

Overcoming Cultural Barriers: Selling Insurance Through Banks in Telangana's Semi-Urban Areas

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Abstract—Bancassurance is a critical channel for expanding insurance penetration in India, yet its growth in semi-urban markets remains constrained by deep-seated cultural and behavioural barriers. This study investigates the specific socio-cultural impediments hindering insurance adoption through banks in semi-urban Telangana. Employing a sequential explanatory mixed-methods design, primary data were collected via a structured questionnaire from 450 bank customers across selected districts and analysed using descriptive statistics, Chi-square tests, and ANOVA. The findings identify a core "trust-translation gap," where institutional trust in banks does not extend to insurance products due to perceived sales pressure and process complexity. Significant barriers include a strong preference for physical assets, the influential role of community leaders and family, low functional literacy despite product awareness, and a pronounced need for vernacular (Telugu) and visual communication. Critically, the impact of these barriers is not uniform; statistical analysis reveals that customer perceptions vary significantly based on occupation and age, necessitating segmented strategies. The study concludes that overcoming these hurdles requires a paradigm shift from a transactional sales model to a culturally-embedded advisory approach. It proposes a practical framework for banks and insurers involving localized product narratives, staff training in cultural competency, and segmented communication to bridge the adoption gap and unlock the market potential of semi-urban India.

Index Terms— Bancassurance, Cultural Barriers, Semi-Urban Markets, Trust Deficit, Financial Literacy.

I. INTRODUCTION

1.1 Background of the Study: Bancassurance and Market Expansion

The bancassurance model, a synergistic partnership between banks and insurance companies, has emerged as a pivotal channel for distributing insurance products globally. In India, it has grown significantly since its formal introduction, leveraging the extensive branch network and inherent customer trust of banks to improve insurance penetration. While urban markets are becoming saturated, the next frontier for growth lies in semi-urban and rural regions. These areas represent a vast, under-tapped market with rising disposable incomes and increasing awareness of financial security needs. However, success in these regions requires moving beyond mere physical access; it demands a deep understanding of the socio-cultural fabric that governs financial decision-making. This study focuses on the critical challenge of translating bancassurance's physical reach into actual product adoption in these complex environments.

1.2 The Telangana Context: A Landscape of Contrast and Potential

Telangana, a state marked by rapid urbanization alongside significant semi-urban and rural populations, presents a unique case study.

- **Demographic and Economic Profile:** The state's semi-urban areas towns and large villages are characterized by a mix of agrarian economies, small-scale industries, and a growing service sector. There is an expanding middle class with access to formal banking.

- **Infrastructure vs. Penetration Gap:** While banking infrastructure, through nationalized banks, regional rural banks (e.g., Telangana Grameena Bank), and cooperatives, is relatively widespread, insurance penetration remains disproportionately low. This gap highlights that availability does not automatically equate to adoption.
- **Cultural Fabric:** Life in these areas is deeply influenced by strong community bonds, local traditions, and a reliance on informal social networks for risk management. Financial decisions are often collective rather than individual.

1.3 Statement of the Problem: The Cultural Impediment

The core problem this article addresses is not a lack of banks or insurance products in Telangana's semi-urban areas, but the persistent cultural and behavioral barriers that prevent bancassurance from realizing its full potential. Despite having bank accounts, many customers hesitate to purchase insurance through their familiar banking institutions due to:

- Deep-seated distrust in intangible, future-oriented contracts like insurance.
- A cultural preference for physical assets (gold, land) as the primary means of security.
- Religious or fatalistic beliefs that may view insurance as challenging divine will.
- Low functional financial literacy specific to insurance concepts.
- The overpowering influence of social proof and negative word-of-mouth within close-knit communities. This study posits that overcoming these non-financial, psycho-social hurdles is the key to unlocking growth.

1.4 Objectives of the Study

This research aims to systematically investigate and address the cultural disconnect in bancassurance. The specific objectives are:

1. To identify and analyze the primary cultural, social, and perceptual barriers that inhibit insurance adoption through banks in semi-urban Telangana.
2. To examine the challenges faced by bank frontline staff (Relationship Managers, Tellers) in

communicating and selling insurance within this specific cultural context.

3. To evaluate existing strategies employed by bancassurance partners in the region and assess their effectiveness.
4. To propose a culturally-sensitive framework and practical recommendations for banks and insurers to design products, tailor communication, and train staff to effectively bridge this adoption gap.

1.5 Significance and Scope of the Study

- **Theoretical Significance:** The study contributes to the literature on financial inclusion and behavioral economics by providing context-specific insights into how culture mediates the adoption of formal financial products in emerging economies. It moves the discussion beyond access to the psychology of acceptance.
- **Practical Significance:** The findings offer direct, actionable intelligence for:
 - ✓ **Bank and Insurance Managers:** To refine marketing strategies, product design, and sales training programs.
 - ✓ **Policy Makers (IRDAI, RBI):** To inform initiatives aimed at enhancing consumer protection and financial literacy in vernacular contexts.
 - ✓ **Financial Inclusion Advocates:** To develop more effective community-based intervention models.
- **Scope:** The study is geographically focused on semi-urban areas in select districts of Telangana. It concentrates on life and general insurance products sold through the bancassurance channel. While findings may have broader implications, the core analysis is rooted in this specific regional and operational context.

II. LITERATURE REVIEW & THEORETICAL FRAMEWORK

Ganesh R 2024, The bancassurance model is widely recognized in the literature as a strategic synergy between banking and insurance sectors, creating mutual value. For banks, it represents a significant non-interest revenue stream, while insurers gain access to extensive customer bases and enhanced distribution reach. Scholarly discussions emphasize that this partnership facilitates deeper market

penetration, allows for customer-centric product customization, and encourages cross-selling through established trust. Furthermore, contemporary research highlights the growing role of digital integration, data analytics, and fintech solutions in refining bancassurance operations, making them more efficient and responsive to evolving market demands and consumer behavior.

Verma et al 2022, The literature positions bancassurance as a strategic convergence between banking and insurance, primarily adopted to generate complementary revenue streams for banks and expand market reach for insurers, especially within constrained regulatory and economic contexts. Recent scholarship highlights a significant paradigm shift driven by digital disruption, which has transformed traditional distribution models. Contemporary research emphasizes that future growth hinges on moving beyond purely digital or physical channels. Scholars increasingly advocate for an integrated, omni-channel approach that seamlessly blends digital convenience with the trust-based, advisory potential of in-person bank interactions to deepen customer engagement and penetration.

Van Quang, et al 2024, The Vietnamese bancassurance market, while relatively nascent, has rapidly evolved into a significant revenue contributor within the national insurance sector. Scholarly analysis underscores its substantial growth trajectory and future potential as a dominant distribution channel. Current literature examines the operational frameworks and developmental prospects of bancassurance in Vietnam, concurrently identifying key implementation challenges such as regulatory alignment, integration depth, and consumer trust. To foster sustainable expansion, researchers emphasize the necessity of building a robust, collaborative model between banks and insurers, tailored to the local financial ecosystem and consumer behavior.

Purba et al 2022, Existing literature highlights bancassurance as a strategic marketing model that fosters synergy between banking and insurance sectors. Studies, such as one focusing on the partnership between PT. Asuransi Jiwa Syariah AL-Amin Kediri and a Sharia bank, demonstrate that this collaboration serves as a significant channel for customer acquisition and revenue enhancement for insurers. The model leverages the bank's established client base and trust, particularly among financing

customers, to effectively distribute insurance products. This underscores the role of bancassurance in expanding market reach and creating a stable, complementary income stream for insurance companies beyond direct individual sales.

Lynch et al 2024, A growing body of educational research examines the integration of financial acumen into engineering curricula, particularly through active learning frameworks. Project-based learning (PBL) initiatives, such as requiring students to construct integrated financial statements for a startup venture, demonstrate efficacy in bridging theoretical knowledge with practical application. Studies indicate that embedding these tasks within entrepreneurial mindset frameworks, like the KEEN network's principles, can significantly enhance engineering students' financial literacy. This pedagogical approach helps students draw interdisciplinary connections and builds confidence in making decisions involving capital, operations, and profitability, thereby better preparing them for professional practice.

Čirjevskis et al 2021, The real estate sectors within the European Union have demonstrated cyclical vulnerability, experiencing profound disruption during the 2008–2009 global financial crisis before a period of recovery. Recent pandemic-induced economic uncertainty has reintroduced significant market volatility, highlighting the need for adaptive investment frameworks. Scholarly attention has thus turned to flexible valuation methodologies, such as Real Options Valuation (ROV), to manage risk under uncertainty. This literature review examines the application of hybrid ROV models, as demonstrated in case studies like those from Latvia, which provide crucial insights for structuring resilient real estate investments and supporting strategic decision-making in the face of discontinuous economic shocks.

Gunn et al 2021, The issue of financial toxicity in oncology has gained significant scholarly attention, emphasizing the severe economic hardship patients face. While existing literature extensively explores systemic interventions like value-based payment reform, a critical gap remains in addressing patient-centered, actionable strategies. Recent research advocates for a paradigm shift towards developing supportive frameworks that actively engage individuals, incorporating their personal values, preferences, and unique socioeconomic contexts into cost-mitigation efforts. This review synthesizes

emerging evidence on key patient-level opportunities, including enhanced shared decision-making, dedicated financial navigation, and the application of tailored insurance designs, to alleviate the economic burden of cancer care.

McAllister, J., et al 2025, A systematic review of studies from the UK and Canada highlights that South Asian diaspora populations face significantly lower participation in cardiac rehabilitation (CR) despite higher cardiac risk. Key cultural and systemic factors influencing engagement include language barriers, familial support structures, religious beliefs, and motivations shaped by cultural norms. The evidence indicates that while some barriers are universal, their impact is intensified for South Asian minorities due to distinct socio-cultural determinants. Addressing these specific enablers and obstacles is crucial for designing equitable CR programs that improve access and outcomes for this underserved community.

Udhayakumar K et al 2025, The literature indicates that the rapid integration of digital tools—including AI, LMS, and VR—into higher education is fundamentally reshaping service delivery and student experience. However, scholarly work highlights significant challenges to equitable benefit. Research consistently identifies a critical digital readiness gap among student populations, which can impede effective adoption. Furthermore, studies point to a pronounced disparity in technological integration and satisfaction between private and public institutions, suggesting that institutional resources and agility are key determinants in successful implementation. This evidence underscores that without targeted strategies in infrastructure, literacy, and policy, technological advancement risks exacerbating existing inequalities in education rather than fostering universal service quality enhancement.

Mahalakshmi, K et al 2025, The literature indicates significant expansion in sensor technology applications within biomedical materials and devices, driven by innovations in smart, wireless, and multifunctional systems. These advancements enhance diagnostic accuracy, real-time monitoring, and therapeutic interventions. The integration with Internet of Things (IoT) platforms is elevating performance standards for implantable and wearable devices, emphasizing biocompatibility and durability. Market analyses confirm robust growth across North America, Europe, and Asia-Pacific, with emerging

opportunities in other regions. Key challenges for global market participation include navigating complex regulatory environments and supply chain logistics, highlighting a critical area for strategic development.

Udhayakumar K et al 2025, This research investigates student perceptions of library service quality within arts and science colleges in Western Tamil Nadu. Utilizing a survey methodology with a five-point Likert scale questionnaire administered to students, the study employed descriptive statistics and Chi-square analysis to evaluate service effectiveness. Findings indicate a generally positive perception of the core library services. However, the study underscores that true quality extends beyond basic provision, necessitating proactive assistance in defining information needs, fostering user confidence in retrieval systems, and ensuring positive staff interactions. It concludes that a user-centric, comprehensive information program is essential for achieving complete service quality and enhancing user satisfaction.

III. RESEARCH METHODOLOGY

This chapter delineates the systematic approach adopted to investigate the cultural barriers in bancassurance within semi-urban Telangana. It details the research design, data collection methods, sampling strategy, analytical tools, and acknowledges the study's inherent limitations to ensure transparency and scholarly rigor.

3.1 Research Design

This study employs a sequential explanatory mixed-methods design, prioritizing a quantitative phase followed by a qualitative phase for depth and context. The design is both exploratory and descriptive.

- **Exploratory Aspect:** It seeks to identify and understand the nuanced, culturally-rooted barriers that are not fully captured in existing literature specific to the region.
- **Descriptive Aspect:** It aims to quantitatively measure the prevalence and perceived intensity of these barriers among a broader population. The quantitative data (survey) provides a generalizable overview, while the subsequent qualitative insights from interviews help explain the "why" behind the statistical trends, offering a holistic understanding.

3.2 Data Collection

Data was gathered from primary and secondary sources to ensure comprehensive analysis.

Primary Data: Collected directly from stakeholder groups. A structured questionnaire was administered to 450 bank customers across selected semi-urban locations. The instrument utilized a five-point Likert scale (Strongly Agree to Strongly Disagree) to gauge perceptions on trust, cultural beliefs, product understanding, and influencer roles. This allows for the quantification of attitudes.

Secondary Data: This included analysis of reports from the Insurance Regulatory and Development Authority of India (IRDAI), Reserve Bank of India (RBI), industry publications from FICCI and BCG, and district-level economic surveys. This data helped establish the macro-context of bancassurance growth and regional socio-economic indicators.

3.3 Study Area and Sampling

- **Study Area Definition:** "Semi-urban Telangana" for this study refers to district headquarters towns (other than Hyderabad), major *mandal* towns, and areas classified as Census Towns.
- **Sampling Strategy:** A stratified random sampling technique was used for the customer survey.
- **Strata Formation:** The state was divided into three zones (North, Central, South Telangana). Two districts from each zone were selected purposively based on banking penetration and industrial-agrarian mix (Kamareddy, Siddipet, Khammam).
- **Selection:** Within each district, 3-4 semi-urban centers were chosen. From the customer lists of major banks in these centers, 450 respondents were randomly selected, ensuring a mix of age, occupation, and banking tenure.

3.4 Data Analysis

The data collected and analyzed using IBM SPSS Statistics (Version 25) and Microsoft 2019 software. The following statistical tools will be used, aligned with the objectives.

- **Descriptive Statistics:** Simple percentage analysis and mean scores were used to summarize demographic profiles and general response trends from the survey.
- **Inferential Statistics:** To test hypotheses and examine relationships between variables:
 - **Chi-Square Test:** Employed to determine if there is a significant association between categorical demographic variables (Occupation and Trust and Credibility in Bancassurance & Cultural and Social Influences) and the perception of specific cultural barriers.
 - **ANOVA:** Used to compare the mean perception scores of barriers across different groups.

3.5 Limitations

While rigorous, this study acknowledges certain constraints:

1. **Geographic Specificity:** Findings are primarily contextual to semi-urban Telangana and may not be directly generalizable to other states or fully rural/urban settings.
2. **Self-Reported Bias:** The survey relies on respondents' self-reported perceptions and intentions, which may not always align perfectly with actual behavior.
3. **Social Desirability Bias:** Respondents, especially during interviews, might provide answers they deem socially acceptable rather than their true beliefs.
4. **Cross-Sectional Snapshot:** The study captures data at a single point in time, limiting insights into how perceptions evolve. Acknowledging these limitations provides a balanced view and suggests avenues for future longitudinal and multi-regional research.

IV. DATA ANALYSIS AND INTERPRETATION

4.1 Descriptive Statistics: (Frequencies & Descriptives)

S No	Particulars	Categories	Frequency	Percentage	Mean	Std. Deviation
1	Gender	Male	211	46.9	1.53	0.500
		Female	239	53.1		

2	Age	18 – 25	185	41.1	2.15	1.168
		26 – 40	106	23.6		
		41 - 55	66	14.7		
		56 & Above	93	20.7		
3	Qualification	Degree and above	244	54.2	1.61	0.739
		School and below	137	30.4		
		Uneducated	69	15.3		
4	Occupation	Business	114	25.3	1.83	1.415
		Private Employee	128	28.4		
		Government Employee	74	16.4		
		Homemaker	58	12.9		
		Others	76	16.9		
5	Income	Below 3 Lakhs	215	47.8	1.61	0.958
		3 - 5 Lakhs	130	28.9		
		5 - 7 Lakhs	70	15.6		
		7 above Lakhs	35	7.8		

Table: 1

Interpretation and Discussion:

The demographic profile of the 450 respondents from semi-urban Telangana establishes the context for understanding cultural barriers. The sample was nearly evenly split between male (46.9%) and female (53.1%) customers. The largest age cohort was young adults (18-25 years) at 41.1%, indicating a significant portion of the market is digitally-native and early in their financial decision-making journey. Educationally, a majority (54.2%) held a degree or higher, suggesting a baseline of formal education, yet a substantial 45.8% had school-level education or were uneducated, highlighting the critical need for

simplified communication. Occupationally, the sample was diverse, with private employees (28.4%) and business owners (25.3%) forming the largest groups, followed by government employees, homemakers, and others. Income distribution showed that nearly half (47.8%) earned below ₹3 lakhs annually, categorizing them in the low-to-middle income bracket where financial decisions are highly sensitive. This profile confirms the study's focus on a diverse, semi-urban population where traditional values intersect with emerging formal financial access, making it a pertinent setting for investigating culturally-rooted barriers to bancassurance.

4.2 Descriptive Statistics:

S No	Factors	Mean	Std. Deviation
1	Trust bank more than agent for advice	3.67	1.297
2	Claims faster via bank	3.56	1.349
3	Bank offers suitable products	3.77	1.235
4	Staff explains terms transparently	3.64	1.292
5	Influenced by friends/family purchase	3.54	1.359
6	Community sees insurance as unnecessary	3.47	1.313
7	Beliefs cause hesitation	3.66	1.295
8	Prefer physical assets over insurance	3.15	1.426
9	Influenced by community leaders	3.65	1.335
10	Motivated by 'family security' framing	3.57	1.352
11	Products are complicated	3.51	1.391
12	Aware of product types	3.8	1.224
13	Jargon is confusing	3.66	1.31
14	Need more guidance	3.64	1.339
15	Prefer simple bundled products	3.72	1.227
16	Comfortable discussing in Telugu	3.87	1.181
17	Staff are knowledgeable/patient	3.15	1.464

18	Feel pressured by staff	3.78	1.281
19	Prefer videos/meetings over brochures	3.87	1.181
20	Overall process is easy/pleasant	3.12	1.502

Table: 2

Interpretation and Discussion:

The analysis of mean scores for 20 key factors reveals the perceived intensity of various barriers and enablers. The highest agreement was found for factors related to communication and accessibility, such as comfort with Telugu discussions (Mean=3.87) and preference for visual aids over brochures (Mean=3.87). This strongly indicates that vernacular and non-text-based communication is not just preferred but essential. However, significant barriers persist:

- Trust and Process: While respondents moderately agreed that banks offer suitable products (Mean=3.77), they simultaneously reported feeling pressured by staff (Mean=3.78) and found the overall process neither easy nor pleasant (Mean=3.12). This contradiction highlights a gap between product availability and a positive customer experience.
- Cultural Influence: Strong social influence is evident, with factors like hesitation due to beliefs (Mean=3.66) and the impact of community leaders (Mean=3.65) scoring highly. The preference for physical assets over insurance (Mean=3.15) remained a tangible cultural hurdle.
- Product Complexity: Perceptions of complexity (Mean=3.51) and confusing jargon (Mean=3.66) were notable, yet there was also a high expressed awareness of product types (Mean=3.80). This suggests awareness does not equate to comprehension, pointing to a gap in functional financial literacy.

4.3 Chi-Square Test

Null Hypothesis 1: There is no significant difference between Occupation and Trust and Credibility in Bancassurance.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	871.143 ^a	60	.000
Likelihood Ratio	764.933	60	.000

Linear-by-Linear Association	83.189	1	.000
N of Valid Cases	450		
a. 58 cells (72.5%) have expected count less than 5. The minimum expected count is .13.			

Table: 3

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	1.391	.000
	Cramer's V	.696	.000
N of Valid Cases		450	

Table: 4

Null Hypothesis 2: There is no significant difference between Occupation and Cultural and Social Influences

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	620.549 ^a	68	.000
Likelihood Ratio	544.411	68	.000
Linear-by-Linear Association	21.730	1	.000
N of Valid Cases	450		
a. 53 cells (58.9%) have expected count less than 5. The minimum expected count is .26.			

Table: 5

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	1.174	.000
	Cramer's V	.587	.000
N of Valid Cases		450	

Table: 6

Interpretation:

The Chi-Square tests were used to examine the association between respondents' occupation and their perceptions of two major constructs: Trust/Credibility and Cultural/Social Influences.

- Occupation vs. Trust/Credibility: The result was statistically significant ($\chi^2 = 871.143, p < .001$).

The very large Cramer's V value of 0.696 indicates a strong association between a person's occupation and their perception of trust and credibility in bancassurance. This means that beliefs about the bank's trustworthiness, transparency, and claim efficiency are not uniform but vary significantly depending on whether the customer is a business owner, private employee, homemaker, etc. Therefore, the null hypothesis is rejected. A critical caveat is that 72.5% of cells had an expected count less than 5, which violates a key assumption of the Pearson Chi-Square test. While the significant p-value and strong effect size are strong indicators, the results should be interpreted with caution, and the significant Likelihood Ratio test ($\chi^2 = 764.933, p < .001$) supports the finding.

- Occupation vs. Cultural/Social Influences: Similarly, a significant association was found ($\chi^2 = 620.549, p < .001$) with a large effect size (Cramer's V = 0.587). This reveals that

susceptibility to family opinion, community norms, religious beliefs, and the influence of local leaders differs markedly across occupational groups. Consequently, the null hypothesis is rejected. The violation of the expected count assumption (58.9% of cells <5) is again noted, urging cautious interpretation, though the directional finding is robust.

“In practical terms, these results underscore that marketing strategies and staff training cannot treat "semi-urban customers" as a monolith. Occupation is a powerful demographic segment that predicts differing trust issues and cultural sensitivities, necessitating tailored approaches.”

4.4 ANOVA

Null Hypothesis: There is no significant difference between Age group and Product Awareness & Perceived Complexity

Null Hypothesis: There is no significant difference between Age group and Communication & Service Experience

Factors		Sum of Squares	df	Mean Square	F	Sig.
Product Awareness & Perceived Complexity	Between Groups	1019.152	3	339.717	9.943	.000
	Within Groups	15237.506	446	34.165		
	Total	16256.658	449			
Communication & Service Experience	Between Groups	199.389	3	66.463	6.488	.000
	Within Groups	4568.611	446	10.244		
	Total	4768.000	449			

Table: 7

Robust Tests of Equality of Means					
		Statistica	df1	df2	Sig.
Product Awareness & Perceived Complexity	Welch	9.194	3	197.792	.000
Communication & Service Experience	Welch	6.285	3	196.966	.000

a. Asymptotically F distributed.

Table: 8

A One-Way ANOVA was conducted to test if perceptions differed significantly across the four age groups regarding Product Awareness/Complexity and Communication/Service Experience.

- Product Awareness & Perceived Complexity: The test revealed a statistically significant difference between age groups ($F(3, 446) = 9.943, p < .001$). This means that younger respondents (e.g., 18-25) systematically perceived product complexity and their own awareness differently than older groups

(e.g., 56 & above). The robust Welch test ($F=9.194, p<.001$) confirms this finding is reliable despite potential heterogeneity of variances.

- Communication & Service Experience: The analysis also showed a significant difference in how age groups experience communication and service ($F(3, 446) = 6.488, p < .001$). Satisfaction with staff interaction, language comfort, and perceived pressure varies significantly with age.

The Welch statistic ($F=6.285$, $p<.001$) further validates this result.

The consistent rejection of the null hypotheses confirms that age is a critical demographic factor shaping customer experience in bancassurance. Younger, likely more educated customers may find products complex but desire digital-friendly communication. Older customers may prioritize face-to-face, respectful interactions in their native language and have different triggers for trust. These findings mandate age-segmented strategies, product simplification and mobile-based education for the youth, and community-based, relationship-focused assurance for older demographics to effectively overcome barriers.

V. DISCUSSION – STRATEGIES FOR OVERCOMING BARRIERS

5.1 Findings and Suggestions

The study's analysis yields several critical findings that directly inform practical strategies for enhancing bancassurance adoption in semi-urban Telangana.

Key Findings:

1. **Demographic Profile:** The market is characterized by a young, moderately educated population with diverse occupations and predominantly low-to-middle income levels, necessitating highly tailored and sensitive approaches.
2. **Primary Barriers:** The major impediments are not a lack of access, but a combination of:
 - ✓ **Psycho-social Trust Deficits:** Despite trust in the banking institution, customers feel pressured by sales staff and find the overall process difficult.
 - ✓ **Strong Cultural and Social Influences:** Decisions are heavily influenced by family, community leaders, traditional beliefs, and a preference for tangible assets like gold.
 - ✓ **Functional Literacy Gaps:** While awareness of insurance products exists, comprehension is low due to perceived complexity and confusing jargon.
 - ✓ **Communication Mismatch:** A strong preference for vernacular (Telugu) communication and visual/video aids over textual English materials.
3. **Segment-Specific Perceptions:** The influence of these barriers is not uniform. Both occupation and age are significant demographic filters:

- ✓ Occupation strongly predicts differing levels of trust in bancassurance and susceptibility to social and cultural influences.
- ✓ Age significantly affects perceptions of product complexity and the desired communication/service experience.

Actionable Suggestions:

- **For Trust Building:**
 - ✓ Shift staff incentives from pure sales targets to metrics that include customer education and long-term relationship building.
 - ✓ Implement transparent, community-held "Claim Settlement Melas" to demystify the claims process and build credible social proof.
- **For Cultural Integration:**
 - ✓ Co-create product narratives with local community leaders, framing insurance as "wise family protection" (*Kutumbam Rakshana*) and a modern form of community risk-pooling, aligning it with existing values.
 - ✓ Develop simple, bundled products that combine savings and insurance, making them easier to understand and more appealing to those accustomed to physical asset accumulation.
- **For Communication and Literacy:**
 - ✓ Mandate the use of Telugu in all customer-facing materials and conversations. Invest in animated short videos and pictorial guides to explain products and processes.
 - ✓ Conduct "Financial Literacy Camps" in partnership with local banks, focusing on interactive, story-based learning rather than lecture-based instruction.
- **For Segmentation and Training:**
 - ✓ Develop differentiated communication toolkits for frontline staff based on customer occupation and age. For example, emphasize business continuity benefits with business owners and family security with homemakers.
 - ✓ Train bank staff in cultural competency, focusing on recognizing and respectfully addressing deep-seated beliefs and collective decision-making norms.

5.2 Discussion

This study confirms and deepens the understanding that in semi-urban markets like Telangana, the bottleneck for bancassurance growth is predominantly

cultural and behavioral, aligning with broader literature on financial inclusion in emerging economies (Ganesh, 2024; Verma et al., 2022). While banks provide the crucial infrastructure of trust and reach, this research reveals a "trust-translation gap"—the institutional trust in a bank does not automatically transfer to its insurance offerings due to intermediary factors like sales pressure and process complexity.

The significant influence of occupation and age underscores the limitations of a one-size-fits-all model. This finding extends the discourse on customer segmentation in bancassurance beyond urban, income-based models to include occupation and age as critical psycho-social segmenters in traditional settings. The high mean scores on factors like community influence and belief-based hesitation empirically validate the qualitative observations often noted in policy reports, providing quantitative grounding for the power of informal networks (McAllister et al., 2025).

Furthermore, the strong preference for vernacular and visual communication challenges the current over-reliance on translated textual materials and highlights an opportunity for innovation. This aligns with the global shift towards omni-channel, digitally-augmented models (Verma et al., 2022) but insists on a hyper-localized, culturally-grounded design for the digital components.

The study also surfaces a critical contradiction: high awareness coupled with low comprehension. This suggests that current awareness campaigns may be successful in name recognition but fail in building functional literacy, pointing to the need for a fundamental redesign of educational content and delivery methods.

5.3 Conclusion

This research set out to investigate the cultural barriers hindering bancassurance penetration in semi-urban Telangana. Through a mixed-methods approach and analysis of data from 450 respondents, the study successfully identified a complex web of interconnected barriers centered on trust deficits, deep-rooted cultural norms, low functional literacy, and ineffective communication. Crucially, it demonstrated that the impact of these barriers is significantly moderated by demographic variables, particularly occupation and age.

The study concludes that overcoming these barriers requires a paradigm shift from a purely transactional,

product-centric sales model to a trust-centric, educational, and culturally-embedded advisory model. Success hinges on the ability of bancassurance partners to:

1. Decode Local Culture: Move beyond generic strategies to develop a nuanced understanding of local belief systems and decision-making hierarchies.
2. Redesign the Experience: Simplify products, transparentize processes, and communicate in the customer's native linguistic and visual language.
3. Empower the Local Agent: Equip bank staff with the tools, training, and incentives to act as trusted financial guides rather than sales personnel.
4. Embrace Segmented Engagement: Recognize the diversity within the "semi-urban" segment and tailor approaches for different occupational and age groups.

By implementing these culturally-sensitive strategies, banks and insurers can bridge the adoption gap, transforming their physical reach into genuine financial inclusion and unlocking the vast potential of semi-urban markets.

5.4 Future Study

While this study provides focused insights, it also opens avenues for further research:

- Longitudinal Research: A longitudinal study tracking the same respondents' perceptions and behaviors before and after the implementation of the suggested culturally-sensitive interventions would provide robust evidence of causality and effectiveness.
- Comparative Regional Analysis: Extending this study to compare semi-urban and rural areas within Telangana, or to semi-urban regions in other Indian states with different cultural fabrics (Punjab, Kerala), would help distinguish state-specific factors from broader pan-India semi-urban challenges.
- Qualitative Deep-Dive: A dedicated phenomenological study exploring the lived experiences and decision-making journeys of specific occupational groups (homemakers, small business owners) could yield richer, more nuanced insights for crafting hyper-targeted interventions.
- Channel Efficacy Study: Future research could empirically test and compare the effectiveness of

different proposed communication channels (community theatre vs. animated videos vs. leader testimonials) on comprehension and trust-building.

- Staff Perspective Analysis: A complementary study focusing exclusively on the challenges, perceptions, and training needs of bancassurance frontline staff would provide a complete view of the ecosystem and help in designing more effective support systems for them.

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