

## Research Article

# Business Model Innovation and Brand Strengthening at Artarindo Insurance. A Case Study of How Design is Applied at the Strategic Level

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## Abstract.

The business context is changing rapidly in line with technological improvements in the Industrial Era 4.0. Changes in people's behavior require every company to adapt to changes in their business models in the digital ecosystem. Established in 1978, Artarindo Insurance is a business entity that offers insurance products. Artarindo Insurance faces a significant threat of diminishing market share due to the age shift, which results in changes in the behavior of its customers. This research aims to see how Artarindo Insurance formulates a design strategy to answer the company's current challenges. In previous research, design has been shown to contribute positively at the strategic level in generating innovation and strengthening the company's brand. The method in that study used a qualitative approach, where primary data was collected through in-depth interviews and observation. Data analysis was carried out through a strategic design framework to look for design opportunities and solutions. The analysis results showed the need for rebranding and business process innovation through interaction design media as a new approach for the current market. Hopefully, this research will show how design can significantly impact business strategically and practically.

**Keywords:** Artarindo Insurance, branding, innovations, strategic design

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**Published:** 6 January 2025

**Publishing services provided by Knowledge E**

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Selection and Peer-review under the responsibility of the BCM 2023: Creative Economy Conference Committee.

## 1. Introduction

The context of human life is constantly changing, one of which is triggered by technological developments. Entering the industrial era 4.0, digitization technology is the main indicator of its application (1). The definition of *digitalization* itself is the transformation of value through the use of digital technology (2,3). The digitalization trend is causing rapid changes in various fields as all human, data, and machine connectivity is connected with digital-based technologies (4). In the economic field, digitalization requires every

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company to make changes in strategy, business model, process, and corporate culture to increase competitiveness and value creation (5–7).

When digitalization changes the market and consumer behavior, it will affect the overall business models of all industries, including the insurance industry. Most market participants believe digitalization will fundamentally change value creation in the insurance industry, such as how it interacts with new customers, new business processes, new risks, and new products (8). Digitalization in the insurance industry positively impacts insurance companies' sustainability (8,9). Insurance is a protection mechanism for the insured party if they experience risks in the future where the insured will pay premiums to get compensation from the insurer (10,11).

One of the insurance service providers in Indonesia is Artarindo Insurance. Established in 1978, Artarindo Insurance is headquartered in DKI Jakarta and has several branch offices spread across various cities in Indonesia. Artarindo Insurance has a vision "To become a trusted general insurance company and able to compete in the era of Globalization". Artarindo Insurance offers various insurance products, such as health insurance, motor vehicle insurance, property insurance, transportation insurance, personal accident insurance, movable property insurance, shipping insurance, travel insurance, warranty extension insurance, and liability insurance.

The business model of Artarindo Insurance is still conventional and not fully connected to digital media. Most of its customers are Generation X, born between 1965 and 1980 (12). The company's problems arise when the group of customers owned decreases. The new target market's potential customers are Generation Y and Z groups who are behaviorally and psychographically very close to digital technology (13,14). This demographic change requires companies to adapt to their new target market to survive in the insurance industry.

In previous studies, design has proven to positively contribute at the strategic level in generating innovation and strengthening the company's brand (15,16). Implementing design strategies in a business can increase competitive advantage and the *value* of a businessperson (17). This study aims to explain the design strategy carried out by Artarindo Insurance in the digital era. This research is expected to provide an overview of how design can be applied at the strategic level of a company. Furthermore, this research is also expected to provide examples of how a company changes its business model with a design approach.

## 2. Methods and Equipment

### 2.1. Methods

The method in this research used a qualitative approach, where primary data collection was done through in-depth interviews, literature studies, and observations.

#### 2.1.1. Data Collection

In this research, data collection is divided into three stages which can be seen in Figure 1. The first stage involved data obtained through in-depth interviews with the management of Artarindo Insurance. The interviewees were selected based on their in-depth knowledge and involvement in the Artarindo Insurance company as top management. At this stage, researchers could understand the problems experienced by Artarindo Insurance in detail and know the internal data. The second stage involved data obtained by studying secondary data from literature such as scientific articles, previous research journals, reference books, and websites.

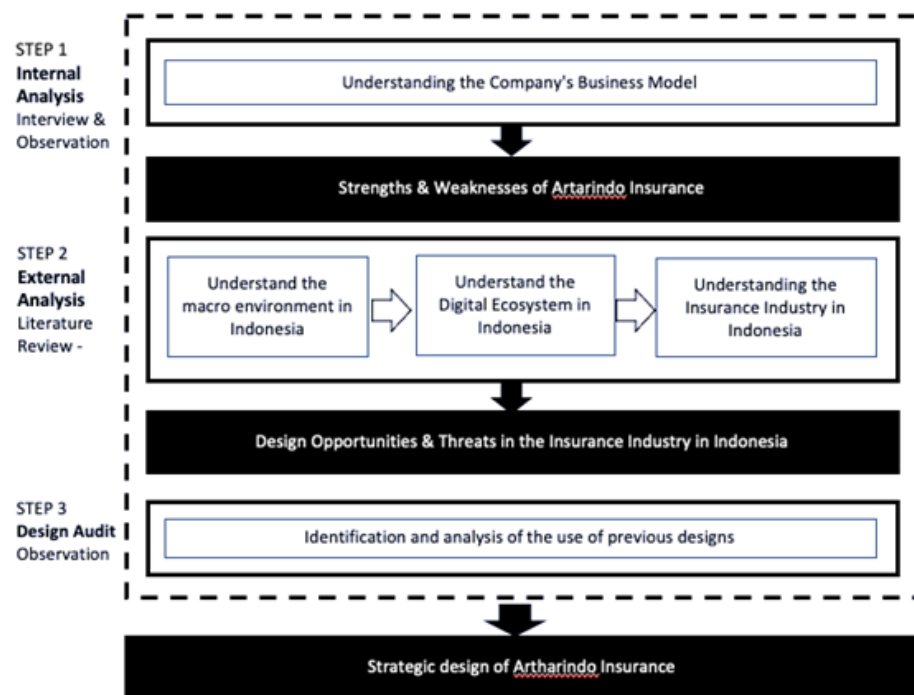
At this stage, researchers identified the impact of the development of digitalization on Artarindo Insurance. The last stage involved data obtained by observing all the outputs of the previous design. At this stage, researchers observed the visual media design of Artarindo Insurance, both physical and digital forms, which had been done before.

#### 2.1.2. Data Analysis

The data results were analyzed using the formulation theory of Brigitte Borja de Mozota (18). All data & analysis results obtained at each stage are considered for developing recommended design strategies.

## 3. Results And Discussion

The strategic design process of Artarindo Insurance can be seen in the Figure 2. The design process begins with understanding the external conditions related to the insurance industry through analyzing PEST, Porter's Five Forces, and conducting perceptual mapping of competing companies. Internal analysis is carried out to map the strengths and weaknesses of the company so that the strategy can be determined appropriately.



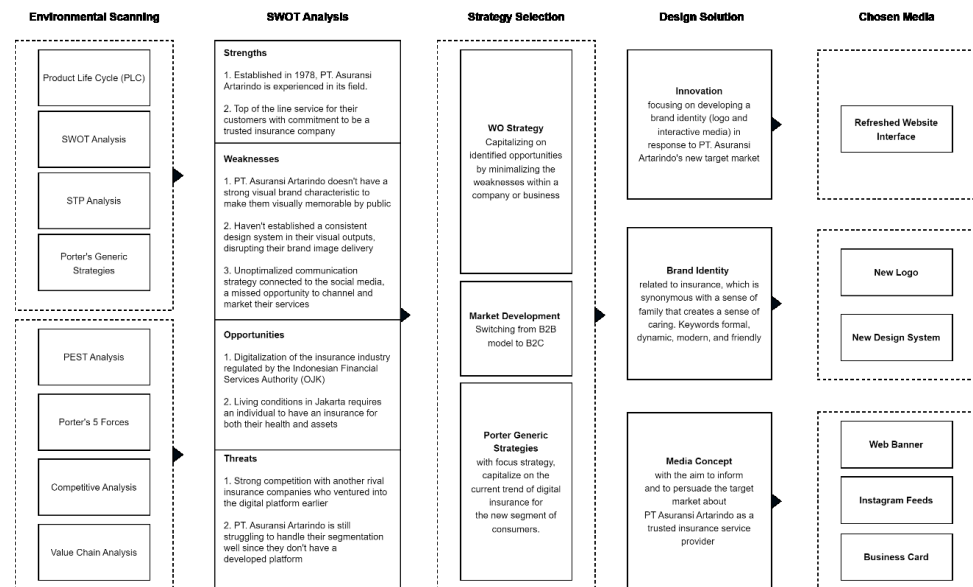
**Figure 1:** Overview of the research design. Source: Private Document.

The external and internal analysis findings are further identified as strengths, weaknesses, challenges, and opportunities owned by Artarindo Insurance. SWOT matrix analysts produce several strategies that Artarindo Insurance can apply to businesses, namely changing its business model by entering digital platforms and adding target markets that were initially B2B to the form of B2C.

Based on the design strategy process that has been carried out, it can be concluded that Asuransi Artarindo has the opportunity to change its business processes according to the new target audience through interactive website media. Changes in target audience also impact the company's need to rejuvenate its image by re-branding its identity media. New digital-based business models and identity changes require companies to educate and communicate with customers and potential customers. Through the three design outputs (innovation, brand identity, and brand communication) produced, the company's strategy to enter new markets is hoped to run smoothly.

## 4. Conclusion

This research found opportunities and business process innovations to enter new markets through online business-to-customer product sales in the insurance industry,



**Figure 2:** Overview of the strategic design process in Artarindo Insurance. Source: Private Document.

especially for Artarindo Insurance. Based on the results of this study, design can influence business strategically and practically which is following several previous studies. The approach taken is from a design perspective rather than from management science where the findings aim to improve design. This research is an example of how design is used at a strategic level within a company and results in innovation and brand strengthening.

## Conflict of Interest

The authors have no conflict of interest to declare.

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