



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## A STUDY ON SBI BANCASSURANCE CUSTOMER SATISFACTION LEVEL WITH SPECIAL REFERANCE TO COIMBATORE

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### Abstract:

The study investigates customer satisfaction with State Bank of India's (SBI) bancassurance services in Coimbatore, Tamil Nadu. The research uses a mixed-method approach, including quantitative surveys and qualitative interviews, to understand customer perceptions and preferences. The findings will help SBI tailor its offerings to better meet client needs, fostering stronger customer relationships and sustainable business growth. The study aims to contribute to academic research and practical insights for financial institutions in Coimbatore.

**Key words:** Bancassurance, Investment behaviour, Insurance policies , Investment preferences.

### Introduction:

Bancassurance is a strategic move by the State Bank of India (SBI) to enhance its product offerings, increase revenue streams, and provide customers with a comprehensive suite of financial services under one roof. It involves collaboration between the bank and insurance companies to offer various insurance products, including life, health, and general insurance, through its extensive network of branches. The bank's bancassurance partnerships and offerings may evolve over time, but the most up-to-date information is available from official sources or regulatory authorities.

### Statement of the problem:

This study aims to understand consumer perceptions of SBI Bancassurance's company, focusing on how consumers select, organize, and interpret the quality of service and products offered.

**Objectives:**

- To know the customer awareness regarding the insurance scheme.
- To know the customer preference towards the private and public insurance sector.
- To study about the importance of insurance product provided by the SBI life insurance.
- To study about the customer perception and satisfaction of the life insurance product of SBI life.

**Scope of the study:**

The study aims to understand customer preferences, needs, and perceptions of SBI Bancassurance company to assess the satisfaction of its existing products.

**Limitations:**

- Respondents' answers are constrained to the questions in the questionnaire.
- The respondent's area is not equally distributed.
- The study mainly depends on the SBI Bancassurance users. **Research Methodology:**

The methodology in a research article assesses the validity and reliability of a study. This descriptive survey examines customer satisfaction with SBI Bancassurance in Coimbatore, using primary and qualitative data due to their unique nature.

**Review of Literature:**

- The study by Raut and Gupta (2021) examines the financial performance of SBI Bank during the COVID-19 pandemic, using financial ratios like ROA, ROE, NIM, and Asset Quality. Despite a decline in bad loan provisions, the bank maintained satisfactory performance compared to competitors.
- Zahraa Salih Hamdi(2022) The study analysed bank insurance's impact on Jordanian banks' market share using worker output and efficiency metrics. Results showed that bank insurance positively influenced banking facilities market share, but negatively affected capital adequacy market share.

**Source of data:**

The sources of data for the study are collected from both the primary data and the secondary data.

- **Primary data:** Primary data, original and directly related to the topic, are obtained through techniques like telephone conversations, questionnaires, surveys, and interviews.
- **Secondary data:** Secondary data, gathered by an unrelated individual at a separate time, can be obtained from various sources such as books, newspapers, reports, government data, websites, and articles.

**Sampling design:**

This study uses sample design to select 120 respondents from SBI Bancassurance payment users in Coimbatore city, a specific population for a specific research objective.

**Sample size:**

This study purposes to evaluate the Satisfaction level among the customer of SBI bancassurance in Coimbatore city, involving a minimum of 120 respondents.

**Statistical tools used:**

Tools used in this research are:

- Simple Percentage analysis
- Chi-square
- ANOVA analysis

**Hypotheses:**

There are two types of hypotheses they are Null Hypothesis and Accept Hypothesis.

H0: There is significant relationship between Age and level of satisfaction of services provided by SBI bancassurance.

H1: There is no significant relationship between gender and difficulties faced by the customer.

**RESEARCH GAP:**

Researchers identified a research gap in SBI Bancassurance's user satisfaction, despite previous journals focusing on financial performance analysis and balance sheet interpretation.

**Overview:****Meaning of the SBI, bancassurance:**

Bancassurance is a partnership between a bank and an insurance company, enabling the insurance company to sell its products to the bank's client base.

**Features:**

1. Banks are not allowed to pay a premium on a customer's behalf.
2. It can only use 2 insurance companies in a single bank.
3. A bank's primary focus is always on its banking operations.
4. A bank's network can help an insurance company sell its products.
5. Bancassurance increases profits for both parties.

**Advantages of Bancassurance:**

- It is convenient for the customer as they can get access to different insurance policies through their bank.
- Banks benefit from this arrangement as they get the added revenue that is earned by selling the insurance policies.
- Insurance companies get a wider customer base and larger market reach through bancassurance.
- This arrangement brings profits to both the parties involved due to which it is growing globally.

**Disadvantages of Bancassurance:**

- There are greater chances of customers' data security being compromised upon by the banks and or the insurance companies.
- The customer might get confused regarding where to invest in case of a conflict of interest between the other products of the banks and the insurance companies (like money-back policies)
- The study found that bank insurance positively influenced Jordanian banks' market share, while negatively affecting capital adequacy market share, using worker output and efficiency metrics.

### Regulations for banks to enter into the insurance business

- The banks net worth should be equal to or greater than INR 500 crore
- The banks CRAR(capital adequacy ratio) should be equal t or greater than 10%
- The NPAs(Non- Performing Assets) should be of reasonable levels
- There should be a net profit gain of the bank for the last 3 consecutive years

### Reasons for banks to Enter into Bancassurance

The main reasons why banks have decided to enter the insurance industry area are the following:

- Bank competition and shrinking interest margins have increased administrative and marketing costs, limiting traditional banking products' profit margins. New products could enhance profitability, productivity, income generation, reduced fixed costs, and staff productivity.
- Customer preferences are shifting towards insurance products and mutual funds, reducing personal savings holding and affecting profitability. Banks are entering life insurance to offset losses and attract customers. Quality customer information analysis helps identify needs and promote products.

**Data Analysis and Interpretation:** The analysis and interpretation of data are crucial for the usefulness of resource findings, aiming to summarize and organize collected information to answer research questions.

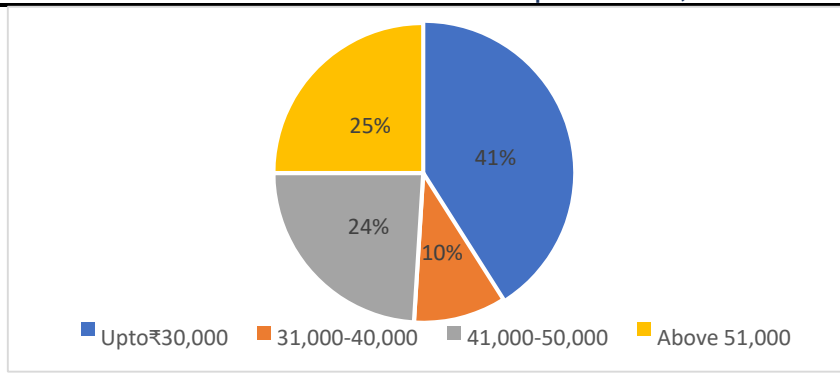
### Simple percentage Analysis:

#### Showing the Monthly income

S.No	Monthly income	No of Respondents	Percentage
1	Upto ₹30,000	49	41
2	31,000-40,000	12	10
3	41,000-50,000	29	24
4	Above 51,000	30	25
	<b>Total</b>	<b>121</b>	<b>100</b>

(Source: Primary data)

**INTERPRETATION:** According to the above data, 41% of respondents earn up to ₹30,000 per month, 10% earn between ₹31,000 and 40,000, 24% earn between ₹41,000 and 50,000, and 25% earn more than ₹51,000 per month.



**Chi- Square Analysis:**

1. Chi- Square test has been applied to measure the association between Age and level of satisfaction of settlement services provided by SBI bancassurance. **Chi-Square Tests**

			Asymp. Sig. (2-sided)
Pearson ChiSquare	Pearson Chi-Square	Pearson Chi-Square	.002
Likelihood Ratio	Likelihood Ratio	Likelihood Ratio	.002
Linear-by-Linear Association	Linear-by-Linear Association	Linear-by-Linear Association	.000
N of Valid Cases	N of Valid Cases	N of Valid Cases	

**Interface:** The above table reveals that Chi- Square significance value is .002 which is less than level of significance. The H0 is rejected. The Age and Monthly income of the investors are dependent on each other.

**2. Chi- Square Analysis:**

Chi- Square test has been applied to measure the association between Age and level of satisfaction of services provided by SBI bancassurance.

			Asymp. Sig. (2-sided)
Pearson Chi-Square	Pearson Chi-Square	Pearson Chi-Square	.002
Likelihood Ratio	Likelihood Ratio	Likelihood Ratio	.002
Linear-by-Linear Association	Linear-by-Linear Association	Linear-by-Linear Association	.000
N of Valid Cases	N of Valid Cases	N of Valid Cases	

**INTERPRETATION:** The table shows no significant relationship between respondents' age and satisfaction with SBI bancassurance service's distribution channels, with a significant value of 0.107, rejecting the null hypothesis.

**ANOVA Analysis:** ANOVA test has been used to study the difficulties faced by the customer is associated with gender.

### Gender and Difficulties Faced by the Customer of SBI Bancassurance

		Sum of Squares	df	Mean Square	F	Sig.
Policy document	Between Groups	1.669	1	1.669	.536	.465
	Within Groups	370.381	119	3.112		
	Total	372.050	120			
Premium payment	Between Groups	3.333	1	3.333	1.174	.281
	Within Groups	338.005	119	2.840		
	Total	341.339	120			
Complaint attending	Between Groups	1.262	1	1.262	.464	.497
	Within Groups	323.515	119	2.719		
	Total	324.777	120			
Claim settlement	Between settlement Groups	.798	1	.798	.252	.617
	Within Groups	377.202	119	3.170		
	Total	378.000	120			
Loan against policy	Between Groups	.434	1	.434	.141	.708
	Within Groups	366.128	119	3.077		
	Total	366.562	120			

Recontinua Between tion Groups	.195	1	.195	.075	.785
o Within Groups f lapsed policy	310.069	119	2.606		
Total	310.264	120			

**Interface:** The F-statistic measures the variance in gender and difficulties faced by SBI Bancassurance customers, with a p-value indicating statistical significance.:

1. **Policy document\_:** The F-statistic is 0.536, p-value 0.465, indicating no significant difference in customer difficulties regarding policy documents based on gender, rejecting the null hypothesis.
2. **Premium payment:** The F-statistic of 1.174, with a p-value of 0.281, indicates no significant difference in customer difficulties regarding premium payments based on gender.
3. **Complaint attending\_:** The F-statistic is 0.464, p-value 0.497, indicating no significant difference in customer complaints attending difficulties based on gender, with a p-value greater than 0.05.
4. **Claim settlement\_:** The F-statistic is 0.252 with a p-value of 0.617, indicating no significant difference in customer difficulties regarding claim settlement based on gender.
5. **Loan against policy:** The F-statistic is 0.141, p-value 0.708, indicating no significant difference in customer difficulties regarding loans based on gender, with a p-value greater than 0.05
6. **Recontinuation of lapsed policy:** The F-statistic is 0.075 with a p-value of 0.785, indicating no significant difference in customers' difficulties regarding recontinuing lapsed policies based on gender.

#### Findings:

- 1) Up to ₹30,000 is the majority (41%) of the replies.
- 2) There is no significant relationship between gender of the respondents and Settlement service
- 3) There is no significant relationship between gender of the respondents and Distribution channels

#### Suggestions:

- Banks should offer a transparent bancassurance package with minimal paperwork to ensure consumers understand the importance of insurance as a financial security measure.
- SBI Bancassurance should enhance customer service quality and trust by providing regular updates, user-friendly portals, and proactive customer support through email, SMS, and mobile apps.
- SBI bancassurance customers will enjoy a simplified payment reminder system, personalized based on their preferences and schedules, and flexible payment options.

- SBI Bancassurance improves loan against policy service by integrating application processes, providing transparent information, personalized assistance, efficient communication channels, and flexible loan disbursement options.
- SBI bancassurance customers can enhance policy document management through digital solutions like secure portals and mobile apps, reducing paper waste, offering faster delivery, personalized assistance, and regular updates. **Conclusion:**

SBI Bancassurance provides a range of insurance products, focusing on policy updates, timely payment reminders, detailed explanations, efficient loan processes, and easy policy accessibility.

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