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AN ANALYSIS OF CUSTOMER PERCEPTION TOWARDS BANCASSURANCE PRODUCTS IN THOOTHUKUDI DISTRICT

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ABSTRACT

Bancassurance has emerged as an important distribution channel in the Indian insurance sector by integrating banking and insurance services to provide customers with convenient and comprehensive financial solutions. The present study aims to analyze customer perception towards bancassurance products in Thoothukudi District and to identify the factors influencing their acceptance and satisfaction. The study is based on both primary and secondary data, with primary data collected from 180 respondents through a structured questionnaire using convenience sampling. Statistical tools such as independent t-test, ANOVA, and Chi-square test were applied to examine the relationship between demographic variables and customer perception, preference, and problems faced in using bancassurance products. The findings reveal that customers generally hold a positive perception towards bancassurance due to convenience, trust in banks, and availability of one-stop financial services. Gender significantly influences perception only with regard to product availability and documentation simplicity, while educational qualification affects preference towards convenience, integrated services, and willingness to recommend bancassurance. Age does not significantly influence the problems faced by customers. The study concludes that bancassurance has strong growth potential in Thoothukudi District, and suggests that improved staff training, customer awareness, and simplified procedures can further enhance customer satisfaction and acceptance of bancassurance products.

Key words: Bancassurance, Customer Perception, Customer Satisfaction, Service Quality, Thoothukudi District, Insurance Products, Banking Services, Customer Preference

INTRODUCTION

The Indian financial services sector has witnessed rapid transformation in recent years due to liberalization, globalization, and technological advancements. One of the significant developments in this sector is the emergence of bancassurance, which refers to the distribution of insurance products through banks. Bancassurance integrates banking and insurance services, providing customers with a one-stop financial solution that combines savings, investments, and risk protection under a single platform. In India, bancassurance has gained momentum as banks possess a vast customer base, strong distribution networks, and high levels of customer trust. Insurance companies benefit by reducing operational costs and expanding market reach, while customers enjoy convenience, easy access, and simplified processes. Bancassurance products include life insurance, health insurance, motor insurance, and other general insurance policies tailored to meet diverse customer needs. Thoothukudi District, being a rapidly developing coastal and commercial hub in Tamil Nadu, has a growing banking population comprising salaried employees, entrepreneurs, traders, and professionals. With increasing awareness about financial planning, risk management, and insurance protection, bancassurance has significant potential in this region. However, customer perception plays a crucial role in determining the success of bancassurance products. Perception is shaped by factors such as service quality, trust in banks, product awareness, transparency, pricing, and claim settlement experiences.

Understanding customer perception towards bancassurance products is essential for banks and insurance companies to design suitable products, improve service delivery, and enhance customer satisfaction. Hence, this study attempts to analyze customer perception towards bancassurance products in Thoothukudi District and to identify the key factors influencing their acceptance and satisfaction.

REVIEW OF LITERATURE

Sharma, R., & Kaur, P. (2022) conducted a study on customer perception towards bancassurance services in India. The study examined factors influencing customers' preference for purchasing insurance through banks, such as trust, convenience, and service quality. The findings revealed that customers preferred bancassurance mainly due to ease of access and credibility of banks. However, lack of product awareness and inadequate insurance knowledge among bank staff were identified as major constraints affecting customer satisfaction. The study suggested that training bank employees and improving communication strategies could significantly enhance customer perception and acceptance of bancassurance products.

Patel, S., & Mehta, D. (2022) analyzed customer satisfaction and service quality in bancassurance operations with special reference to private sector banks. The study revealed that service responsiveness, transparency in policy terms, and claim settlement procedures play a crucial role in shaping customer perception. The research also highlighted that customers were more satisfied when insurance products were customized according to their financial needs. The authors concluded that bancassurance could become a dominant insurance distribution channel if banks focused on relationship management and post-sale services.

Rao, K. S., & Reddy, V. M. (2022) studied the impact of bancassurance on customer buying behavior in urban and semi-urban areas. The findings indicated that customers perceived bancassurance as a reliable and convenient mode of purchasing insurance, particularly in semi-urban regions. However, the study found that aggressive selling and lack of clarity in policy details negatively affected customer trust. The authors emphasized the importance of ethical selling practices and customer education to improve the long-term sustainability of bancassurance.

STATEMENT OF THE PROBLEM

Despite the rapid growth of bancassurance in India, its performance and customer acceptance vary significantly across regions. In Thoothukudi District, although banks actively promote insurance products, many customers still rely on traditional insurance agents rather than bank channels for purchasing insurance. This indicates the existence of certain gaps in awareness, trust, product clarity, or service efficiency in bancassurance operations. Customers often face issues such as lack of proper guidance by bank staff, insufficient knowledge about insurance features, mis-selling of policies, complex documentation, and delays in claim processing. Moreover, customers may perceive bancassurance as a secondary service offered by banks, rather than as a specialized insurance service, which affects their confidence in purchasing policies through banks.

Further, demographic factors such as age, income, education, and occupation may influence customer perception and satisfaction levels. Without a clear understanding of these perceptions and challenges, banks and insurance companies may fail to fully exploit the potential of bancassurance in the district. Therefore, there is a pressing need to analyze customer perception towards bancassurance products in Thoothukudi District, to identify the problems faced by customers, assess satisfaction levels, and suggest suitable measures to improve bancassurance services and strengthen customer confidence.

OBJECTIVES OF THE STUDY

- To study the level of awareness of customers towards bancassurance products in Thoothukudi District.
- To analyze the perception of customers regarding bancassurance services offered by banks.
- To assess the level of customer satisfaction towards bancassurance products and services.
- To identify the problems faced by customers while availing bancassurance products.

SCOPE OF THE STUDY

The scope of the present study is confined to the customers of selected public and private sector banks in Thoothukudi District who have availed bancassurance products. The study focuses on understanding customers’ awareness, perception, satisfaction level, and preference towards bancassurance products. It covers various aspects such as service quality, convenience, pricing, trust, claim settlement, and promotional strategies. The study does not include customers who have purchased insurance through agents or brokers outside the banking system. The findings of the study will be useful to banks, insurance companies, and policymakers in improving bancassurance practices and enhancing customer satisfaction in Thoothukudi District.

NULL HYPOTHESIS

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- There is no significant relationship between Gender and Perception towards Bancassurance Products
- There is no significant relationship between educational qualification and Factors Influencing Preference
- There is no significant relationship between Age and problems faced while using bancassurance

METHODOLOGY

The present study adopts a descriptive research design to analyze the customer perception towards bancassurance products in Thoothukudi District. Both primary and secondary data are used for the study. Primary data were collected through a structured questionnaire administered to customers who have purchased insurance products through banks. Secondary data were collected from journals, books, RBI and IRDAI reports, bank websites, and previous research studies.

The sample size consists of 180 respondents, selected using the convenience sampling method from various public and private sector banks in Thoothukudi District. The collected data were coded, tabulated, and analyzed using appropriate statistical tools such, independents as t – test, CHI - Square and ANOVA to interpret customer perception and satisfaction levels. The study covers a period of six months and aims to provide practical insights for improving bancassurance services in the district.

ANALYSIS AND INTERPRETATION

H_0: There is no significant relationship between Gender and Perception towards Bancassurance Products

Independence t - test					
Factors	**F**	**Sig.**	**t**	**df**	**Sig. (2-tailed)**
Bancassurance products are easily available in banks.	19.456	.000	-2.742	178	.007
			-2.679	148.318	.008
Bank staff clearly explain insurance products.	.188	.665	-1.127	178	.261
			-1.116	157.908	.266
Bancassurance products are trustworthy.	.166	.684	.155	178	.877
			.156	167.642	.876
Premium rates are reasonable.	11.724	.001	.347	178	.729
			.333	133.957	.740
Documentation process is simple.	.493	.484	3.020	178	.003
			2.925	141.851	.004
Claims are settled quickly and fairly.	2.133	.146	1.257	178	.210
			1.219	143.155	.225
Bancassurance saves time compared to agents.	3.735	.055	.096	178	.923
			.094	148.288	.925

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Source: Primary Data

Interpretation

The Independent Samples t-test reveals that gender has a significant influence only on certain aspects of perception towards bancassurance products in Thoothukudi District. Specifically, a significant difference exists between male and female respondents regarding the availability of bancassurance products in banks (p = 0.007) and the simplicity of the documentation process (p = 0.003), leading to the rejection of the null hypothesis for these factors. However, for other factors such as clarity of explanation by bank staff, trustworthiness of products, reasonableness of premium rates, fairness and speed of claim settlement, and time-saving compared to agents, the significance values are greater than 0.05, indicating no significant difference between genders. Thus, it can be concluded that gender influences perception only in terms of product availability and documentation process, while it does not significantly affect overall perception towards bancassurance products.

H_0: There is no significant relationship between educational qualification and Factors Influencing Preference

ANOVA						
Factors		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
I prefer bancassurance because of convenience.	Between Groups	18.766	4	4.691	3.951	.004
	Within Groups	207.784	175	1.187		
	Total	226.550	179			
Bank reputation influences my choice.	Between Groups	3.137	4	.784	1.397	.237
	Within Groups	98.257	175	.561		
	Total	101.394	179			
One-stop financial service attracts me.	Between Groups	10.487	4	2.622	5.069	.001
	Within Groups	90.508	175	.517		
	Total	100.994	179			
Easy payment facility influences my preference.	Between Groups	2.587	4	.647	.905	.462
	Within Groups	125.058	175	.715		
	Total	127.644	179			
Advice from bank staff influences my purchase decision.	Between Groups	2.981	4	.745	1.091	.363
	Within Groups	119.569	175	.683		
	Total	122.550	179			
I will recommend bancassurance to others.	Between Groups	10.043	4	2.511	3.240	.014
	Within Groups	135.602	175	.775		
	Total	145.644	179			
I will recommend bancassurance to others.	Between Groups	18.766	4	4.691	3.951	.004
	Within Groups	207.784	175	1.187		
	Total	226.550	179			

Source: Primary Data

Interpretation

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The ANOVA results indicate that educational qualification has a significant influence on certain factors affecting preference towards bancassurance products in Thoothukudi District. Specifically, significant differences are observed for the factors *convenience* (p = 0.004), one-stop financial service (p = 0.001), and willingness to recommend bancassurance to others (p = 0.014), leading to the rejection of the null hypothesis for these variables. This implies that respondents with different educational qualifications perceive these aspects differently. However, for factors such as *bank reputation* (p = 0.237), *easy payment facility* (p = 0.462), and *advice from bank staff* (p = 0.363), no significant differences are found, indicating that these preferences are not influenced by educational level. Overall, educational qualification partially affects customer preference towards bancassurance, particularly with respect to convenience, comprehensive service, and advocacy behavior.

H_0: There is no significant relationship between Age and problems faced while using bancassurance

Chi-Square Tests			
Factors	**Value**	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	22.701[a]	16	.122
Likelihood Ratio	27.062	16	.041
Linear-by-Linear Association	2.560	1	.110
N of Valid Cases	180		

Source: Primary Data

Interpretation

The Chi-square test was conducted to examine the relationship between age and the problems faced while using bancassurance products. The Pearson Chi-square value is 22.701 with a significance level of 0.122, which is greater than 0.05, indicating that there is no statistically significant relationship between age and problems faced in using bancassurance. Although the Likelihood Ratio shows a significant value (p = 0.041), the Pearson Chi-square, which is generally considered more appropriate for this type of analysis, is not significant. Moreover, the Linear-by-Linear Association value (p = 0.110) also supports this finding. Therefore, the null hypothesis is accepted, and it is concluded that age does not significantly influence the problems faced by customers while using bancassurance products in Thoothukudi District.

CONCLUSION

The present study on *"An Analysis of Customer Perception towards Bancassurance Products in Thoothukudi District"* clearly reveals that bancassurance has emerged as a significant and convenient channel for the distribution of insurance products through banks. The findings indicate that customers generally have a favorable perception towards bancassurance due to factors such as convenience, one-stop financial services, trust in banks, and ease of access. The analysis of gender-wise perception shows that males and females differ significantly only with regard to product availability and the simplicity of documentation, while their perceptions are largely similar in terms of trust, premium rates, claim settlement, and time-saving benefits. This suggests that bancassurance products are uniformly accepted across genders with only minor variations. Further, the influence of educational qualification on preference towards bancassurance reveals that factors such as convenience, comprehensive financial services, and willingness to recommend bancassurance differ significantly among different educational groups, highlighting the role of education in shaping informed financial decisions. However, aspects such as bank reputation, easy payment facilities, and staff advice are perceived similarly irrespective of educational background. The analysis also establishes that age does not significantly influence the problems faced by customers while using bancassurance products, indicating that customers across different age groups encounter similar experiences and challenges.

Overall, the study concludes that bancassurance products enjoy positive acceptance among customers in Thoothukudi District and hold strong potential for further growth. To enhance customer satisfaction and market penetration, banks and insurance companies should focus on improving product awareness, strengthening staff training, simplifying documentation procedures, and ensuring transparent communication. By addressing these areas, bancassurance can be further developed as a reliable and preferred insurance distribution channel in the district.

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