

Research Article

# The Influence of Public Literacy Level, Brand Image, and Service Quality on Customer Satisfaction in Life Insurance Products: A Case Study of the PT Prudential Prestasi Agency Binjai

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## ABSTRACT

This study will look at how public literacy, brand image, and service quality affect customer satisfaction at PT Prudential Prestasi Agency Binjai. A quantitative method was used, with 60 respondents completing surveys and evaluating the data using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The findings demonstrate that public literacy and service quality have a favorable and considerable impact on consumer satisfaction, whereas brand image has no meaningful influence. These findings show that financial awareness and service experience are more important in determining happiness than brand impression alone. The practical implication emphasizes the need to enhance financial education and optimize customer service quality to strengthen loyalty and improve overall satisfaction within the insurance industry.

**Keywords:** Public Literacy; Brand Image; Service Quality; Customer Satisfaction; PLS-SEM; Life Insurance

## 1. INTRODUCTION

The level of public literacy, brand image, and service quality are important variables in determining client satisfaction with life insurance products. Adequate insurance literacy enables people to understand the benefits, risks, and procedures of insurance products, thereby increasing trust and interest in insurance. According to OJK (2021), financial literacy in Indonesia remains relatively low, with life insurance literacy at around 58.74%, while financial service inclusion reached 76.19%. This indicates a gap between access and understanding of insurance products (Suyani & Secapremana, 2022).. This presents a challenge for insurance companies, including PT. Prudential Prestasi Agency Binjai, to enhance customer education and literacy in order to achieve greater satisfaction with life insurance products. A strong brand Image also influences clients' good opinions of insurance firms. Research by (Imsar et al., 2022) revealed that the perceived value and trust established into Prudential's Sharia insurance services had a direct influence on client loyalty, which is strongly related to satisfaction levels. A strong brand image may increase client trust and loyalty, adding to total satisfaction. (Azizah, 2023). In the competitive insurance industry, companies must be able to build and maintain a positive brand image through effective communication and consistent service. As one of Indonesia's leading insurance companies, PT. Prudential has great potential in this regard but must continue to innovate to meet customer expectations.

Service quality is a vital aspect that directly influences the client experience. This is consistent with findings by (Marisa et al., 2023), It discovered that characteristics of service quality such as empathy and assurance had a substantial impact on client satisfaction with Sharia life insurance. Other (Wijayanti & Rahayu., 2022), Studies have also revealed that service quality has a significant impact on customer satisfaction in the Islamic financial services sector, reinforcing that service remains a key element in creating a positive customer experience. Responsive, friendly, and professional service can enhance satisfaction and strengthen long-term relationships between customers and the company (Suyani & Secapremana, 2022). Research indicates that good service quality not only improves satisfaction but also influences customers' decisions to renew policies or recommend the products to others (Wulandari et al., 2021). Therefore, PT. Prudential Prestasi Agency Binjai has to focus on enhancing service quality in order to maintain and attract additional clients (Kurniawan & Fitriani, 2020). Low insurance literacy often becomes a major obstacle to the penetration of life insurance products in Indonesia. Many people still lack a comprehensive understanding of life insurance benefits, resulting in limited interest in purchasing insurance (Ramadhan, 2023). Intensive education and socialization are essential to improve literacy, especially in areas

such as Binjai, which has great market potential. Enhancing literacy will enable customers to make better decisions and increase their satisfaction with the products they use (Otoritas Jasa Keuangan, 2022).

A positive brand image also enhances public perception of the security and credibility of an insurance company. A strong brand image is typically supported by corporate reputation, customer testimonials, and the quality of the products offered (Azizah, 2023). As a global brand, PT. Prudential has an advantage in this aspect but must maintain consistency and transparency to ensure customer trust remains intact. The company must actively engage in branding and effective communication to strengthen its position in the local market (Hidayati & Sari, 2020). Excellent Service quality is a key indication of client happiness. Services that are fast, accurate, and tailored to customers' needs create a positive experience that leads to customer loyalty (Suyani & Secaprema, 2022). In the context of PT. Prudential Syariah Binjai, improving service quality can be achieved through agent training, digital technology utilization, and a responsive complaint-handling system. These efforts will provide added value for customers and enhance their satisfaction (Hidayat et al., 2023). There has been a lot of study on how public literacy, brand image, and service quality affect consumer happiness, but there are still some gaps. First, most earlier research concentrated on one or two factors, such as service quality and loyalty, without considering customer pleasure as a mediating or major variable. In fact, according to service marketing theory, satisfaction is a crucial stage before customer loyalty is formed (Kotler & Keller, 2019).

Previous studies have examined these variables, including research by (Monica & Yusrizal, 2023), which analyzed the impact of service quality on customer loyalty at PT Prudential Syariah Binjai. The study discovered that service quality has a substantial impact on loyalty. However, it did not include customer satisfaction as a key variable, even though in service marketing theory, satisfaction is often an essential phase before loyalty develops. Moreover, (Monica & Yusrizal, 2023) did not examine the influence of public literacy or brand image two variables that significantly shape customers' perceptions and experiences of life insurance products, especially in areas with developing literacy levels such as Binjai. This research gap creates the need for a local study that explores how public understanding of insurance directly affects customer satisfaction. Brand image is often assumed to enhance customer happiness and loyalty. However, the results of this study show that brand image has no substantial influence on consumer happiness. This suggests that customers at PT. Prudential Prestasi Agency Binjai may prioritize service quality and literacy over brand perception. This gap has rarely been addressed in previous studies.

Research by (Didi Sujadi & Maman Darmansyah, 2023) also found that service quality and brand image, both simultaneously and partially, significantly influence customer satisfaction. Their findings reinforce that service quality is the dominant factor affecting satisfaction, followed by perceptions of brand image. Although their research context was not specifically in the insurance sector, the results remain relevant for illustrating the importance of these two variables in shaping satisfaction in trust-based services such as life insurance. Furthermore, a study by (Febrina et al., 2021) also strengthened the link between service quality, customer satisfaction, and brand image. Their findings showed that service quality significantly influences customer satisfaction, and that satisfaction positively affects brand image. Although not specifically focused on financial services, the findings remain relevant in illustrating that good service enhances satisfaction and fosters positive brand perception. These findings align with the focus of this study, which positions satisfaction as an outcome of service and brand perception in the life insurance industry. However, most previous studies examined these variables separately either service quality, brand image, or literacy or were conducted in non-insurance sectors. Few studies have analyzed these three variables simultaneously in the context of Sharia insurance agencies, particularly in areas with relatively low public literacy levels such as Binjai. Therefore, This work attempts to address this gap and provide empirical contributions to the development of customer satisfaction strategies at PT. Prudential Prestasi Agency Binjai. Good financial literacy contributes to public awareness of the importance of life insurance as financial protection for families in the future (Suyani & Secaprema, 2022). This awareness forms the foundation for customers to feel satisfied and confident in the insurance products they own. Thus, improving literacy must be part of the company's strategy to continuously enhance customer satisfaction (Yuliani & Prasetyo, 2021).

In facing increasingly fierce competition in the insurance industry, PT. Prudential Prestasi Agency Binjai needs to integrate improvements in public literacy, brand image enhancement, and service quality advancement as synergistic efforts to achieve optimal customer satisfaction. In doing so, the organization will be able to maintain current clients while also attracting new ones in a sustainable manner. Considering these three variables, it can be concluded that there is a gap between theoretical assumptions and field realities, particularly in local branches such as Binjai, which have not been extensively investigated in prior research. As a result, this study is necessary to investigate the impact of these factors on customer satisfaction at the local level. Although theoretically, insurance literacy, brand image, and service quality are considered key factors shaping customer satisfaction, real-world observations reveal a more complex dynamic. Some customers express satisfaction with life insurance services without being explicitly influenced by literacy level or brand perception (Nasution & Sari, 2023). There is even a tendency that satisfaction is more strongly affected by direct service experiences, such as agent friendliness or claim processing speed. This suggests that not all conceptually important variables are perceived as significant by customers in practice. Thus, this research is relevant to empirically test whether these three variables still play a role in shaping customer satisfaction or whether there has been a shift in customer perceptions toward other influencing factors.

Given this background, this study is critical for providing empirical insights into the impact of public literacy level, brand image, and service quality on customer satisfaction with life insurance products at PT. Prudential Prestasi Agency Binjai. The study findings are likely to function as a strategic recommendation for the organization in terms of increasing competitiveness and boosting customer happiness in the future. The precise research topics for this project are as follows: How does public literacy improve consumer satisfaction. How can brand image improve consumer satisfaction. How does service quality improve customer satisfaction.

## 2. RESEARCH METHOD

This study used a quantitative method with a positivistic perspective, intending to evaluate causal links among variables using numerical data that can be statistically examined (Sugiyono, 2021). This approach was chosen because it is appropriate for testing the influence of public literacy, brand image, and service quality variables on customer satisfaction. The study's population included all consumers of PT Prudential Prestasi Agency Binjai. Selection was done using a non-probability selection approach called purposive sampling, which includes selecting samples based on particular criteria related to the study aims. The Criteria established for respondents were: (1) active Prudential customers who have used life insurance products for at least six months, and (2) those who were willing to voluntarily complete the research questionnaire. A total of 60 respondents were collected, which was considered adequate for analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM), which may be applied to relatively modest sample sets. (Hair et al., 2021)

The research instrument used to collect data was a systematic questionnaire built using theoretical reviews and indications from past relevant investigations. The questionnaire included two parts: Part I contained respondents' personal information (age, gender, length of time as a client, and kind of insurance plan utilized). Part II included comments about the research variables: public literacy, brand image, service quality, and customer satisfaction. Each characteristic was assessed using a 5-point Likert scale, with 1 indicating severe disagreement and 5 indicating strong agreement. This scale measured respondents' level of agreement with statements reflecting their perceptions and experiences of Prudential's insurance services. The data gathering technique included disseminating the questionnaire online via Google Forms to facilitate distribution among respondents located in Binjai and surrounding areas. Data collection was conducted during May 2025. Each respondent was provided with an explanation of the research objectives and assurances of data confidentiality before completing the questionnaire. The data was analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) and SmartPLS software. This approach was chosen for various reasons, including its capacity to assess complicated models with small sample sizes, the fact that it does not require normally distributed data, and the ability to test both direct and indirect correlations among latent variables at the same time. The study was divided into two stages: (1) evaluating the measurement model (outer model) to verify construct validity and reliability, and (2) evaluating the structural model (inner model) to investigate causal links between latent variables and test the research hypotheses.

## 3. RESULTS AND DISCUSSION

### Validity Test

Construct validity can be evaluated through several key indicators, one of which is the loading factor and Average Variance Extracted (AVE), which reflect how well the indicators represent the constructs being measured.

### Average Variance Extracted (AVE)

**Table 1** shows the projected findings for the Average Variance Extracted (AVE) values. An AVE value greater than 0.5 indicates that a variable meets the requirements for convergent validity.

**Table 1. Results of AVE Convergent Validity**

Variables	Average Variance Extracted (AVE)	Descriptions
Public Literacy	0.636	Valid
Service Quality	0.618	Valid
Brand Image	0.575	Valid
Customer Satisfaction	0.628	Valid

Source: Processed data using SmartPLS 3, 2025

Based on **Table 1**, shows the average variance extracted (AVE) values for each variable: Public literacy = 0.636; service quality = 0.618; brand image = 0.575; and customer satisfaction = 0.628. All AVE values surpass the 0.50 barrier, suggesting that each variable satisfies the criteria for convergent validity. Therefore, all four variables are considered valid.

### Discriminant Validity

Discriminant validity ensures that each construct in the measurement model assesses a separate topic does not overlap with others. In other words, discriminant validity assesses the extent to which different constructs can be clearly distinguished from one another. Evaluation of discriminant validity can be carried out using three main approaches: Cross loading, the Fornell-Larcker criteria, and latent variable correlation.

### Cross Loading

In this study, discriminant validity was assessed using the cross loading approach, which involves comparing each

indicator's loading value on its original construct to its loading values on additional constructs. Discriminant validity is attained when the loading value on the original concept is higher than that of other constructs, indicating that each indicator better represents its own construct rather than others.

**Table 2. Results of Cross Loading for Discriminant Validity Test**

Indicators	Brand Image (X3)	Customer Satisfaction (Y)	Service Quality (X2)	Public Literacy (X1)	Descriptions
Brand Image (BI1)	0.800	0.589	0.657	0.610	Valid
Brand Image (BI2)	0.839	0.478	0.653	0.681	Valid
Brand Image (BI3)	0.752	0.428	0.541	0.473	Valid
Brand Image (BI4)	0.830	0.540	0.618	0.640	Valid
Brand Image (BI5)	0.761	0.560	0.578	0.648	Valid
Customer Satisfaction (CS1)	0.549	0.733	0.559	0.658	Valid
Customer Satisfaction (CS2)	0.431	0.669	0.458	0.454	Valid
Customer Satisfaction (CS3)	0.499	0.811	0.601	0.454	Valid
Customer Satisfaction (CS4)	0.545	0.872	0.696	0.661	Valid
Customer Satisfaction (CS5)	0.554	0.828	0.595	0.561	Valid
Service Quality (SQ1)	0.634	0.599	0.757	0.572	Valid
Service Quality (SQ2)	0.445	0.478	0.718	0.383	Valid
Service Quality (SQ3)	0.571	0.468	0.758	0.528	Valid
Service Quality (SQ4)	0.577	0.570	0.777	0.663	Valid
Service Quality (SQ5)	0.651	0.675	0.780	0.672	Valid
Public Literacy (PL1)	0.584	0.663	0.624	0.836	Valid
Public Literacy (PL2)	0.626	0.541	0.628	0.811	Valid
Public Literacy (PL3)	0.626	0.417	0.457	0.710	Valid
Public Literacy (PL4)	0.696	0.648	0.682	0.831	Valid
Public Literacy (PL5)	0.540	0.527	0.569	0.767	Valid

Source: Processed data using SmartPLS 3, 2025

According to the cross loading test findings, all indicators in the model have higher loading values on their respective constructions than other constructs. Indicators for the Brand Image variable have greater loading values on the Brand Image construct than other variables like Customer Satisfaction, Service Quality, and Public Literacy. The similar trend is shown with the indicators of Customer Satisfaction, Service Quality, and Public Literacy, all of which have the greatest loading value on their respective constructs. Thus, these results imply that all indicators fulfill the criterion for discriminant validity, meaning that each construct in the measurement model can be clearly distinguished and does not overlap with others.

### Construct Reliability

Construct reliability may be assessed using two methods: Cronbach's Alpha and Composite Reliability. Both approaches are used to test the internal consistency of the indications that comprise a variable, thereby showing the extent to which these indicators reliably represent the construct being measured.

**Table 3. Results of Cronbach's Alpha and Composite Reliability Tests**

Variables	Cronbach's Alpha	Composite Reliability	Descriptions
Public Literacy	0.852	0.894	Reliable
Service Quality	0.817	0.871	Reliable
Brand Image	0.857	0.897	Reliable
Customer Satisfaction	0.843	0.889	Reliable

Source: Data processed by the author using SmartPLS 3, 2025

According to **Table 3**, the findings of the construct reliability test show that all study variables have a good level of internal consistency. This is demonstrated by Cronbach's Alpha scores ranging from 0.817 to 0.857 and Composite Reliability values ranging from 0.871 to 0.897. Both sets of values exceed the minimum threshold of 0.70. Thus, Public Literacy, Service Quality, Brand Image, and Customer Satisfaction as constructs, along with their respective indicators, have been proven reliable in representing the measured constructs.

### Model Fit Validation

Model fit is an indicator used to assess how well the study model matches the data. In PLS-SEM, this evaluation verifies that the theoretical model structure is consistent with the actual data. Indicators include SRMR, d-ULS, d-G, NFI, GoF, and  $Q^2$  for predictive relevance are used for this purpose. A model is considered to have a good fit if these indicator values meet the established criteria or rule of thumb.

**Table 4. Model Fit Validation Results**

Parameter	Rule of Thumb	Parameter	Description
SRMR	If the SRMR value is < 0.10, then the model is considered fit.	0.086	Fit
d-ULS	$\geq 0,05$	1.564	Fit
d-G	$\geq 0,05$	0.967	Fit
NFI	The NFI value approaches 1.	0.682	Fit
GoF = $\sqrt{\text{Average AVE} \times \text{Average R Square}}$	0.1 Small GOF 0.25 Moderate GOF 0.36 Large GOF	0.614	Fit
$Q^2$ Predictive Relevance	$Q^2 > 0$ : The model has predictive relevance. $Q^2 < 0$ : The model lacks predictive relevance. 0.02 = Weak, 0.15 = Moderate, 0.35 = Strong.	0.544	Fit

Source: Data processed by the author using SmartPLS 3, 2025

The results in **Table 4**, demonstrate that the research model fulfills all of the relevant model fit requirements. This is evidenced by: SRMR = 0.086 (below 0.10), indicating a good covariance matrix fit; d-ULS = 1.564 and d-G = 0.967 (both > 0.05), reflecting structural accuracy; NFI = 0.682, showing adequate model conformity (though not yet ideal at 1.000); GoF = 0.614 (categorized as large), confirming high measurement quality; and  $Q^2 = 0.544$  (> 0.35), demonstrating strong predictive power. Overall, the structural model is declared to have a good fit in terms of data alignment, structural accuracy, and predictive strength.

### Structural Model Evaluation (Inner Model)

#### R-Squared Analysis for Structural Model Evaluation

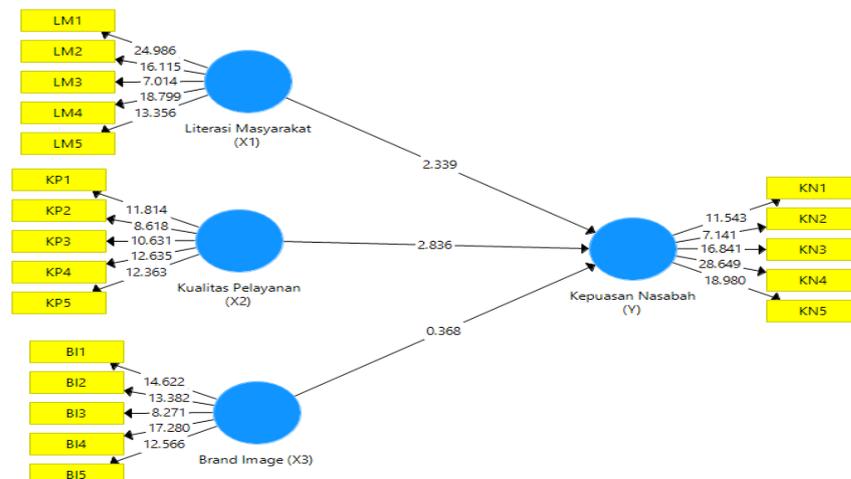
In PLS-SEM, the R-Square ( $R^2$ ) value assesses how effectively the latent independent variables explain the variance of the latent dependent variable, as well as the model's predictive power.  $R^2$  values vary from 0 to 1, with values closer to 1 indicating stronger model in explaining the variance. The R-Square values obtained from this analysis are presented below:

**Table 5. R-Square ( $R^2$ ) Test Results**

Dependent Variable	R-Square	R-Square Adjusted
Performance	0.615	0.594

2025 Source: Data processed by the author using SmartPLS 3, 2025

**Table 5** shows an R-Square ( $R^2$ ) value of 0.615 for the dependent variable Performance, suggesting that the model's latent independent factors account for 61.5% of its variability. Meanwhile, the Adjusted R-Square value of 0.594 represents the correction for the number of predictors included in the model, still demonstrating good predictive capability. Thus, this model has a fairly strong ability to explain variance in the Performance variable. Nevertheless, the remaining 38.5% of variability (100% - 61.5%) is not explained by the constructs in this model. This unexplained variation may arise from other factors outside the model, such as individual characteristics, external conditions, or intervening variables not included in the study. Therefore, these results also provide opportunities for further model development by considering additional relevant variables to enhance the model's explanatory power toward the Performance variable. Figure 2 below presents the output of the PLS-SEM Algorithm, illustrating the  $R^2$  values as well as the original sample results within the research model.



**Figure 1. SmartPLS 3.0 Output Results**

### Significance Testing (Hypothesis Testing)

To establish the statistical significance of the associations between latent variables in PLS-SEM, a bootstrapping test was used. This approach entails resampling the data to obtain estimates of path coefficients and standard errors. Significance is assessed using t-statistics or p-values, with a criteria of  $p\text{-value} < \alpha$  (0.05 in this study). A significant route coefficient implies that the link between the independent and dependent latent variables is statistically valid, and so supports the hypothesis. The results of model bootstrapping are reported below:

**Table 5. Path Coefficient Bootstrapping Results for Significance Testing**

Path Coefficient	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Description
Brand Image (X3) -> Customer Satisfaction (Y)	0.051	0.078	0.140	0.368	0.356	Rejected
Service Quality (X2) -> Customer Satisfaction (Y)	0.455	0.447	0.160	2.836	0.002	Accepted
Public Literacy (X1) -> Customer Satisfaction (Y)	0.335	0.335	0.143	2.339	0.010	Accepted

Source: Data processed by the author using SmartPLS 3, 2025

The significance test of the associations among latent variables generated by the bootstrapping procedure in the PLS-SEM model yielded three routes, as shown in **Table 5**. The first route, Brand Image (X3) → Customer Satisfaction (Y), has a coefficient of 0.051, t-statistic of 0.368, and p-value of 0.356. The hypothesis is rejected since the p-value above the significance threshold of 0.05, indicating that this association is not statistically significant. This outcome demonstrates that, in this research environment, perception of brand image does not have a sufficiently significant effect on customer satisfaction. In contrast, the correlation between Service Quality (X2) and Customer Satisfaction (Y) is substantial. The path coefficient of 0.455, t-statistic of 2.836, and p-value of 0.002 show a significant link ( $p\text{-value} < 0.05$ ). Thus, the idea is accepted. This research indicates that the service quality perceived by customers contributes positively to their satisfaction levels. The third path, Public Literacy (X1) → Customer Satisfaction (Y), also shows a significant relationship. The coefficient value of 0.335, t-statistic of 2.339, and p-value of 0.010 indicate a statistically significant link ( $p\text{-value} < 0.05$ ). This implies that the higher the degree of public literacy, the greater its impact on customer satisfaction. Overall, among the three tested paths, two show significant relationships Service Quality and Public Literacy while Brand Image does not contribute significantly to customer satisfaction in this research model.

### Hypothesis Testing (H1): Public Literacy Positively Affects Customer Satisfaction

Public literacy significantly improves customer happiness (path coefficient = 0.335, t-statistic = 2.339, p-value = 0.010). This means that Hypothesis H1 is accepted. Phenomenologically, this finding suggests that the community's understanding of the concepts, benefits, and mechanisms of life insurance directly contributes to their satisfaction with the services received. Individuals with a good level of literacy tend to understand policy content, claim procedures, and product benefits, allowing them to act more rationally, avoid misunderstandings, and exercise their rights and responsibilities as customers effectively. As a result, well-informed customers tend to have a more positive perception of the insurance company's services, leading to higher satisfaction. Conversely, low literacy levels often lead to misunderstandings, disappointment, or negative perceptions, even when the company provides services according to standards. This finding aligns with the study by (Khofifah Indar Mawar Sari et al., 2024), research discovered that Islamic financial literacy has a favorable and considerable impact on customer loyalty at Bank Syariah Indonesia. Although the dependent variable in that study was loyalty, both customer happiness and loyalty belong to the same logical continuum within consumer behavior theory. In the context of PT Prudential Prestasi Agency Binjai, this emphasises the importance of instructional and promotional activities related insurance products in improving client satisfaction, especially in regions where financial literacy levels are still developing.

### Hypothesis Testing (H2): Brand Image Positively Affects Customer Satisfaction

The analysis results demonstrate that brand image has no significant impact on customer satisfaction at PT Prudential Prestasi Agency Binjai, as evidenced by a p-value of 0.356 ( $> 0.05$ ). Thus, the theory that brand image positively increases consumer pleasure is rejected. Theoretically, brand image is seen as a critical aspect in shaping customer perceptions and attitudes about a product or service. A great brand image may promote consumer trust, loyalty, and satisfaction by shaping how customers view the quality, dependability, and value of the services offered (Ferdiana Fasha et al., 2022). However, (Hayani et al., 2024) found different results in their study at AJB Bumiputera 1912 Medan, where brand image significantly and positively affected customer loyalty and was a key factor in strengthening customer trust and long-term relationships. Several factors may explain these differences. First, customers of PT Prudential Prestasi Agency Binjai may focus more on direct service experiences rather than the general perception of brand image. In service industries like insurance, actual service quality and claim processes often serve as the main determinants of satisfaction rather than brand reputation. Second, perceptions of the national brand image of PT Prudential Indonesia do not always reflect the customer experience at the local branch level. Although Prudential has a strong global reputation, dissatisfaction at the

branch level may overshadow the positive value of the brand image. Third, in a local context such as Binjai, factors like agent interaction, product outreach, and community engagement may have a stronger influence than the national brand image built through media or marketing campaigns. Thus, this finding provides an important insight for the management of PT Prudential Prestasi Agency Binjai that relying solely on national brand strength is insufficient. The company must ensure that customers' local experiences genuinely reflect the brand's values and reputation.

### Hypothesis Testing (H3): Service Quality Positively Affects Customer Satisfaction

The study found that Service Quality has a positive and substantial impact on customer satisfaction, with a path coefficient of 0.455 and a p-value of 0.002 ( $< 0.05$ ). This indicates that the better the service quality offered by PT Prudential Prestasi Agency Binjai, the greater the level of client happiness. This conclusion is consistent with existing ideas and prior studies indicating that service quality is a significant predictor of customer happiness, particularly in service industries such as insurance. Customers who experience fast and responsive service, courteous and professional treatment, and clear information especially during claim processes tend to feel valued, cared for, and protected by the company (Septia et al., 2023). This study is also consistent with findings from (Nurhayani, Kamilah, 2023), who examined digital banking services at Bank BSI Syariah Langkat Regency. They found customer satisfaction was highly impacted by the characteristics of service quality accuracy, speed, and security. Although the research contexts differ (digital banking vs. life insurance), the fundamental service principles remain similar: providing comfort, convenience, and security in customer interactions. Similarly, (Ummah, 2019) in her research at Bank Muamalat Medan found that high-quality products closely related to service quality in Islamic banking significantly affect customer satisfaction. Products and services that fulfill customers' expectations foster trust, loyalty, and long-term satisfaction. This shows that customers assess service quality not only based on outcomes (such as claim approval) but also through their overall experience responsiveness, friendliness, and transparency during service interactions. Therefore, PT Prudential Prestasi Agency Binjai should continuously improve its service standards through agent training, digital service systems, and using customer relationship management (CRM) to ensure long-term client happiness.

Based on data analysis using the PLS-SEM approach, it was found that Service Quality has the greatest influence on customer satisfaction, with a coefficient value of 0.455, followed by Public Literacy, which has a coefficient of 0.335, and Brand Image, which has a p-value of 0.356. These findings suggest that customers at PT Prudential Prestasi Agency Binjai tend to place greater value on their direct service experience such as responsiveness, friendliness, and accessibility—when determining satisfaction, rather than relying on brand perception. Although not the most dominant factor, Public Literacy still plays an important part in determining customer happiness. This suggests that customers' understanding of life insurance concepts, benefits, and mechanisms is important in shaping their perceptions and experiences as policyholders. Recognizing this, PT Prudential Prestasi Agency Binjai has implemented several educational strategies to improve customer understanding, including conducting small-group training sessions to explain technical aspects and benefits of insurance products. Additionally, the company actively distributes brochures and digital educational materials containing concise yet comprehensive information through trained official agents. To enhance transparency and accessibility, the company has also developed digital information systems such as applications and websites that allow customers to independently monitor their policy status, premiums, and benefits in real time. This approach is expected to bridge information gaps, strengthen customer trust, and improve overall satisfaction with the company's services.

## 4. CONCLUSION

Based on the findings of data analysis using PLS-SEM on three independent variables public literacy, brand image, and service quality and one dependent variable customer satisfaction the following conclusions may be drawn: Public literacy has a favorable and significant impact on client satisfaction. This conclusion suggests that the better the community understands the principles, advantages, and mechanics of life insurance, the more satisfied they are with the insurance products they use. This result agrees with the findings of (Azizah, 2023) and (Ramadhan, 2023), who emphasized that literacy plays an essential role in shaping customer trust and financial decision-making. Brand image has no substantial impact on consumer satisfaction. PT Prudential has a great global brand image, however this does not have a direct impact on customer satisfaction at local branches. This finding implies that direct service experience has a greater influence on satisfaction than brand impression. This finding differs from (Imsar et al., 2022) and (Kevin Jonathan Kurniawan et al., 2023), who found that Brand image adds to consumer loyalty and happiness, suggesting that this area requires further study by the organization. Service quality has a positive and significant impact on client satisfaction. This suggests that the higher the quality of service offered, the more satisfied the consumer is. Empathy, responsiveness, and certainty are critical dimensions for producing a great client experience. This finding supports (Marisa et al., 2023) and (Septia et al., 2023) who stated that service quality is the main determinant of customer satisfaction in the financial services industry. Overall, this study emphasizes that in the context of Islamic life insurance services in regions such as Binjai, literacy and direct service play a dominant role in shaping customer satisfaction, while brand image though important does not necessarily serve as the main determinant unless supported by good service quality.

### Practical and Theoretical Implications

Theoretically, the results strengthen existing consumer behavior and Service quality models are validated by demonstrating the mediation effect of literacy and service performance in customer satisfaction. In practice, the findings give practical insights for insurance businesses to prioritize literacy instruction and service excellence as critical methods for enhancing customer happiness and long-term loyalty.

### Suggestions for Future Research

For PT Prudential Prestasi Agency Binjai:

The company should strengthen insurance literacy education and outreach programs through both digital platforms and face-to-face training for potential customers. Since literacy has a proven positive influence on satisfaction, enhancing public understanding can foster long-term loyalty. In addition, service quality improvement should remain a top priority, particularly in empathy and responsiveness dimensions. Regular training for insurance agents and the development of digital-based customer complaint systems are highly recommended, aligning with (Suyani & Secapremana, 2022), who emphasized the importance of social interaction and service in driving satisfaction.

### For Future Researchers:

Future studies are encouraged to include trust or perceived value as mediating variables between literacy, Brand image and service quality contribute to consumer happiness. This approach could deepen understanding of the interrelationships among variables and fill gaps left in the current study, as highlighted by (Imsar et al., 2022).. Moreover, subsequent research may broaden the scope beyond Binjai to compare perceptions across Prudential branches in North Sumatra, allowing for a more comprehensive understanding of geographic variations in customer satisfaction.

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