



## The Competition of the Insurance Company in Medan City is Undermined by the Quality of the Agent's Work

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### Abstract

The purpose of this research is to determine factors that determine competitiveness of PT. AJS Bumiputera Medan in relation to the insurance market in Medan with an emphasis of SOPs and convergence between products and services. In the present study, the research adopted a descriptive qualitative research method of data collection that entailed conducting a series of interviews with informants to understand the efficacy of SOPs and service strategies. The study also established that operational Standard Operating Procedures (SOPs) are crucial for continual service delivery and keep service contracts regular, but adherence forces organizations to stay rigid in executing processes, thus lacking sufficient strategic maneuverability space to overcome the variety of issues and capture the variety of demands in clients' growing markets. The paper discusses the degree of standardisation of services and the role of 'vehicle' of service encounters, in relation to the flexibility of SOPs to respond to clients' needs. Besides, the study focuses on the importance of communication in linking product lines with services offered in the organization. One of the external factors is the agent's capacity to effectively explain the value and the benefits of the insurance products, more especially in relation to the client's financial status; this is deemed critical in enhancing the exploitation of the market and enhancing the client's retention especially in a world that is earmarked by economic insecurity.

## Introduction

During the last few years the competition in the insurance industry in Indonesia, especially in Medan City, has gone through the dynamic changes due to the economic processes and changes, alterations in the legislation and Client's expectations. As has been mentioned before, there is a greater focus on change and the requirement for insurance actors to be unique and stand out in a highly competitive market. Integral to this kind of advantage is the connection made by insurance agents since they act as the door with the consumers of the firm. Their performance affects the attitudes of members of the public, consumers, and ultimately the position of the organizations for which they work. This research study thus seeks to analyse the competitiveness of insurance institutions in Medan City with a focus on the agents of PT. AJS Bumiputera Medan, insurance company which can be regarded as one of the oldest and, certainly, the most successful in the city.

The role of competitiveness in the insurance sector can be contextualized within the broader theoretical framework outlined by Cho and Moon in From Adam Smith to Michael Porter: The outline is as follows: The Initial Stage of Competitiveness (as proposed by Rindiani et al., 2023). Their extension of Ricardo's comparative advantage theory into the contemporary production sectors brings out the fact that competitive advantage is not just about the

superiority of products but is closely associated with the quality of service provision (Siddiqui 2018; Brondino, 2023; Hausmann et al., 2022). As in most service industries, the product offered being an insurance promise of future safety and pecuniary security, the propriety and performance of the agents who make these promises are uppermost. Hence, the insurance agents' performance is not only a mere frill but the core of an insurance company's competitive scheme.

Some of the papers have suggested that insurance firms have had a tough time in managing their competitiveness as customer interests in insurance change (Grima et al., 2020; Orlando & Bace, 2021). Data from Bacalagers. a study made by co. id (2020) shows that there is a decline in the insurance related keyword searches during the COVID-19 pandemic, which may signify that consumers' perceived value of insurance is decreasing. This trend indicates that there could be a lack of convergence between the services being offered by the insurance industry and the needs of the consumers out there. Structured performance assessments which is discussed by Ami, are crucial in validating that Insurance agents in the current competitive market need to meet high standards (Cho et al., 2024; Saunders et al., 2021). Concerning PT. In the case of AJS Bumiputera Medan, the standard of the agents' performance is not just a comparison to internal competitors but it defines the company's capacity to maintain its market share.

The competition in insurance companies in Medan is still pretty stiff because of the changes in the marketing trends brought about by the pandemic. Agustin et al. (2023) pointed out that most firms have migrated from the conventional socialization platforms to the use of digital platforms which has changed the contest of competition. Against this background, insurance agents have taken even more importance in the new structure. They need to perform these digital strategies while ensuring they have this close contact with the clients, without which it may remain difficult to establish the trust that is, however, still important in the insurance industry (Sukmawan & Zulganef, 2023).

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That is the exact research vacuum this study intends to fill by offering a more detailed understanding of the nature of agent performance at PT. AJS Bumiputera Medan benefits the competitiveness of the company. Thus, in the framework of this research, a qualitative case study will be employed to investigate the manner, in which quality of the service performed by agents affects the extent to which the company can effectively signal unique service provision. Therefore, this research will not form a general perception of insurance like other previous researches because it will be specific to the Medan's insurance market and will not only look into the agent performance, service quality and competitive strategies but it will look at it in a more combinational way than previous researches has looked into this topic area. The findings are supposed to provide relevant and important information not only for PT. For AJS Bumiputera Medan as well as for other insurance companies who want to increase their competitiveness by increasing the efficiency of the agents (Kar & Navin, 2021; Biljecki & Ito, 2021).

## Methods

This study employs a descriptive qualitative approach to explore the factors undermining the competitiveness of insurance companies in Medan City, focusing specifically on the quality of agents' work. This approach is chosen due to its strength in providing rich, detailed insights into complex social phenomena, which quantitative methods might not capture as effectively.

### Sampling Technique

The study utilizes purposive sampling to select informants who possess extensive knowledge and experience in the insurance industry. Purposive sampling is a non-probability sampling technique where subjects are selected based on specific characteristics, ensuring that the data collected is relevant and informative. In this study, informants include insurance company managers, senior agents, and industry experts. A minimum of five years of experience in the insurance sector.

Table 1. Criteria for Selecting Informants

Criteria	Description
Experience	Informants must have a minimum of five years of experience in the insurance sector. This criterion ensures that the participants have substantial industry knowledge and practical experience, enabling them to provide insightful and relevant information about the factors affecting competitiveness and agent performance.
Position	Informants should hold a managerial or senior agent position within their respective companies. This criterion is essential as individuals in these roles are likely to have a comprehensive understanding of both strategic and operational aspects of the business, including insights into agent performance, company strategies, and competitive challenges.
Willingness to Participate	Informants must demonstrate a willingness to participate in the study and provide in-depth insights. This includes a commitment to engage in semi-structured interviews, share detailed information, and contribute to the understanding of the research topic. Ensuring willingness to participate is crucial for obtaining rich, candid, and meaningful data.

This sampling technique ensures that the data reflects a wide range of experiences and perspectives, providing a comprehensive understanding of the factors influencing competitiveness in the insurance sector in Medan.

## **Data Collection**

Primary data was collected through semi-structured interviews with the selected informants. Semi-structured interviews are particularly suitable for this study as they allow for flexibility in exploring topics in depth while maintaining a focus on the key research questions. The interviews were designed to elicit detailed responses on several key areas, including perceptions of the competitiveness of the insurance industry in Medan, factors affecting the performance of insurance agents, strategies used by companies to enhance agent performance and competitiveness, and challenges faced by agents and companies in maintaining competitiveness. Each interview lasted between 45 to 60 minutes and was conducted either in person or via video conferencing, depending on the informants' availability and preference. With the consent of the informants, all interviews were audio-recorded to ensure accurate data capture and later transcribed verbatim for analysis. This method of data collection allows for capturing the nuances of the informants' experiences and perspectives, which are crucial for qualitative analysis.

Secondary data was gathered from company reports, industry publications, and relevant academic literature. These sources provided additional context and helped to triangulate the primary data, ensuring a more robust and credible analysis. The combination of primary and secondary data enhances the depth and reliability of the study's findings.

## **Data Analysis**

The data analysis followed a thematic approach, which involves identifying and analyzing patterns or themes within qualitative data. This method is well-suited for examining the complex, multifaceted issues addressed in this study. All interview recordings were transcribed verbatim. This step ensures that the data is accurately captured and ready for detailed analysis. The researchers then read through the transcripts multiple times to become deeply familiar with the data, an essential step for effective coding and theme identification.

Initial coding was performed using open coding, where key phrases and concepts were identified and labeled. This process involves breaking down the data into manageable chunks and assigning labels that describe the content. Open coding helps in identifying patterns and recurring themes in the data. To facilitate this process, qualitative data analysis software (e.g., NVivo) was used, which aids in organizing and managing large volumes of qualitative data. The codes identified during the open coding phase were then grouped into broader themes. These themes represent the major patterns and insights that emerged from the data. The thematic analysis involved iteratively refining and categorizing these themes to ensure they accurately reflected the informants' perspectives and addressed the research questions. This step is crucial for developing a coherent narrative that explains the study's findings.

The final step involved interpreting the themes in the context of the theoretical framework and existing literature. This step included identifying patterns, contradictions, and unique insights, which were then used to draw conclusions about the factors affecting the competitiveness of insurance companies in Medan. The interpretation phase is essential for linking the study's findings to broader theoretical and practical implications.

## **Result and Discussion**

The level of courtesy of the agents working for PT. AJS Bumiputera Medan defines itself as a crucial cornerstone in the company's competitive position. Several proofs are evident to show the importance of this service quality in the enhancement of the insurance consumers' trust and loyalty.

Informant 1 highlights the dual role of agents in selling policies and building long-term relationships: Informant 1 highlights the dual role of agents in selling policies and building long-term relationships:

*“And the service quality is the blood type of the agency’s work indeed; as an agent, I’m not just selling policies; I am helping people to protect themselves and their loved ones, and this requires trust and constant communication.”*

This quote gives a pointer to a social aspect of insurance selling where the agent is more than a person making sales. As seen in the case of Medan, where client-trust with the financial institutions may be volatile, the agent has to maintain a warm interface with the clients. The development of this type of relationship is not only a way of retaining customers but is also an effective way of the company to get ahead of the competition. As with any high-touch service model, though, it also means that clients are asking whether this can be successfully sustained as business scales or if it will need to be adapted?

Informant 2’s account further emphasizes the role of trust in client-agent relationships: Informant 2’s account further emphasizes the role of trust in client-agent relationships:

*“If you cultivate trust for some time, then others will be willing to listen without necessarily agreeing to take up policies,” Waudo said, adding: “I have clients who were initially reluctant to embrace insurance, but because I constantly followed up and offered them cool information, they not only embraced insurance, but they also brought along other people. That is the secret of good service.”*

This statistic provides a clear example of how trust works in relation to building of the first client relationship, as far as expanding on it and receiving more clients through referrals is concerned. Still, in this case, the message is that such trust building processes are lengthy in some ways and may not produce immediate results. This raises a critical point for strategic consideration: what PT. Can AJS Bumiputera Medan achieve both the measurable short-term sales objectives and at the same time create customer trust that is a long-term essential? The company has to consider if the existing agents’ compensation motivates them enough for long and patient work required to reap benefits of trust necessary for sale or if such incentives can encourage agents to make quick sales which might be counterproductive for building such trust.

Informant 3 provides a concrete example of personalized service leading to positive outcomes: Informant 3 provides a concrete example of personalized service leading to positive outcomes:

*“For instance, I recall a client who refused to buy life insurance in a past policy, I nurtured the opportunity to explain the misconceptions and offered several sessions just to listen and respond to the worries without pressuring the client to make the purchase, the client at long last, bought not only life coverage for him/her but also for his/her family members.”*

Thus, this relatively simple and amusing anecdote can be used to teach client objection-handling and patience while awaiting a client’s response. What it implies is that the agents who can build a more consultative, as opposed to product-based, relationships are the ones that will stand the test of time. However, it also implies certain informational and emotional requirements from the agents, such as the need to know their products extensively and to be able to deal with cross-sale customers’ emotions, which might not be true for the entire

salesforce. Therefore, a critical question arises: on the corporate side, they must be asking whether the company is spending enough money on training and development to allow all agents to meet such a high service mark? The situation that individual agents perform suddenly raises the question of variability of service quality observed today that can influence the competitiveness of PT. AJS Bumiputera Medan.

### **Implementation of SOP**

The operating of SOPs is one of the key approaches for sustaining reliability of services offered at PT. AJS Bumiputera Medan. Yet it was also possible to identify preconditions for the strengths and weaknesses of this approach based on the data obtained.

Informant 3, a manager at the company, emphasizes the importance of SOPs in maintaining service standards: Informant 3, a manager at the company, emphasizes the importance of SOPs in maintaining service standards:

*“SOPs are important in making sure we have some level of standardization in the agents we work with; The guidance of how to approach clients, the presentation of products, and follow up on any leads is some of the best practices outlined in the SOPs and being consistent is what maintains our reputation.”*

The radical meaning of this statement might claim that, holding that the service delivery is based on SOPs, their application solely in practice demands the inclusiveness of the guideline and a possibility for an agent to give a unique service to a client. SOPs are generally useful when used in industries where there is need for high standard and quality in operations, for instance insurance industries. However the heavy use of SOPs means that a certain degree of flexibility that is crucial in client related interventions can be brought by these SOPs. Thus, the company has to ask itself whether its SOPs can permit adequate freedom for agents to accommodate individual clients' requirements while maintaining the coherence that the SOPs presuppose.

Informant 5, another senior agent, supports this view: Informant 5, another senior agent, supports this view:

*“The SOPs are most valuable for the new agents that often can not cope with the work of dealing with the clients and facing a variety of tension situations, following the SOPs, they would deliver the same quality of service as the experienced co-workers.”*

SOPs here are as a way of providing the common minimum that any new comer agents must offer his/her clients in terms of services to avoid compromising with the new comer agents but at the same time it protects the interest of the clients. However, the data also suggests that SOPs may be a double-edged tool helpful for inexperienced agents, but possibly limiting for the veteran ones, who might be able to provide a more flexible and individualised service if not bound by SOPs. This leads one to consider the idea that the SOPs should perhaps be revised in order to afford heaps of freedom for the seasoned agents but at the same time be strict concerning the new employees at the company. Indeed, reportedly such a tiered approach could have the capability of enhancing the general delivery of services.

Informant 2 points to a limitation of the current SOPs: Informant 2 points to a limitation of the current SOPs:

*“The SOPs are quite helpful in maintaining standards but at the same time they can be limiting especially where they deal with clients who present peculiar circumstances: I end up having to provide more than what the SOPs provide.”*

This perspective underscores a critical tension within the current operational framework: The tension in the application of technology and the learning system is between universalization and individualization. SOPs enable a company to deliver a basic minimum service to all its clients but do not Gel with individual client needs. This tension leads to the notion that the SOPs could be a little more flexible, containing specific situations where it would be OK for an agent to deviate from the policy, if it's good for the client. The difficulty is, therefore, to construct a strategy that will provide a solid base for every aspect of the organizational structure while offering agencies enough freedom to serve many different clients without compromising on efficiency.

Informant 4 further elaborates on this issue: Informant 4 further elaborates on this issue:

*“Once for example a client was uncomfortable with most of the procedures prescribed by the SOPs and I had to alter the way I conducted myself around him despite this breaking the SOPs, then the client bought a product.”*

The example also points out the importance of a certain level of discretion of the agents in cases when it is important for the comfort of the client or the general satisfaction provided. This implies that full compliance with the SOPs is not always desirable especially when it comes to the interaction with the clients and sales performance. To this end, the company needs to think through how it might be possible to enable the agents to take such discretionary decisions without negating the spirit of the SOPs. This may include the integration of more flexible decision making procedures into the SOPs so that the agents can have the freedom to modify the approach while at the same time following the laid down service standards.

### **Product and Service Integration**

The integration of high-quality service with superior product offerings is identified as a cornerstone of PT. AJS Bumiputera Medan's competitive strategy. However, the data reveals both successes and challenges in achieving this integration.

*“Our products are designed to meet the specific needs of our clients, but it's how we communicate these benefits that really makes a difference. Clients need to understand not just what they are buying, but why it's important for their future.”*

This statement points to a critical aspect of product-service integration: the need for agents to be not only knowledgeable but also persuasive communicators. The data suggests that the value of the company's products can only be fully realized when clients are made to understand their long-term benefits, particularly in a context where immediate financial concerns may overshadow future planning. However, this raises an important consideration: are all agents equipped with the communication skills necessary to convey these complex benefits effectively? The company must critically assess whether its training programs sufficiently prepare agents for this level of client interaction, especially in a market like Medan, where financial literacy may vary widely among clients.

*“We have some of the best products in the market, but they don't sell themselves. It's up to us, the agents, to ensure that clients see the value in what we're offering. This means being able to explain complex coverage options in a way that's easy for clients to understand.”*

This insight reveals a common challenge in the insurance industry: even the best products require skilled agents to bridge the gap between product features and client needs. The implication here is that product excellence alone is insufficient agents must be adept at

translating these features into tangible benefits that resonate with clients' specific situations. This raises the question of whether PT. AJS Bumiputera Medan's product training programs are sufficiently client-focused, enabling agents to tailor their presentations to the individual needs and concerns of each client.

*"I once had a case of a client who rejected the policy because of the high price set aside to cover a critical illness policy compared to the ordinary policy, but after a brief explanation on how it is cheaper in the long run and how it will keep the individual financially instate in case of an illness, then the acquired the critical illness policy."*

It reinforces the customs' required understanding from agents of how to position the product within the client's overall financial management plan. It emphasises the importance of not merely writing an insurance policy but addressing people's need to 'buy' an assured future. However, this also comes with a loophole of agents pressuring clients or misinforming them of the offers under a given policy to make a sale. The company should make sure that while the agents are encouraged to convince the customers the ethical requirements should be met well to avoid any wrong presentation that would affect the company's reputation in the long run.

*"The products are good, nonetheless, given the current fiscal situation the clients are reluctant to invest in long-term policies and are a lot more concerned with the current requirements, it is for those clients that proving the worth of insurance is a challenge."*

This insight points to a critical challenge in the current market: the dilemma of the urgency of client's needs when it comes to money and the fact that insurance is long term business. From the data it appears that agents know how to sell the values of these products but they have to provide for their clients' complicated economic situations. Regarding this, PT has a strategic question: AJS Bumiputera Medan: how can the company equip it is agents for making these kind of sales especially during difficult economic times? This might entail giving agents what additional resources and seminars to explain the options of consumption now and for the future.

*"Despite the fact that we have good number of products that can provide cover, persuading clients to invest on insurance than on the various other expenses is still a big problem especially where the client is handling unspecified liabilities."*

This comment implies that the firm's competitive position cannot be anchored on some inherent value that is related to its products. But it also has to factor in the broader fiscal environment into which these products are being launched. This argues for a medium tactic approach to persuasion where the agents are trained to sell products as well as planning of their buyers' financial cycles. The data shows that when companies offer financial advisory services together with their products, PT. It could increase the competitive advantage of AJS Bumiputera Medan and improve the level of trust and loyalty among the clients.

The insights from this study provide a picture of the various antecedents that can be associated with PT's competitiveness. Its insurance market in Medan: AJS Bumiputera Medan High quality of service delivery, backed by sound SOPs and robust products portfolio as some of the main pillars of the company's competitive strategy. The study also shows that there is information concerning some limitations that can be enhanced in future, such as the flexibility of the services offered, and the efficiency of the marketing techniques used. The findings indicate that in spite of PT. AJS Bumiputera Medan has started well and this signals



the need for continuous changes and new ideas. This entails the improvement of the training activity of the agents so as to maximize the delivery of services in the context of standard operational procedures and adapting marketing techniques that improve the product image and acceptance. Further, the company must always be sensitive to general economic conditions and trends as a way of always adapting to clients' expectations.

There are various factors that influence the insurance market in Indonesia and even more so in Medan City; the industry is highly complex and competitiveness high (Abdin et al., 2022; Poan et al., 2022; Dartanto et al., 2020). Competitive forces are influenced by factors such as the economic instability, changes in governmental policies and regulations, and shifting consumers' expectations that challenge insurance companies to seek new ways and strategies for survival (Wirtz et al., 2021; Annarelli et al., 2020). This is especially the case in markets where the basic product offered by the firm is not a tangible physical product, but a projection of future wealth, such that the formation and maintenance of trust with clients is of the utmost importance. This trust is mainly developed with the help of the quality of service that is offered by insurance agents who are the direct representatives of their companies (Darmawan & Grenier, 2021).

Several literature review has stressed out the importance of service quality as an important factor that determines the success and competitiveness of insurance companies (Demir et al., 2021). For example, in a study by Abu et al. (2017), they noted that service quality was a key determinant of satisfaction and willingness to renew policies and make recommendation on insurance services. Also, Wijaya et al. (2020) observe that perceived value and insurance products are strongly associated with the quality of service done by the agent, which would greatly help boost its company's status in the market. However, despite acceptance of the fact that service quality has its place, there is always the conflict between the version of SOPs that dictate methods of service delivery and the need to be flexible enough to be able to respond to the different and dynamic nature of clients.

With regard to PT. This is especially the case for AJS Bumiputera Medan, an insurance institution that existed from the early days of Medan's growth as an important trading town to become a city, hence faced with the reality that delivering better service is one of the ways of sustaining competitive advantage. PT. At AJS Bumiputera Medan the strategic utilization of SOPs to maintain consistency of service to customers also aims to cover the heterogeneity of the employed agents. This is in line with the view held who notes that SOPs play a crucial role in ensuring that services are delivered consistently and to standard with clients and customers key on the reliability of service delivery experiences. Nevertheless, the complete adherence to SOPs could also mean the creation of new limitations especially when it comes to the clients in a rather diverse market ground such as Medan.

The degree of standardization and personalization in services is another pertinent problem that has not been explained extensively in the literature. Although SOPs are intended to standardise a minimum level of service delivery to ensure client trust, the guidelines can hamper the agents' flexibility regarding the clients they serve. This is even more important in the context of insurance where the possibility to develop individual contacts with the consumers can become a major competitive advantage. This study concurs with Sukmawan & Zulganef (2023) in highlighting, for example, that while 'personal touch' in service is a decisive influence over customers' loyalty and satisfaction, operative regularities that lie at the heart of SOPs are erroneously assumed to be inflexible and insensitive to the need for variability in patterns of interaction. This study aims at critically assessing the following research question: PT. While developing its operational strategies and procedures, AJS

Bumiputera Medan has ensured that some of them contain sufficient flexibility to enable its agents to cater for the various needs of its clients without effecting on the quality and standard of services to be delivered.

Furthermore, coupling of product line with service provision brings about another strong threat to PT in the following ways; AJS Bumiputera Medan. The medical insurance solutions offered by the enterprise full spectrum critical illnesses policy and other bespoke solutions are among the best in the industry. Nonetheless, these products' role in enhancing competitiveness relies significantly on agents 'communication and delivery. describe that even if those products are superior, competent agents who can explain why and how those products are important and useful to clients are needed, given that decision making and the understanding of insurance products might not be uniform among clients. This is consistent with the view that it is imperative to blend product features with quality services, which raises the perceived value and client satisfaction, which are cardinal in sustaining competition advantage.

However, the current economic uncertainties that are being practiced in Medan make the integration of the product and services, to our own disadvantage, a major challenge. Consumers may get temporal solutions that may not be useful to their insurance demands and may not be in a position to be convinced by the insurance agents to buy insurance policies. This dynamics can be seen more clearly in the work of Agustin et al. (2023) who suggested that during the economic crises there is a shift of concern to short-term cost sensitivity resulting in neglecting long-term costs, for instance, the purchase of insurance. The ability of PT. Indeed the company's agents in AJS Bumiputera Medan need strategies on how to respond to these challenges and persuade people about the benefits of the firm's products in the long-run.

### **Implication**

This research seeks to add to the body of knowledge on service quality and competition in the insurance industry, by presenting a contingency perspective involving Standard Operating Procedures and personalisation of service. Some prior research done by other scholars, for instance, Abu et al. (2017) have underscored the role of SOPs in enhancing standardization and operational dependability of service delivery encounters. However, this paper seeks to discuss and analyse some of the weaknesses of SOPs; this with regard to their ability to alter the nature of services that the agents are willing and able to offer their clients in accordance with their various needs. In doing so, this research also complicates the more general understanding of SOPs as unambiguously positive in that the findings expose flexibility within these prescribed protocols as perhaps being required for optimal service provision. In addition, this study goes further than the existing product-service integration literature by exploring the importance of communication in explaining how relationship interfaces mediate between product innovations and clients (Beyene et al., 2022; Ali et al., 2020). As outlined in prior literature, this study dwells on the part of the agent in translating the features in the offered products and services directly into the likely be (Lee 2023; van et al., 2024; De Vries et al., 2020). nefits to clients. This understanding can be of theoretical value in branching out finer typologies of service delivery in the insurance industry especially where informing the client and his/her financial literacy impact the purchase decision significantly.

The implications of the present study provide prescriptions for insurance organizations including PT. AJS Bumiputera Medan including the advancement of manufacturing their service delivery strategies and improving on their competitive advantage (Mitchell et al., 2021). However, the study first pointed out that SOPs are important even if they are to

provide minimum quality service and should allow for variation in agents' approaches partly due to clients' differences (Benz et al., 2021; Alshurideh et al., 2022; Rubio et al., 2020). This can include the development of a multi level of SOP's where higher levels of experience means more freedom and lower levels of experience mean more controls. Such an approach would guarantee coherence in places it is most required, at the same time promote autonomy, discretion and come up with customized service delivery among the agents.

Further, the research emphasizes the aspect of adequate training for the agents especially in the aspects of professionalism and handling of customers (Diederich et al., 2022; Bavaresco et al., 2020). In view of the fact that the success of PT. Products offered by AJS Bumiputera Medan is a function of the value of the products and the manner in which these are presented to their clients and therefore the need to invest in training programs that makes the agents better placed to justify the need for their products by explaining even the most complex features of the products to the clients. This training should also encompass ways of handling issues that maybe financially detracting to clients hence unable to afford long term policies such as stated by Agustin et al. (2023). It is crucial to extend more provisions of support by empowering its agents with the necessary tools and knowledge to counter these concerns in order to improve the company's market influences and climate with better client retention pattern (Morley & Floridi, 2020; Vestergaard et al., 2020).

In addition, this research paper sheds more light on an argument that PT. The AJS Bumiputera Medan should establish better marketing strategies that are suited on the current market in Medan. As clients are becoming more oriented towards the short perspective and concentrating on the immediate financial security, the company needs to find out how it can make its products relevant for the current circumstances. This could mean offering more relaxed payment options, or more variable policy types, or making existing policies appear more attractive by offering more extras for the price. The study also finds it crucial for insurance companies to bring about a 'service dominant' logic of operation that puts more focus on clients so as to meet their individual needs while also having a strong focus on reliability. It is more effective in conditions of economic instability and with reference to various client segments for whom it will be impossible to provide standardised service.

## **Conclusion**

This research therefore critically analysed some of the factors that define competitiveness of PT. An analysis of how SOPs have been applied by AJS Bumiputera Medan in the Medan insurance market and how they have integrated the offering of their products with the services they offer to customers. The research proves that while SOPs are vital in creating order and coherence to a service environment, particularly in terms of delivering quality service, the strict adherence to these practices limits the necessary scope for manoeuvre when dealing with clients with heterogenously varying needs and expectations in a rather competitive market such as Medan. Despite the fact that there is a clear need for standardization in service delivery to achieve efficiency in Insurance organizations, this research shows that there is need to employ more personalization that should be well coordinated to establish the needed client trust, which is the key success factor in Insurance business. Furthermore, the study reveals how communication plays a critical role of harmonizing the product line with the provision of services. But the excellent products also need sales agents of the highest quality, who can properly emphasize such features to the clients and who will be able to explain such features in the context of the clients' financial priorities. This aspect is very important especially in the current world where most clients are more concerned with the short –run goals due to fluctuations in the economy. The ability of

PT. To help AJIS Bumiputera Medan's agents fill this gap is crucial for improving the company's market share and clients base. Thus, the implication of the study is important both for theoretical and practical aspects. Theoretically, it supports the existing literature on service quality and competitive strategy on the insurance industry by explicating the relationship between SOPs and personalised service delivery. In the practical perspective, the study provides the set of recommendations for improving the strategies of service delivery, the training of agents, and the establishment of the effective marketing programs that meet the economic environment of the Medan market.

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