0.574	0.436	0.609	0.539
	CRBBCO _{M2}	0.588	0.530	0.269	0.844	0.639	0.481	0.645	0.579

	CRBBCO M3	0.571	0.543	0.291	0.872	0.650	0.499	0.670	0.591
	CRBBCO M4	0.614	0.536	0.273	0.886	0.629	0.470	0.617	0.616
	CRBBCO M5	0.642	0.519	0.358	0.821	0.691	0.526	0.622	0.634
	CRBBCO M6	0.567	0.504	0.364	0.739	0.656	0.525	0.603	0.578
	KN11	0.570	0.521	0.282	0.633	0.734	0.580	0.682	0.653
	KN12	0.610	0.462	0.179	0.576	0.729	0.542	0.581	0.662
	KN13	0.549	0.467	0.234	0.550	0.797	0.575	0.616	0.577
	KN14	0.552	0.411	0.215	0.651	0.743	0.464	0.633	0.592
5	ATT11	0.461	0.438	0.242	0.503	0.715	0.550	0.562	0.494
	ATT12	0.426	0.440	0.216	0.559	0.721	0.558	0.648	0.554
	ATT13	0.560	0.421	0.220	0.589	0.800	0.615	0.678	0.641
	ATT14	0.597	0.463	0.255	0.641	0.842	0.553	0.740	0.686
	ATT15	0.581	0.514	0.340	0.636	0.839	0.608	0.696	0.653
	AB11	0.539	0.458	0.252	0.585	0.770	0.623	0.645	0.605
	AB12	0.555	0.548	0.321	0.602	0.795	0.544	0.652	0.586
	AB13	0.568	0.513	0.303	0.663	0.792	0.585	0.696	0.626
6	TR21	0.457	0.516	0.303	0.500	0.631	0.852	0.633	0.600
	TR22	0.505	0.499	0.364	0.466	0.580	0.867	0.610	0.570
	TR23	0.536	0.540	0.395	0.491	0.636	0.882	0.626	0.587
	TR24	0.570	0.465	0.292	0.566	0.654	0.812	0.629	0.589
7	SAT21	0.533	0.566	0.287	0.711	0.715	0.609	0.856	0.733
	SAT22	0.510	0.482	0.254	0.635	0.724	0.593	0.855	0.710
	SAT23	0.467	0.461	0.198	0.611	0.703	0.591	0.843	0.712
	SAT24	0.515	0.539	0.255	0.612	0.711	0.639	0.837	0.760
	SAT25	0.493	0.556	0.335	0.639	0.719	0.661	0.834	0.697
8	RENINT2 1	0.535	0.498	0.257	0.645	0.707	0.597	0.789	0.891
	RENINT2 2	0.527	0.496	0.282	0.632	0.706	0.597	0.738	0.869
	RENINT2 3	0.546	0.489	0.274	0.616	0.641	0.591	0.724	0.877
	RENINT2 4	0.575	0.528	0.343	0.626	0.735	0.642	0.768	0.896

Source: PLS-SEM output processed by researchers, 2025

Structural Model Analysis (Inner Model)

Following the outer model analysis, the structural model (inner model) was evaluated using VIF, R-square, f-square, and Q-square(Hair et al., 2019). The VIF analysis (Table 4) showed that all path values remained below 5.0, indicating no multicollinearity issues among the predictor constructs.

Table 4. VIF and f-square Analysis

Path	VIF	f-square
CRBB-Approaching -> Customer Trust	2.398	0.034
CRBB-Inducement -> Customer Trust	2.472	0.020
CRBB-Common Grounding -> Customer Trust	1.628	0.026
CRBB-Communication -> Customer Trust	3.119	0.009
CRBB-Approaching -> Customer Satisfaction	2.480	0.057
CRBB-Inducement -> Customer Satisfaction	2.522	0.028
CRBB-Common Grounding -> Customer Satisfaction	1.670	0.031

CRBB-Communication -> Customer Satisfaction	3.147	0.127
Agent's Competence -> Customer Trust	2.986	0.255
Agent's Competence -> Customer Satisfaction	3.748	0.323
Customer Trust -> Customer Satisfaction	2.451	0.125
Customer Trust -> Renewal Intention	2.157	0.031
Customer Satisfaction -> Renewal Intention	2.157	1.024

Source: PLS-SEM output processed by researchers, 2025

Moreover, the f-square analysis (Table 4) demonstrated that most paths exceeded the 0.02 threshold, with the exception of the CRBB-Communication to customer trust path (0.009), suggesting minimal impact on the structural model if this variable were removed.

The R-square analysis (Table 5) revealed that the adjusted R-square values were 0.737 for renewal intention, 0.778 for customer satisfaction, and 0.583 for customer trust. This indicates that 73% of renewal intention is explained by trust and satisfaction, 77% of customer satisfaction is explained by CRBB dimensions, agent competence, and trust, and 58% of customer trust is explained by CRBB dimensions and agent competence.

Table 5. R-square and Q-square Analysis results

Variabel	R-square	R-square adjusted	Q-square
Customer's Policy Renewal Intention	0.739	0.737	0.569
Customer Satisfaction	0.783	0.778	0.546
Customer Trust	0.592	0.583	0.423

Source: PLS-SEM output processed by researchers, 2025

The Q-square analysis (Table 5) confirmed strong predictive relevance, as all dependent variables showed Q² values above zero: renewal intention (0.569), customer satisfaction (0.546), and customer trust (0.423).

Hypothesis Testing

Direct Effect Test

The hypothesis testing was analyzed using PLS-SEM. Hypothesis testing was conducted to determine the direct and indirect effects between variables in the research model using a p-value with a significance level of 0.05 (Schindler, 2022). The test results indicate that most hypotheses were supported, although there were some relationships that were either insignificant or significant but had a negative direction, resulting the hypotheses not supported.

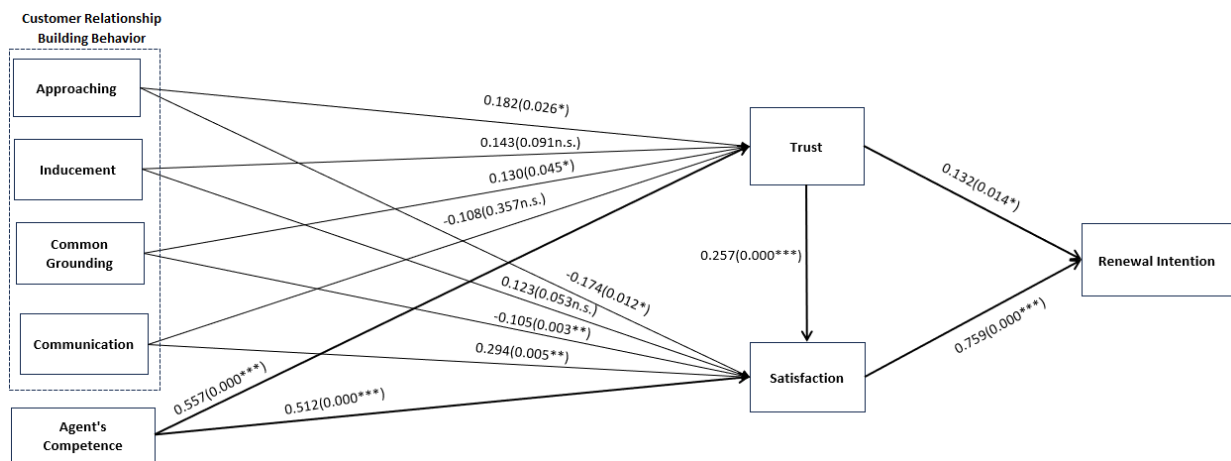
Table 6. Results of the Direct Effect Test

Hypothesis	Variable Relationship	Coefficient	p-value	Result
H1	Approaching → Trust	0.182	0.026	Supported
H2	Inducement → Trust	0.143	0.091	Not supported
H3	Common Grounding → Trust	0.13	0.045	Supported
H4	Communication → Trust	-0.108	0.357	Not supported
H5	Approaching → Satisfaction	-0.174	0.012	Not Supported
H6	Inducement → Satisfaction	0.123	0.053	Not supported
H7	Common Grounding → Satisfaction	-0.105	0.003	Not Supported
H8	Communication → Satisfaction	0.294	0.005	Supported
H9	Competence → Trust	0.557	0	Supported
H10	Competence → Satisfaction	0.512	0	Supported

H11	Trust → Satisfaction	0.257	0	Supported
H12	Trust → Renewal Intention	0.132	0.014	Supported
H13	Satisfaction → Renewal Intention	0.759	0	Supported

Source: PLS-SEM output processed by researchers, 2025

The test results in Table 6 show that agent competence is the strongest factor in increasing customer trust and satisfaction, with coefficients of 0.557 and 0.512, respectively. In addition, customer satisfaction has the greatest influence on policy renewal intentions with a coefficient of 0.759, indicating that satisfaction is the primary determinant in retaining life insurance customers. In the CRBB dimension, approaching and common grounding were found to increase customer trust, while communication only had a significant effect on customer satisfaction. Inducement, however, did not show a significant effect on either trust or satisfaction. Interestingly, approaching and common grounding actually had a significant but negative effect on customer satisfaction. Figure 1 below depicts the path coefficient of every variable in the model.



*Significant $p < 0.05$

**Significant $p < 0.01$

*** Significant $p < 0.001$

n.s. Not Significant

Figure 1. Path coefficient of the research model

Source: PLS-SEM output processed by researchers, 2025

Test of Mediation Effect

An indirect effect test was conducted to determine whether customer trust and satisfaction mediate the relationship between the independent variables and the intention to renew a policy.

Table 7. Results of the Mediation Analysis

Path	Coefficient	p-value	Result
Approaching → Trust → Renewal Intention	0.024	0.107	Not significant
Approaching → Satisfaction → Renewal Intention	-0.132	0.013	Significantly negative
Inducement → Trust → Renewal Intention	0.019	0.152	Not significant
Inducement → Satisfaction → Renewal Intention	0.093	0.056	Not significant
Common Grounding → Trust → Renewal Intention	0.017	0.13	Not significant
Common Grounding → Satisfaction → Renewal Intention	-0.08	0.004	Significantly negative
Communication → Trust → Renewal Intention	-0.014	0.409	Not significant
Communication → Satisfaction → Renewal Intention	0.223	0.006	Significantly positive
Trust → Satisfaction → Renewal Intention	0.195	0.001	Significantly positive
Competence → Trust → Renewal Intention	0.073	0.028	Significantly positive
Competence → Satisfaction → Renewal Intention	0.389	0	Significantly positive

Source: PLS-SEM output processed by researchers, 2025

The results of the mediation test in Table 7 show that customer satisfaction plays a more dominant role as a mediator than customer trust. The strongest mediation path is found in the relationship between agent competence → customer satisfaction → policy renewal intention, with a coefficient of 0.389. This indicates that agent competence is able to increase satisfaction, which in turn drives customers' intention to renew their policies. Additionally, communication was also found to have a positive effect on renewal intention through customer satisfaction. Conversely, several mediation paths such as approaching and common grounding exhibited negative directions through satisfaction, while some mediation paths via trust were not significant. These findings indicate that, in the context of life insurance, customer satisfaction serves as the primary mechanism bridging the influence of agent quality on the sustainability of the relationship with customers.

The analysis of the structural model reveals a nuanced relationship between agent behaviors, competence, and customer outcomes. Regarding the impact of Customer Relationship Building Behavior on customer trust, the results support the positive influence of Approaching (coefficient 0.181, $p=0.026$) and Common Grounding (coefficient 0.130, $p=0.045$), the same result as Moon et al. (2025). These findings suggest that proactive interpersonal outreach and the establishment of mutual understanding significantly enhance a customer's psychological sense of security and relationship quality (Möller & Halinen, 2000; Nayak et al., 2024). However, Inducement ($p=0.091$) and Communication ($p=0.357$) did not significantly influence trust, indicating that short-term benefits or transparency alone may be insufficient to overcome existing trust deficits in the Indonesian market without broader evidence of reliability (Alam et al., 2021; Chandon et al., 2000; Moon et al., 2025).

In terms of customer satisfaction, Communication emerged as the only CRBB dimension with a significant positive impact (coefficient 0.294, $p=0.005$), confirming that clear and honest explanations of complex insurance terms are vital for positive service evaluations (Gün & Söyük, 2025; Moon et al., 2025; Skaf et al., 2024). Conversely, Inducement was not significant ($p=0.053$), while Approaching (coefficient -0.174, $p=0.012$) and Common Grounding (coefficient -0.105, $p=0.003$) unexpectedly showed significant negative paths. This suggests

that overly intense personal interactions may actually decrease satisfaction if they are perceived as intrusive or if they fail to translate into actual service quality (Lemon & Verhoef, 2016; Moon et al., 2025).

Agent Competence was identified as the most powerful driver in the model, significantly influencing both Customer Trust (coefficient 0.557, $p=0.000$) and Customer Satisfaction (coefficient 0.512, $p=0.000$). This highlights that a customer's belief in an agent's professional knowledge and integrity is the primary foundation for a credible relationship, far outweighing purely relational tactics (Elomari, 2025; Ha & Huyen, 2023; Hafsari & Fadillah, 2025; Nurdiansyah et al., 2025).

Finally, the results confirm that trust and satisfaction are critical precursors to Renewal Intention. Customer Trust significantly enhances Customer Satisfaction (coefficient 0.257, $p=0.000$) (Gün & Söyük, 2025; Moon et al., 2025). Both variables directly influence the intention to renew policies, with Customer Satisfaction (coefficient 0.759, $p=0.000$) acting as the dominant predictor compared to Trust (coefficient 0.132, $p=0.014$). This underscores that while trust establishes the relationship, the consistent fulfillment of expectations and positive service experiences are what ultimately drive long-term customer retention and loyalty in the life insurance industry (Gün & Söyük, 2025; Ha & Huyen, 2023; Moon et al., 2025; Shukor, 2020; Skaf et al., 2024; Zhengmeng et al., 2024).

CONCLUSION

This study examined the influence of Customer Relationship-Building Behavior (CRBB) and agent competence on customer trust, customer satisfaction, and policy renewal intention within Indonesia's life insurance industry. The study extended the existing model by incorporating agent competence as a construct representing the knowledge, capabilities, and professional attitudes of insurance agents in serving customers. The findings indicated that CRBB-Approaching and CRBB-Common Grounding had positive and significant effects on customer trust, while CRBB-Inducement showed a positive but insignificant effect. In contrast, CRBB-Communication did not significantly influence customer trust, differing from previous findings in the South Korean context.

Regarding customer satisfaction, CRBB-Communication demonstrated a positive and significant effect, whereas CRBB-Approaching and CRBB-Common Grounding showed significant but negative relationships, and CRBB-Inducement remained insignificant. The study further revealed that agent competence had positive and significant effects on both customer trust and customer satisfaction, supporting previous studies emphasizing the importance of service provider competence in fostering trust and satisfaction. In addition, customer trust positively and significantly affected both customer satisfaction and policy renewal intention. Customer satisfaction also had a positive and significant influence on policy renewal intention, reinforcing the view that customer satisfaction is a key predictor of customer loyalty.

The findings contribute to relationship marketing literature, particularly within the context of Indonesia's life insurance industry. First, in relation to insurance agents' marketing behavior represented by the Customer Relationship-Building Behavior (CRBB) construct, this study confirms that not all CRBB dimensions produce consistent effects across cultural contexts. Specifically, communication behavior did not significantly influence customer trust

toward life insurance agents in Indonesia, unlike findings reported in the South Korean context. Instead, communication had a stronger influence on customer satisfaction, suggesting that in the life insurance context, communication is perceived as a tangible aspect of service quality that enhances satisfaction.

This study also supports prior literature linking competence with satisfaction, trust, and repurchase intention. The findings confirm that in the context of complex and high-risk professional services, technical competence remains a fundamental prerequisite before relational attributes can effectively foster long-term customer trust. The integration of agent competence alongside relational behaviors provides a more comprehensive understanding of the mechanisms through which insurance agents build sustainable customer relationships.

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