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From the Desk of Editor

It gives me an immense pleasure to release the Volume 2 First Issue (Jan – June 2019) of Amity Journal of Insurance Banking and Actuarial Science. (AJIBAS). This issue of AJIBAS consist of two conference proceedings of Insurance and Banking held in October 2018 at Amity School of Insurance Banking and Actuarial Science and four articles on the recent developments in Banking and Insurance Industry . Theme of these research papers are : Role of Brand Equity in Indian Retail Banking Industry , Case Study on Challenges and Opportunities in Recent Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda , Consumer Perception Towards Online Buying on Motor Insurance and Consumer Satisfaction From Motor Insurance Claims Settlement. I hope the readers will enjoy reading these articles while learning the new concepts and procedures being followed by the corporate houses in achieving customer satisfaction and Business enhancement.

We would like to express our gratitude to Honorable Founder President Dr. Ashok K Chauhan for his constant motivation and inspiration. We are grateful to our respectable Chancellor Dr. Atul Chauhan for his continuous guidance. Our sincere thanks to Vice Chancellor Dr. Balvinder Shukla for continuous guidance and motivating in publication of compendium of papers.

Editor

A. P. Singh

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Conference Proceedings
National Conference on The Changing Contours of Indian Banking Industry.

Prof R.C.Bhatnagar, Asst Prof B.S.Bisht, Prof (Dr.) Narinder Kumar Bhasin

[HELD ON 26 OCT 2018]

The chief guests who were present on the dais were Dr.Gurinder Singh, Group vice chancellor, Amity Universities, Shri SSK Pradhan, General Manager, Reserve Bank Of India, New Delhi, Shri V. K. Namdeo, General Manager, Bank of Baroda and Shri Nuti Chakravarthi, Executive Vice President and Regional Branch Banking Head (North), Axis Bank LTD.

Order of actions: -

- Welcome of dignitaries and students by the anchors for the conference.
- Agenda of the conference was given and topics to be discussed were stated.
- They gave description regarding Amity university: - its history, various departments, different awards and achievements etc.
- Information given about ASIBAS department and different courses being run by it.
- Lightening of the lamp was done by the dignitaries and Director of ASIBAS, Shri A. P. Singh and HOD Shri R. C. Bhatanagar.
- Mr. A.P. SINGH, Director, ASIBAS welcomes all dignitaries with a sapling.

Mr. A.P. Singh's Address:

- Thrown light on problems in the financial sector – NPA.
- Need to have the solution and perception for the solution along with PCA, liquidity crunch, special mention to problems in NBFCs.
- Discussion on IL&FS and how credit rating Agencies play important role-ICRA. Importance of credit rating Agencies and how they work for the interest of people who fund them.
- Panic situation in the financial system and how even not only PSB`s but private sector banks are facing the heat.

Address of Professor R.C. Bhatnagar:

- Changing contours of banking industry.
- Brief about the panels of the day, Track 1,2,3
- Large number of cases at NCLT, CRISIL's Report
- Technology based business competing with present day business.
- How machines can lead to higher yield, mitigate credit risk, enhance CRM and increase profit to bank.
- Mention of government schemes and blockchain Technology.
- Role of HR department on unprecedented opportunities, good quality credit appraisal, full proofing their employees.

Group Vice Chancellor, Dr. Gurinder Singh's address

- Challenges discussion on the advancement and the new generation banking ---
  1. New Delivery channels and should banks invest in increasing branches are the new technology and AI based delivery channels footprint banking and tolerance zone.
  2. Increasing expectation and changing plus zone of the customer from luxury to time efficient services.
  3. Broad business of banks apart from conventional banking that is selling third party products achieving marketing insurance targets and deposits/ lending is just one part of the business.
- Laid the foundation for the discussion of the inaugural session

Address of Chief Guest: S.K. Pradhan, G.M. (RBI)

- Not only morality not only supervisory but multiple reasons behind rising NPA.
- It's about risk management and not only NBA credit market liquid operational and other risk.
- Mention of ALM in IL&FS and liquidity risk that lead to its failure.
- Infrastructure, power sector constitutes to main NPA and is result of appraisal failure.
- Mentioned Amity what matters is value and bankers should carry values and morals.
- Our responsibility loyalty towards our institution.
- Use of international technology and how it is using complete AI technology Fintech Company's importance and pointed that with "speed comes accident" and with "fast/Hitech comes risk".
- Gave his wishes to the students.

Address of Mr. B.K. Namdeo, GM, Bank of Baroda

- Banking ecosystem in context of India.
- Importance, robustness, strength of Indian banking system during International Financial crisis and how the world studied us for the stability that we maintained.
- How technology is making the banks lead and compete among each other.
- Mention of SBI, sixteen Chinese Bank and importance of consolidation and merger for the banks to achieve the volume + provisions to be in the top 100 list.
- Indiscipline in the system resulted in NPA and stressed assets.
- Importance of credit rating and ratio analysis importance of credit rating + focus on SME sector which is changing the contour of Indian banking industry.
- Retail banking--- how educational loan is easily available + how quick has account opening has become. Speedy fund transfer. They are prompting digital banking and not branch banking.
- Payment banks--- 64% of payment in 2 years via fintech without involving the banking system.
- Mention of Ola and Uber + digitization.
- Declared NPA to be the past and asked to focus on the new targets and asked for the owner the new beginning of the day of the upcoming banking era.

Address of Mr.Nuti Chakravarthy's, EVP & Regional Head, Axis Bank Limited

- Focus is important.

- Told the importance of present movement as the students present will be going to join the financial system soon.
- India is the fastest growing economy- 5th largest in world.
- 10 trillion economy @ 2034 Morgan Stanley state in India will double its economy in the next five to six years and for that banking and Technology is the backbone.
- Due to India's Geography branches are still growing but at cities no. of branches are being cut down or it is being deployed with the tabs and cash depositing machines.
- Banking on mobile 72 functionalities in total.
- UPI transactions value rose by 2 million to 246 million in 2 years.
- Importance of demonetization and how it helped the technology to take over in shaping the banking industry.
- The technology is also reading the customer transaction pattern and accordingly offering credit and other products and services--- customer centricity.
- JP Morgan and how other banks using multiple apps along with Alibaba.
- Axis Bank disburse loan in 30 seconds.
- Mention of corporate lending and IBC and uploaded IBC for 50,000 crore outstanding resolution to get to bank from wilful defaulters.
- KYC, AML's importance with Credit Card and Credit Card blocking facility.
- Importance of not to fall prey to Cyber crime.
- 5 takeaways- mobile, partnering with fintech, cyber security, risk management, workforce for Indian banking (talent + understanding + values)

Presentation of Memento by Director to Chief Guest

Conference Proceedings

TRACK -1

Theme: NPA Resolution - A Long Term Perspective - Resolution of Stressed Assets - Revised Framework

Date: 26 Oct, 2018, Time 12.30 pm

Theme introduced by Associate Prof. Bala Subramanian.

To face NPA situation, government introduces and passes IBC (Insolvency and Bankruptcy Code) Resolution. NCLT cannot handle these situations as number of cases is too large. Issues and Challenges to handle stressed assets.

Panelist`s Address:

Mr. P.S Rawat, Former Executive Director, Canara Bank.

- If the economy has to grow, the NPA amount should be control
- In 2009-2010 NPA was 2.4%
- In 2016-2017 It raised to 11.7%
- In 2017-2018 NPA raised to 15.6%

- By 2019, NPA will move to 12.6%
- NPA of large corporate under PSUs and SCBs is 58%
- PSL NPA in 2010 was 51%
- Main reason is NPA legal system failed

Measures for long term:

- Legal system failed in controlling NPA system
- Judging the borrowers
- National Asset Management Company
- Project Appraisal Policy
- Proper Monitoring and controlling system of bank

Mr. S.K Gupta, MD & CEO, IPAIC.

He spoke about the Insolvency and Bankruptcy Code

- Basic objective of Insolvency and Bankruptcy Code is to reduce the growing NPAs
- For better utilization of Company's Assets
- If the company fails to recover their assets that recovery is handled by NCLT
- Resolution plan are made and implemented
- Under NCLT there are not enough benches to attend the NPA cases, NCLT then take cases to judicial orders after further processes
- NCLT gets plans when it is approved by creditors committee
- Four pillars are introduced
- Group Insolvency provision, if we do not get anything out of stressed assets

Mr. Shyam Sundar Gupta, DGM & Zonal head, Allahabad Bank.

He spoke about the farmers' perspective in NPA.

(i) If we see from farmers perspective, they are dependent upon KCC norms

(ii) If the loan to a farmer is of ₹1,00,000 or ₹ 2,00,000, it will turn into ₹4,00,000 or ₹ 5,00,000

(iii) State govt. Asks not to issue notice to farmers if rain is not there good for 2 to 4 years

(iv) Land acquisition is problem that bank cannot force.

(v) Special Mention Account for recovery.

(vi) Farmer wants to pay but not able to pay.

(vii) For corporate loan IBC has come but for home loan, the houses are still not made and loan borrower is still in rented house.

(viii) Repaying capacity has gone low due to external reasons.

What is to be done from government side?

What is to be done from banker's side?

Mr. Ravindra Aggarwal, Director, Leverage Turnaround & Resolution Pvt. Ltd.

He spoke about Insolvency and Bankruptcy Code.

(i) IBA covers three stages

(ii) Bankruptcy is an ability to pay.

(iii) To reduce NPAs, the first step is to manage Cash Flow Statement properly; a banker has to take care of.

REASONS:

From borrowers side-

- Lack of planning
- Diversion of funds
- No monitoring
- Dispute with officials

From Lenders side-

- No- Post disbursement monitoring
- Defective sanctions
- Slow decision making
- Political Interference

(iv) Recovery through Resolution with the help of Insolvency and Bankruptcy Code

(v) IBC is a future

(vi) IBC is a game changer

(vii) 977 cases are there for resolution

(viii) 716 cases are going on

Ms. Sonia C, AVP & Brach Head, Federal Bank.

She spoke about recovery through SARFAESI Act, DRT, Civil Court.

(i) Resolution came into existence when we initiate recovery.

(ii) SARFAESI Act, 2002, when an Account is becomes NPA the issue is registered under SARFAESI.

(iii) The SARFAESI Act is applicable-

- In case of Mortgage
- In case of Hypothecation

(iv) In some cases the recover happens by sale of the property or by resolution.

(v) Earlier the suit used to be filed under DRT but now it is file under Civil Court.

(vi) Lok Adalat is also the way when the loan is settled in any stage loan is right now.

(vii) Despite these methods the banker should call the borrower, sit with him, talk to him and convince him for the recovery.

Prof. Prof. Balasubramanian summed up the key points of the discussion and delivered the vote of thanks.

TRACK-2

Theme: Digitalization And Fintech

Theme introduced by Prof (Dr.) Narinder Kumar Bhasin.

Digitalization and Fintech has created the major change in the Indian baking industry. Digital disruptions i.e. new digital technologies were introduced and that has created the greater impact on banking business and recruitment process also. Nearly 30 to 50% of banking jobs were addressed. Banking and Fintech collaborations are required for improving customer services, promotion of digital banking products and providing secured risk management platforms.

Panelist`s Address:

Mr. Neeraj Singhal, Vice President NTT Data, Noida

- The banking business depends on the 3 Cs of Banking, i.e. COST, COMPLIANCE AND CUSTOMER RETENTION. Because of digitalization, banking industry got greater help for developing the business by improving the 3Cs.
- Costing compliance has also improved and time resolution is done by 40% leading to faster processing of the operational and account activities.
- If there is any problem regarding the account, it can now be closed within 7 days.

FINTECH 1.0 :

- Fintech is now competing with financial institutions. Because of it the non banking or private companies are accessing the data ant that's affecting the banking business.
- It has 45% of share in the P2P lending in the market.
- It is collaborating with the financial institution so that it can obtain the merchant list on Amazon fulfillment.
- Co-option and integration with German bank also lead to development.

Mr. Shitanshu Mitra, EVP, HDFC Bank, Delhi

We can't see of or feel something going on at the back side, but we can experience it. Creates the great impact and it's the impact of technology, that's the Digitalization.

Lot of fintech companies have the solutions of different problems faced by banking industry in the same field that includes

- Netflix of banking.
- Mobile banking.
- Customer experience.
- Collaboration with Fintech Company.
- auto loan or loan in 10 seconds.
- mobile to mobile payments.
- other wallet applications.

Mr. Anshuman Mishra, MD & CEO, Loan Adda, Noida

There are so many benefits of Digitalization in banking that includes

- The OLA and UBER apps are the best examples telling the same, because of it the cost of travelling has become less and affordable.
- Students can now easily apply for loan
- Tredit cards for taking loans
- If borrowers are coming to us for loan, and if we are able to provide them with the same in 2 minutes, then it's really better for the business. It will lead to grow business in a faster way
- The credit granting process should be done after going through 3Cs of credit i.e. credit worthiness, capacity and collateral.
- The Blockchain and PHP technology has also created greater impact on the banking business.

Mr. Martin Navratil (Home credit), CBDO,(Home Credit India)

The mobile phone loans have also supported to increase the business, because of it the number of customers increased. It has created the greater impact on the countries like Kazakhstan, China. Indonesia, Philippines, India. Because of these,

- Customers increased
- Small loans are increased
- Lending to those who have CIBIL less than demanded
- Sufficient infrastructure in India
- Do KYC immediately.
- Less paper work (fully digitalization)
- Getting personal work done in 5 minutes.
- Employees are able to know the data at right time when he is facing the customer.

Mr. Jyoti Gadia, MD, Resurgent India Ltd

Banks have two types of incomes, that is interest income and fees based income. The overall income of the bank depends upon the customer base. It can be obtained by the data which can be collected from the online shopping sites like Flipkart and Amazon that how customers are spending on online shopping, etc.

- Collaboration of this type of data will lead to development of business.
- It will create the change in banking industry
- It will increase the trust deficit in the banking industry.
- Awareness of the customer about loan requirement
- Lead screening software will help to detect that loan disbursement should be done or not.
- The 4 ratios are important in the banks, but the bank statement analyser will help rather than the ratios.
- It also gives the exact turnover and profitability.
- The Facebook and Linked in are playing important role in loan recovery.

Prof. (Dr.) Narinder Kumar Bhasin summed up the highlights of the panel discussion and delivered the vote of thanks.

TRACK-3

Theme:-Role of Human Resource Department – Stressed Assets – Failure of ethics or Credit appraisal?

Theme introduced by Prof. A.K. Gupta

Role of HR in any department is very important, because this is the HR who recruits the employees for the organization and they are the person who makes sure that which person requires training, etc such that the organization will work efficiently and productively.

Some of the HR functions are given below:-

- Recruitment
- Training
- Development
- Performance check
- Motivation

Panelists Address :-

Mrs. Seema Singh[Chief HR officer - Indian Post Payment Bank Ltd.]

- NPA's are growing but banking is the good profession.
- Some of the reasons of NPA are poor appraisal, project not viable, funding gaps, low resources, environmental issues, social issues, global issues, etc.
- Credit analyst: - know all these factors to avoid NPA and HR provides training, skilling, monitoring, etc to avoid these.
- For 10 years there were no recruitment but only promotion was there, it created a skill gap. After 2010, new recruitment was started.
- PSB were ready enough to skill the employees coming to the bank.
- If you did your work with rules and regulations then you are out of punishment if NPA had occurred

Mr. Rajiv Saxena [Retired CGM – Bank of India]

- Our ethics are our credit appraisal.
- Banking industry is the mirror of society.
- After 2012-13 economy started slowing down. Other loans were taken to service the existing loan's interest.
- In fraud, banks also get harassed in investigation and legal system is also responsible for NPA.
- SARFAESI ACT 2002
- Procyclic lending :- done after economy boost
- Internal thing of poor assessment:- Poor credit appraisal, loan waiver, makes conditions bad, etc.

Mr.SudhirTyagi[Deputy GM – credit and senior faculty – SBI, credit and risk management institute Gurgaon]

- We assume lot of things in future prospects while dealing with stressed assets.
- With availability of information, we can start developing ourselves towards the same.
- Anything happening in foreign country also affects the credit appraisal.
- Huge gap of vacancies in the recruitment affects the most.
- Lots of measures had been taken to train and develop them(employees)
- The new employees are trained to take new account and to do credit appraisal.
- Discussed a example of SR Steels (17000 cr NPA) (Ist time loss in SBI due to NPA).

Professor B.S. Bisht delivered Vote of Thanks to our director sir Shri A.P. Singh for giving us this opportunity to organise this National Conference on Changing Contours on Indian Banking. He also thanked founder President Shri Ashok K Chauhan, Dr.BalvinderShukla, Group Vice Chancellor ShriGurinder Singh for the blessing and support and finally he extended thanks to all the Sponsors, Faculty members, participants and students and with this conference was declared closed.

Conference Proceedings
National Conference on "Insurance and its Role in Sustainable Development"

Asst .Prof B.R.Singh , Dr. Sunil Kadyan

Amity School of Insurance Banking and Actuarial Science (ASIBAS), Amity University, Noida organized a conference on the theme "Insurance and its Role in Sustainable Development" on 25th October 2018. The conference started with welcome address and theme presentation by Shri A.P Singh, Director, ASIBAS.

Mr. A.P Singh, in his presentation highlighted the significant role played by Insurance Industry in the sustainable growth of the Indian economy. He said that the Insurance sector constitutes a vital part of our economy. Insurance Company is a major instrument for the mobilization of savings of people particularly from the middle and lower income groups. These savings are channelized into investment for economic growth. Thus Insurance industry is an important catalyst in the development and growth of economy.

A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country. The life insurance sector plays an important role in providing risk cover, investment and tax planning for individuals whereas the non-life insurance industry provides a risk cover for assets.

He further said that India, being one of the fastest-growing economies, has exhibited a significant increase in its GDP, and an even larger increase in its GDP per capita and disposable income. Increasing disposable income, coupled with the high potential demand for insurance offerings, has opened many doors for both domestic and foreign insurers.

He also talked about the Pradhan Mantri Fasal BimaYojana (PMFBY) flagship crop insurance scheme, which has seen a substantial rise in coverage and sum assured, but after nearly four seasons of implementation, several challenges have cropped up. PMFBY is facing a number of challenges that are delaying claim settlements for farmers.

Mr Nilesh Sathe, Member, IRDAI spoke about the last 3 years' development of the Indian economy and its direct relation with insurance. He also focused on the recent measures taken by the government to promote insurance industry. He touched upon the recently introduced insurance products like Suraksha BimaYojna, Fasal BimaYojana, and Ayushman Bharat Yojna etc. He also enlightened the house with the several amendments in the Insurance Act 2015 like introduction to online insurance regulation, regulation of settling online claims and many others among the 40 regulations. He informed the house that more than 11 reinsurance branches in India soon would be known as reinsurance hub. He informed the house that Digital insurance analytics like telematics and'20 minute claim settlement' had been introduced recently by Bajaj Allianz. He also informed that increasing use of Internet of things ensures that dishonesty disappears and hence fraudulent claims are controlled.

Mr. Ashish Chauhan, CMD, BSE, the guest of Honour discussed about the scenario of Indian economy in the next 40 years and explained as to how 70% of the jobs would change completely with the fast changing technology. He also talked about the risk that arises due to prolonged time in completion of projects, and in order to assess those risks we need to adapt ourselves with the changing environment. He said that Insurance penetration in India is very low. He further observed that Technology plays a very important role in Wellness and Health Management. Today a watch can check your blood pressure; some chip inserted in our body can check sugar level on a real time basis. In this context he also talked about Biotech which is the genetic modification of animals and humans. According to him life is going to change completely and after 30 years people would be living for more than 150 years which will have adverse impact on the business of Life Insurance companies. He said that in the fast changing scenario soon the role of agents would be changing. They would work for customers rather than for insurance company.

Mrs.T.L.Alamelu, CMD, AIC the second guest of hour, explained the various government initiatives to promote agriculture insurance and gave insightful knowledge about these schemes. She mentiond about the challenges of Suraksha BimaYojna, Fasal BimaYojana, Ayushman Bharat Yojnaand Jivan Jyoti Yojna. She also described about the plan to use of block chain technology and innovations in these schemes. She informed that 14 crore people are covered under Pradhan Mantri Suraksha BimaYojana.

She informed that Pradhan Mantry Fasal BeemaYojna has surpassed china in premium collection. PMFBY (2016) is a complete renovation of all old schemes. No. of farmers insured are highest in the world. Coverage under this scheme has increased from 15% to 30% gross crop area. There is complete shift to technology such as use of drones, satellite image from ISRO, use smart phones by farmers who can take pictures and upload it on portal, payment of claim amount directly to farmers through Bank Accounts. She observed that the major issue in PMFBY is receipt of subsidy. She was also of the opinion that the number of 'in house surveyors' is very less, their penetration is really very low in non-life insurance.

According to her, for a sustainable development, we have to create wealth and in order to protect it we should have insurance.

Technical Session 1: Need Based Selling In Life Insurance:

1. Mr.YogendraBajpai, Zonal Head, HDFC Life Insurance Co. (Session Chair)

The panel member talked about the importance of need based selling in insurance and importance of calculation of human life value correctly. He mentioned various ways in which human life value can be calculated and emphasized the need to take insurance according to the need.

2. Mr.V.K.Dhar, Senior Divisional Manager, Delhi Division-2, LIC of India

He started his discussion by telling the three risks in life insurance death, illness and longevity. He also stressed on awareness of life insurance among population needs to be increased through education and various measures that are needed to be taken to standardize the insurance products.

3. Dr.Syed Hussain, Head of Underwriting, Medical Network & Reinsurance Administration, Max Life Insurance Co.

He mentioned the importance of need based selling and described its two aspects –identifying the needs of the customer and educating or creating awareness towards insurance.Dr.Syed Hussain also mentioned the need of analysis of customer need and to do this analysis at regular intervals as the needs of the customer change from time to time. He also emphasized that many technical tools like online insurance calculator can be used instead of disclosing personal information by customers to the insurer or intermediary.

4. Ms. Santosh Agarwal, Associate Director & Cluster Head-Life Insurance, Policybazaar.Com

Ms. Santosh Agarwalstarted her talk with a fact that '97% of insurance sold is not pure term insurance' and so there is a need of advertisement of the right product. Also, the customers should be aware of the claim process rather than just about the product.

Conclusion: The discussion ended with a conclusion that there is a need of educating the public about the concept of insurance and benefits of it, and through correct advertisement of insurance products and mass awareness programs this target can be achieved in a decade.

Technical Session 2:Underwriting losses in general insurance and ways out:

1. Mr.Anurag Sundar, Managing Director, J Syzygia Consultants (Session Chair)

Mr. Aurag Sunder the Session chair spoke at length about underwriting losses in General Insurance. According to him, underwriting losses in General Insurance is an unending issue. Specially over the last few years the situation has further aggravated .There is need to understand where the challenges are more at the ground level or at the executive level. Marathon Brain storming sessions are required to resolve the issues pertaining to underwriting losses. He referred to Swiss Re study on profitability in General Insurance and said that skill gap or lack of will in General Insurers which is one of the causes of low profitability in General insurance. He also talked about use of 'predictive analytics' and 'digital offices' in insurance in near future.

2. Dr. Nitin Kumar Gupta, Vice president- Claims operation and Group Underwriting, Apollo Munich Health Insurance Co Ltd

According to Dr. Gupta, underwriting losses due to pricing inadequacy can be avoided. Better Claim management is requirede in promoting good health; charging less premium amount from customers with good food habits etc. Operational cost reduction is the need of the hour. Insurance Industry is laying more emphasis on wellness rather than managing illness. Customers are getting incentives for managing good health in form of discount in renewal premium. Dr Gupta also emphasized on sharing of data specially pertaining to insurance frauds. According to him there is an urgent need of anti-fraud law for decreasing high claim and sustainable development of Health Insurance Industry.

3. Mr Kishor Chandra, Ijral, Technical Head Underwriting, Non Motor (North), Bajaj Allianz General Insurance Co. Ltd.

Mr. Ijral talked about pre claims handling approach. He said that even before a claim is lodged, Insurer should be ready with infrastructure communication to handle the situation. This preparedness would be very helpful in case of catastrophic losses such as recent Kerala flood. He also dwelled upon the causes of underwriting losses in General Insurance, some of which are as under:

- missing underwriting discipline (for example minimum information is not collected for before risk acceptance)
- unhealthy competition and deep discounting
- low insurance penetration

Global causes like global warming are also affecting the Indian market. According to him relevant Data or analytics is required for proper underwriting.

4. Mr.Anand Shankar, Zonal Underwriting Head, Star Health & Allied Insurance Co. Ltd.

According to him, capturing of rural areas is required. India's population is vast but the earning is low. Technological development in insurance and use of artificial intelligence in insurance. There should proper sharing of quality data for underwriting and actuarial purpose. GPA is not a profitable business unless and until there is proper pricing policy.

Technical session 3: Sustainable Development of data Analytics in Insurance & Actuarial Science:

1. Mr.Rohit Jain, Director, AON (Session Chair)

Mr. Rohit Jain started the session by stating how data analytics is transforming the whole industry and described the relationship between data scientists and actuaries. He said "An Actuary can be a data scientist but a data scientist cannot be an actuary". He informed that 45% of the work done by the actuaries can be automated with help of AI and predictive analytics and skill sets required by actuaries to keep up with AI are data management, clustering and writing algorithms. He mentioned that prescriptive analytic is expected from actuaries rather than descriptive analytic. He talked about and gives the description of data analytics and discussed as to how it is transforming the whole industry. He said that we need to change our concepts from descriptive to perspective.

2. Mr.Abhimanyu Dasgupta, Head - Analytics & Cognitive Science Based Services, Deloitte India

Mr. Dasgupta suggested that actuaries should not be tied to conventional field of insurance and must explore other areas too. Actuaries are already working for weather forecasting, betting industry, online shopping etc.He said that big data is sheer amount of data collected daily which has high volume, velocity, enormity and hold high credibility to process data into useful information.

3. Mr.Vineet Garg, Vice President, Digital Transformation (RPA), Exlservice

Mr. Vinit Garg explained the importance of data visualization to become a good actuary and expressed that understanding of domain knowledge plus technology would increase productive efficiency. Recent application of telematics by Bajaj Allianz is an example that can reduce claim processing time to 20 sec. As career advice he stated that demand for actuaries will increase as AI will embrace actuaries instead of replacing them and opportunities for actuaries are so much that only 4% of the global demand has been fulfilled. According to him embracing of technology in all facets is required. He further said "More you visualize the data – the better actuaries you become."

4. Mr. Jay Kumar, Manager- Analytics & Cognitive Science Based Services, Deloitte India

Mr. Jay Kumar suggested that transition from conventional pricing to data driven pricing would be very important as outcome from machine learning and data analytics are near to accurate. He intuitively explained step by step loss triangle reserving process describing development factors to prove how structured and relevant data are important for prediction of reserve. Pricing and underwriting would also be in line towards each other because the analytics could help to come up with a scoring-based underwriting; based on that an insurance company can easily decide whether to accept or reject the proposal or add loading. According to him we have to move from conventional pricing to data based pricing. Mr. Jay Kumar observed that deep learning algorithm helps actuaries to make better decisions.

Role of Brand Affinity, Experience and Satisfaction in Building Brand Equity: An Empirical Investigation of Indian Retail Banking Industry

Dr. Rajesh Sharma & Dr. Puneet Dublish

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The traditional marketing programmes are no more generating profits in banking industry. On the contrary, service brands relying on traditional marketing are getting diminishing returns on their investment. The new digital economy demands that service brands must ensure consumer satisfaction and brand affinity through consumer engagement to build strong brand equity. The current study investigated the impact of brand affinity, experience and satisfaction on brand equity. The study found positive and direct influence of all the variables on brand equity. The study provides theoretical and managerial implications for retail banking industry in India and concludes with limitations and directions for future research.

Key Words: Brand Affinity, Equity, Digital Economy, Retail Banking, Consumer Satisfaction

Introduction

The foundation of retail banking lies in multifaceted choices made by customers on regular basis. Due to high intangibility of products offered in the financial services market, the competition is getting tough in this market. Retail banks can differentiate their brands by building strong brand equity. Brand equity has been referred to as the value of brand's marketing efforts when the brand is compared with a UN named version (Aaker, 1996). The concept of brand equity is also gaining importance due to the fact that financial services can be easily copied and there is thus hardly any differentiation or the similarity index between new products is very high (Levy, 1996).

Similar to other emerging economies, retail banking industry in India is facing challenges due to factors such as free economy, consolidation, convergence with insurance industry, payment banks etc. These environmental changes have serious consequences and implications for banks. For example, few years back the banks built and sustained customer relationships via direct contacts. However, changing dynamics in the industry such as internet banking and m- commerce are redefining and redesigning the customer relationships. Though technology has benefitted the consumers by adding to their convenience, it has eliminated direct interaction between banking personnel and consumers. Technology has therefore reduced the engagement between retail banks and customers. This has deeply impacted the long-term consumer loyalty. Researchers in the past have investigated the impact of technology on relationship between customer and bank (Garderner et al., 1999; Ferguson &Hlavinka; 2007).However, there are very few such empirical studies in Indian context despite the fact that building consumer loyalty is a key challenge for Indian retail banking industry. This study intends to fulfill any such research gap.

Theoretical Background and Research Hypotheses

A brand name leads to brand equity, which results in value accretion to manufacturers, retailers and customers (Tuominen, 1999). Past research suggests that brand equity is an asset of a company and is beneficial for firm and consumer alike (Aaker, 1991; Keller (1993, 2001).Regardless of the extensive research in the area of marketing, there is a lack of uniformity regarding building brand equity (Pappuet al., 2005; Kayaman and Arasli, 2007). Till now, the antecedents of brand equity continue to be disconnected and debatable (Christodoulides and De Chernatony, 2010). The reason for such conceptual uncertainty as highlighted by authors in past is "disparate methodologies applied to measure the intangible theory". Probably, brand equity results from customers' logical assessment of domain and relevant brands (Aaker, 1991; Keller, 1993) and is usually an instinctive reaction to personal and social components(Belen del Rı ´o et al., 2001). According to Lassaret al. (1995), customers perceive brand equity by perceptual and impalpable aspects like recognized conduct, recognized worth, persona, honesty and loyalty. Behavioral factors like perceived quality, loyalty and brand awareness were identified by Yoo and Donthu (2001). Further, researchers (Netemeyeret al., 2004) proposed that consumer readiness to remunerate more for a particular brand and brand perceived service quality and uniqueness creates brand equity.

Moreover, earlier studies were denounced (Yoo and Donthu, 2001; Christodoulides and De Chernatony, 2010), as they depict associations among antecedents in isolation. According to this context, higher order analyses are progressively conducted by researchers to unequivocally depict causality by using mediation (Jahanzebet al., 2013). Researchers have used models with mediating variables, which attempt to clarify causal associations among such variables (Baron and Kenny, 1986).

According to Schmitt (2012), experiences are "processes of sensory perception, brand affect, and the participatory experiences consumers seek from a brand". Epstein (1998) outlined the observational structure as "a cognitive system driven by emotions" and contended that in spite of the fact that the logical and experiential structure of cognitive handling are independent, they affect each other. Behavior is affected by the intellectual knowledge, which is influenced by psychological experiences that depend on service encounters (Berry, 2000). Grace and O'Cass (2004) concluded that the emotional and psychological response to a brand depends on service experience leading to consumer trust and satisfaction. They studied the effect of service experiences on consumer judgment and deduced that service incidents evoke both behavioral and emotional components, finally affecting the way consumers rank the overall service activity. They inferred that emotional allurement resulted because of effective service experiences creating favorable attitude toward a service brand and equity. Depending on the essence of services, various aspects describe the experience measure of pre and post service consumption, which includes regular interactions with staffs, ambience and delivery system. The contrast between goods and service features is that the former are realized before consumption whiles the latter during and after consumption (Kim and Kim, 2004; Low and Lamb, 2000). Further, consumer may face difficulties in identifying the service quality especially when the nature of service is highly technical and intricate (Kim and Kim, 2005). Past research has already highlighted a positive correlation between service experiences and post consumption behavior of consumers (Grace and O'Cass, 2004; Biedenbach and Marell, 2009).

Service experiences influence consumers' emotions, trust, and conduct. According to Berry et al. (2006) service signals have a "disproportionately larger effect on how customers evaluate service experiences and whether they chose to utilize the service again." These signals may be functional such as technical standard of services or mechanical such as the influence of smell and taste. Based on the review of literature, it is expected that the brand perception will be influenced by the type of consumer experience with their service provider. Hence we posit the following hypothesis.

H1. There exists a significant, direct &positive relation between service experience and brand equity of retail banks.

According to Obereckeret al.(2008), Brand affinity refers to "forces that cause one person to be drawn to, and seek a relationship with another". Affinity in marketing parlance means the emotional association between brands and customers (De Chernatony and Dall'Olmo Riley,1999).The feeling and faith on which a brand stands for dominates brand perception (Berry 2000).Prosperous brands make power fulinner connections with consumers (De Chernatony and Dall'Olmo Riley, 1999; Berry, 2000). The focus of brand appeals are toward perceived service interest and functional service attributes (Berry, 2000). Sometimes there is no economic value justification for having brand affinity as it reflects the inner fondness customers' exhibit for their preferred brands. According to Berry (2000), consumers get involved with brands and intentionally build inner attachment with select brands out of sense of affection, love and belongingness.

Prior working in the field of emotional research showed that the level of emotional endearment depends on the consumer's past interactions and experiences (Bowlby, 2005). The individuals who are vigorously and emotionally related to a person will show homogenous behavioral characteristics in their brand relationships. If a consumer is emotionally attached, then he will be ready to accept personal and financial sacrifices to keep brand relationships. Thus emotionally connected customers will most probably hold appreciative outlook toward a brand. Through continuous interactions, affection, attachment and emotional bonds can be developed over time (Thomson et al., 2005).Therefore, customer mental state, which is rooted in mental psyche will influence consumer's emotional attachment. The different aspects of differentiation and brand positioning get influenced by brand affinity (Aaker and Biel, 1993). This makes other brands mere commodities, and lessens the threat of competition (Romaniuket al., 2007). When it comes to consumer choices, brand association and perceived distinction are important. The appreciativeness, power, and distinctiveness of brand affinity also impact customer divergent reactions through product differentiation, information recall and purchase decision (Keller, 1993).

Based on the above, we hypothesize a positive relation between brand affinity and customers additional disposition to brands. The said assumption is mentioned in the hypothesis as given below:

H2. There exists a significant, direct & positive relation between brand affinity and brand equity of retail banks.

A cognitive state of enjoyable fulfillment obtained from consumption is satisfaction (Oliver, 1999). Based on reference criteria's established before consumption, satisfaction depicts comprehensive judgment after consuming a product (service).Satisfaction is a unique long-term intellectual state, even though it is related to perceived quality(Gustafssonet al., 2005). Consumers who are satisfied maintain deep emotional relations with preferred brands. According to Bitner (1990) and Oliver (1999), consumer satisfaction is related to market share, profitability, behavioral and attitudinal loyalty (Bloemer and Kasper, 1995).

Additionally, satisfaction leads to consumers consuming extra and more from existing service provider, enlarging the forbearance for excessive prices and giving favor able opinion(Sureshchanderet al., 2002). The preferred brands can be easily identified by satisfied customers, which affect expansion strategies and market share (Zeithaml, 2000). Hence customer satisfaction results in less demand fluctuation and better cash flow. Customer satisfaction has long-term impact on a brand's financial performance(Anderson et al., 2004) and shareholder value (Hogan et al., 2002). A firm's increased bargaining power, increase investment, non fluctuating demand and lower cost are benefits of having a satisfied customer(Bolton et al., 2000). Hence based on the above mentioned review, we propose the following hypothesis:

H3. There exists a significant, direct & positive relation between customer satisfaction and brand equity of retail banks.

Research Methodology

For understanding the impact of service experience, brand affinity & customer satisfaction on brand equity, the individual customers of Indian commercial banks were surveyed through a questionnaire in Indian capital i.e. New Delhi. A total of 350 questionnaires were distributed and 321 questionnaires were found to be valid for further analysis. The questionnaire was developed after literature review. Brand equity was measured by borrowing the scales from Yoo & Donthu (2001). Service experience items were borrowed from previous works of Brakus, Schmitt and Zarantonello (2009) while brand satisfaction items were taken from the study of Grace and O'Cass (2004).Brand affinity items were taken from previous work of Bloxham (1998).

The face and content validity was ensured by getting the questionnaire examined by five faculty members and five professionals. Minor changes in the questionnaire wording were made based upon the suggestions. The questionnaire consisted of two different sections. One section included questions pertaining to different variables and the second section consisted of demographic background of the respondents.

Data analysis

By using factor analysis, we identified overlapping items in the instrument. Kaiser-Meyer Olkin value was 0.806 and Bartlett's test of sphere city was significant, indicating that the data can be further analysed for factor analysis. We calculated Cronbach alpha coefficients and ensured a minimum value of 0.7 to ensure the scale reliabilities. These values were in the range of 0.713 to 0.789 (Table 1). The complete detail of each construct item and inter correlation matrix is given in table 1 whereas the description of each construct and inter construct correlation has been given in table 2.

Table 1 : Item total statisctics& inter item correlation matrix

Item-Total Statistics					Inter-Item Correlation Matrix			
	Cronbach's Alpha	**Corrected Item-Total Correlation**	**Squared Multiple Correlation**	**Cronbach's Alpha if Item Deleted**				
EXP1	0.749	.526	.394	.647	1.000			
EXP2		.564	.369	.681	.412			
EXP3		.664	.453	.574	.529	.597		
SAT1	0.789	.730	.561	.596	1.000	.704	.530	
SAT2		.656	.500	.688	.704	1.000	.425	
SAT3		.591	.486	.621	.530	.425	1.000	
AFF1	0.713	.518	.331	.642	1.000	.301	.329	.548
AFF2		.494	.291	.660	.301	1.000	.510	.318
AFF3		.493	.303	.661	.329	.510	1.000	.325
AFF4		.514	.334	.643	.548	.318	.325	1.000
BEQ1	0.782	.690	.578	.676	1.000	.722	.379	.502
BEQ2		.680	.551	.679	.722	1.000	.433	.390
BEQ3		.485	.264	.778	.379	.433	1.000	.424
BEQ4		.536	.316	.759	.502	.390	.424	1.000

All correlations significant at p<0.01
BEQ: Brand Equity; SAT:Consumer satisfaction: EXP: Consumer Experience;
AFF: Brand Affinity

Table 2: Descriptive Statistics & Inter construct correlation matrix

	Mean	Std. Deviation	BEQ	SAT	AFF	EXP
BEQ	4.0197	0.58812	1	0.592	0.684	0.608
SAT	4.3684	0.45049	0.592	1	0.691	0.725
AFF	4.1645	0.46599	0.684	0.691	1	0.675
EXP	4.4474	0.44705	0.608	0.725	0.675	1

All correlations significant at p<0.01
BEQ: Brand Equity; SAT:Consumer satisfaction: EXP: Consumer Experience;
AFF: Brand Affinity

Hypothesis Testing

We tested the hypothesis by using linear regression. All hypothesesH1,H2 and H3 are supported in current study. Brand loyalty was taken to be dependent variable while perceived quality, brand awareness and brand associations were independent variables. According tostandardizedcoefficients, brand affinity (β = 0.684,p < 0,001) have maximum positive impact on brand equity, followed by consumer experience (β = 0. 608, p < 0.001) andconsumer satisfaction(β = 0. 592, p <0.001).

Table 3: Regression analysis

		Unstandardized Coefficients		Standardized Coefficients		
IV	DV	B	Std. Error	Beta	t	Sig.
SAT	BEQ	.773	.175	.592	4.412	.000
AFF	BEQ	.864	.153	.684	5.631	.000
EXP	BEQ	.800	.174	.608	4.595	.000

All correlations significant at $p<0.01$
BEQ: Brand Equity; SAT: Consumer satisfaction: EXP: Consumer Experience;
AFF:BrandAffinity

Discussion

Our findings indicate that brand affinity plays the most crucial role in building brand equity. Further, the role of consumer experience and satisfaction in building brand equity is also supported in our study. In fact, all these variables are interring dependent. In the age of digital technology, retail banks can win consumer trust by empowering and engaging consumers whereby the consumers share their service experiences with others via comments or reviews. Banks need to be open to criticism and resolve the issues of negative experiences, if any immediately. The consumer trust will be reinforced when they feel that their opinions / experiences are being valued by bank management. This will also show that the bank brand is keen to engage with its customers thus increasing brand affinity. Banks can also think of innovative ways to improve brand affinity. Now days, consumers are losing trust in advertising in general and endorsements in particular, banks may think of investing in "cause" branding rather than the conventional marketing tactics.

However, technology itself is not free from problems. For example, net banking has created a communication gap between bank and its valuable customers. A segment of traditional consumers have still preference for receiving information and sharing their experiences with an employee directly. Thus employees play crucial role in ensuring consumer satisfaction and brand affinity for a huge traditional segment in Indian retail banking industry.

Though technology is reducing the role of front line employees in banking industry, the role of employees in building consumer satisfaction and brand affinity cannot be ignored. Any bank's internal audiences have great potential and role in creating great service brands. A strong external consumer community will have its foundations in an employee engagement culture. External consumer engagement depends on empowered employees who believe in brand advocacy by becoming bank's brand ambassadors.

Conclusions

Banking has become technology intensive and the technology in the form of ATM or mobile banking is minimizing human interaction. In such a scenario where technology is changing the business dynamics every day and minimizing perceptible differences between retail bank brands, cultivating and maintaining brand equity is becoming crucial. Only a consistent brand strategy involving both internal and external stakeholders will provide competitive advantage to brands in Indian retail banking industry. Brands in banking industry need to devise innovative ways continuously so as to build long lasting affinity and loyalty by becoming relevant and part of consumer lives. Banks need to move beyond just touch points and engage customers through creative means them in new ways that make them more valuable. Banks need to ensure consumer engagement from the beginning of product development process so as to benefit from their ideas can be an engagement strategy for ensuring consumer satisfaction and brand affinity.

To summarize, in a digital environment where consumers are no more influenced by traditional advertising, retail banks in India can differentiate themselves and their products by investing in innovative ways of consumer engagement to achieve brand affinity and equity.

Limitations & scope for future research

Though the current study successfully explored brand equity creation in services industry, the study has its own limitations. The focus of our study was only the Indian capital. More studies can help in generalizing these findings. Further, this study did not examine the interactions among the variables. For example, any interaction between brand affinity and experience or experience and satisfaction needs to be examined. Therefore, future researchers can explore the interaction effects.

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Challenges and Opportunities in Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda

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On Ist April, 2019, with the mergers of two more public sector banks Vijaya Bank And Dena Bank, Bank of Baroda became the second largest Bank in India after State bank of India. This combined merged entity Bank of Baroda now have 9500 Branches , ATMs 13400 and balance sheet size of 15 lakh crore of business mix. Deposits of the bank increased to 8.75 lakh and 6.25 Lakh advances. On 1st April 2017 SBI`S five subsidiaries and Bhartiya Mahila Bank were merged successfully to make SBI the top banks in the world. This case study explains the various challenges, opportunities and synergies in the three way consolidation of these banks to resolve the toxic issues of increasing bad loans and NPA.

Keywords: Merger, Consolidation, Synergy, Bad Loans, Non Performing Assets.

Introduction

1.1 Present Scenario

The state-owned Bank of Baroda, Vijaya Bank and Dena Bank are unified to form the country's third largest investor when the SBI and ICICI Banks, as a part of efforts to revive credit and economic process . Cleanup of the record and minimizing NPAs is the main objective of the most recent merger proclaimed by the Government of India. The amalgamation through share swap was important part of scheme of merger. This merger proposal required no modification within the banking law as there was already a provision for the same. This amalgamated entity is expected to increase banking operations and growth to reduce the increasing NPA`s. The three banks can still work severally post-merger and this merger would be administered underneath different mechanism.

1.2 Key Insights

Finance Minister Mr. Arun Jaitley, who heads Alternate Mechanism Panel assured capital support to the incorporated entity as well as oversee the progress of this unique merger. Government of India wide notification dated 30th August ,2017 approved a framework of consolidation of Public Sector Banks and constituted an Alterante Mechanism Committee. Other members of Alternate Mechanism include Railway Minister Mr. Piyush Goyal and Defence Minister Mr. Nirmala Sitharaman. The strategy that the Government has adopted is to merge one weak bank with its stronger counterparts. In this case, the Mumbai-based Dena Bank is considered to be weak. Section 9 of the Banking Regulation Acts ,1970 and 1980 (Acquisition and Transfer of Undertakings) provides a clause that the Central Government in consultation with RBI can formulate as scheme for amalgamation of any corresponding new bank with any corresponding new bank i.e nationalized banks .

The process of amalgamation of Bank of Baroda , Vijaya Bank and Dena bank started on 17.09.2018 . The equity share exchange (share swap) quantitative relation for the merger was: 402 equity shares of ₹2 every of Bank of Baroda for each 1,000 equity shares of ₹10 every of Vijaya Bank; and one hundred ten equity shares of ₹2 every of Bank of Baroda for each 1,000 equity shares of ₹10 every of Dena Bank. As per the in- principle approval, Bank of Baroda is the 'transferee bank' and Vijaya Bank and Dena Bank as 'transferor banks'.

It's been over twenty-seven years since a Narsimham committee recommendations originated first idea of consolidation in banking sector . That committee, that was appointed in 1991 by Mr. Manmohan Singh, who was then minister, had suggested a restructuring of Indian banks, with three or four giant banks together with bank of India. The main objective of this Committee was to create Global Banks which can be positioned as banks with strong balance sheets and, besides 8 to 10 banks with a national footprint or presence, instead of having over 18 Public Sector Banks and one State owned .Subsequently the amalgamation and consolidation of Public Sector had been recommended by the member of various working group committees like Nayak Committeee in 2014 and Leeladhar Committee in 2008. The Union Budget Speeches of 2014 -15 and 2015-2016 also mentioned that Government continued focus to create strong global banks with consolation of public sector banks .

An Overview of Financial Position of Three Merged Banks - Dena Bank, Vijiya Bank and Bank of Baroda

2.1 Dena Bank

Dena Bank's net loss for the fiscal ending March 2018 widened to Rs 1,923.15 crore compared to a loss of Rs 863.62 crore for the fiscal ending March 2017. In fact, during the last three fiscals, the bank posted net loss amounting to Rs 3,722.09 crore. However, for the fiscal ending March 2015, the bank posted a net profit of Rs 265.48 crore down from Rs 551.66 crore for the fiscal ending March 2014.

		Dena Bank			
	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Gross NPAs	16,361.44	12,618.73	8,560.49	4,393.04	2,616.03
% of Gross NPAs	22.04	16.27	9.98	5.45	3.33
Net NPAs	7,838.78	7,735.12	5,230.47	3,014.30	1,818.92
% of Net NPAs	11.95	10.66	6.35	3.82	2.35
					In Rs crore

The fall in net profit of the bank can be attributed to a rise in NPAs over the years.

Gross NPAs of the bank rose from Rs 2,616.03 crore for the fiscal ending March 2014 to Rs 16,361.44 crore for the fiscal ending March 2018. Similarly, net NPAs of the bank rose from Rs 1,818.92 crore in the fiscal ending March 2014 to Rs 7,838.78 crore for fiscal ending March 2018.

Bank deposits fell from Rs 1,17,430.96 crore for the fiscal ending March 2016 to Rs 1,06,130.14 crore in the fiscal ending March 2018. Similarly, advances for the fiscal ending March 2018 fell to Rs 65,581.51 crore compared to Rs 82,328 crore for the fiscal ending March 2016. The above figures throw light on the deteriorating financial condition in the state-run lender over the last few years after which RBI had to intervene and bring the lender under preventive corrective action.

2.2 Vijaya Bank

The Bangalore-based lender is on a better financial footing than its weaker counterpart Dena Bank. Net profit for the fiscal ending March 2018 fell to Rs 727.02 crore compared to a net profit of Rs

750.48 crore for the fiscal ending March 2017. However, net profit rose to Rs 750.48 crore from Rs 381.80 crore for the fiscal ending March 2016. In fact, Vijaya Bank is the only lender among the three to post net profit in last fiscal.

		Vijaya Bank			
	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Gross NPAs	7,526.09	6,381.78	6,027.07	2,443.21	1,985.86
% of Gross NPAs	6.34	6.59	6.64	2.78	2.41
Net NPAs	5,021.24	4,118.16	4,276.82	1,659.81	1,262.37
% of Net NPAs	4.32	4.36	4.81	1.92	1.55
					In Rs crore

During the last three fiscals, the bank posted net profit amounting to Rs 1,859.3 crore compared to

Dena Bank's net loss of Rs 3,722.09 crore for the same period. Gross NPAs of the bank rose from Rs 1,985.86 crore for the fiscal ending March 2014 to Rs 7,526.09 crore for the fiscal ending March 2018. Similarly, net NPAs rose from Rs 1,262.37 crore in the fiscal ending March 2014 to Rs 5,021.24 crore for fiscal ending March 2018. However, on the deposits front, the bank seems to have clocked a healthy growth during the last five fiscals. Deposits rose from Rs 1,24,296.16 crore for the fiscal ending March 2014 to Rs 157,287. 54 crore for the fiscal ending March 2018 depicting a 26.54 percent rise over five years. On the other hand, advances for the fiscal ending March 2018 rose to Rs 116,165.44 crore compared to Rs 81,504.03 crore for the fiscal ending March 2014, depicting a 42.52% growth over five years.

2.3 Bank of Baroda

The Vadodara-based lender is the largest lender among the three banks. It did not perform well in the March 2018 fiscal as the bank posted a net loss of Rs 2,431.81 crore amid rise in provisions and contingencies and NPAs compared to net profit of Rs 1,383.13 crore for the fiscal ending March 2017.

In last five years, the bank reported the highest net profit of Rs 4,541.08 crore for the fiscal ending March 2014 and the highest loss of Rs 5,395.55 crore for the fiscal ended March 2016.

In fact, the lender posted a net loss of Rs 6,444.23 crore during the last three fiscals.

	Bank of Baroda				
	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Gross NPAs	56,480.39	42,718.70	40,521.04	16,261.45	11,875.90
% of Gross NPAs	12.26	10.46	9.99	3.72	2.94
Net NPAs	23,482.65	18,080.18	19406.46	8069.49	6034.76
% of Net NPAs	5.49	4.72	5.06	1.89	1.52
					In Rs crore

Gross NPAs of the bank rose from Rs 11,875.90 crore for the fiscal ending March 2014 to Rs 56,480.39 crore for the fiscal ending March 2018. Similarly, net NPAs rose from Rs 6034.76 crore in the fiscal ending March 2014 to Rs 23,482.65 crore for fiscal ending March 2018. However, on the deposits front, the bank logged a zigzag pattern of growth during the last five fiscals.

Deposits rose from Rs 5,68,894.39 crore for the fiscal ending March 2014 to Rs 5,91,314.82 crore for the fiscal ending March 2018. Deposits crossed the Rs 6 lakh crore mark twice for fiscals ended March 2017 and March 2015 but could not sustain the momentum. On the other hand, advances for the fiscal ending March 2018 rose to Rs 4,27,431.83 crore compared to Rs 3,97,005.81 crore for the fiscal ending March 2014, depicting a 7.66% growth over five years.

3.0 Positive Synergy of this Merger :

Dena Bank, with gross NPA ratio of 22 percent, is currently under the Prompt Corrective Action (PCA) framework and has been restrained from further lending. Dena bank would no longer be covered under PCA after amalgamation. Vijaya Bank is among the better performing public sector banks with a gross NPA ratio of 6.9 percent. The Bank of Baroda has a bad loan ratio of 12.4 percent. The Bank of Baroda has a wide spread network, while Dena Bank and Vijaya Bank are more regionally focused. The Global network strength of Bank of Baroda will be leveraged to enable customers of Dena Bank and Vijaya Bank to have global access. Dena Bank's strength in the Micro, Small and Medium Enterprises (MSME) will further augment the strength of the other two banks to position the amalgamated bank for being an MSME Udyamimitra. Merged entity will benefit from Bank of Baroda's high Capital Adequacy Ratio; Vijaya Bank's strong asset quality position; and Dena Bank's strong CASA (Current Account Savings Account) base.

Parameters	Bank of Baroda	Vijaya Bank	Dena Bank	Amalgamated Bank
Total Business (Rs lakh cr)	10.29	2.79	1.72	14.82
Gross Advances (Rs lakh cr)	4.48	1.22	0.69	6.4
Total Deposits (Rs lakh cr)	5.81	1.57	1.03	8.41
Branch Presence	5,502	2,129	1,858	9,489
Return On Assets (%)	0.29	0.32	-2.43	-0.02
Tier -1 CET (%)	9.27	10.35	8.15	9.32
CRAR (%)	12.13	13.91	10.6	12.25
Net NPA	5.4	4.1	11.04	5.71
Employees	56,361	15,874	13,440	85,675

Benefits to Customers

- Customers will benefit from much wider geographical reach through combined network 22000+ service points
- They will benefit from enhanced product and service offerings. Bank's financial product suite of insurance, asset management, credit cards, supply chain finance, cash management solutions and investment banking will now be available to customers of two amalgamating banks
- Leveraging the international network of branches, customers of Vijaya Bank and Dena Bank will be able to access foreign currency funding and multi currency facilities
- Customers will also see improvement in the quality of service through (a) implementation of best in class practices for processes (b) Technology led processes like tab banking and mobility solutions (c) 24x7x365 back office operations and service centers
- The investment of the Bank in Centers of Excellence for Analytics and Technology will enable improved processes and cross selling
- With larger capital bas3e further strengthened by capital infusion of INR 5042 crore by Government in March 2019, the Bank will be able to have deeper banking relationship with customers
- NRI customer of Bank will have access to a larger network of branches and the customers of erstwhile Viyaya Bank and Dena Bank will have access to Bank of Baroda's international presence with 101 overseas branches
- Greater breadth of services would be available to customers on account of larger management bandwidth available for deployment with focus on micro markets

Benefits to employees

- With broader geographic footprint to operate, employees will have wider career and locational opportunities to work
- The combined bank would provide enhanced breadth and depth of exposure in various areas of banking to the em0loyees of amalgamating banks
- With the international presence of the Bank, the employees of two amalgamating banks will have opportunities for global exposure
- They would also have access to world class leadership training programme and HR practices
- The employees would enjoy improved perquisites and benefits harmonized with the guiding principle of 'best of three' in most cases

Benefits to the Bank

- Amalgamated Bank would have better succession planning with wider talent pol and greater management depth
- Enhanced talent pool across three banks will help in providing enhanced focus on growth areas, realize key costs and revenue synergies
- Increased size of the Bank would enable it to be more competitive in the market place
- Enhanced bouquet of products and services will help in acquiring new customers and increasing cross sell business b providing new products to existing customers
- The cost efficiencies would arise from common treasury operations, common corporate banking function and reduced number of administrative offices.
- Given that there are multiple branches in the same pin code of many centers, rationalization by relocating the overlapping branches to other locations will be cost neutral but revenue accretive
- There are 6 data centers across 3 banks. With IT integration, there is an opportunity to consolidate these data centers leading to cost synergies. Similarly, consolidation of software and hardware procurement and licenses will result in better pricing leading to optimizing the cost

3.1 Strong Capital Base

On 29th March , 2019 , The finance Ministry has announced to infuse capital of Rs. 5042 crore through preferential allotment of equity shares as a part of Government investment . This will enable Bank of Baroda to become a strong bank with higher Capital after incorporation Large banks with larger lending capability will enable efficiencies of scale and facilitate to improve the standard of corporate governance for the banks. The incorporated entity can have a market share of about 6.8 per cent by loans, consistent with information as of March 2018, making it the third largest bank within the system, Moody's aforementioned, Improvement in operational potency. Value of funds for the incorporated entity is predicted to come back down. larger banks will attract additional accounting, bank account (CASA) deposits. Banks can have the capability to boost resources while not counting on the State pecuniary resource. Improve the capability of the banking industry to soak up shocks that the markets could cause thereto.

3.2 Need for Consolidation

PSBs are extremely fragmented, particularly as compared with different key economies. The merger can enable the Government to pay nearer operational attention to the enlarged establishment, as is the case with SBI to build capacity to fulfill credit demand and sustain economic process. This was necessary to bridge geographical gaps and strengthen the economic system . In 1991 Narasimha Committee instructed that India ought to have fewer however stronger PSBs as India is that the fastest growing emerging economy within the world. To sustain this growth, there's a requirement for mega banks that solely can guarantee investments into the massive scale infrastructure comes. At the moment, there are twenty public sector banks (PSBs) within the country, together with the amalgamated SBI. The consolidation helps in leverage the advantages of economies of scale. Banking sector is facing a challenge to resolve full of non-performing assets (NPAs) problems. Consolidation can increase capital potency, aside from raising the flexibility of banks to recover unhealthy loans. Consolidation can facilitate in leverage the synergies among the banks that have various portfolios, focus areas and coverage areas.

Government of India has more than 50% of stake in Public Sector Banks therefore; the method of consolidation among them is far easy as compared to private sector banks. At the moment, only State Bank of India is among the fifty top international banks list. The consolidation is predicted to fill this gap, and, consequently, facilitate build the 'Brand India' among international investors. International expertise is additionally favorable towards consolidation. Banks in Japan gained heaps as a result of massive scale merger and acquisition method between 1990 and 2004.

4 Concerns / Challenges

Few challenges being faced in the merger of the banks are - Integration of technology platforms, culture issues, Orientation and distribution of professionals within the merged bank and handling of human resources issues. Dena Bank was put under corrective action in 2017 in view of high NPA and negative ROA (return on assets). Bank of Baroda is the largest among the three and can take a success on its plus quality. The next challenge is client retention that we tend to saw in SBI's recent merger with its associate banks. For the banking industry, things cannot modify because the capital remains unchanged. The quantum of Gross terrorist group (GNPA) cannot modify and can still have to be compelled to be addressed. Mergers aren't the curative within the context of PSBs.

5 Way Forward

Without addressing the governance problems within the banks, merging 2 or 3 public sector banks might not modify the design. Unless there's a modification within the operative structures, mergers can might not deliver the required leads to the long haul. Giving the PSBs autonomy at the side of responsibleness. Incorporated entity would force capital support from the Government. otherwise such a merger wouldn't improve their capitalization profile. The merger can yield the required results if these banks rationalized their branches, looked to scale back prices and handled folk's problems well. Run batted in ought to still offer banking licenses for a lot of tiny finance banks yet as universal banks at the side of bank mergers.

6 Significance

For the primary time, we tend to witness a merger of these three PSBs which might be a precursor to different such moves. The three banks involved consist of two robust and one Prompt Corrective Action (PCA) bank (Dena Bank). It's seen as a shot to revive a comparatively weaker bank with two healthier ones. Whereas two banks crisscross each other in geographical area, the third becomes strategically vital being based mostly within the south. The merger comes at a time once all PSBs are walking the skinny edge negative profits. The success of this merger, in step

with analysts, is crucial for future such makes an attempt. Mergers are usually advocated on the premise of synergies. These can be in terms of operational potency with an oversized pool of employees during an integrated entity being place to figure for enhancing business, increasing reach and providing additional services or merchandise. On a standalone basis, Vijaya Bank had strength within the South whereas Bank of Baroda and Dena Bank had a stronger base in Western Bharat. that will mean wider access for each the projected new entity and its customers. From the government's and regulator's purpose of read, the move can result in a lower New People's Army (non-performing assets) magnitude relation for the new bank compared to the New People's Army ratios of 11.04 you look after Dena Bank, 5.40 you look after Bank of Baroda and 4.10% for Vijaya Bank. What this might mean down the road is lower needs of capital from the Government and also the ability of an oversized bank, just like the one projected, to lend additional on the strength of its higher capital base (12.25 %) and to expand business, instead of being dragged down thanks to weak financials and being forced to not lend.

7. Conclusion

The above facts and figures signal that even as Bank of Baroda (BoB) is the largest among the three banks but it has its own share issues such as rising NPAs and provisions and contingencies amid volatile deposits and advances growth. With Dena Bank joining the merger process, the quality of BOB assets will only suffer as it would have to deal with rising toxic assets of its weaker counterpart.

Similar is the case with Vijaya Bank. The bank is the healthiest among the three when it comes to financials but being a public-sector lender, it could not also escape from the vicious cycle of NPAs (Government proposes merger of Bank of Baroda, Dena Bank and Vijaya Bank under Alternative Mechanism, 2018)It seems Vijaya Bank with its healthy loan, deposit growth rate and stable net profit growth rate, neutralizes the adverse impact of Dena Bank's inclusion in the merger with its errant track record on the financial front and makes for a comfortable financial merger for bank of Baroda.

Annexure 1

Detailed Break Up and Consolidated number of Branches

State	Bank of Baroda No. of Branches	Vijaya Bank No. of Branches	Dena Bank No. of Branches	Consolidated No. of Branches
Andaman & Nicobar	1	2	2	5
Andhra Pradesh	131	129	28	288
Arunachal Pradesh	1	5	0	6
Assam	36	24	11	71
Bihar	242	36	45	323
Chandigarh	13	4	2	19
Chhattisgarh	93	32	115	240
Dadra Nagar				
& Haveli	5	1	10	16
Daman & Diu	4	1	3	8
Delhi	132	68	46	246
Goa	32	9	18	59
Gujrat	1,015	109	610	1,734
Haryana	104	52	43	199
Himachal Pradesh	25	10	7	42
Jammu & Kashmir	6	4	3	13
Jharkhand	94	16	22	132
Karnataka	124	601	62	787
Kerala	112	131	16	259
Madhya Pradesh	199	72	69	340
Maharashtra	513	166	312	990
Manipur	10	5	1	16
Meghalaya	5	4	1	10
Mizoram	2	3	0	5
Nagaland	6	6	1	13
Odisha	135	35	22	192
Pondicherry	3	2	1	6
Punjab	109	60	48	217
Rajasthan	597	69	49	715
Sikkim	3	1	2	6
Tamil Nadu	202	144	44	390
Telangana	80	91	25	196
Tripura	4	4	1	9
Uttar				
Pradesh	1,174	153	84	1,411
Uttarakhand	124	15	18	157
West Bengal	217	55	54	326
Total	5,553	2,119	1,775	9,447
Overseas Branches/ Offices	101	__	__	101
Grand Total	5,654	2,119	1,775	9,548

Annexure 2

Break Up and Consolidated Performance Parameters

Particulars	Bank Of Baroda	Vijaya Bank	Dena Bank	Consolidated
Total Deposits	6,10,569	1,74,615	1,01,247	8,86,431
Domestic Deposits	4,96,271	1,74,615	1,01,247	7,72,133
CASA (Domestic)	1,98,396	38,980	41,751	2,79,127
CASA (Domestic %)	39.98	22.32	41.24	36.15
Advances (Net)	4,48,679	1,29,790	58,878	6,37,347
Domestic Advances (Net)	3,52,472	1,29,790	58,878	5,41,140
Total Assets	7,48,050	1,93,156	1,13,996	10,55,202
Net Interest Income (NII)	13,617	3,559	2,099	19,275
Other Income	4,121	980	759	5,860
Operating Income	17,738	4,539	2,858	25,135
Operating Expenses	8,112	2,173	1,930	12,215
Operating Profit	9,626	2,366	928	12,920
Total Provosions	8,201	1,826	2,245	12,272
Provisions for Bad Debts	6,642	1,618	2,488	10,748
Net Profit	1,425	428	1,317	536
Cost-Income Ratio (%)	45.73	47.86	67.52	48.59
Gross NPA	53,184	8,140	12,998	74,322
Net NPA	19,130	5,296	6,142	30,568
Gross NPA (%)	11.01	6.14	19.77	10.91
Net NPA (%)	4.26	4.08	10.44	4.8
TWO/PWO	18,914	5,771	5,393	30,078
PCR with TWO (%)	73.47	61.93	66.6	70.72
PCR without TWO (%)	64.03	34.94	52.74	58.87
CET-1 (%)	8.65	9.95	7.62	8.77
Tier-1 (%)	9.86	11.25	7.62	9.86
Tier-2 (%)	1.81	2.15	2.6	1.9
CRAR (%)	11.67	13.38	10.21	11.82

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"Consumer Perceptions Towards Buying Online Motor Insurance in Delhi /NCR"

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Insurance is one of the major needs for every individual during their life. Most of the people do not lay emphasis on buying Insurance policies. Insurance is a risk transfer mechanism through which the insured passes on the risk to the insurance company. The issues surrounding the factors affecting the purchase behavior in the insurance sector are becoming increasingly important and influence towards purchased decisions. Motor Insurance contributes the highest premium income for the General Insurance Industry in India. The Purpose of the current study is to identify the factors affecting Customer perception towards Buying Online Motor Insurance. The study revolves around various parameters such as cost, convenience and past experience, and their influence on customer perception.

Service Quality is one of the most important variables which impact customer satisfaction.

Key Words: Consumer, Perception, Motor Insurance, Premium, On Line Buying Insurance

Introduction

1.1 Consumer behavior

Consumer behavior is the study of individuals, groups or organizations in obtaining, using and disposing of products and services, including the decision processes that precede and follow these behaviors. (Gibler,K.M/ Nelson, S.L;2003).

There are five steps in consumer decision process:-

Step 1- Problem recognition: Perceiving a need.

Step 2- Information search: seeking value.

Step 3-Evaluation of alternatives: Assessing value.

Step 4-Purchase decision: Buying value.

Step 5- Post purchase behavior: Value in consumption or use.

Problem recognition starts with the perception of need and moves towards information search where consumer uses internal and external sources to analyze given information and use that information in the next step of evaluation of alternatives. While evaluating alternatives one assessing values of the products by giving weights. Once you have successfully evaluated alternatives you will move towards purchase decision where you may encounter three possibilities, from whom to buy, when to buy and do not buy. (Solomon, et al; 2006)

Consumer's buying choices are influenced by four psychological factors which are: motivation, perception, learning, belief and attitude.

1.2 Consumer perception and factors influencing perception.

Consumer perception is all about subjective understandings and not objective realties. Consumers act and react on the basis of their perception, not on the basis of reality. Perception is the process by which individuals select, organize, and interpret stimuli into a meaningful and coherent picture of the world. Perception is the result of two different kinds of inputs. One type of input is physical stimuli from the outside environment; the other consists of people's expectations, motives, and what they have learned from previous experiences.

Marketer's purpose of the communication is that the consumers should perceive the product and brand positively, develop positive beliefs and attitude, and associate it with positive values. To the marketer, consumers' perceptions are much more important than their knowledge of objective reality. Consumers' perception affects their actions and their buying habits.

Factors unique to the individual perceiving the product or service play a vital role in Gestalt perception. Internal response factors cannot, however, be gauged with the same accuracy as stimulus factors. Psychological capacity to respond can be measured, but interest, attention, needs, memory, experiences, values, and cognitive sets are less quantifiable. (Jay D. Lindquist et al; 2003)

1.3 Consumer perception towards online shopping

Online shopping is a process in which buy goods or services through the Internet. With large of consumer using Internet for online shopping, it is not clear what drives them to shop online (Monsure et al., 2006). Online shopping has been emerged quite recently as a medium for transactions between consumers and firms. With online shopping, consumer can browse the entire product or service with minimal effort, inconvenience and time investment. They also efficiently obtain critical knowledge about firms, product and brands and thereby increasing their competency in making sound decisions while shopping (Monsuwe et al., 2004). Many people prefer to shop online because they can shop for their desired items without having to leave the comfort of their homes. Kim and Park (1991) stated that the consumers found the internet to be easily accessible and spend more time online for information search. Perception towards online shopping is not only affected by ease of use, usefulness and enjoyment, but also by exogenous factors like consumer traits , situational factors, product characteristics, previous online shopping experiences, and trust in online shopping (Benedict et al;2001)

Increasing numbers of people are gravitating towards more intensive use of the Internet as the accessibility of technology, the availability of information, and the ability to interact through the Internet increase and evolve. (Shim et al., 2001; Changchit, 2006).

Different customers have different personalities they have their own their perception towards online shopping (Wolfinbarger and Gilly, 2001). Potential users of information technology are different from experienced users, since they show different determinants for acceptance, intentions and usage. (Yu et al. 2005)

1.4 Consumer perception towards buying e-insurance

The insurance industry has been slow to adopt some of the innovations that technology offers. There has been gradual acceptance of certain aspects such as digital distribution over the past decade. A lengthy and convoluted buying process often leaves consumers confused and lacking trust in insurance providers. Consumer preferences and buying behaviors are changing rapidly, not least because many industries have already adopted more customer-centric and technology-inspired business models. The younger generations in particular have grown to expect easy and quick access to information in commercial interactions, transparency about cost and value, and high quality service. Not surprisingly, consumer surveys show that insurance lagging behind most other industries when it comes to customer satisfaction from online experiences.

The digital universe and technological advances have the potential to radically change the way in which insurers interact with consumers, and also help them better assess and price risks. Their rapid spread is a disruptive force, enabling new interfaces and formats for communication, sharing of information and interacting with the physical world. Abundance of data on consumers and new ways to evaluate it create opportunities to innovate in underwriting and distribution. (Swiss re, Life insurance in digital age)

2. Literature Review

Dr. R Shanthi, Dr. Desti Kannaiah conducted a study in consumers' perception on online shopping. According to this study, perception is limited to a certain extent with the availability of the proper connectivity and the exposure to the online shopping. It highlighted the easy navigation and access on the internet with people liking for easy to access the online shopping and to be more convenient.

Ashwini.N,Manjula. R conducted an empirical study on consumer's perception towards online shopping. The aim of this study was to understand the key motivators for consumers to search and shop online. The research focused on the factors that buyers kept in mind while shopping online. The study concluded that online shopping enables the customers to make purchase from any part of the world at any time. It also provides better opportunity and benefits like convenience, fast refund, time saving, secured delivery of the product, confidentiality, etc. The online sites enable customers to browse before shopping and gain more information about the product before they buy.

Benedict et al (2001) study reveals that perceptions toward online shopping and intention to shop online are not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like consumer traits, situational factors, product characteristics, previous online shopping experiences , and trust in online shopping.

Blance Hernandez, Julio Jimenez, M. jose martin conducted a study on consumer behavior in electronic commerce: The moderating effect of e-purchasing experience. The study analyzed the perceptions which induce customers to purchase over the internet, testing the moderating effect of e-purchasing experience. The study highlighted that the perceptions that induce individuals to purchase online for the first time may not bet the same as those that produce repurchasing behavior. The study found that customer behavior does not remain stable because the experience acquired from past e-purchases means that perceptions evolve. The relationships between perceptions of e-commerce change with purchasing experience, whilst the influence of internet experience is stable for all users.

Dr. A. T. Jaganathan et al (Volume 2, 2016) conducted a study on customer perception towards online shopping at Namakkal district. An attempt has been made customer perception on online shoppers has been playing a vital role in these scenarios day to day activities in the mind of customers. Customer perception is typically affected in the way of broadly such as advertising, reviews, public relations, social media and personal experiences etc.They concluded that the consumers' perception on online shopping varies from person to another. The perception of the consumer also has similarities and difference based on their personal characteristics usage based on their needs and demand.

Mrs. Supriya Ganesh Sapa, Mrs. Sangita Babashaeb Phunde and Mrs. Madhuri Ravindra Godbole (2013) conducted a research on Impact of ICT application on the insurance sector (E-insurance). This study highlighted the positive benefits of ICTs, the insurer with collaboration of its customers can study the existing obstacles before them to have ICT-enabled interaction in more details and take practical steps to setup an electronic interaction between them. ICT will provide direct as well as indirect benefits like new customers, loyalty, better claim management, online contract conclusion, easy access to customer, improved internal controls, etc to the insurance companies'. On the other side e-insurance will enable building better relationships with customers.

Dr. R Karthi (2002) did a study on influences of online marketing in the prospective Indian Insurance industry. According to him the first stage of buying decision making process in online industry is to aware consumer about the requirement of purchasing the insurance policy through online. Consumers search from different insurance companies for products that they are willing to purchase. They evaluate the various products from different companies to determine the one that best suits their needs. The post-sales phase of e-insurance is the most difficult to implement over the internet and online insurance sites mostly rely on human intervention for this phase. The study concluded that e-insurance stimulates the customer to create need and enables the companies to evaluate those needs, looking at the growth and efficiency of the online business. Companies have to educate the customers about the usage of online insurance by effective means of communication. Insurance companies are offering better values to customers in e-insurance than in conventional marketing methods.

Dr. Syed Shahid mazhar, Dr. Anisur Rehman and Mr. Shahab Ud Din (April,2015) conducted an empirical study on impact of demographic variables on purchase of e-insurance products in urban areas in India ranging from gender, income, savings, etc. The study highlighted that insurance companies are constantly working to know all those factors that influence the demand of the insurance products by the customers. In this process they design and redesign to innovate such a product that is saleable in the market. To do this, insurance companies are continuously involved in the market research to understand the reason that encourages the customer to show his/her preference in the insurance products. The outcome of the study was that factors like savings, investment and children education influence the most on demand of insurance by people.

3. Objective of The Study

- To study the perception of the customers towards online motor insurance products offered by different general insurance companies.
- To study the factors influencing perception of the customers towards online insurance products offered by general insurance companies/web aggregators.

4. Research Methodology

The study is based on causal research design to be done in the region of Delhi/NCR with the sample frame as the population or residents who have purchased any motor insurance policy residing in this region. The source of data collection is going to be structured questionnaire which includes the questions related to perceived convenience, experience related to buying online insurance policy. Each question is framed using 5-pointer likert scale so that more accurate and precise answer could be obtained. A sample of 200 respondents was taken, and convenience sampling method was used to select the sample from the target population. All the collected data will be analyzed using MS-Excel for the preparation of the tables and graphical representation whereas the hypothesis will be tested using SPSS software to determine the cronbach alpha and regression of the data set.

Hypothesis

H_1: Perception is influenced by the past experience of the customer while purchasing e-insurance.

H_2: Perception is influenced by the cost of the product being offered while purchasing e-insurance.

H_3: Perception is influenced by the convenience to the customers while purchasing e-insurance.

Findings and analysis

1. Consumers based their purchase decision on the basis of past experience with the price comparison websites with 90 out of 200 having a neutral approach as they have not purchased any policy from price comparison websites in the past.

Category	**Frequency**
Strongly agree	10
Agree	84
Neutral	90
Disagree	16
Strongly Disagree	0

2. Consumer accepted that they have found significant cost difference in the price of motor insurance products while purchasing it online through web aggregators in comparison to market prices with 72 out of 200 having a neutral approach towards it as they might be resistant to change their decision pattern.

Category	Frequency
Strongly agree	6
Agree	112
Neutral	72
Disagree	10
Strongly Disagree	0

3. Consumers accepted that convenience plays a prominent role in the choices they while making purchases online for personal motor insurance policies with 72 out of 200 having a neutral approach towards it.

Category	Frequency
Strongly agree	8
Agree	106
Neutral	72
Disagree	14
Strongly disagree	0

4. Among all 200 respondents, a demographically majority of them belonged to age bracket of 18-25 years.

Age	Frequency
18-25	140
25-32	38
32-40	14
Above 40	8

5. The source of purchase by respondents has ranked direct company purchase on top, with 84 out of 200 followed by an agent and then online

Source of purchase	Frequency
Agent	52
Direct company	84
Insurance Company's portal	42
Web aggregator	18
Any other	4

For the purpose of hypothesis testing, firstly we have calculated the reliability test among the three factors that is past experience with the price comparison websites (PCWs), cost of the product and convenience to the consumer to determine whether the considered factors are even reliable enough together to express the consumer perception while purchasing e-motor insurance. After running the obtained data from the respondents for above three factors using SPSS tool, the result is clearly visible in the table 1.5 that the Cronbach's alpha value is 0.759 which is considered fairly good as the maximum value is 1.00. Hence, it is evident to use these factors to explain whether they help in forming perception of a customer while purchasing e-motor insurance or not.

Reliability statistics

Cronbach's Alpha	Number of items
0.759	3

In order to determine the impact of the above factors, we have conducted test using multiple regression in SPSS software and the results are shown in the tables.

Multiple Regression equation,

S= α+ $\beta 1$ (past experience) + $\beta 2$ (Cost) + $\beta 3$ (Convenience) + et

S (Dependent variable): Perception of the consumer

Past experience (independent variable 1): Past experience with e-insurance

Cost (independent variable 2): Cost of product via e-insurance

Convenience (independent variable 3): convenience offered by e-insurance

Et: Error term

After having running the data through SPSS tool, The R (0.802) in the Model summary below demonstrates the correlation of the three independent with the dependent variable S considering all of them all the same time together.

Also the R square (0.644) explains the variance that is 64.4% in overall perception of the consumer significantly explained by the three independent variables and remaining 35.6% by environmental factors.

Hence, we can conclude that all the three factors play significant role in influencing perception of the consumers toward buying online motor insurance.

Descriptive Statistics

	Mean	Standard Deviation	N
Perception	1.33	.471	200
Past experience	2.60	.737	200
Convenience	2.54	.729	200
Cost of the product	2.49	.702	200

Correlations

		Perception	Past experience	Convenience	Cost of the product
Pearson Correlation	Perception	1.000	0.527	0.678	0.724
	Past experience	0.527	1.000	0.498	0.478
	Convenience	0.678	0.498	1.00	0.561
	Cost	0.724	0.478	0.561	1.000
Sig. (1-tailed)	Perception	-	0.000	0.000	0.000
	Past experience	0.000	-	0.000	0.000
	Convenience	0.000	0.000	-	0.000
	Cost	0.000	0.000	0.000	-
N	Perception	200	200	200	200
	Past experience	200	200	200	200
	Convenience	200	200	200	200
	Cost	200	200	200	200

Model Summary

Model	R	R Square	Adjusted R Square	Standard error of the estimate
1	.802a	.644	.638	.284

a. Predictors: (constant), Cost of the product, past experience , convenience to customers

ANOVAa					
Model	Sum of Squares	Df	Mean square	F	Sig.
Regression	28.464	3	9.488	118.033	0.000b
Residual	15.756	196	0.080		
Total	44.220	199			

a. Dependent Variable: Perception

b. Predictors: (Constant) Cost of the product, Past experience, Convenience to the customer

Coefficientsa

Model	Unstandardized B	Coefficients std. Error	Standardized coefficients Beta	T	Sig.
(Constant)	-0.242	0.089		-2.729	0.007
Past experience	0.082	0.033	0.129	2.512	0.013
convenience	0.229	0.035	0.354	6.518	0.000
Cost of the product	0.312	0.036	0.464	8.658	0.000

a. Dependent variable: Perception

Also look at the values of t for all the three factors, the values is greater than with 95% confidence levels, therefore we reject the three null hypotheses. Again considering the values of significance of all the three factors, all the values are less than 0.05 which states that all of them have significant impact on the perception of a consumer. Hence, again we reject the null hypothesis.

Also t values for all the factors are higher which means that all the three independent factors has a positive influence on consumer's perception while purchasing online motor insurance policies. Hence, we reject all three null hypotheses.

Hence after all the findings and hypothesis testing, the result is that all the three factors considered past experience, cost and convenience has positive and significant impact on customer perception while purchasing online motor insurance policies.

Conclusion

Factors like past experience cost and convenience helps in forming a Rationale for Consumers Purchase Decision. From the above study we can conclude that all the three factors have a positive influence on the consumer's perception. These factors are very crucial for consumer to keep in mind while purchasing online motor insurance policies.

Online purchase of insurance policies is disrupting the traditional business of intermediaries. Facilitation of e-insurance helps in reducing the cost of the insurance companies as well as consumers. From the above analysis, we have seen that maximum no. of customers still prefer purchasing the motor insurance policy by directly approaching the insurance company.

Internet is contributing to disseminating information, improving consumer value, reliability and retention as well as consumers perception which in turn lead towards better profitability and increased market share. As the consumers viewpoint, internet based services can significantly decrease the costs for searching, selection between multiple vendors, deliver lower priced product /services, increased easiness and allowing more control over products /services offered.

Suggestions

The insurance companies should try to increase awareness amongst the customers related to potential benefits of the E-Insurance. These benefits include price comparison, ease of doing transactions, time saving, cost saving, instant confirmation of policy, data repository etc. The customers should be provided with assurance that there premium payments are safe and secured. Insurance companies should customize their online operations as per the current needs of the customers. The customers should be able to communicate continuously with the insurance company, pre and post purchase of motor insurance policies. Effective Marketing Strategies and policies can be formulated once e-markets are able to capture the perception of Motor Policy Holders. Various Strategies to avoid Risks and Uncertainties should be provided.

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Customer Satisfaction From Motor Insurance Claims Settlement In West Delhi

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Insurance Regulatory and Development Authority of India (IRDAI) has issued guidelines and formalities to be completed for faster settlement of motor claims in case of third party, own damage and theft claims to all the insurance companies. IRDA has also put on their website customer complaints option to resolve the customer complaints regarding settlement of motor insurance claims. Many insurance companies are advertising online mechanism of paperless claim process and giving assurance to customers to resolve the same with three working days. In spite of so many initiatives taken by IRDAI and insurance companies, number of complaints regarding settlement of motor insurance claims are increasing and resulting in low customer satisfaction. This paper focus on the relationship between customer satisfaction on settlement of motor insurance claims and various other dependent factors.

Key Words: Customer Satisfaction, Motor Insurance, Service Quality, Complaints

Introduction

Customer satisfaction is the backbone of any service industry. It is the customer that can bring prosperity and success to any organization. So, it is important to satisfy the myriads needs of the customers. The dramatic increase in competition within the insurance sector and the needs of insurance by people has concurrently resulted in more policy options being available in Indian market. Also, individuals make decision each time relative to the perceived risk in similar situation due to differences in their attitudes towards risk, while in some cases two individuals facing the same situation may react differently but still behave rationally due to financial instability and some are different because of differences in opinion and interpretation of risks. These leads to the problems encounter by insurance consumers in making a rightful choice as well as satisfaction to be derived from a product or service provided by insurance companies.

In today's competitive world, measurement of customer satisfaction has become a key performance indicator of an organization and valuable management tool for companies to expand their current customer relationships and remain competitive. Customer's needs and requirements have been changed substantially over the last few decades. With the increase in complexities, the requirements of customers have also become complex and diverse. Customers not only buy the products but also the bundle of needs. Companies should plan and offer products which can assist their customers in fulfilling their exact set of needs. Hence, insurance companies must move from selling insurance to changing need identification and offering suitable products to satisfy those. It cannot be denied that insurance is the backbone of a country's risk management system. Risk is inherent part and parcel of our lives. None of us know what is going to happen to us in the future but what we do know is that accidents happen. This is the simple idea that the insurance industry is founded on.

The insurance industry in India has changed swiftly in the turbulent economic environment throughout the world. Indian insurance companies have become competitive in nature and are undoubtedly serving customers in manifold ways. The insurance providers offer a variety of products to businesses and individuals in order to provide protection from risk and to ensure financial security.

In researching satisfaction, firms generally ask customers whether their service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. For this reason, a luxury resort, for example, might receive a lower satisfaction rating than a budget motel—even though its facilities and service would be deemed superior in 'absolute' terms

Review of Literature

Faulkner and Bowman (1997) in his paper, they examined that perceived value is equal to satisfaction level of customer. The satisfaction level is based on purchasing, using and repurchasing of a product or service.

Treaty (2004) in his paper has made an attempt to find out perception of customers towards services of insurance company through marketing variables. He has investigated the characteristics and preference of customers.

Goswami (2007) has tried to analyse the dimensions of service quality and made an attempt to understand various factors that ensure maximum customer satisfaction.

Khurana (2008) in his paper made an attempt to identify the customer's preference for various factors. He tried to examine customer's preference towards plans and policies of insurance companies, their purpose of buying the insurance policies, satisfaction level of customers and their future plans for insurance policies.

Tse and Wilton (1998) stated customer satisfaction as the customer's response to the evaluation of the perceived discrepancy between prior expectations (or some norm of performance) and the actual performance of the product as perceived after its consumption.

Mano and Oliver (1993) examined the three aspects of the post consumption experience- product evaluation, product elicited affect and product satisfaction

Terblanche&Boshoff (2001) assessed the influence of certain factors on customer's level of satisfaction in their study. It has been found that service quality, product quality and product varieties are the three dimensions that influence customer satisfaction.

Luo and Homburg (2007) that customer/customer satisfaction is an important driver of firm profitability.

Pothas et al (2001) proposed an unconventional way of monitoring customer satisfaction based upon promoting the expressing of customer perceptions from the frame of reference of the customers, not from the frame of reference of the investigator.

Churchill, Jr. &Suprenant (1982) investigated whether it was necessary to include disconfirmation as van intervening variable affecting satisfaction as was commonly argued, or whether the effect of disconfirmation was adequately captured by expectation and perceived performance.

Ching-chow Yang (2003) stated that customer satisfaction measurement highlights the strength and the area of improvement in the quality of product.

Woodside et al (1989) found from the research study that customer judgment of service quality is positively associated with overall satisfaction with the service encounter

Zeithaml and Berry (1996) has made attempts to understand the characteristics of services and what providers should possess in order to project a high quality service articulated by their customers.

Cronin Jr, Brady and Hult (2000) studied the relationships between quality, value, satisfaction and behavioural intentions.

Anderson et al. (1994) states that when quality and expectations increase, there is a positive effect on customer satisfaction in the long run, but increased expectations may have a negative impact in the short run.

Ennew and Binks (1996) state in the study that service quality is seen as a key antecedent to successful customer relationships.

Grant and Schlesinger (1995*)* stated that profits from customer relationships are the lifeblood of all businesses.

Mittal & Kamakura (2001) represented a conceptual model for relating satisfaction and repurchase behaviour.

Reddy (2005) states that it is not enough if the product meets the l functional requirements of the customer; it should meet certain other customer expectations like behaviour/attitude of the person who provides service.

Fe and Ikova (2004) added that the perception of the word "satisfaction" influences the activities, which a customer conduct to achieve it.

Giese & Cote (2000) studied various literatures and indicated that customer satisfaction is a response (emotional or cognitive), the response pertains to a particular focus (expectations, product, consumption experience, etc.) and the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc.)

Kristensen et al. (1999) states customer/customer satisfaction is an evaluative response of the product purchase and consumption experience resulting from a comparison of what was expected and what is received.

Raja, Sharma and Shashikala (2006) discussed customer/customer satisfaction in the context of perceived values of the mobile commerce, service attribute's, product quality, service support, product distribution, service personnel, information about the service and corporate brand equity are the underlying factors of customer satisfaction.

Soni, Wilson and Keeffee (1996)] argued that being committed to the partner in a buying-selling relationship is an important predictor of retention. Customer satisfaction has the largest impact on commitment.

Dubrovski (2001) has concluded from the satisfaction model that the customer satisfaction directs the scope of finding success/failure of certain products/companies in the market. This is very much important in strategic marketing analysis

Research Methodology

Research Design

Descriptive research design is used in this study since it will guarantee the minimization of inclination and augmentation of dependability of information gathered. Descriptive study depends on some past comprehension of the theme; examine has a certain target and obvious information necessities. From the investigation, the kind of information to be gathered and the strategy to be utilized for this reason for existing were chosen.

Methodology of the study

It includes Research Design, data sources and collection procedures, sampling method, sample size and data analysis procedures.

Hypothesis – Factor Analysis

H_0 (Null hypothesis): There is no relationship between Customer Satisfaction in Motor Insurance Claim Settlement and other independent variables

H_1 (Alternative Hypothesis): There is a relationship between Customer Satisfaction in Motor Insurance Claim Settlement and other independent variables

Data Sources & Collection Method

Data have been collected from – Primary sources (Questionnaires)

Primary Sources: A structured questionnaire was used as the research instrument to collect

primary data from the customer of internet banking from Bank of Baroda Starting with Age & Sex, questionnaire comprised to the key questions that determine overall satisfaction level of customer in using Internet Banking services. A 5 point Likert scale (From 1 strongly disagree to 5 for strongly agree) was used.

Sampling Plan

The population of the research is formed by the customers holding a valid Motor Insurance in West Delhi. The sampling frame for the research will be those customers who are availing Motor Insurance Claims for their vehicle and visiting the various authorised service centres in West Delhi.

Tools for Data Analysis

The tool used for Data Analysis is – SPSS Statistics v.23.00

Data Analysis

For conducting customer's Satisfaction survey, Likert scale based questionnaire was developed after review of literature and discussions with faculty mentor. The collected Data was analysed using SPSS Statistics v.23.00 using Factor Analysis.

Descriptive statistics

The first output from the analysis is a table of descriptive statistics for all the variables under investigation. Typically, the mean, standard deviation and number of respondents (N) who participated in the survey are given. Looking at the mean, one can conclude that "Quality of Services" is the most important variable that influences customers to buy the product. It has the highest mean of 4.23

Kaiser Meyer Olkin (KMO) and Bartlett's Test (measures the strength of relationship among the variables)

The KMO measure is 0.601, which is above 0.5 and therefore it is highly accepted. The Bartlett's Test of Sphericity is significant (0.00). That is, significance is less than 0.05. In fact, it is actually 0.00, i.e. the significance level is small enough to reject the null hypothesis. This means that correlation matrix is not an identity matrix.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.601
Bartlett's Test of Sphericity	Approx. Chi-Square	311.013
	df	190
	Sig.	.000

Communalities

81% of the variance in "Swift and Efficient Services" is accounted for, while 65% of the variance in "E-Services" is accounted for.

Total variance explained

The Eigenvalue table has been divided into 2 sub-sections, i.e. Initial Eigen Values, Extracted Sums of Squared Loadings. For analysis and interpretation purpose we are only concerned with Extracted Sums of Squared Loadings. Here one should note that Notice that the first factor accounts for12.573% of the variance, the second 7.466% and the third 6.981%. All the remaining factors are not significant.

Suggestions Based on Findings

First, customer satisfaction from motor insurance claims settlement in West Delhi is acceptable. However, the companies still needs to work on customer retention as a fraction of the sample size was pessimistic representing potential proportion of customers to be lost due to their poor experience rated on few variables under the factors rated.

Secondly, most of the customers are satisfied with the variable which states Ease of Contact of any claim, Flexibility, Employees Initiative, Fairness and Equity, Availability of Utilities, Quality of Services, Compatibility, Clarity and Accuracy, Use of New Technology, Employees Advice, Swift Services, Good to Deal Employees, Knowledgeable Employees.

Although the other dimensions do not seem to be satisfactory; it serves as a sign of caution to the management to think about ways to increase the satisfaction of the customers in those dimensions to a significant level. Such dimensions are Use of E-Services, Transparency in Claim follow up, Response to Customer Phones, Availability of Manuals, forms, and documents.

One other interesting finding was that the customers are essentially satisfied with the dimensions that are mostly important to them. For instance, Quality of Services is the dimension which gives the most satisfaction to customers.

However, to a higher degree, customers want to be offered Transparency in Claim Follow Up, Response to Phone Calls, and Availability of manuals.

Finally, in the given study it was easily concluded that customers were satisfied with their claims settlement in motor insurance regardless of any insurance company yet few customers were dissatisfied in overall survey due to some delays in their settlement and employees behaviour.

Few customers reported bad experience in their Claims settlement process due to poor availability of guidance and flexibility of dealing but these customers were later on satisfied while the claim was settled.

Limitations of the Study

- As a research is based on a sample, therefore, the findings may not reveal the factual information about the research problem, though an utmost care will be taken to select a truly representative sample.
- There may be some bias in the responses of the respondents, which cannot be ruled out fully.
- Sudden change in the Insurance practices during the course of research can affect the results.
- The study is limited to areas of West Delhi only
- The sample size of only 200 was taken from the large population for the purpose of study, so there can be difference between results of sample from total population.
- People were reluctant to go in to details because of their busy schedules.
- Merely asking questions and recording answers may not always elicit the actual information sought.
- Due to continuous change in environment, what is relevant today may be irrelevant tomorrow

Future Scope of the Study

The subject area of customer satisfaction is very broad in scope or content. In this study, the focus is on customer satisfaction with service delivery in the motor insurance industry. However, as we explained above, this study is focused on Customer Satisfaction from Motor insurance Claims Settlement in West Delhi only where only 200 respondents were taken.

Hence, our results are not representative of the whole industry but can still be considered as a first step to provide the insurance industry with beginnings of answers and preliminary assessment of the customers' satisfaction with the motor insurance industry.

Therefore other studies should be conducted considering other areas where motor insurance plays a major role and can provide with better results with combination of both the studies. This will provide the possibility to make comparisons of any trend of customer satisfaction with service delivery in different settings.

Finally, other studies on other types of insurance (financial insurance, home insurance, medical/health insurance, fire and burglary insurance etc.) can be performed and be inspired from the methodology adopted in this study as well as the considered service dimensions.

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