

ADOPTION OF DIGITAL TECHNOLOGIES IN BANCASSURANCE: A STUDY IN THOOTHUKUDI DISTRICT

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ABSTRACT

The rapid growth of digital technologies has brought significant changes to the banking and insurance sectors, particularly through the emergence of bancassurance. Digital platforms have enhanced the delivery of insurance products by improving accessibility, transparency, and operational efficiency. The present study aims to analyze the adoption of digital technologies in bancassurance services in Thoothukudi District and to examine the level of customer awareness, adoption, and satisfaction towards digital bancassurance. The study is based on both primary and secondary data. Primary data were collected from 180 bank customers using a structured questionnaire, and the data were analyzed using statistical tools such as percentage analysis, t-test, ANOVA, and Chi-square test. The findings reveal that digitalization has positively influenced bancassurance services by reducing paperwork, improving service speed, and enhancing customer convenience. The study also found that gender has no significant influence on most aspects of digital bancassurance, except in the perception of paperwork reduction, while age significantly affects customer satisfaction in terms of quick response and convenience of premium payment. Further, educational qualification was found to have a significant relationship with the problems faced in using digital bancassurance services. The study concludes that although digital bancassurance has gained considerable acceptance in Thoothukudi District, there is a need for greater customer awareness, digital literacy, and trust-building measures to ensure its effective and inclusive adoption.

KEYWORDS - Digital Technologies, Bancassurance, Customer Satisfaction, Digitalization, Adoption, Thoothukudi District, Banking and Insurance, Financial Services

INTRODUCTION

The rapid advancement of digital technologies has significantly transformed the functioning of the financial services sector across the world. In India, the banking and insurance industries have witnessed remarkable changes due to the adoption of digital platforms, automation, mobile applications, and online service delivery systems. One of the major developments in this transformation is the emergence of bancassurance, which refers to the distribution of insurance products through banking channels. The integration of digital

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technologies has further strengthened bancassurance by making insurance services more accessible, efficient, and customer-friendly. Digital technologies such as mobile banking, internet banking, artificial intelligence, data analytics, and customer relationship management systems have revolutionized the way bancassurance products are marketed and delivered. Customers today expect quick service, transparency, personalized products, and seamless digital experiences. Banks and insurance companies are increasingly adopting digital tools to meet these expectations, reduce operational costs, improve service quality, and enhance customer satisfaction. Digitalization has also enabled better customer engagement, real-time policy issuance, faster claim settlements, and improved risk management.

Thoothukudi District, being an important commercial and port city in Tamil Nadu, has witnessed steady growth in banking activities and increasing awareness among customers regarding insurance and financial products. With rising smartphone usage, internet penetration, and digital literacy, customers in Thoothukudi are gradually shifting from traditional methods to digital modes of banking and insurance services. However, the level of adoption of digital technologies in bancassurance varies among customers due to factors such as age, education, income, awareness, and trust in digital systems.

REVIEW OF LITERATURE

Wahid, N. A., Hussin, A., Ishak, M., & Aziz, N. N. A. (2022). The impact of social media adoption on business performance among homepreneurs: The study explores how social media adoption influences business performance at the grassroots level, particularly among home-based entrepreneurs (homepreneurs). It highlights that the use of social media platforms aids in business growth by enhancing visibility, customer engagement, and sales performance. This research contributes to the understanding that platforms such as Facebook, Instagram, and others are critical tools for small-scale business success in a digital environment, demonstrating the growing importance of digital adoption for entrepreneurial sustainability and competitiveness.

Panagariya, A. (2022). Digital revolution, financial infrastructure and entrepreneurship: The case of India. This paper examines the underpinnings of digital transformation within India's financial sector and its impact on entrepreneurship. It emphasizes how digital financial infrastructure such as Aadhaar-enabled authentication systems facilitates seamless electronic transactions, encouraging new business ventures and innovative financial services. The study connects technological advancement with improved entrepreneurial opportunities, showing that digital finance not only enhances efficiency and inclusion but also supports entrepreneurial activities that leverage fintech infrastructure.

STATEMENT OF THE PROBLEM

Digitalization has become a key driver in transforming the banking and insurance sectors, particularly through the growth of bancassurance services. The integration of digital technologies into bancassurance has improved service delivery, reduced operational costs, enhanced transparency, and increased customer convenience. However, despite these advancements, the adoption of digital technologies in bancassurance is not uniform across all

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regions and customer segments. In Thoothukudi District, although banking infrastructure and internet penetration have improved significantly, many customers still face challenges such as lack of awareness about digital bancassurance services, low digital literacy, security concerns, resistance to change, and limited trust in online insurance transactions. Moreover, traditional face-to-face interactions continue to dominate insurance distribution, particularly in semi-urban and rural areas, limiting the full utilization of digital platforms. There is a need to understand how far customers in Thoothukudi District have accepted and adopted digital technologies in bancassurance services, the factors influencing their adoption, and the problems faced in using these services. Without such an understanding, banks and insurance companies may not be able to design effective digital strategies that suit customer needs and local conditions.

Hence, the present study seeks to examine the adoption of digital technologies in bancassurance in Thoothukudi District, identify the level of customer awareness and satisfaction, and analyze the challenges and opportunities associated with digital bancassurance. The study will help bridge the gap between technological advancement and customer utilization, thereby contributing to the effective implementation of digital bancassurance services in the district.

OBJECTIVES OF THE STUDY

1. To study the level of awareness among customers about digital bancassurance services in Thoothukudi District.
2. To examine the extent of adoption of digital technologies in bancassurance by customers.
3. To assess the level of customer satisfaction towards digital bancassurance services.
4. To study the impact of digitalization on the effectiveness and reach of bancassurance services.

SCOPE OF THE STUDY

The present study is confined to the adoption of digital technologies in bancassurance services in Thoothukudi District. It focuses on understanding the awareness, usage, and satisfaction level of customers towards digital bancassurance platforms such as mobile banking apps, internet banking, online insurance portals, and digital payment systems used for insurance products offered through banks. The study covers selected bank customers who have access to bancassurance services and examines factors such as convenience, security, accessibility, service quality, and ease of use influencing adoption. It also attempts to identify the problems faced by customers while using digital bancassurance services and evaluates the impact of digitalization on improving service efficiency and customer experience. The scope is limited to the perceptions and responses of customers during the period of the study and does not include a comparative analysis with other districts or purely traditional (offline) bancassurance systems.

NULL HYPOTHESIS

- There is no significant relationship between gender and Effectiveness and Impact of Digitalization of the respondents

- There is no significant relationship between age and Customer Satisfaction towards Digital Bancassurance of the respondents
- There is no significant relationship between Educational qualification and Problems Faced in Using Digital Bancassurance of the respondents

METHODOLOGY

The present study is empirical in nature and is based on both primary and secondary data. The study aims to analyze the adoption of digital technologies in bancassurance services and the level of customer satisfaction in Thoothukudi District. Primary data were collected from customers of banks who have availed bancassurance services using digital platforms such as mobile banking, internet banking, and insurance apps. A structured questionnaire was designed to collect information regarding customers' awareness, usage, perception, satisfaction, and challenges related to digital bancassurance services. Secondary data were collected from books, journals, RBI and IRDAI reports, bank publications, websites, and previous research studies related to bancassurance and digitalization.

The sample size of the study is 180 respondents, selected from various public and private sector banks in Thoothukudi District. The respondents were chosen using the convenience sampling method, considering accessibility and willingness to participate in the survey. The data collected were coded, classified, tabulated, and analyzed using statistical tools such as percentage analysis, t-test, CHI - Square and ANOVA, with the help of SPSS and MS Excel. These tools were applied to interpret customer perception, satisfaction levels, and the impact of digitalization on bancassurance services. Thus, the methodology adopted for the study ensures reliability and relevance in understanding the adoption of digital technologies in bancassurance services in Thoothukudi District.

ANALYSIS AND INTERPRETATION

H_0: There is no significant relationship between gender and Effectiveness and Impact of Digitalization of the respondents

Factors	F	Sig.	t	df	Sig. (2-tailed)
Digitalization has increased transparency in bancassurance services	3.203	.075	.855	178	.394
			.840	152.874	.402
Digital technologies have made insurance services more accessible.	1.304	.255	.686	178	.493
			.671	148.601	.503
Digital bancassurance has reduced paperwork.	4.142	.043	-2.352	178	.020
			-2.330	157.758	.021
Digitalization has improved customer satisfaction in bancassurance.	.188	.665	-1.127	178	.261
			-1.116	157.908	.266
I will recommend bancassurance to others.	3.735	.055	.096	178	.923

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			.094	148.288	.925

Source: Primary Data

Interpretation

The Independent Samples t-test was conducted to examine whether gender has a significant influence on the perceived effectiveness and impact of digitalization in bancassurance services. The results indicate that for most factors, such as transparency in bancassurance services ($p = 0.394$), accessibility of insurance services through digital technologies ($p = 0.493$), improvement in customer satisfaction ($p = 0.261$), and willingness to recommend bancassurance to others ($p = 0.923$), the p-values are greater than 0.05. This shows that there is no significant difference between male and female respondents regarding these aspects, and hence the null hypothesis is accepted for these variables. However, a significant difference is observed with respect to the factor "Digital bancassurance has reduced paperwork," where the p-value is 0.020, which is less than 0.05. This indicates that gender has a significant influence on the perception of reduction in paperwork due to digitalization, leading to the rejection of the null hypothesis for this factor alone. Overall, it can be concluded that gender does not significantly influence the perception of effectiveness and impact of digitalization in bancassurance services, except in the case of reduction of paperwork, where perceptions differ between male and female respondents.

H_0: There is no significant relationship between age and Customer Satisfaction towards Digital Bancassurance of the respondents

ANOVA						
Factors		Sum of Squares	df	Mean Square	F	Sig.
Digital bancassurance services are easy to use.	Between Groups	2.635	4	.659	1.307	.269
	Within Groups	88.165	175	.504		
	Total	90.800	179			
Online insurance transactions are secure and safe.	Between Groups	6.032	4	1.508	2.265	.064
	Within Groups	116.518	175	.666		
	Total	122.550	179			
Digital platforms save time compared to visiting branches.	Between Groups	6.001	4	1.500	1.748	.142
	Within Groups	150.199	175	.858		
	Total	156.200	179			
I receive quick responses through digital bancassurance services.	Between Groups	9.442	4	2.360	2.858	.025
	Within Groups	144.536	175	.826		
	Total	153.978	179			
The information provided online is clear and sufficient.	Between Groups	2.274	4	.568	.973	.424

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	Within Groups	102.276	175	.584		
	Total	104.550	179			
Premium payment through digital mode is convenient.	Between Groups	5.694	4	1.423	2.862	.025
	Within Groups	87.034	175	.497		
	Total	92.728	179			
I am satisfied with the service quality of digital bancassurance.	Between Groups	3.868	4	.967	1.193	.315
	Within Groups	141.777	175	.810		
	Total	145.644	179			
Digital services have improved my overall insurance experience	Between Groups	4.701	4	1.175	.927	.450
	Within Groups	221.849	175	1.268		
	Total	226.550	179			

Source: Primary Data

Interpretation

The one-way ANOVA was applied to examine whether age has a significant influence on customer satisfaction towards digital bancassurance services. The results reveal that for most of the satisfaction factors such as ease of use of digital bancassurance services (p = 0.269), security of online insurance transactions (p = 0.064), time-saving nature of digital platforms (p = 0.142), clarity and sufficiency of online information (p = 0.424), overall service quality (p = 0.315), and improvement in overall insurance experience through digital services (p = 0.450), the p-values are greater than 0.05. This indicates that there is no significant difference among different age groups with respect to these aspects, and hence the null hypothesis is accepted for these variables. However, significant differences are observed for the factors “I receive quick responses through digital bancassurance services” (p = 0.025) and “Premium payment through digital mode is convenient” (p = 0.025), as their p-values are less than 0.05. This implies that customer satisfaction related to response speed and convenience of digital premium payment varies significantly across different age groups. Overall, it can be concluded that age does not significantly influence customer satisfaction towards digital bancassurance in general, except in terms of quick response through digital services and convenience of premium payment, where age plays a significant role.

H_0: There is no significant relationship between Educational qualification and Problems Faced in Using Digital Bancassurance of the respondents

Chi-Square Tests			
Factors	**Value**	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	44.161[a]	16	.000
Likelihood Ratio	48.271	16	.000
Linear-by-Linear Association	3.426	1	.064
N of Valid Cases	180		

Source: Primary Data

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Interpretation

The Chi-square test was conducted to examine the relationship between educational qualification and the problems faced in using digital bancassurance services. The Pearson Chi-square value is 44.161 with a significance level of 0.000, which is less than 0.05, indicating a statistically significant relationship between educational qualification and problems faced by the respondents while using digital bancassurance. The Likelihood Ratio also supports this result with a significance value of 0.000. Although the Linear-by-Linear Association is not significant ($p = 0.064$), the overall Chi-square result clearly suggests a strong association. Therefore, the null hypothesis is rejected, and it is concluded that educational qualification significantly influences the problems faced by customers in using digital bancassurance services. This implies that respondents with different levels of education experience different types and levels of difficulties while using digital bancassurance platforms.

CONCLUSION

The present study on the adoption of digital technologies in bancassurance services in Thoothukudi District reveals that digitalization has played a significant role in transforming the delivery and accessibility of insurance services through banking channels. The findings indicate that customers generally perceive digital bancassurance as transparent, accessible, and capable of enhancing service efficiency. Gender does not significantly influence the perception of effectiveness and impact of digitalization, except in the case of reduction of paperwork, where perceptions differ between male and female respondents. This suggests that digital platforms are largely viewed uniformly across genders, reflecting inclusive acceptance of digital bancassurance services. The analysis of age and customer satisfaction shows that, in general, age does not significantly affect satisfaction levels towards digital bancassurance. However, significant differences were observed with regard to the speed of response through digital services and the convenience of digital premium payment, indicating that certain age groups may be more sensitive to these aspects of service delivery. This highlights the need for banks to tailor their digital services to better meet the expectations of different age segments. Further, the study establishes a significant relationship between educational qualification and the problems faced in using digital bancassurance services. This implies that customers with varying levels of education encounter different challenges while using digital platforms, emphasizing the importance of digital literacy and user-friendly interfaces in promoting wider adoption.

Overall, the study concludes that digital technologies have positively influenced bancassurance services in Thoothukudi District by improving efficiency, convenience, and customer experience. However, for the effective and inclusive growth of digital bancassurance, banks and insurance companies should focus on enhancing digital awareness, simplifying digital processes, strengthening customer support, and offering targeted training programs to bridge the digital divide among different customer groups. This will not only improve customer satisfaction but also ensure sustainable adoption of digital bancassurance services in the district.

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