Chapter-9
Summary, Conclusions and Policy Implications

The Government of India notified “insurance” as a permissible form of business that could be undertaken by banks, dated August 3, 2000. Following the same notification, the Reserve Bank of India (RBI) allowed the entry of banks into insurance along with their routine business subject to the fulfillment of certain guidelines. In order to exploit scale economies, the Indian commercial banks entered into the new business of bancassurance via selling the products of insurers following either agency model or the joint venture model. It was expected that the creation of Bancassurance operation will i) have material impact on the financial service industry at large; ii) create ‘One Stop Shop’ where a customer can apply for mortgages, pensions, savings, and insurance products; iii) increase competitiveness of the banks in international market; iv) become stable and risk-free source of income to banks; v) provide its customers the products fulfilling their needs and will there by lead to customer loyalty and retention; vi) reduce the risk of NPA via selling tied up insurance products with routine banking products; vii) ensure optimum utilization of infrastructure; and viii) enhance the productivity of bank employees.

The expectations are high and concept of bancassurance is in its nascent stage. The bancassurance may cater all these expectations if a significant proportion of the bank customers will purchase insurance products from their bank and the bank employees will indulge into this new venture with their true spirit. Thus, an analysis of the customers’ and bankers’ perspective observed to be of great importance that will help to check the prospective growth of bancassurance in India in general and in Punjab in particular. In this contextual, the present study has been carried out to read the customers’ and bankers’ perspective on bancassurance.

In the pursuit to analyze customers’ and bankers’ perspective, the literature on bancassurance had been collected under eight dimensions on i) Bancassurance across the globe; ii) Bancassurance: Concept, Benefits and Problems; iii) Level of Awareness regarding Bancassurance; iv) Models of Bancassurance; v) Drivers of Cross Buying intentions vi) Levels of satisfaction across various Dimensions vii) Drivers for initiating Bancassurance,
benefits availedd and problems faced viii) Impact of Bancassurance on Financial Performance.

The survey of literature ended up with following research gaps and observations:

(i) Most of the studies are conceptual studies and discussed aspects such as the most suited model for a given country with its economic, cultural and social ramifications interacting on each other, legislative hurdles and the mindset of the persons involved in this activity. Some of these studies are Karunagaran (2006), Ravi (2006), Singhvi and Bhatt (2008), Teunissen (2008), Singhal and Singh (2010), Krstic et al. (2011), Sarina (2012) and Sumathi (2012).

(ii) There is a dearth of the studies, analyzing the awareness and preference of the customers’ towards insurance services and Bancassurance. Somehow, the studies available on this issue, have been conducted very specifically either in a small part of nation or in context to a single bank customers only. Some of these studies are Lymberpoloulou et al. (2004), Rajkumari (2007), Popli and Rao (2009), Aggarwal and Haleja (2011), Kumari (2012) and Ali and Chately (2013). Moreover, the existing literature has only emphasized on the sources of awareness (about bancassurance) amongst bank customers’ but have ignored the impact of many other factors like Model adopted by Bank, Ownership structure of the bank and demographic features. Furthermore, the analysis of the impact of awareness on the choice of the products received scant attention in the existing literature.

(iii) Different types of Models of Bancassurance operating in India and other parts of the world, have also grabbed attention of the researchers. Some of these studies are Kumar (2001), Staikouras (2006), Korhonnene et al. (2006), Cheng et al. (2008) and Wu. et al. (2010). But these studies have only concentrated upon the theoretical aspects like suitable conditions to adapt models, benefits and hurdles attached with those models. Model wise and sector wise comparison of customers’ awareness about bancassurance and their satisfaction levels remained untouched. In addition to it, importance of the model to attain efficiency gains from the part of the bankers’ has also been found to be missing phenomena in the existing literature.
(iv) Drivers of Cross Buying intentions across different industries, has been explored by many of the Researchers. Some of these studies include Fluret et al. (1997), Verhoef et al. (2001), Ngobo (2004), Li et al. (2005), Sharma and Rudrayya (2006), Li Qi (2007), Tsung and Li-Wei (2007), Lie and Wu (2008), Kumar et al. (2008), Magdalini and Kalipsa (2008), Gupta et al. (2009), Vannirajan and Gurunathan (2009), Fan et al. (2011), Fan et. al (2011), Jeng (2011), Jeng and Su (2011), Li et al. (2011). Out of these, seven studies namely; Ngobo (2004), Li et al. (2005), Lie and Wu (2008), Magdalini and Kalipsa (2008), Fan et al. (2011) and Jeng and Su (2011) have explored the drivers of cross buying intentions in the banking industry, in other parts (except India) of the world. The remaining studies are either conceptual in nature or drivers explored in these studies, relate to the industries other than financial industry (i.e. a bank). Hence, the area remained unexplored for Indian Banks.

(v) Two scales, namely SERVQUAL and SERVPERF, have been explored in the Literature. Lévesque Mcdoughall (1996), Yavas et al. (1997), Jamal and Naser (2002), Sureshchandra et al. (2002), Arasliet et al. (2005), Dash et al. (2007), Gopalkrishan et al. (2008), Jhamet al. (2008), Chakrabarty (2008), Padhy (2009) and Arora and Vashishat (2011) have measured the service quality using one of the above mentioned scales. But none of these studies have measured satisfaction from insurance related services initiated by banks though, the use of the scale, for measuring satisfaction for any of the services has been recommended by Sureshchandra et al. (2002).

(vi) Furthermore the contribution of bancassurance has been measured by ratio analysis based CAMEL model in the studies namely; Aggarwal (2004), Sreesha and Joseph (2011) and Arora and Jain (2013). In ratio analysis, one decision making unit (i.e., bank) may appear to be benchmark in one aspect while may prove to be laggard in other dimension. Further, the changes in these ratios may not be concluded because the concept of Bancassurance is in stage of infancy and long term series of these ratios is not available.

(vii) In contrast to customers’ perspective, the literature has also thrown a light upon the concept of Bancassurance from bankers’ side. These studies include Angus et al. (2002), Kesiraju (2003), Chowdhary (2004), Baruya (2004), Sinha (2005),
Staikouras and Dickinson (2005), Anand and Murugaiah (2006), Pejawar (2008), Bhattacharya (2011), Mishra (2012) and Clipci and Bolovan (2013). A detail survey of relevant literature delineates that no comprehensive study is available focusing on motivating factors for bankers and difficulties faced by them while selling insurance.

Regarding the research methodology used, it has been observed that all most the entire literature is based upon primary data analysis. However, to analyze the data a wide range of methodology has been used ranging from the oldest descriptive statistics to the latest structural equations modeling (SEM) based confirmatory factor analysis (CFA). The regression analysis has been performed in case the dependent variable is defined, while, the factor analysis has been most commonly used in the scenario where different dimensions have been given without the declaration of independent variable. In addition, a few studies have used SEM based CFA to model the customers’ and bankers’ behavior.

9.1. Objectives of Study
Thus, keeping in view these research gaps in literature, the present study had been carried out with the following objectives:

i) To study the extent and growth of Bancassurance in India;
ii) To analyze the impact of bancassurance on the performance of sampled banks;
iii) To analyze the extent and sources of awareness regarding bancassurance among bank customers in Punjab;
iv) To explore the drivers of Cross buying intentions of bank customers in Punjab;
v) To analyze the level and sources of customer satisfaction; and
vi) To gauge the various motivational factors and hurdles for bankers selling insurance.

9.2. Testing the Hypotheses of Study
To ascertain the aforementioned objectives, the following hypothesis had been framed and tested in the study:

a) The growth of bancassurance is significant in India and bancassurance has significantly improved performance of Indian banks;
b) The bank customer of Punjab are significantly aware regarding bancassurance;
The choice of product in bancassurance among bank customers of Punjab is significantly affected by level of awareness regarding bancassurance;

The drivers of cross-buying intention, included on a-priori grounds using literature survey, are significantly affecting cross-buying intentions of bank customers in Punjab;

The customers of bancassurance are satisfied from the insurance services being provided by the bankers;

The extent of bancassurance is high in the branches who initiated bancassurance earlier i.e., catching-up or learning by doings process is significant;

Personal capabilities of bank affect significantly the bankers’ desire to initiate bancassurance in Punjab; and

Perceived benefits from bancassurance affect significantly the bankers’ desire to initiate bancassurance in Punjab.

To attain the aforementioned objectives and test the set hypotheses, the analysis has been divided into nine chapters. The first chapter revisits the concept and growth of bancassurance in India over the period of 3 years spanning over the years 2009-10 to 2011-12. The choice of the terminal year is governed by the availability of the data up to year 2011-12, while, that of beginning year governed by the fact that banks started disseminating the data on bancassurance from 2009-10 onwards as it was made mandatory to disclose the same in the year 2009-10.

In the second chapter, depth of literature has been analyzed via survey of existing studies on bancassurance. As discussed earlier that the literature on bancassurance has been collected under eight dimensions on i) Bancassurance across the globe; ii) Bancassurance: Concept, Benefits and Problems: iii) Level of Awareness regarding Bancassurance; iv) Models of Bancassurance; v) Drivers of Cross Buying intentions vi) Levels of satisfaction across various Dimensions vii) Drivers for initiating Bancassurance, Benefits availed and Problems faced viii) Impact of Bancassurance on Financial Performance.

The third chapter offers a brief introduction to the methodology used to test the set hypotheses. In attaining the aforementioned objectives, different mathematical and econometric methods have been used. The linear programming based data envelopment
analysis used to analyze the impact of bancassurance, on the performance of banks has been discussed in brief. It is evident from the chapter that the production structure of the sampled banks has been defined with and without bancassurance income to ascertain the efficiency change due to bancassurance. Further, the tools such as Probit model and Ordered Probit models have been discussed in detail that help to realize the importance of dummy dependent models in business research. In the analysis of determinants of choice of insurance product, determinants of customer satisfaction, etc. the techniques of Probit and Ordered Probit analysis have been utilized. A brief introduction to structural equations modeling (SEM) based confirmatory factor analysis (CFA) is an additional feature of the same chapter. The CFA has been utilized in determining the drivers of cross-buying intention and sources of motivation to purchase bancassurance among bank customers. The sources of motivation to initiate bancassurance at branch level among bankers of Punjab have also been analyzed using SEM based CFA.

The analysis in fourth chapter has been carried to test the impact of bancassurance on the performance of Indian banking industry. Using the data of 20 banks spanning over the three years 2009-10, 2010-11 and 2011-12, the technical efficiency scores have been computed using technique of Data Envelopment Analysis for two separate models, without and with bancassurance incomes. The analysis depicts average overall technical efficiency scores to the tunes of 70.37 percent without bancassurance income and 75.31 percent with bancassurance income. Thus, introduction of bancassurance has been observed supporting the inference of technical efficiency improvement in Indian banking industry. An average deviation to the tune of 7.01 percent has been observed between the OTE scores without bancassurance income and with bancassurance income. The observed difference is significant by all standards and thus, imitates the fact that bancassurance has positively affected technical efficiency in Indian commercial banks. In bank level analysis, some banks observed to be operating with higher efficiency after including bancassurance income while, some banks have observed deterioration in terms of technical efficiency and competitiveness.

After observing significantly gains in technical efficiency from bancassurance, the source of efficiency improvement have been explored. The bifurcation of Overall Technical Efficiency into Pure and scale efficiency reveals i) a significant difference of pure technical
efficiency scores to the tune of 7.90 percent using without and with bancassurance income models; ii) an average difference in scale efficiency scores to the tune of -0.61 percent with said models; iii) the source of higher OTE difference is pure technical efficiency i.e., to managerial improvements; and iv) the presence of increasing returns-to-scale reflects the existence of ample economies of scale and thus, reflects the chances of enlarging production scale to become scale efficient.

In addition, a sector specific and model specific comparison of efficiency gains discloses that i) the efficiency difference (i.e., efficiency gain) is higher for Private sector banks in comparison to public sector banks; ii) the public sector banks although have gained 4.54 percent in terms of managerial efficiency yet the loss of scale efficiency to the tune of -3.71 percent cancel out the overall technical efficiency gains from bancassurance; iii) most of the private sector banks are operating at increasing returns-to-scale (IRS) and thus, observed short of potential efficiency improvements; iv) Agency model of bancassurance have witnessed higher OTE gains in comparison to the banks following Joint Venture (JV) model; v) in Agency banks, 11.75 percent difference has been caused by managerial improvements and the scale efficiency difference is to the tune of -1.94 percent; and vi) the Agency banks will have to work upon scale efficiency improvements to attain potential efficiency improvements.

The analysis in fifth chapter carries objective to analyze the extent of awareness regarding the bancassurance among the customers of the bank. The data of 551 customers of 20 public and private sector banks have been utilized to identify the factors affecting extent of awareness among the target sample. Given that the dependent variable level of awareness is polychotomous ordered response variable, the use of ordered Probit model has been preferred over the Classical linear regression model. The execution of the model confirms that the i) the probability of being partially aware is highest followed by significant awareness; ii) probability of being completely aware about bancassurance is about 16 percent; iii) the duration of customer’s relationship with the bank positively and significantly affect the extent of awareness regarding bancassurance; iv) the frequent dealing of the bank employees with customers regarding the bancassurance significantly enhances the level of awareness regarding bancassurance; v) among sources of information, Bank Brochures and
Other Publications contribute significantly in spreading information regarding bancassurance; vi) three sources of information namely, Staff of the Bank, Newspaper, and Direct Mail to Customers are negatively affecting the probability of complete awareness whereas, found to be positively affecting partial awareness; vii) among demographic factors, income of the consumer significantly contribute in enhancing the extent of awareness regarding bancassurance among the bank customers; and viii) the hypothesis of insignificant effect of bank awareness on choice of product has been rejected in weak form.

The next chapter i.e., sixth chapter is an endeavor to analyze the drivers of cross-buying intentions among bank customers. The analysis is important to detect the motivational factors that lead bank customers to cross buy the insurance products. The confirmatory factor analysis (CFA) has been used to model the drivers of cross buying intention under structural equations modeling framework (SEM). The SEM has been designed using inter factor relationship paths. These paths have been drawn on the basis of theoretical and statistical requirements; theoretical need of path has been observed by literature survey while statistical requirement of path has been identified using modification index. The SEM has been estimated using the method of Generalized Least Square (GLS) to get the answer of the following alternative hypotheses: i) Locational convenience positively and significantly affect cross buying intentions; ii) Trust positively affects cross buying intentions; iii) a corporate reputation positively and significantly affect customers’ trust in a company and thus, motivate him/her for cross buy the products; iv) time consciousness positively and significantly affect locational convenience; iii) product knowledge positively and significantly affect locational convenience; iv) perceived switching costs positively and significantly associated with cross buying intentions; v) higher the product value higher the switching cost; and vi) overall satisfaction positively and significantly affects trust of customer and consequently encourage cross buying has been tested.

Further, the analysis of the estimated model parameters approve the fact that any policy formation to induce bank customers to cross buy insurance product must initially improve the Product quality and perceived value of insurance products. The finding is in the light of the fact that Product quality and perceived value has been observed to be the most important driver of cross-buying intentions. Further, Trust has been observed to be the second
most important source of cross buying intentions. Therefore, banks need to put more and more efforts to gain the trust of their customers to sale large quantity of insurance products.

The time consciousness also observed to play major role in inducing customers to cross buy insurance products. Thus, the planners need to consider the time conscious behavior of customers and try to provide various quality insurance products under single ridge at competitive prices. The availability of all quality products will increase the switching cost of consumer and thus encourage him/her to cross buy insurance product. Similarly, the spread of knowledge/awareness will help customers to know about bancassurance. The banks will also have to work upon the satisfaction of customers from existing products. If customers are satisfied from already purchased products then only they will cross buy the insurance products. If customer is time conscious then he/she will prefer locational convenience too. Thus, banks will have to provide easy access to its customers so as to encourage them to cross buy insurance products. Last but not least the banks will have to maintain their reputation so as to improve the trust of its customers.

The chapter seven is an endeavor to analyze the sources, levels and determinant of customers’ satisfaction from bancassurance among bank customers. Using the data of 551 bank customers, the sources of satisfaction have been analyzed through structural equations modeling (SEM) based confirmatory factor analysis (CFA). The sources of satisfaction had been clubbed under five latent groups namely, Core Service, Human Element of service delivery, Non-human Elements of service delivery, Tangibles, and Social Responsibility. Among these five categories, the latent Human element of service delivery appears to be the most important variant because of the highest variation explained. The Quick response and Pleasing and Courteous Attitude of Platform Persons have been identified to be most important component variables of Human elements of service delivery. Furthermore, the second most important source of customers’ satisfaction is Socially Responsible Behavior of the Institution (i.e., bank). The most important component variable explaining the latent Social Responsibility is location of the bank branch should be convenient to all sections of society. The third most important source of satisfaction is Core service or Product. In Core service or Product category, the highest loading has been observed for the variables Regularity of the Bank in Reminding about Premium and any Change in the Policy Terms and Availability of
Insurance Service at Every Branch of the Bank. Thus, the findings confirm the inference that customers prefer bank’s loyalty and locational convenience. The remaining two latent i.e., Systemization of service delivery/Non-Human Elements and Tangibles of Service/Service Scapes are least important sources in explaining the level of satisfaction among respondents.

The analysis of the determinants of satisfaction using ordered Probit analysis reflects that none of the demographic variable significantly affects the level of satisfaction. The satisfaction level does not differ significantly among the joint venture and agency level models of bancassurance. Thus, the gender specific and model specific comparisons of the level of satisfaction do not carry worth.

Among the benefits received, the expert advice based on need analysis, better client service, tailored product and value addition are the most significant variables that positively affect level of satisfaction. However, among the problems faced at bank level, limited time devotion, Different Skills and Frequent Switching of Insurer are found to be adversely affecting the probability of being satisfied.

The analysis of the bankers’ perspective on bancassurance is the prime objective of the chapter eight. Using the primary data collected from 184 bank branches, the perspective of bankers has been examined under three dimension namely, motivation, benefits and problems. However, before the analysis of the perspective of bankers, the hypothesis of catching-up has been tested using the extent and duration of bancassurance variables under the cross-tabulation framework.

The analysis of the extent of bancassurance reveals that the association between duration and extent of bancassurance is statistically insignificant and thus, the catching-up found to be insignificant in initiation of bancassurance at branch level. To know about associates of the extent of bancassurance, the variables such as model of bancassurance (JV v/s Agency) and frequency of dealing, have been utilized. The analysis helped to make inference that the extent of bancassurance is higher in JV banks and less in agency banks. However, frequency of dealing does not significantly affect the extent of bancassurance. Thus, to improve the catching-up in bancassurance, the model of bancassurance will be needed to replace from agency to JV.
A three dimensional analysis on bankers’ perspective on bancassurance revealed that the economic benefits such as **Financial Benefits**, **Brand Image and Product Diversification**, **Enhanced Productivity and Optimization** and **Cost Saving** are explaining highest variation in motivating the bankers to initiate bancassurance. However, the customer centric factors namely, i) **Enhanced Customer base, Loyalty, Retention and Satisfaction (3.0626)**, and ii) **Proximity to Customer (5.9401)** are explaining 3.0626 and 5.9401 percentage of variations, respectively. Thus, the customer found to be of least importance and economic performance of bank observed to be of highest importance for the bankers. The finding thus, retorts the earlier finding that customer is not very much satisfied from bancassurance and most of the respondents were not in position to say whether they are satisfied or not. Other two dimensions of bankers perspective namely, benefits and problems faced reflects that a significant number of bakers don’t know which benefits have been availed and what types of problems have been confronted while selling the bancassurance. However, the distribution of benefits is skewed towards agree and strongly agree categories i.e., almost all the listed benefits have been availed by the majority of respondents banks. While, the listed problems were skewed towards the category of usually occurred and seldom occurred categories. The frequently observed problems by majority of banks are i) **Unlike agency channel no extra advantage (commission) is offered to customers**; ii) **Visits by specified persons on alternate days leads to delay in lead conversion**; and iii) **Delay on the part of processing of applications for claim settlement, shatters customers’ confidence**. Any policy to solve these problems will therefore be of highest importance to encourage the bankers to initiate bancassurance at their respective branches.

In sum, the decisions regarding the set hypotheses derived from aforementioned findings have been given in Table 9.1. The empirical findings regarding first and last hypotheses corroborates with **a-priori** grounds, while, other hypotheses could not come up to expectations and thus, rejected significantly. The mixed evidences observed in case of the hypothesis that the drivers of cross-buying intentionare significantly affecting cross-buying intentions of bank customers in Punjab. The term mixed evidences has been used to show that some of the drivers are significantly, while, some are insignificantly affecting cross-buying intention.
## Table 9.1: Decision in Favor or Against the Hypotheses of Study

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Rejected/Not Rejected</th>
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<tbody>
<tr>
<td>The growth of bancassurance is significant in India and bancassurance has significantly improved performance of Indian banks;</td>
<td>Not Rejected</td>
</tr>
<tr>
<td>The bank customer of Punjab are significantly aware regarding bancassurance;</td>
<td>Rejected</td>
</tr>
<tr>
<td>The choice of product in bancassurance among bank customers of Punjab is significantly affected by level of awareness regarding bancassurance;</td>
<td>Rejected</td>
</tr>
<tr>
<td>The drivers of cross-buying intention, included on <em>a-priori</em> grounds using literature survey, are significantly affecting cross-buying intentions of bank customers in Punjab;</td>
<td>Mixed Evidences</td>
</tr>
<tr>
<td>The customers of bancassurance are satisfied from the insurance services being provided by the bankers;</td>
<td>Rejected</td>
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</tr>
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<td>Perceived benefits from bancassurance affect significantly the bankers’ desire to initiate bancassurance in Punjab.</td>
<td>Not Rejected</td>
</tr>
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</table>

**Source:** Author’s Elaborations

### 9.3. Policy Implications of Study

Keeping in view the status of the inference in study, the following policy implications may be derived from the study:

1) The analysis reveals significant efficiency gains from bancassurance to the Indian banking sector. However, the gains stem from managerial improvements only and banks are lacking scale efficiency improvements. Moreover, the gains are visible in private sector banks that follow agency model of bancassurance. Therefore, the banks need to improve upon scale efficiency to universalize the efficiency gains from bancassurance. Given the opportunity to enlarge the production scale in the light of increasing returns-to-scale, banks must need to exploit economies of scale by enlarging their size of outputs through expanding the bancassurance business.

2) The analysis of extent of awareness reveals that the banking sector needs to improve upon the level of awareness regarding bancassurance among their customers.
Regardless of the present efforts of the banks, the level of awareness among the customers of banks regarding bancassurance is either partial or significant. Hence, a big distance has to be covered for enhancing the awareness up to complete levels.

3) The frequent dealing with customers, bank brochures and other publications may prove to be helpful to spread complete information regarding bancassurance among customers of the bank. It is so because three sources of information namely, Newspapers, Bank Staff and Direct Mail are failing to spread complete information regarding bancassurance among customers of the banks.

4) The mantra to induce bank customers to cross buy insurance product is improvement in the **Product quality and Perceived Value** of insurance products and **Trust of customers**. Analysis has shown that the **time consciousness** is the important driver for the customers to purchase insurance from their banks. So, the banks should try to provide variety of insurance products catering to the needs of all strata and that too at competitive prices. The availability of all quality products will increase the switching cost of consumer and thus encourage him/her to cross buy insurance product. Moreover, the spread of knowledge (i.e., awareness) will help customers to know about bancassurance and cross buy the insurance products.

5) The banks will also have to work upon the satisfaction of customers from existing products. If customers are satisfied from the existing services products then only they will cross buy the insurance products.

6) However, any policy move to improve the level of satisfaction among the customers of bancassurance must concentrate on improving **Human Elements of Service Delivery**, **Socially Responsible Behavior of the Institution (i.e., bank)** and on **Core Service or Product Features** on prima fascia basis.

7) However, the need analysis of customers should be performed on regular basis so as the better quality product can be designed/tailored on the basis of needs of the customers.

8) Introduction of profile based products will add product value that will help to satisfy the needs of all typed of customer profiles.
9) The time devotion by staff should be improved upon. And the operation of Bancassurance should be handled by the people having professional skills and complete knowledge of insurance products.

10) To enhance the extent of bancassurance, the Agency model must be replaced with joint venture model. The permanency feature is missing in the agency model because banks frequently change their insurance partner thereby leads to various difficulties for customers regarding renewal and claim processing etc.

11) The economic benefits such as Financial Benefits, Brand Image and Product Diversification, Enhanced Productivity and Optimization and Cost Saving are the major motivating factors to initiate bancassurance amongst bankers. However, the customer centric factors such as the number of customers, Loyalty and satisfaction of customers are scant sources of motivation to initiate bancassurance. In simple the customer found to be of least importance and economic benefits to bank observed to be of highest importance in motivating the bankers to initiate bancassurance. At present no extra benefits are being paid to the bank employees who are selling insurance. An announcement of the commissions and perks to the bank employees selling insurance will surely motivate the bankers to initiate the bancassurance at their respective branches.

12) The frequently observed problems by majority of banks are Unlike agency channel no extra advantage (commission) is offered to customers, Visits by specified persons on alternate days lead to delay in lead conversion, and Delay on the part of processing of applications for claim settlement, shatters customers’ confidence. The problems must be ironed out on urgent basis so as to motivate the bankers for initiating bancassurance at their branches.

9.4 Limitations of the Study and Future Prospects in the Field

The major limitation of the study is that it is a regional study based upon a sample of three cities namely, Amritsar, Jalandhar and Ludhiana representing three regions of Malwa, Doaba and Majha. The cities have been selected on convenience basis and no scientific methodology has been used to select the cities. The use of advance sampling methods may further refine the results. The same limitation is valid in the selection of bank branches from
where customers’ and bankers’ responses have been recorded. Any future enquiry into the field is advised to select the bank branches and customers on probability proportionate to size (PPS) sampling basis.

The longitudinal analysis of the customers’ and bankers’ perspectives on bancassurance will help to understand the behavioral dynamics in better way. However, a continuous evaluation of customers’ and bankers’ reforms for at least three or four years will be required. The cross section (i.e., sampled customers’ and bankers’) should remain same over the period under evaluation for longitudinal analysis. The project is lengthy and needs manpower to collect, feed and tabulate such large amount of the database.

Another possibility is the comparing the perspective of bank customers and insurance companies on insurance products. A comparison of the determinant of customer satisfaction may be performed between insurance and bancassurance customers. In addition, the efficiency levels may be compared of insurance and bancassurance companies. The issue whether bancassurance successfully overcome the problem of mounting Non-performing Assets (NPAs) may be addressed using the secondary data available on RBI’s website and in Indian Banking Association (IBA) reports. The area of bancassurance is in stage of infancy in India and there are a number of issues that need to be touched by the researchers and policy planners. In end, it may be concluded that the ocean of research in bancassurance is deep enough and another dive is required to explore exquisitepearls of knowledge.