

**CUSTOMER AWARENESS TOWARDS BANCASSURANCE
PRODUCT: A CASE STUDY ON BUMIPUTRA COMMERCE
BANK TAMAN MELAKA RAYA BRANCH MELAKA**

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APRIL 2000

ACKNOWLEDGEMENT

I am very grateful to Allah S.W.T. for the Grace and Mercy for giving me strength and opportunities to complete the project paper. Actually , I have been lucky to receive advice and assistance from many directions . Therefore , I would like to show my greatest recognition to all people involved directly or indirectly in completing my project paper.

First of all , my heart felt gratitude goes to my brilliant adviser Puan Asmah Zainuddin for their valuable ideas encouragement guidance and constructive comments from beginning until the end of preparing this project paper.

I am also thankful to my Supervisor Cik Halimah Abdul Razak of Financial Planning of BCB for the inspiration and encouragement in doing for this project paper.

I would also like to convey my appreciation to the manager and staff of Bumiputra Commerce Taman Melaka Raya branch for helping and providing me with valuable information . Without their assistance this project paper would not be a reality.

Finally, special thanks to my lovely wife, Puan Norlina Mahmud and to my children Siti Aminah , Siti Aisyah , Muhammad Shukri and Muhammad Syuaib for their prayers and constant support. Thanks for all your support.

May God bless you all.

Abdul Rahman bin Darus,

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TABLE OF CONTENT

CONTENTS	PAGE
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	vi
LIST OF FIGURES	v
ABSTRACT	vii
1.0 INTRODUCTION	
1.1 Introduction	1
1.2 The Amal Life Company Launched the Five Products	2
1.3 Problem Statement	4
1.4 Objective	5
1.5 Significance of the Study	5
1.6 Hypothesis	5
1.7 Limitation	6
1.8 Definition of Term	7
2.0 BACKGROUND OF THE COMPANY	
2.1 Background of The Company	8
2.2 Structure of The New Bumiputra-Commerce Bank	9
3.0 WHAT IS INSURANCE ABOUT?	
3.1 What is Insurance	11
3.2 Difference between Insurance agents and bancassurance	11
3.3 What Life Insurance	12
3.4 Short history of the life insurance in Malaysia	13
3.5 What are the basic type of the Insurance	14
4.0 LITERATURE REVIEW	
4.1 Literature Review	16
4.2 The Target Market	16
4.3 Market Positioning	17
4.4 Sales and Distribution Strategy	19
4.5 Financial Planning Services	21
4.6 Management Information	22
4.7 BCB Vision and Values	23
4.8 Industry and Environment	24
5.0 THEORITICAL FRAMEWORK	
5.1 The Bancassurance of Marketing Concept	27
5.2 The Target Market	28

5.3	The Customer Needs	28
5.4	Integrated Marketing	29
5.5	Profitability	31
5.6	Conclusion	31
6.0	RESEARCH METHODOLOGY	
6.1	Research Design	32
6.2	Data Collection	32
6.3	Primary Data	33
6.4	Secondary Data	34
6.5	Sampling	35
6.6	Questionnaire	35
6.7	Preparation and Analysis of Data	36
7.0	ANALYSIS AND INTERPRETATION OF DATA	
7.1	Analysis and Interpretation of Data	37
7.2	Data Interpretation	37
7.3	Customer Profile:	38
7.4	Customer Awareness Section	43
7.5	Financial Planning Services	51
7.6	Cross Tabulation Analysis	57
8.0	CONCLUSION AND RECOMMENDATION	
8.1	Conclusion	59
8.2	Recommendation	60
8.3	Elements of Marketing Mix	61
8.4	Motivational Support to Involve All Bank Staff in Insurance	66
BIBLIOGRAPHY		68

APPENDICES

APPENDICES

Appendix 1	Hypothesis Testing
Appendix 2	A copy of questionnaire form
Appendix 3	A copy of newspaper cutting NST 22th April 1999
Appendix 4	The copy of edge, the week of January 18, 1999
Appendix 5	The details output of data processing using SPSS program
Appendix 6	Opening form of Amal Insurance Policy
Appendix 7	Pamphlet of insurance

LIST OF TABLES

TABLES		
1.0	Definition of Term	7
7.1	Respondents by Gender	38
7.2	Respondents by Occupation	39
7.3	Respondents by Income Per month	40
7.4	Respondents by Age	41
7.5	Respondents by How Long Have Been Customer of The Bank	42
7.6	Respondents by Type of Services	44
7.7	Respondents by Having Knowledge About Insurance	45
7.8	Respondents As Policy Holders To Any Insurance Product	47
7.9	Respondents How Many Customers a Policy Holder of Insurance	48
7.10	Respondents on Insurance Policy Having Benefit	49
7.11	Respondents of The Future Financial Goal	50
7.12	Respondents Aware About The Bank Insurance Service That The Bank is Extending To The Customers	51
7.13	Respondent is The Bank Informed You About The Bancassurance Services	52
7.14	Respondents Receive Pamphlet Or Approach by Financial Planner	53
7.15	Respondents on Customer Who Knows About Financial Planning	55
7.16	Respondents Agree Bank is The Best Way To Market Insurance Product	56

LIST OF FIGURES

FIGURES		
7.1	Respondents by Gender	38
7.2	Respondents by Occupation	39
7.3	Respondents by Income Per month	40
7.4	Respondents by Age	41
7.5	Respondents by How Long Have been Customer of the Bank	43
7.6	Respondents by Type of Services Provided	44
7.7	Respondents by Having Knowledge About Insurance	46
7.8	Respondents by Policy Holders to any insurance Product	47
7.9	Respondents How Many Customers a Policy Holder of Insurance	48
7.10	Respondents On Insurance Policy Having Benefits	49
7.11	Respondents of The Future Financial Goal	50
7.12	Respondents Awareness on bancassurance Srvicess	51
7.13	Respondents Has The Bank Informed About The Bancassurance Services	52
7.14	Respondent Received Any Pamphlet of Approach by Financial Planer	54
7.15	Respondents On Customer Who Knows About Financial Planning	55
7.16	Respondents Agree The Bank is The Best Way to Market Insurance Product	56

ABSTRACT

The objective of the study is to analyze the impact of savings and bank related products, which the customers will perceive as high value added products one at a time through a full time from BCB Taman Melaka Raya financial planner.

The study of this project paper is to get better knowledge about bancassurance marketing strategy. The marketing strategy is focused on financial Planner on how they market the product through the bank customer.

The Bank Negara Malaysia is seriously urging the banks and insurance companies to join together in one premise in providing the insurance service. The most effective method in selling insurance product as a new innovative as an attempt to capture a share of certain market.

Banks and Insurance Companies will employ different strategies as they attempt to cut costs and increase efficiency in existing markets and to open up new markets.

For the purpose of this project paper, BCB Taman Melaka Raya branch has been chosen as sample case. 100 customers were selected randomly. Their age were between 20 to 50 with salary range between RM1000 and RM4000. The customers were basically government servants, private sector employees and local businessmen and women. The questionnaire was mainly focused on obtaining

information and about customer profile, customer awareness, financial planning services and bank staff promotion.

This research included that banks are best qualified to sell insurance products. Most importantly, banks have close and strong ties with their customers and able to educate customer about insurance. In fact, it is part of the effort to offer an entire range of financial services to the customers under one roof.

1.0 INTRODUCTION

1.1 INTRODUCTION

The Amal life administration operation is based in Amal headquarters in Kuala Lumpur. The senior manager of Amal life, En. Salihuddin Ahmad Said that Amal will help BCB achieve its ambition to be an integrated financial sector provider to meet the increasing demand of the growing consumer sector.¹

The fifteen branches have a designated financial planner adviser assigned with the responsibility of promoting Amal life products in the branches.

Bancassurance is about leveraging a bank's retail distribution network to sell insurance products. It is about selling insurance products over bank counter as another banking service . "Banks are best suited to sell insurance". (Christian De Juniae the Boston consultancy Agency (BCG)).

The concept of Bancassurance is a natural life with the Bumiputra Commerce Bank mission statement and vision. The acquisition of American Malaysian life Assurance (Amal) and the Consequent ability to offer life insurance creates a natural extension of the existing service offer.

¹ Bank of commerce – newslink February 1999.

BCB and Amal have worked closely to exploit the opportunities for synergy arising out of the Bancassurance concept. BCB has instituted a compulsory life average requirement on house purchase leading which is scheduled to generate 65% of new annualized premium income.

1.2 The Amal life company launched the five products:

a. Juvenile Endowment Assurance

Juvenile Endowment assurance hold the same characteristics as of the Endowment assurance except that the payer now is the parent of guardian and will remain as the policy holder until the child attains the exact age of 18 years at last birthday. The policy shall then automatically vest in the child. This plant enables a discipline form of saving by parents in seeing that the child makes a substantial amount of cash available upon attainment of a specific age.

b. Endowment Assurance

Term Assurance is a life contract, which provide the maximum protection for a specified number of years on the life of an individual. Premium for this plan is low as the protection is only up to the expiry of the chosen term and insures against just death and total and permanent disablement.

c. Endowment Assurance

Endowment Assurance is an insurance policy, which comprised of both protection and investment elements. If this plan is written for a short term, its purpose to combine immediate protection with substantial saving. If it is written for a long term or to mature at an advance age, the purpose is to combine more protection with some saving for old age provision.

d. Sihat Malaysia-Hospital and Surgical Insurance Policy

Its provide comprehensive coverage against medical cost, hospital and surgical, ambulance fees and other medical cost. The manage Care organization (MCO) undertakes on behalf of the policyholders.

e. Critical Illness Term Assurance

This plan in addition to provide insurance protection against the occurrence of total and permanent disability and thirty-six critical illnesses.

1.3 Problem Statement

1. The purpose of the research is to identify the customers awareness and perception bancassurance and understanding the needs and wants of the customers to buy insurance product through financial planner. The financial planner was designated on January 1999. The bank customers do not know about financial planner because nobody inform the customer about it. The marketing task force of Bank is not equipped with essential information to deliver the insurance product.
2. Customers have no knowledge about insurance since it is not yet considered as a necessity in life. The customer is not interested in insurance policy because they think that insurance is not beneficial to them. The return of insurance investment takes a long period to materialize. They think that only by depositing the money in the bank such as saving, fixed deposit will save their money . The Bank must to make the provide ways and means to make the product more attractive and also to provide adequate return. At present BCB Taman Melaka Raya has about 4300 customers and only 21 of them is buying bancassurance policy.

1.4 Objectives

1. To identify customers with knowledge on insurance .
2. To evaluate the financial planner services.
3. To launch saving and bank related product, which the customers will perceive as high value added products.

1.5 Significance of the study

The study of this project paper, is to describe the bank services that can fulfill both banking and insurance needs at the same time.

It is also to identify the problems faced by the BCB Taman Melaka Raya branch marketing strategy of selling insurance policy and propose recommendations and solutions to this problems.

1.6 Hypothesis

Hypothesis 1

H_0 = Customer have a knowledge about insurance

H_1 = Customer have no knowledge about insurance

Note: Hypothesis 1 is based on questions 2 section B

Hypothesis 2

H_0 = Customer aware about the bancassurance services

H_1 = Customer not aware about the bancassurance services

Note: Hypothesis 2 is based on questions 1 section C.

1.7 Limitation

Effort when started the project paper until the end, there are several limitation that must be faced.

The limitation are:-

1. Time constraint

The period that they give to complete this report is very short and also involved the working environment and family obligation.

2. Cost

The cost incurred for this project paper is quite expensive. This is because the researcher must visit the customer for an interview and to obtain answers to the questionnaire.

3. Data availability

The data for the bancassurance is very limited only two bank have implemented bancassurance ; they are Maybank and Bumiputra commerce bank in Malaysia.

1.8 Definition of term.

Table 1.0 below indicate several of terms that has been used regularly in this report.

Table 1.0 List of Term Used

Term	Description
BCB	Bumiputra Commerce Bank
Amal	American Malaysia Life Insurance
FP	Financed Planner is the person incharge the insurance product.

2.0 BACKGROUND OF THE COMPANY

2.1 BACKGROUND OF THE COMPANY

Bumiputra-Commerce Bank Berhad, the result of the merger between bank Bumiputra Malaysia Berhad and Bank of Commerce(M) Berhad, will start operations on October 1, 1999.

It is a merger of two banks with complementary strengths, one with a strong corporate presence and the other with a large branch network and retail customer base. The result is a new bank is one of the largest and most progressive financial institutions in Malaysia.

Headquartered at the current bank of Commerce head office in Jalan Tun Perak. Bumiputra Commerce Bank will have the combined banking experience of over 100 years.

The combined bank group will have an assets base of approximately RM70 billion, loans and advances of RM37 billion and customer deposits of RM48 billion. The shareholders fund is in excess of RM 3 billion.

The Bank will have on of Malaysia's largest network of branches, with 268 branches, with 268 branches employing over 10,000 staff

Chapter2- BACKGROUND OF THE COMPANY

nationwide servicing a customer base of approximately 2 billion. It also has the distinction of having the largest ATM network of 727 ATMs throughout the country. There are about 99.9% of the staff from both banks have opted join the new Bank. Bumiputra Commerce Bank's focus is on customer service and innovation products, backed by advanced, efficient and cost effective IT based processing systems.

2.2 Structure Of The New Bumiputra-Commerce Bank

The Bank will be organization into three key functions: 1) Sales and Service 2) Policy and Control and 3) Processing (Operation and IT)

1. Sales And Service

- The Bank will be organized into 3 distinct customer group: Corporate & Institutional Banking, Retail Banking and Business Banking.
- The Retail Banking group will structured in a "hub and spoke" configuration to allow the retail group to be more customer-focused, while maintaining and expanding over time the Bank's geographic coverage.

Chapter2- BACKGROUND OF THE COMPANY

- Segregation of the Corporation and Business Banking groups will allow for the right level of service to be directed to the different customer groups.
- Corporation Banking will focus on the top tier Malaysian conglomerates while Business Banking will cater to the small and medium sized companies.

2. Policy And Control

- Provides and backbone that ensures consistence in policy and the control operations.

3. PROCESSING (OPERATIONS AND IT)

- Implemented to leverage economies of scale in processing activities to gain a competitive edge.
- The sales and marketing business groups and allows them to concentrate on delivering customer service.

3.0 WHAT IS INSURANCE ABOUT?

3.1 WHAT IS INSURANCE?

It is an agreement in which you pay a fixed amount of money each year to specific company as means of protection for something for example house, car health and etc. according to collins cobuild

3.2 Difference between insurance agents and bancassurance?

The Malaysian life insurance market is currently dominated by companies which use the agency distribution method.

Bancassurance is a new concept in Malaysia and therefore BCB faces the risk common to all innovators.

- ♦ internal resistance to change from employees
- ♦ resistance to change from customers
- ♦ more prone than error
- ♦ trail blazing for competitors

As is common in a country where agency distribution dominates, customer have a poor perception of life insurance. Bancaassurance, by eliminating the agent, will crate a new perception.

There is a preference amongst a proportion of the muslim population for takaful insurance. BCB bancassurance can currently only write conventional life insurance products. Whilst, there have not been any failures financial institutions in recent times, there is a reserve amongst the Malaysian population about "putting all their eggs in one basket". This belief tends to contradict the bancassurance concept.

Chapter 3- WHAT IS INSURANCE ABOUT?

The objective of BCB Bancassurance is not to conflict with the existing image and style in any way but to support it with the following propositions:-

- ◆ a natural service extension to meet customer needs
- ◆ provided by the bank
- ◆ value products underwritten by Amal designed to meet BCB customer needs
- ◆ financial stability
- ◆ quality advice that can be trusted
- ◆ seen by BCB staff as epitomising the vision by serving customer needs
- ◆ seen by BCB staff as an opportunity to demonstrate, by introducing the life insurance service, their concern for the customer relationship.

3.3 What is life insurance?

Life insurance is a contract between an individual and a life insurance company. The individual agrees to pay a premium and in return, the insurance company promises to pay a predetermined amount a money to:³

- ◆ The insured, in the event he or she becomes disabled or when some specified event takes place, and/or.
- ◆ A beneficiary or beneficiaries if the insured dies.

³ Jon Hancock life insurance (Malaysia) Berhad

Chapter 3- WHAT IS INSURANCE ABOUT?

In order for the insurer to have enough money available to pay death benefits when they become due, insurance companies use a pricing system known as the legal reserve system. This system is based upon several premises:

- ◆ The amount of the death benefit promised in the insurance policy should be calculate in advance of the insured's death;
- ◆ The money needed to pay the benefits should be collected in advance, so that funds will be available to pay claims and expenses as they occur;
- ◆ The premium an individual pays for an insurance policy should be directly related to the amount of risk the insurer assumes for that person

3.4 Short history of life insurance in Malaysia

Records indicated that the first life insurance policy was written in 16th century in England.

The insurance industry in Malaysia first started in the 18th century. The insurance industry then was based on the British system because it was introduced and managed by British trading companies and agencies. There were few locals involved due to lack of expertise.

The insurance industry really took off only in the 1950s. The market then was controlled by British and American firms. At the same time, locally incorporated companies had also started selling insurance. After independence in 1957, nationalistic policies gave much encouragement to domestic companies to improve their market share.

³ Jon Hancock life insurance (Malaysia) Berhad

Chapter 3- WHAT IS INSURANCE ABOUT?

However, this boom burst when many companies, without proper underwriting practices, went out of business leaving their policyowners holding worthless policies.

The government stepped in to remedy the situation by introducing the Insurance Act. 1963. The office of the Director General of Insurance was given the task of regulating the insurance industry. Today, the Governor of Bank Negara is also the Director General of Insurance.

There are at present two Takaful and 18 life insurers operating in Malaysia. Out of the 18 life insurers, 14 are domestic and 4 are constituted outside Malaysia.

3.5 What are the basic types of life insurance?

There are three basic types of life insurance policies. They are

- ◆ Term Insurance
- ◆ Whole Life Insurance
- ◆ Endowment Insurance

All policies sold by life insurers in Malaysia are a variation and/or combination of these three basic types.

³ Jon Hancock life insurance (Malaysia) Berhad

Chapter 3- WHAT IS INSURANCE ABOUT?

A fourth type of life insurance is Family Takaful. At present, only two companies, empowered by the Takaful Act 1984, Syarikat Takaful Malaysia Sdn. Bhd and MNI Takaful Sdn. Bhd. are selling this type of life insurance.

The universal life and variable life (aka unit-linked or investment linked) products available in the more sophisticated insurance market of the Europe country are not yet available in Malaysia. These products are actually a form of whole life insurance.

Annuities are the opposite of life insurance because the annuitant will receive the policy benefits provided he is living. Annuities will soon be approved for sale in Malaysia.

³ Jon Hancock life insurance (Malaysia) Berhad

4.0 LITERATURE REVIEW

4.1 LITERATURE REVIEW

The Bancassurance concept is based on the beliefs that customer service is paramount and that good service includes ensuring that customer are expected to all the bank services and products.

It is essential that the customer engagement, follow up and product delivery is in keeping with the BCB Bancassurance vision. "Two distinctive features of service are. first service is a process or a performance, rather than just "a thing and second "that customers are involved, to greater or lesser degree in the service productions process. These two dimension are control to understanding the concept of the service encounter, defined by "shostach" as" a period of time during which a consumer interacts directly with a service.

4.2 The Target Market

The target market will be bank customer who has the potential to buy life insurance. According to kothler (P. 250 principle of marketing). Target marketing is a set of buyers sharing common needs or characteristics that the company decided to serve.⁴

⁴ According to Kotler (p.20 principal of marketing)

Chapter 4- LITERATURE REVIEW

The lead generation activity will focus on customer engagements between branch staff at any level and their customers. Its main purpose will be to assist staff to determine quickly which customers have needs compatible with the product offerings and encouraging action. Priority customer will receive a fully integrated customer focused cross product service in keeping with their status, which will generate sales of all the bank's products.

4.3 Market Positioning

Position is the best of designing the company offering and image so that they occupy a meaningful and distinct competitive position in the target customer minds. (p. 308 – on Asian perspective-marketing management by Kotler.)⁵

A marketing program will compiled for each objective outlining of development project plan will be used to ensure delivery on time.

⁵ Asian perspective – marketing management by Kotler – p.308

Chapter 4- LITERATURE REVIEW

Responsibility for developing the life insurance business will fall totally under the bank's control.

The bank will not be averse to innovation in products if the market demand is proven and the quality objective can be maintained.

BCB will develop the strong proposition and tactical lead generation campaigns that will support branch lead generation.

The proposition will reflect these values:

- Integrity, quality, honesty, security
- Value for money
- High competence
- Direct and the point

Advertising and promotion will highlight BCB qualification to provide the best service for its life insurance customers.

Advertising and promotion will be used to create BCB customer awareness of the life insurance service.

Chapter 4- LITERATURE REVIEW

To support the group aim as the best of an integrated group strategy by providing BCB customers with a life insurance service which has product quality of product and delivery consistent with the service.

The BCB customer relationship database will be used to target customers for an approach initially at the time of customer engagement but in time (and subject to testing) by direct mail.

Priority customer, will receive a holistic needs based service in keeping with their priority status.

The desired customer experience will be documented detailing how BCB want the customers to feel at each stage of the service delivery.

4.4 Sales and Distribution Strategy

Clive G. Aaron, consultant and unit manager of Tillinghast's Melbourne office:- said that the distribution is the identification of customer needs within target markets and the delivery of products to satisfy those needs.⁶

⁶ Clive G. Aaron – European insurance

Distribution Method Must Fit Product and Market

Table 4.1

Market	Product	Distribution method
Mass Market	Simple Products: Accidental Death Insurance	Direct Mail
Simple Transaction Market	Simple products:- Travel insurance with travelers cheque sales	Bank Counter Staff
Complex Transaction Market	Complex Products:- Life insurance with a mortgage loan	Bank Officer
Referred Customer	More complex products:- Investment Portfolio management, Commercial Intermediary Insurance or universal life products	Financial Planner

The strategy is to create public awareness of the BCB life products through advertising and in bank branch displays.

Advertising campaigns are supported by incentive promotion to the staff. For example give trip to overseas.

Staff promotions are used to create an in house customer base which to expand by recommendation.

Activities in BCB branches depend on the direction of the Regional Manager and the degree of support fostered by the local management

Chapter 4- LITERATURE REVIEW

team (branch manager, assistant manager and branch officers) the motivation of the designated Financial Planner and the time available to counter staff to involve customers in discussions about products.

The advertising and support material is seen as a way of ensuring that customers are perceptive to the engagement activity of the branch staff that they meet in the course of their normal banking activity.

4.5 Financial Planning Services.

Financial planner will continue to work with bank branch staff at all levels to increase lead generation activity and sales.

When personal was first launched in 1996 to cover personal finance there was little awareness of financial planning. Today, it is an increasingly important matter as people realise the need to pay attention to their personal finance.

Integrated financial institution such as Maybank have implemented bancassurance, a holistic financial service encompassing financial product as possible to create a one-stop financial shop. (The edge the week of January 18, 1999).⁷

⁷ The edge:- the week of January 18, 1999.

Overtime the structure will evolve so that Financial Planner works within the bank as a local source of technical and motivational support. They might then be involve in complex sales and sales to high networth customer.

4.6 Management information

Refer to marketing management on Asian perspective:-marketing information system consist of people, equipment and procedures together, sort, analyze, evaluate and distribute needed, timely and accurate information to marketing decision makers.⁸

Data will record during every customer engagement by counter staff, life insurance adviser or branch officers. This will form the basis for timely and accurate customer information as well as information about the activity and result that enables progress towards the bancassurance objective to be charted. This data which describes the relationship between the customer and the bank, is the foundation of information provision in bancassurance.

⁸ Marketing management on Asia perspective on management information page 119 – by Philip Kotler

4.7 BCB Vision And Values

The BCB mission statement is:

'We are the one of leading commercial bank in Malaysia providing quality financial service to meet the needs of a wide range of customer segments in Malaysia and selected customers in Singapore and Brunei.'

Emphasis is placed on the intention to offer a range of financial service not restricted to "banking" and with the focus on customers (in contrast on product).

The BCB Vision 1996 starts with quality, customers and people. The bank sees quality as a driving force. It seeks to be the commercial bank on first choice for customers who will use multiple services. Resources are to be focused on satisfying the needs of this customer group. The BCB banker providing these services will be skilled, competent, have high integrity and work in a customer driven culture.

BCB pilot scheme – 'Platform banking' demonstrates the commitment to this concept. It seeks to establish a real relationship with the customers by providing the environment for, and seeking quality customer engagement at every opportunity. In the words of a BCB

Chapter 4- LITERATURE REVIEW

involved in the pilot 'they seek to have empathy with the customers and to cross-sell appropriate product'. This is very much "on-line" with the bancassurance concept.

The bank's core values enshrine the belief that customers are at the forefront of everything that we do'. It is stated that business is conducted with competence, integrity and professionalism. The bank's core values articulate the intention not to be involve in any dealings which may compromise the image or expose the organization to unnecessary risk.

Alignment of BCB Strategy

The BCB mission, vision and core values will create an environment where the profitable customer is the focus of a delivery strategy for all the component service the compromise a complete financial service offering.

4.8 Industry and Environment

The years to June 1994 was one of strong growth for the banking sector set in the context of a robust national economy. Factors such as buoyant stock market, strong inflows of foreign capital, declining

Chapter 4- LITERATURE REVIEW

interest rates, and continuing growth in international trade all contributed to sustained economic growth.

In BCB, insurance is marketed as both Industrial Branch (home service) business and as Ordinary Business (OB). Ordinary Business is by far the most popular form representing 97.5% of the new business by premium income (including 10% of single premium).

Life insurance new business has been dominated by five companies foreign to Malaysia who have 57.8% of the market by new premium income in the year ending 1993. (Bank Negara Insurance Report 1993). The predominant overseas companies are Great Eastern (49.6% of the foreign controlled new business by premium income) and AIA (35.0%).

Of the Malaysian companies, Aetna Universal is the largest (26.1% of the Malaysian Company new business by premium income). MAA is next (17.9%), and Prudential third (12.6%).⁸

⁸ Bank Negara Insurance report 1993.

Chapter 4- LITERATURE REVIEW

The 'big five' control; 72.5% of the total Malaysian Ordinary Business market as follows:

Table 4.2

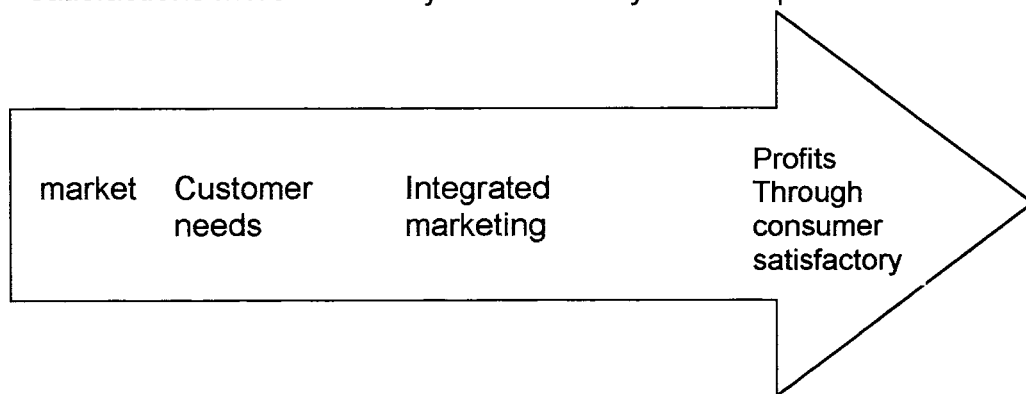
Company	New annual Premium (RM) (Includes 10% of singles)	Percentage of total Malaysian OB Market
Great Eastern	187,254,667	28.1
AIA	132,397,155	19.9
AETNA Universal	75,192,974	11.3
MAA	51,625,745	7.7
Prudential	36,328,289	5.5
Total	482,798,830	72.5

5.0 THEORITICAL FRAMEWORK

5.1 Theoritical Framework

The bancassurance of marketing concept

According to Kotler:- The marketing management philosophy that holds achieving organizational goals depends on determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently that competitors do .⁹



The marketing concept rests on your main category namely target market, customer needs, integrated marketing and profitability.

⁹ Principle of marketing by Kotler

5.2 The Target Market

The bank infrastructure enable bank to sell and service insurance policies at a lower cost than traditional insurers.

As financial intermediaries, the role performed by banks and insurers is to transform the risk exposure of retail and wealthy individual customers-cross-industry convergence is creating the conditions that will allow the exploitation of cross-industry advantages. That advantages include the opportunity to extend the acquisition and retention of customers across several services. Customers have to be offered an overall benefits that is greater than if they were to continue to use banks and insurance companies separately to satisfy their need for financial services.

5.3 The customer needs

There is no clash of interest in customer needs because the focus is on the customer's disposable income and the customer needs to buy insurance from some where it is best to offer own product across the counter.

The amount that is kept aside for buying insurance for the future is essentially distinct from the income that is kept apart (in a bank) for

Chapter5- THEORITICAL FRAMEWORK

current consumption, selling insurance does not mean that banks will get fewer deposits, neither does it mean that part of the income retained for consumption expenditure is shifted into insurance. In that sense, it is all about obtaining a higher share of the customer's wallet reserved for financial services. Distribution is the key to selling insurance product and therefore we recommend that banks sell insurance products over their counters.

5.4 Integrated Marketing

A bancassurance business plan will indicate the productivity requirements of the business and the frontline activity required to drive the results. The sales strategy within BCB will be to maximise customer engagement opportunity.

The management of BCB will be responsible for motivating life insurance lead generation activity among all staff so that they meet their customer engagement targets. BCB will ensure that financial planning and staff are competent and have the skill to exploit the lead generated.

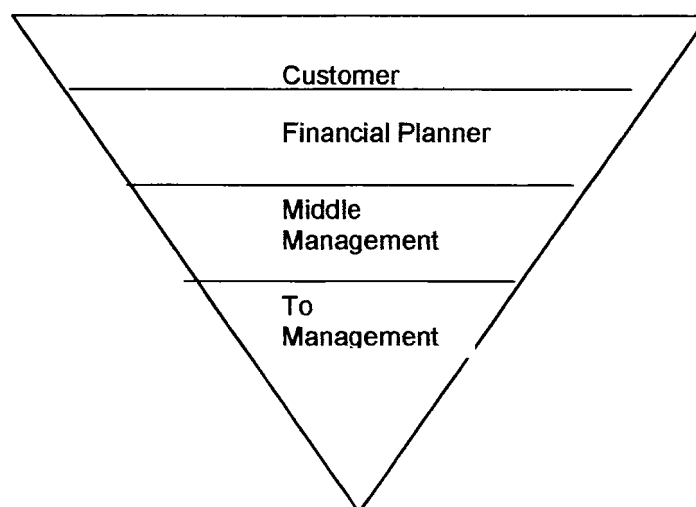
Chapter5- THEORITICAL FRAMEWORK

In platform banking branches these leads will be transferred to the financial planner who will provide the life insurance service within their full portfolio of banking products.

Provision of the service will involve the assessment of the customer needs and life strategic aspirations and the recommendation of life insurance product only when appropriate.

A “point of sale” tool will be used to establish customer life insurance needs and demonstrate how the products can be used to meet requirements.

The chart of Bancassurance Sales



At the top of the organization is the customer. That is important. The front-line people who meet, serve, and satisfy the customers.

Chapter5- THEORITICAL FRAMEWORK

Under them are the middle managers, whose jobs are to support the fornt-line people so they can serve the customers well. Findly, at the base is top management whose job is to support the middle managers.

5.5 Profitability

The one two reasons. One, the bank gets a royalty or a commission for every insurance policy sold under its channel. Two, the bank gets on investment management see for managing the inferred investments. The bank will see an increase in the number of customers and deposits .

5.6 Conclusion

Here, we can see that bancassurance does not necessarily means a whole sale shake-up of the banking and insurance industries. Rather it, implies a deepening and widening of products ranges in specific areas, plus the exploitation of potential cost reductions through organization restructuring.

6.0 RESEARCH METHODOLOGY

6.1 Research Methodology

Research Design

Introductions

The main purpose of the chapter is to present a discussion of the methodology which will be used in this study. Therefore, for this research purpose, exploratory research design has been used because of the suitability in seeking insight into the general nature of the problem in promoting the product concerned. It also helps to, identify the relevant courses of action to solve the current problem faced by BCB.

The primary objective of this research is to focus on the customer awareness toward the bancassurance. Therefore the research is targeted at potential customers of the bancassurance and in proposing suitable strategies in penetrating the market.

6.2 Data Collection

Two approaches of data collection are used in collecting data and information. The approaches are primary data and secondary data.

i. Primary data

Primary data are collected to address a specific research objective. The major sources to obtain information are by using questionnaires and interviews.

a. Questionnaire

A set of questionnaires has been designed for obtaining a quantitative primary data for this research. The purpose is to gauge the relevant information to achieve the research objective besides determining the major problem of this insurance to be analyzed.

b. Interview

Interviewing has been used in obtaining a relevant information concerning the problems. The purpose of these interviews is to define some of the experience of existing customers and determine their perception of the services when they signed for the scheme.

6.3 Primary Data

This will be collected through the questionnaires and personal interview from the following target groups.

1. Bank staff
2. Bank customer
3. Bank management

ii. Secondary Data

Several sources of secondary data were used to assist in determining problems and recommendations. The sources of data both come from internal and external sources of BCB.

6.4 Secondary data

This data will be obtained from internal and external sources of BCB.

a. Internal data

- i. annual reports – Amal
- ii. BCB newslink choice
- iii. Amal resources

b. External sources

- i. books
- ii. Magazines
- iii. Newspaper
- iv. Articles from internets

6.5 Sampling

In this study, a sample of employees and customers of BCB bank will be included. In the case of the customers, simple sampling will be used to obtain the required sample. This will implement some relevant quota such as account of income, racial and sexual differences among the population particularly in relation to the bank customer. This is important in order to improve the representative of the population.

6.6 Questionnaire

Questionnaire is the most important research method to get information and data for this project paper. In designing the questionnaire, a sets of questionnaires are made:-

I) Questionnaire for customer

Several types of questions that were used in the questionnaire for customers are opened ended, structure and simple dichotomous are consists of three section:-

- i) customer profile**
- ii) customer awareness**
- iii) financial planning services**

The questionnaire distributed to the customers randomly the 100 questionnaires were answered by respondents in March 2000. The problem face is that the researcher must call the respondents by

phone to remind them to return back the questionnaire. It takes 3 week to get back 100 questionnaire.

5.7 Preparation and analysis of data

Data collected and being processes by using computer program “The Statistical Package for Social Science – SPSS”. the tabulation with Statistical Package for Social Science – SPSS”. The tabulation with SPSS is to compute the data for further analysis. It also being used to determine the frequency of each variable used in the questionnaires. The cross tabulation analysis also has being used in certain variables to determine the interrelationship and strength on certain variables to support the reason and recommendations for the study.

7.0 ANALYSIS AND INTERPRETATION OF DATA.

7.1 ANALYSIS AND INTERPRETATION OF DATA.

Introduction

BCB Melaka Raya branch has been chosen as a sample case of this survey. A total of 100 sets of questionnaires have been distributed to the selected customer.

7.2 Data Interpretation

The analysis of data is based on the 3 sections of the questionnaires consisting of:-

1. Customer profile
2. Customer awareness
3. Financial Planning services.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

7.3 Customer Profile:

Analysis is based on the respondents personal profile. Below are a the analysis based on the questions that were asked in the questionnaire form.

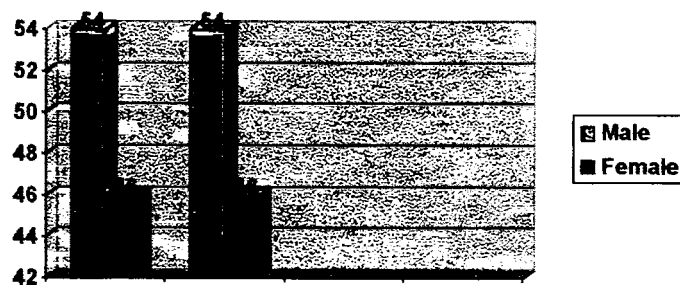
a. Question 1 : Gender

Table 7.1 below shows the gender of the respondents males were 54% and females were 46%.

Table 7.1 Percentage respondents by gender

Gender	Number of respondents	percentage
Male	54	54
Female	46	46
Total	100	100

Figure 7.1 respondents by gender



Hence majority of the respondents are male. This is because they are mostly businessmen.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

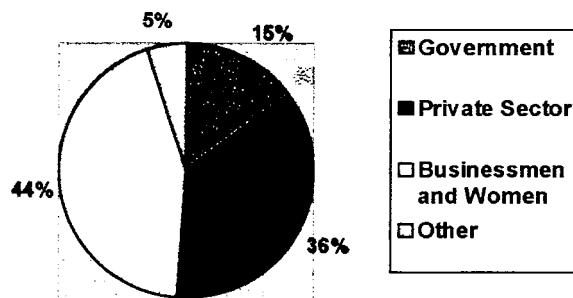
b. Question 2: Occupation

As shown in table 7.2, the majority of respondents were Businessmen and women 44%, the private sector 36%, Government 15% and the rest is other ie. 5%.

Table 7.2 Percentage Respondents by Occupation

Occupation	Number of Respondents	Percentage
Government	15	15
Private Sector	36	36
Businessmen and women	44	44
Other	5	5
Total	100	100

Figure 7.2 Respondent by Occupation



The result obtained is such because BCB Taman Melaka Raya branch, is located in a commercial area. The private sector, preferred to do business with BCB us because it is convenient and BCB provided good and fast services.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

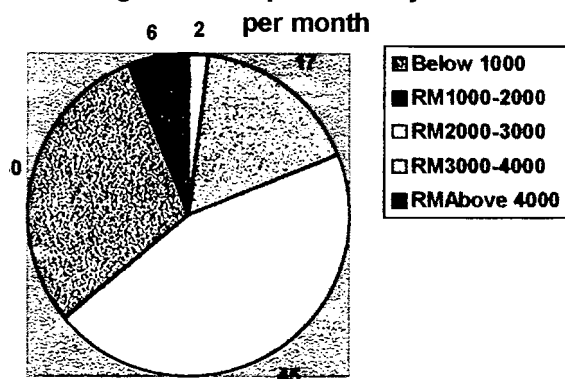
c. Question 3: Salary

Table 7.3 shows that BCB Taman Melaka Raya Branch has majority customers from the income group between RM2000-RM3000 is (45%) and RM 3000-RM4000 is {30%}, RM 1000-RM 2000 is 17%, above RM 4000 is 6% and below RM 1000 is 2%.

Table 7.3 Percentage respondents by income per month

Income	Member of respondents	Percentage
Below 1000	2	2
RM 1000-2000	17	17
RM 2000-3000	45	45
RM 3000-4000	30	30
RM Above 4000	6	6
Total	100	100

Figure 7.3 respondents by income



Chapter7- ANALYSIS AND CONCLUSION OF DATA

The above table shows that majority of the BCB Taman Melaka Raya Branch customers' income is RM 2000-RM 3000 is 45% and also RM 3000-4000 is 30% Majority of the customers' are businessmen and women whose income depend on the business. The types of business activities done by them are Sundry shop, restaurant, lawyer firm and etc.

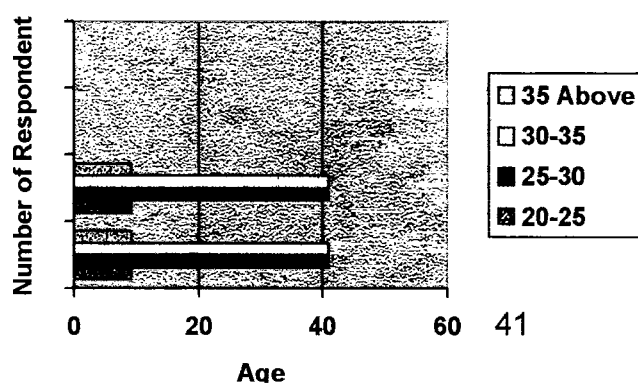
d. Question 4: Age in years

As shown in table 7.4, most respondents are between the age range of 25-30 is (41%) and 30-35 is 41% years old, followed by 9% where their age range is between 20-25 and also 9% the age above 35 years old.

Table 7.4 Percentage respondents by age.

Age	Number of Respondent	Percentage
20 -25	9	9
25 -30	41	41
30 -35	41	41
35 above	9	9
Total	100	100

Figure 7.4 respondents by age



Chapter7- ANALYSIS AND CONCLUSION OF DATA

The above figure explain that, the location of the branch is quite far from the housing area. Melaka Raya is a new town. The residents are mostly below 45 years old.

e. Question 5: How long you have been a customer of the bank?

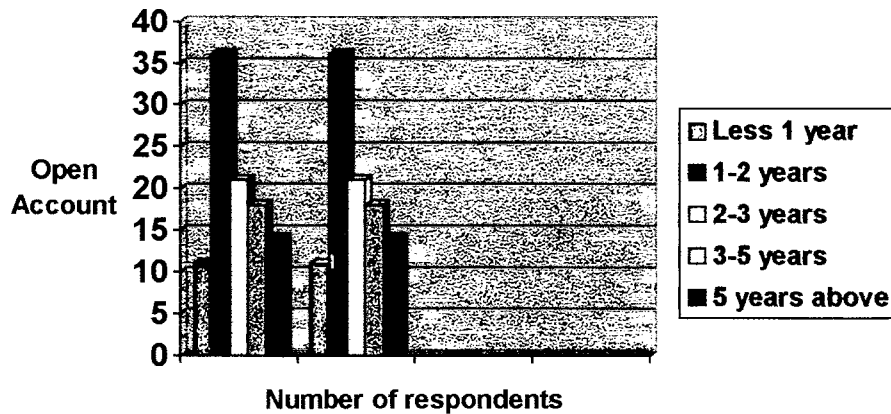
In terms of how long respondents have been customers of the bank Table 7.5 indicates that respondents who have opened their account since 1-2 years are 36%, while, 21% respondents are 2-3 years, followed by 3-5 years 18%, 5 years and above is 14%. Those respondents opened accounts with the bank less than a year are 11%.

Table 7.5 Percentage respondents by how long have been customer of the bank?

Since Opened account	Number of respondents	Percentage
Less 1 year	11	11
1-2 years	36	36
2-3 years	21	21
3-5 years	18	18
5 years above	14	14
Total	100	100

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Figure 7.5 Respondents by how long have been customer of the bank



In the recent years BCB Taman Melaka Raya have introduced new products that attracted many of its customers. Due to aggressive campaign made by the bank customer numbers have increased in the 1 to 2 years.

7.4 Customer Awareness Section B

Customer awareness is the primary survey objectives. Six questions were asked in this section to determine customer awareness of the scheme.

a. Question 1: What type of service did you get from this bank?

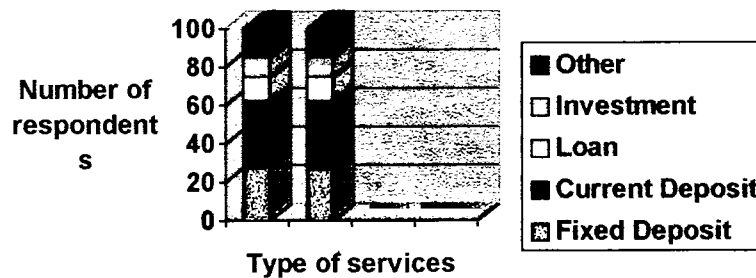
Types of services provided by the bank are current deposit, with 34% respondents, fixed deposit with 28% respondents, loan is made up of 13%, respondents investment such as unit trust and insurance 10% respondents and the other is 15%.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Table 7.6 Percentage respondents by type of service provided.

Type of services	Number of respondents	Percentages
Fixed Deposit	28	28
Current deposit	34	34
Loan	13	13
Investment	10	10
Other	15	15
Total	100	100

Figure 7.6 respondents by type of service provided



As described above current deposits are the type of services that received most responses. This is because customers are attracted to special privileges given such as interest rate in personal current accounts and high interest in children saving accounts.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

b. Question 2: How would you describe your knowledge about insurance?

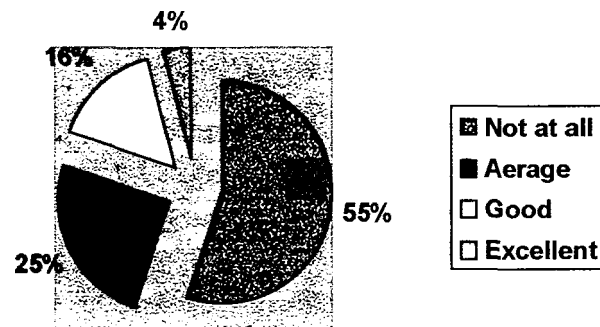
On respondents knowledge about insurance, table 7.7 indicated that 55% respondents have no knowledge about insurance, while 25% respondents said that they have only average knowledge about insurance, 16% respondents felt that they are good in insurance knowledge and followed by 4% respondents who considered themselves as having excellent knowledge about insurance .

Table 7.7 Percentages respondents having knowledge about insurance.

Knowledge about insurance	Number of respondents	Percentage
Not at all	55	55
Average	25	25
Good	16	16
Excellent	4	4
Total	100	100

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Figure 7.7 respondents having knowledge about insurance



Majority of the customers are not aware of BCB insurance product because the product is newly launched in January 1999. Not many are aware that banks are selling insurance.

c. Question 3: Are you policy holder to any insurance product?

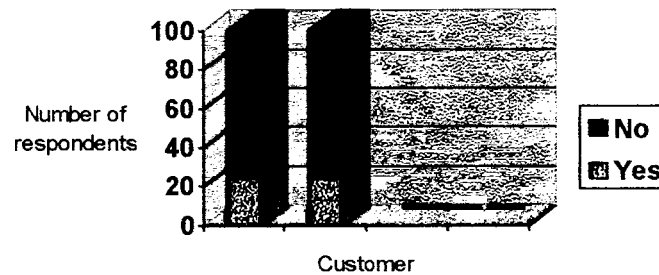
Table 7.8 shows that 75% respondents are not policy holders to any insurance product and 25% said yes, that they are policy holders.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Table 7.8 Percentage respondents as policy holders to any insurance product.

Customer	Number of respondents	Percentages
Years	25	25
No	75	75
Total	100	100

Figure 7.8 respondents as policy holders to any insurance product



The result in the above table is obtained because BCB customers are still not well educated in the importance of being insured. So, majority of them are not insured.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

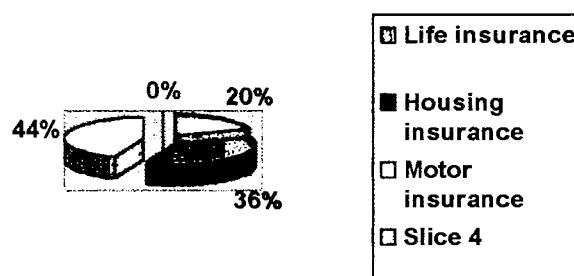
d. **Question 4: If you are policy holder please indicate the type of product?**

The types of insurance bought by respondents, 11% are motor insurance policy holders , 9% of them housing insurance policy holders, 5% a life insurance policy holders .

Table 7.9 Percentage respondents how many customers are policy holders of insurance.

Type of Insurance	Number of Respondent	Percentage
Life insurance	5	20
Housing insurance	9	36
Motor insurance	11	44
Total	25	100

Figure 7.9 respondents how many customers are policy holders of insurance



Chapter7- ANALYSIS AND CONCLUSION OF DATA

Most respondents are policy holders of house and motor vehicle insurance policy because customers who purchase motor vehicles and houses, it is compulsory for them to buy insurance, whereas life insurance is not compulsory.

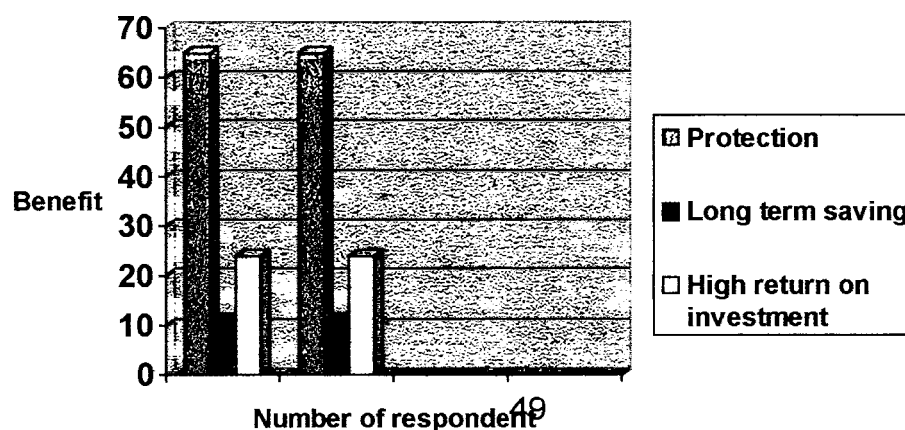
e. Question 5: What benefit do you perceive on having an insurance policy?

Table 7.10 It is to indicate the benefit of having insurance policy. The majority of customer is 65% for protection and the rest is long term saving 11% and high return on investment is 24%.

Table 7.10 Percentage respondent on insurance policy having benefits

Benefit	Number of respondent	Percentage
Protection	65	65
Long term saving	11	11
High return on investment	24	24
Total	100	100

Figure 7.10 respondent on insurance policy having benefits



Chapter7- ANALYSIS AND CONCLUSION OF DATA

Majority of the respondents believed that insurance policy provided them with security and protection for themselves and family during a time of need in emergency. Cases thisis made up of 65% respondents.

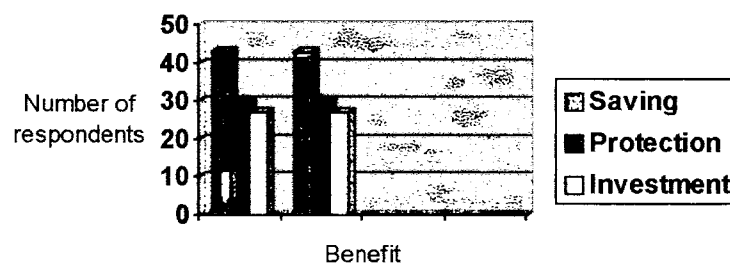
Table 7.11 shows that 43% respondents considered future financial goal as saving, 30% as protection and 27% as investment .

ff. Question 6: What is your future financial goal?

Table 7.11 Percentage respondents by future financial goal.

Benefit	Number of respondents	Percentage
Saving	43	43
Protection	30	30
Investment	27	27
Total	100	100

Figure 7.11 respondents by future financial goal



Chapter7- ANALYSIS AND CONCLUSION OF DATA

Saving were received the highest responded because customers are not aware of other form of investment products. Furthermore they are not risk takers.

7.5 Financial Planning Services

Analysis based on the effective of financial Planner services.

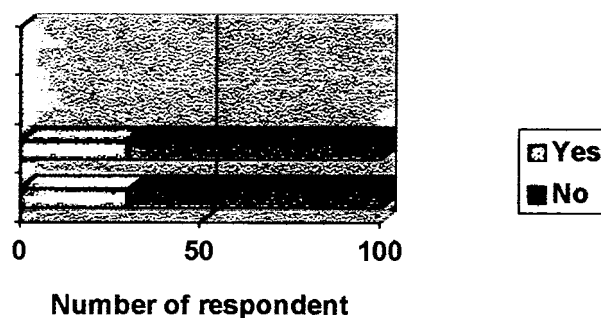
a. Question 1: Are you aware about the bancassurance service that the bank is extending to the customer?

As shows by table 7.12, 70% respondents are not aware about the bancassurance services compared to 30% who are aware about it.

Table 7.12 Percentage respondents on their awareness on bancassurance services.

	Number of respondent	Percentage
Yes	30	30
No	70	70
Total	100	100

Figure 7.2 respondents on their awareness bancassurance services



Chapter7- ANALYSIS AND CONCLUSION OF DATA

The highest percentage of respondents who are not aware on the bancassurance services indicated that financial planner is still new to the job given and they are still in the process of learning the market of insurance.

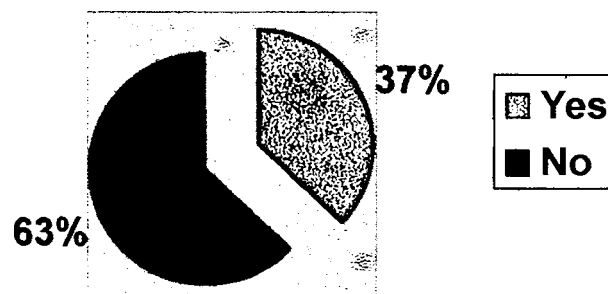
b. Question 2: Has the bank informed you about the bancassurance service?

Figure 7.13, 63% respondents agreed that BCB did not inform than in the bank assurance services and 37% has answer yes.

Table 7.13 Percentage respondents on the bank whether inform about the bancassurance services.

	Number of respondent	Percentage
Yes	37	37
No	63	63
Total	100	100

Figure 7.13 respondents the bank whether inform about the bancassurance services



Chapter7- ANALYSIS AND CONCLUSION OF DATA

63% respondents agreed that BCB did not inform them in the bank assurance services. This type of response is obtained because bancassurance service is just launched on January 1999. Beside this reason, bank assurance service is experiencing unskillful staff and they are not trained in the insurance line services.

c. Question 3: Have you received any pamphlets or approach by our financial planner regarding the bancassurance service?

From a total of 100 respondents or 54% of them said no and 46% respondents answered yes.

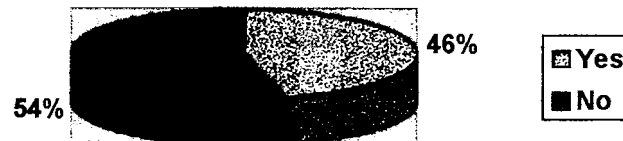
Table 7.15 ,out of the 100 respondents, 57% answer no and 43% are answered yes.

Table 7.14 the customer received any pamphlets or approach bancassurance services?

	Number of respondent	Percentage
Yes	46	46
No	54	54
Total	100	100

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Figure 7.14 the customer received any pamphlets or approach bancassurance services



This kind of result is obtained because the financial planners are still approaching the market and new to the job so they cannot cover all the customers in a short period of time.

- d. **Question 4: The bank has employed financial planner to give advice to you on financial planning. Having you heard about financial planning?**

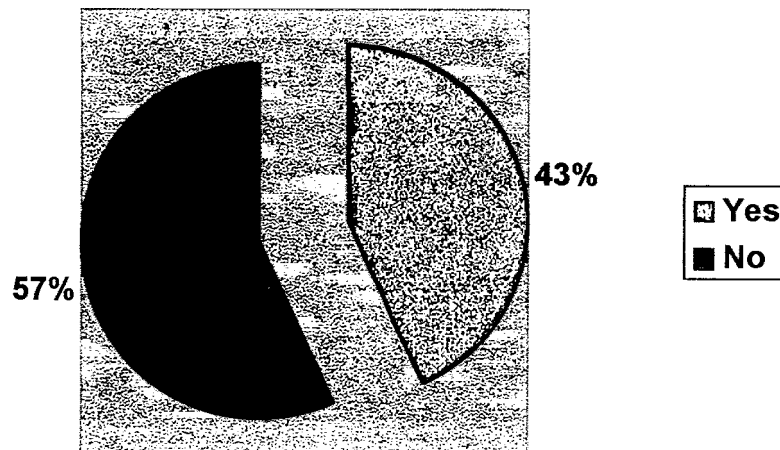
Table 7.15 out of the 100 respondents, 57% answer no and 43% are answered yes.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

Table 7.15 Percentage respondents on customer who know about financial planning.

	Number of Respondents	Percentages
Yes	43	43
No	57	57
Total	100	100

Figure 7.15 respondents on customer who know about financial planning



The customer do not know much on the term use ie. financial planner. Customers are more exposed to the word insurance agent. So, they are not aware that financial planner of the bank involved selling insurance.

Chapter7- ANALYSIS AND CONCLUSION OF DATA

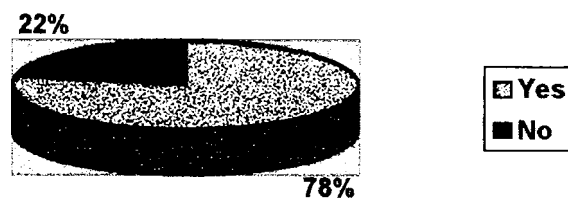
- e. **Questions 5: Do you think that integration with banking industry would be one of the best way to market the insurance product?**

Respondents are also being asked on question such as can the bank is the best way to market the insurance product . Respondents answered 'yes' 78% and 22% said no.

Table 7.16 Percentages of respondents agree that bank is the best way to market insurance product.

	Number of Respondents	Percentages
Yes	78	78
No	22	22
Total	100	100

Figure 7.15 respondents agree that bank is the best way to market insurance product.



Chapter7- ANALYSIS AND CONCLUSION OF DATA

Respondents obtained, shown in the above table can be described as that customers can get all the services including insurance services under one premise banks so that making it easier and convenience for customer.

7.6 Cross Tabulation Analysis (refer to appendix SPSS)

Cross tabulation between Gender and How long have you been a customer of the bank

Out of 100 respondents, male genders' ie. 22% being customer of the bank is 1-2 years. 1-2 years have been customers of the bank for the female is 14%. Both male and female customers have been 2-3 years for customers of the bank because the BCB Taman Melaka Raya has mostly young people open account in the bank. Further more Melaka Raya town has many new companies just opened the business. They need young people to work in their companies.

Cross tabulation between salary and age of the customer (refer to appendix SPSS)

From the cross tabulation table, the graph shows that the number of respondents with income of RM 2000 – RM 3000 the 25-30 years age

Chapter7- ANALYSIS AND CONCLUSION OF DATA

group is 21% while the number of respondent for the 30-35 years age group is also 21%. It has the highest respondent within the salary and age group. It means that the customers are mostly businessmen or employees of companies such as accounting firms, lawyer firm and etc.

Cross tabulation on the respondents who have benefits by having an insurance policy and what is the future financial goal

30 respondents have chosen saving as benefit their insurance and also for the future goal. The customers have already known about the importance of insurance policy for their life. The insurance can offer security for their future saving and as life protection.

8.0 CONCLUSION AND RECOMMENDATION

8.1 CONCLUSION

Based on the data analysis and interpretations, it is obvious that the BCB Taman Melaka Raya is the first branch that to implemented bancassurance services in Melaka ie. since January 1999.

The result of the research indicated that there is not much response from the customers towards the Bancassurance product and service. So BCB Taman melaka Raya Branch needs to study so that improvement and promotion can carried at for this services

The conclusion of the study is divided into two segments which are:

i. Customer Awareness

Most customers in the BCB Taman melaka Raya do not know in much about insurance services. Their perception of insurance services has been traditionally accepted as the one provided by a company and its agents.

Chapter8- CONCLUSION AND RECOMMENDATION

The bank technically has done little to change the consumer perception of life insurance. So there is a need to cut through this tradition.

ii. Financial Planning Services

Financial planning services is provided by a person who is incharge of bancassurance services. From the analysis, only few respondents know about financial planning services. This is because the financial planning services is provided by recruited staff he/she who is called as the financial planer, a new and has not much experience in selling the bancassurance product.

The lack of product knowledge is seen as the major reason why financial planner is uncomfortable in dealing with insurance related products. As a result of having poor understanding of the product, a financial planners do not have the confidence to approach customers.

8.2 Recommendation

The development of a bancassurance marketing strategy requires an awareness on the insurance needs of the target market. Initially, the most valuable marketing opportunities for a bank is found within its own customer base.

Chapter8- CONCLUSION AND RECOMMENDATION

Therefore a bank must research the needs and buying habits of its customers to it to enable segment it customers base and to develop product and distribution strategies for each customer segment.

The bank can deliver bancassurance products by using a variety of distribution methods. Each potential distribution channel, must be aligned with the particular products offered and the needs of the target market.

The marketing strategy which can increase the customers acceptance or awareness towards bancassurance services will focus on the elements of marketing mix and as well as on building up teamwork among one bank staff.

8.3 Elements of marketing mix

The marketing mix consists product, promotion and price. It is discovered that many aspects could be improved in relation to marketing mix.

a. Products

The financial planner must make customers easy to understand what is bancassurance service and its options so that to allow the customers to accurately select insurance coverage that can

Chapter8- CONCLUSION AND RECOMMENDATION

meet their specific needs. The target customers are people who either seek to provide the finance of their children education or who have displayed a propensity to save for their future lifestyle aspirations. Customers always decide to purchase insurance that can fulfill their need and wants.

BCB Bancassurance have 5 types of life insurance that can be more competitive and attractive. The new product features can be implemented through:

i. Brand name

Brand name are very important to the customers because it helps to make the product more successfully. The five types of products with different names can attract more customers where the names of the product is different from other bancassurance although it is the same product. If the brand name is very attractive then the customers will be interested to buy the insurance.

ii. Additional features

Additional features of the insurance can make the customer more interest to buy the insurance policy. Other bancassurance

Chapter8- CONCLUSION AND RECOMMENDATION

company gives additional features such as more coverage of life insurance and cheaper premium.

The BCB bancassurance must also consider the benefits offered by their competitors. They must look forward on how to compete other companies which offer more benefits of life insurance

iii. After sales services

The Financial planner must make a follow up on the customers who have applied for insurance policy. To encourage the purchase of their insurance policy, Financial Planner must record customer information in the database which can be useful for future references and follow up.

iv. Price

The price of insurance must be affordable and suitable to the customers. The return on saving must be high so that customers may have high preference toward BCB and buy the bancassurance.

Chapter8- CONCLUSION AND RECOMMENDATION

b. Promotion

Bancassurance was introduced in January 1999. BCB Taman Melaka Raya customers still don't know much about the bancassurance services. The main reason is due to their lack of awareness.

To improve the customer awareness, various promotion efforts and tools must be used. The promotion tools can be used are advertising word of mouth Communication, financial Planner services and sales promotion.

i. Advertising

Advertising is a very important for a marketing strategy specially to build up customers awareness. The bank should allocate certain amount of budget for advertising in order to promote the bancassurance product. The electronic media is a very effective channel to attract customers in buying bancassurance product. Other media can be used are newspapers, magazines, banners, pamphlets, souvenirs and etc. The pamphlets should be available for distribution to customers.

Chapter8- CONCLUSION AND RECOMMENDATION

ii. Word of mouth communication

Most of the communication in the BCB in Taman Melaka Raya Branch is conducted by word of mouth. The insurance product is better discussed through face to face communication between the financial planner and the customers to explain in detail about insurance product through this method can improve his customers knowledge about insurance. Hence when the customers are knowledgeable about the insurance they can use word of mouth communication spread about this service/product offered by the bank (BCB) to other customers.

iii. Financial Planning Services (Personal Selling)

This is to ensure that the financial planner is competent to discuss life insurance needs at a high level with customers. Skill training for Financial Planner will ensure that they have the confidence and ability to approach customer, to respond to questions appropriately and to recognize situation in which customers may require advice.

Chapter8- CONCLUSION AND RECOMMENDATION

iv. Sales promotion

The bank branch Managers should be educated and trained to plan specific activity, allocate responsibility, and understand performance and coach staff in order to achieve a sales activity. This involves the preparation of sales planning system (to included sales meeting) and report mechanism. This can be done in the short term and could be included in any managerial training program.

8.4 Motivational Support To Involve All Bank Staff In Insurance Product

i. Training In Insurance Product

All staff training in insurance seems to be delivered by way of branch briefing given by branch managers. Product knowledge and sales management skills are area of real concern in insurance. The bank managers must always give training to all staff so that they can be more aware knowledgeable in bank insurance.

New materials should also be developed to support the training, for insurance product. The new material should contain of the

Chapter8- CONCLUSION AND RECOMMENDATION

insurance product. The pamphlet should be made available for distribution to customers.

ii. Target

Insurance products sales target should be established by the bank along side with targets other areas of bank services so that they can be seen as of equal importance. The manager must have a record showing how many staff reach their target for the month.

iii. Recognition and reward

The recognition and reward must be provided in order to appreciate the staff who introduce and sell insurance policy. The types of recognition and reward can be in the form of acknowledgement for high performance from head office, or recommendation for promotion or cash incentive from the bank.

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11. Naresh K. Malhotra – Marketing research 2nd edition Prentice Hall.
12. Insurans dalam ekonomi Islam – by Muhammad Najatullah Siddiqi
13. Insurans untuk anda – by Jaafar Muhamad, Hendon Redzuan, Rasidah Mohd Said
14. Choice Newslink Bank of Commerce – August 1997, February 1999

HYPHOTHESIS AND TEST RESULT

HYPHOTHESIS 1

The variable in section B question 2 of the questionnaire

The null hypothesis:

H0 : Customers have knowledge about insurance

Ho= $\mu = 2.0$

The alternative Hypothesis:

H1: Customers have no knowledge about insurance

H1 = $\mu = 2.0$

Question 2, in section B of the questionnaire ie. how would you describe about insurance will be used for the T.-Test:

Code: 1: Not at all

2: Average

3: Good

4: Excellent

From SPSS:

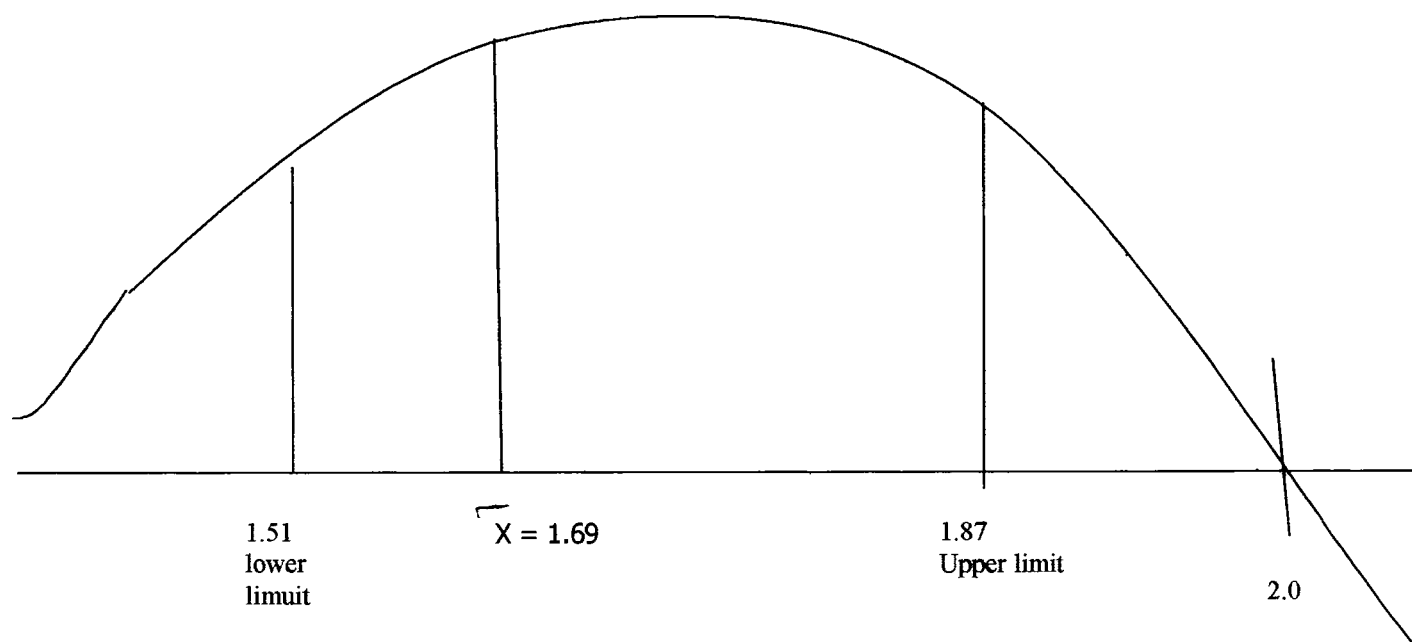
Hyphothesis mean $\mu = 2.0$

Sample mean $\bar{X} = 1.69$

Critical Value:

Upper limit: 1.87

Lower Limit: 1.51



From the analysis, the observed value falls outside the acceptance region. H_0 is rejected. This shows that the customers have no knowledge about insurance is accepted. Hypothesis is based on question 2 section B. The dependent variable is the customers no knowledge about the insurance. The independent variables are not at all, average, good and excellent.

T-Test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
How would you describe knowledge about insurance?	100	1.69	.88	8.84E-02

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
How would you describe knowledge about insurance?	19.114	99	.000	1.69	1.51	1.87

Hypothesis 2

The variable is in section c question 1 of the questionnaire.

The null hypothesis:

Ho: Customers aware about the bancassurance services

Ho = $\mu = 2.0$

Alternative Hypothesis:

H₁ = Customers are not aware about the bancassurance services

H₁ = $\mu = 2.0$

The section c Question 1, or are you aware about the bancassurance services that the bank is extending to the customer will be used in the T-Test:

Code: 1 = Yes

Code: 2 = No

From SPSS:

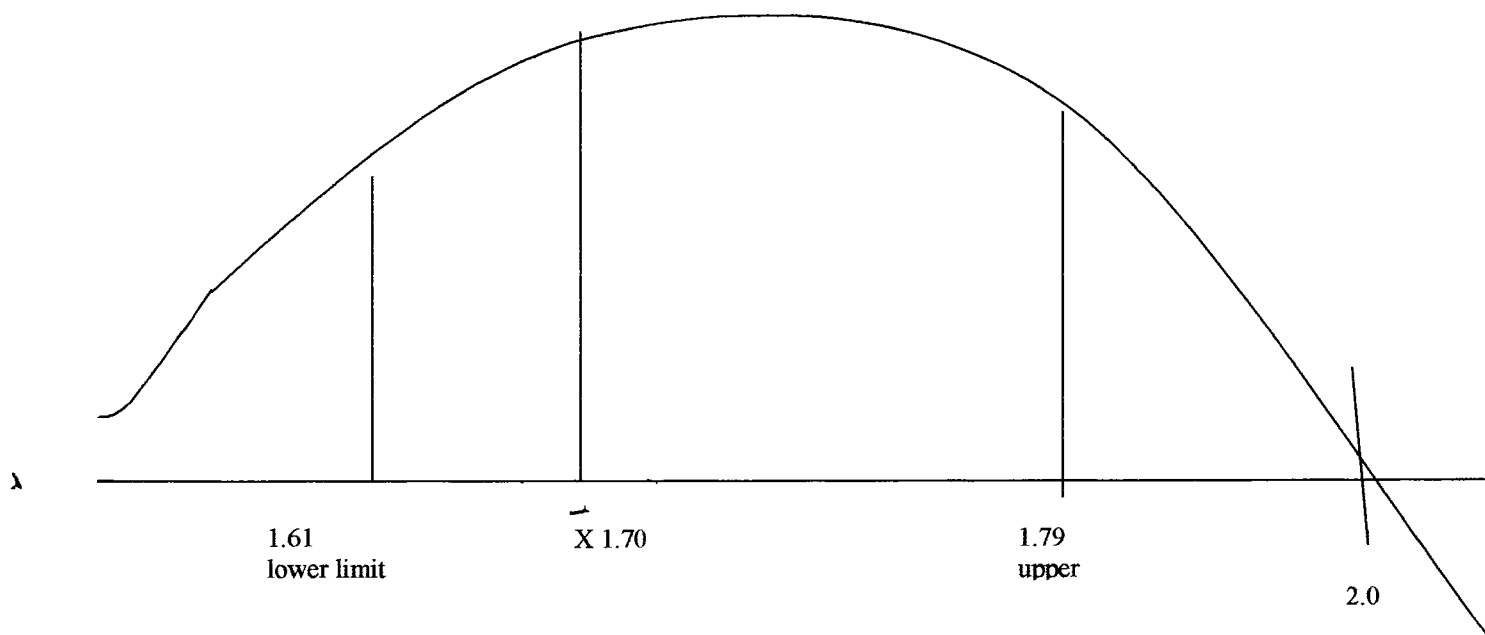
Hypothesis mean $\mu = 2.0$

Sample mean $\bar{x} = 1.70$

Critical Value:

Upper Limit: 1.79

Lower Limit: 1.61



From the analysis, we observed that the hypothesis mean value fall outside the acceptance region. Therefore H_0 is rejected. H_1 is accepted. This shows that customers are not aware about bancassurance services can be accepted.

T-Test

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Aware about the bancassurance	100	1.70	.46	4.61E-02

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Aware about the bancassurance	36.911	99	.000	1.70	1.61	1.79

Questionnaire For Customer

I am Abdul Rahman Darus (6094517) a final year BBA (marketing) student at University Teknologi Mara. I am currently undertaking a research title "Bank Bumiputra Commerce Taman Melaka Raya Marketing approach of Bancassurance. I would really appreciate it very much if you can kindly answer the following question.

SECTION A: CUSTOMER PROFILE

1. Gender : Male Female

☐☐

2. Occupation :

☐

Government

☐

Businessmen/woman

☐

Private Sector

☐

Other :

3. Salary :

☐

Below RM 1,000

☐

RM 2,000 – 3,000

☐

above RM 4,000

☐

RM 1,000 – 2,000

☐

RM 3,000 – 4,000

4. Age in years :

☐

15 – 20

☐

25 – 30

☐

35 above

☐

20 – 25

☐

30 – 35

5. How long have you been a customer of the bank?

☐

Below 1 years

☐

2 – 3 years

☐

5 years and above

☐

1 – 2 years

☐

3 – 5 years

SECTION B: CUSTOMER AWARENESS

1. What type of service did you get from this bank?
(You can select more than one)

☐ Fixed Deposit	☐ Loan	☐ Other :
☐ Current Deposit	☐ Investment	

2. How would you describe your knowledge about insurance?

☐ Not at all	☐ Average	☐ Good	☐ Excellent
-------------------------------------	----------------------------------	-------------------------------	------------------------------------

3. Are you a policy holder to any insurance product?

☐ Yes	☐ No
------------------------------	-----------------------------

4. If you are policy holder please indicate the type of product?

☐ Life insurance	☐ Motor insurance
☐ Housing insurance	☐ Other : (please specify)

5. What benefit do you perceive on having an insurance policy?

☐ Protection	☐ High return on investment
☐ Long term saving	☐ Other :(please specify)

6. What is your future financial goal?

☐ Saving	☐ Investment
☐ Protection	☐ Other : (please specify)

SECTION C: FINANCIAL PLANNING SERVICES

- 1) Are you aware about the bancassurance services that the bank is extending to the customer?

☐

Yes

☐

No

- 2) Has the bank informed you about the bancassurance service?

☐

Yes

☐

No

- 3) Have you received any pamphlets or approach by our financial planner regarding the bancassurance service?

☐

Yes

☐

No

- 4) The bank has employed financial planner to give advice to you on financial planning. Have you heard about financial planning?

☐

Yes

☐

No

- 5) Do you think that integration with banking industry would be one of the best way to market the insurance product?

☐

Yes

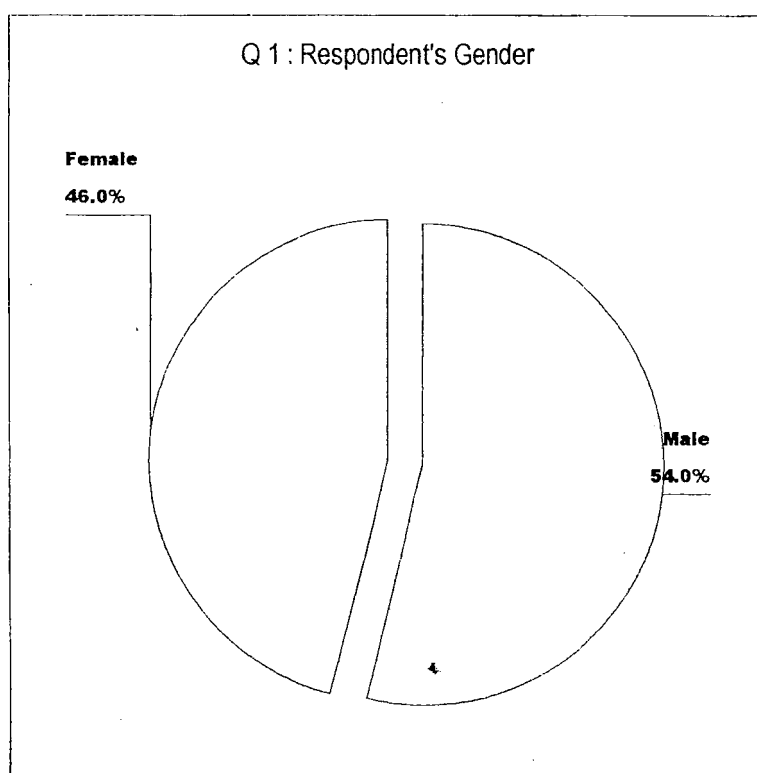
☐

No

Thank you very much for your co-operation

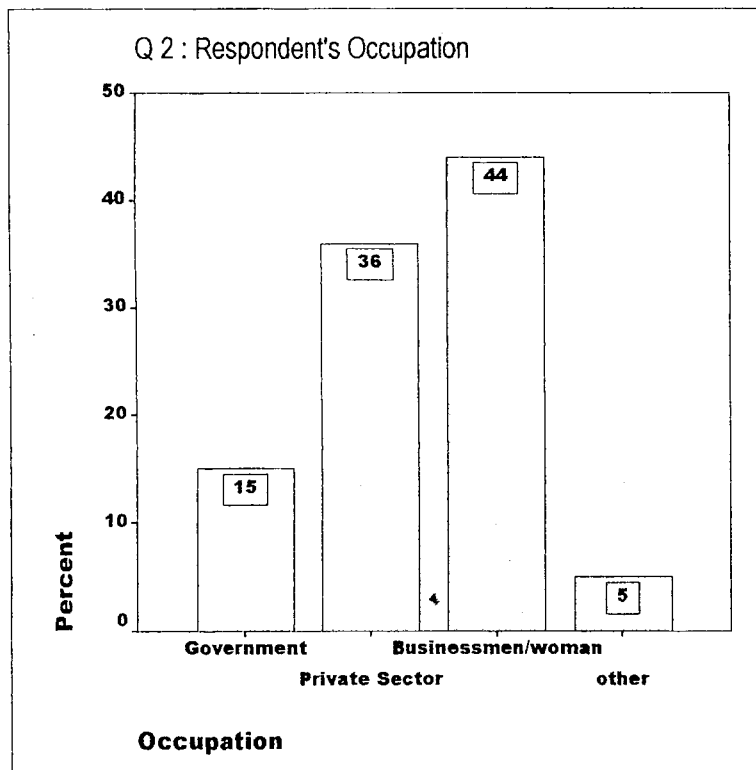
Q 1 : Respondent's Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	54	54.0	54.0	54.0
	Female	46	46.0	46.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



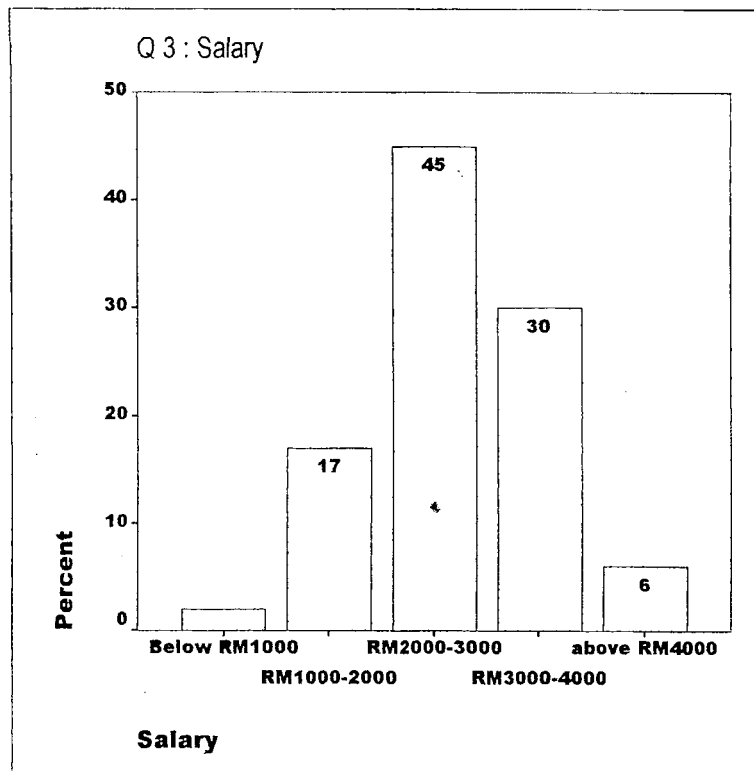
Q : Respondent's Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Government	15	15.0	15.0	15.0
	Private Sector	36	36.0	36.0	51.0
	Businessmen/woman	44	44.0	44.0	95.0
	other	5	5.0	5.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



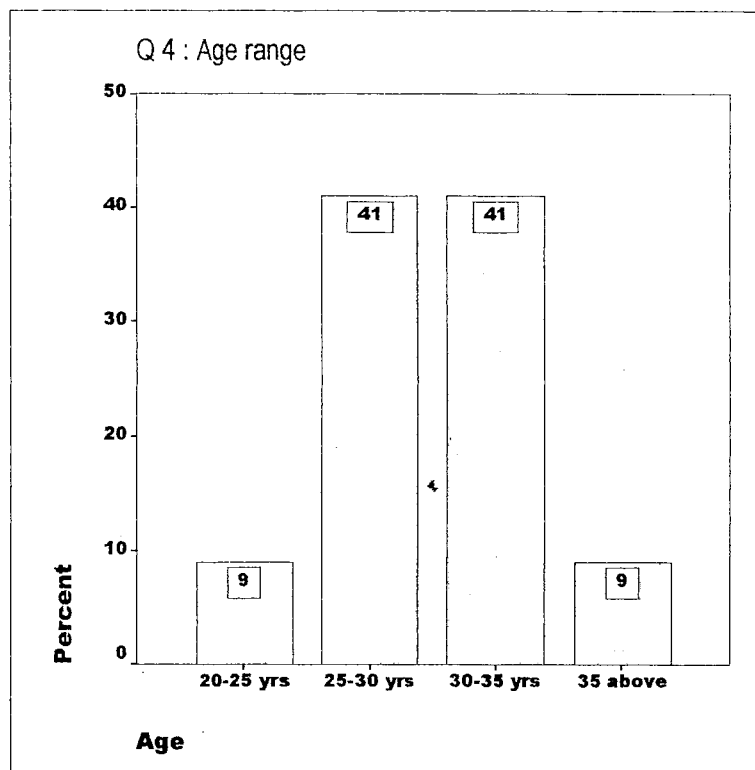
Q 3 : Salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM1000	2	2.0	2.0	2.0
	RM1000-2000	17	17.0	17.0	19.0
	RM2000-3000	45	45.0	45.0	64.0
	RM3000-4000	30	30.0	30.0	94.0
	above RM4000	6	6.0	6.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



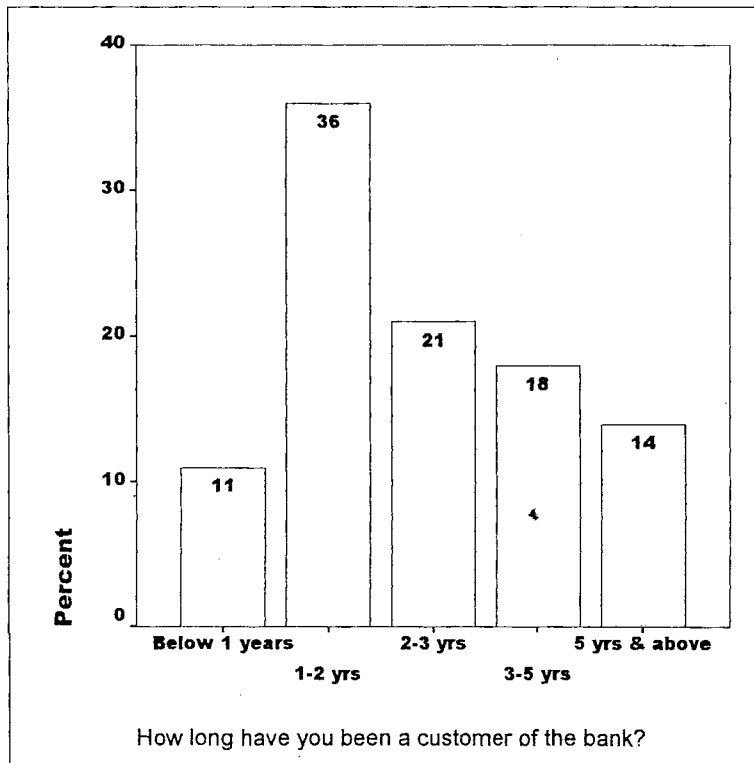
Q 4 : Age range

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25 yrs	9	9.0	9.0	9.0
	25-30 yrs	41	41.0	41.0	50.0
	30-35 yrs	41	41.0	41.0	91.0
	35 above	9	9.0	9.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



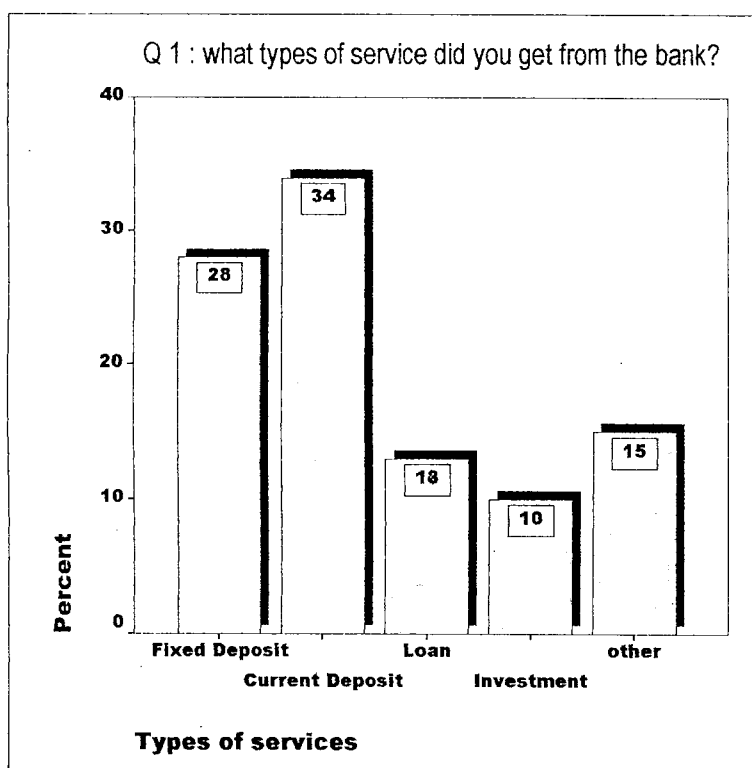
Q 5 : How long have you been a customer of the bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 years	11	11.0	11.0	11.0
	1-2 yrs	36	36.0	36.0	47.0
	2-3 yrs	21	21.0	21.0	68.0
	3-5 yrs	18	18.0	18.0	86.0
	5 yrs & above	14	14.0	14.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



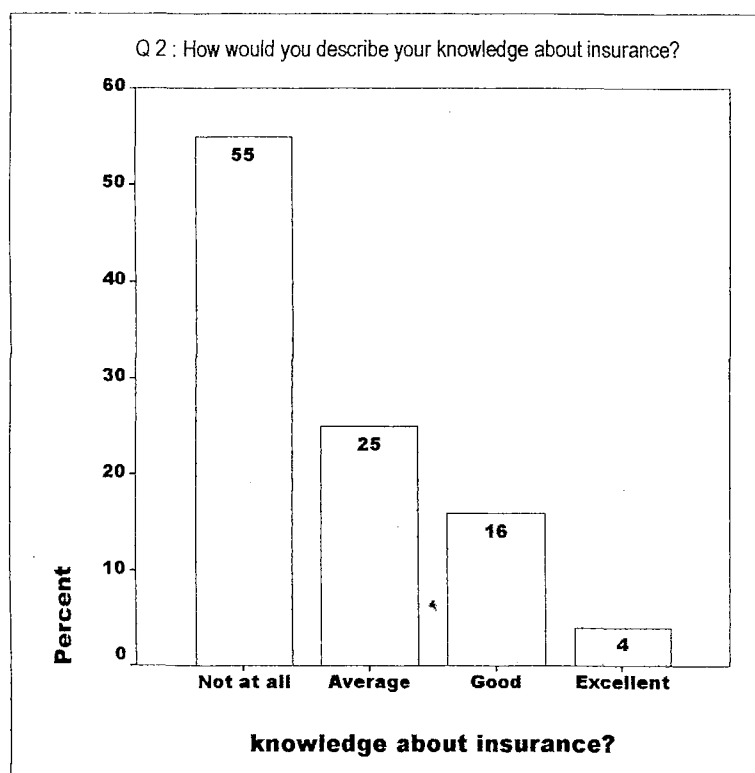
Section B : Customer Awareness . Q 1 : what types of service did you get from the bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Fixed Deposit	28	28.0	28.0	28.0
	Current Deposit	34	34.0	34.0	62.0
	Loan	13	13.0	13.0	75.0
	Investment	10	10.0	10.0	85.0
	other	15	15.0	15.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



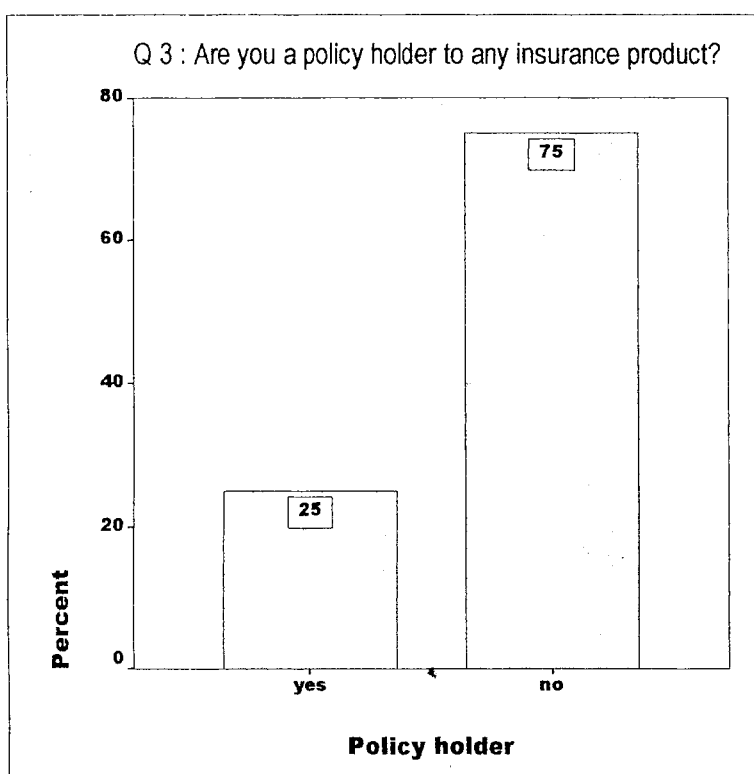
Q 2 : How would you describe knowledge about insurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all	55	55.0	55.0	55.0
	Average	25	25.0	25.0	80.0
	Good	16	16.0	16.0	96.0
	Excellent	4	4.0	4.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



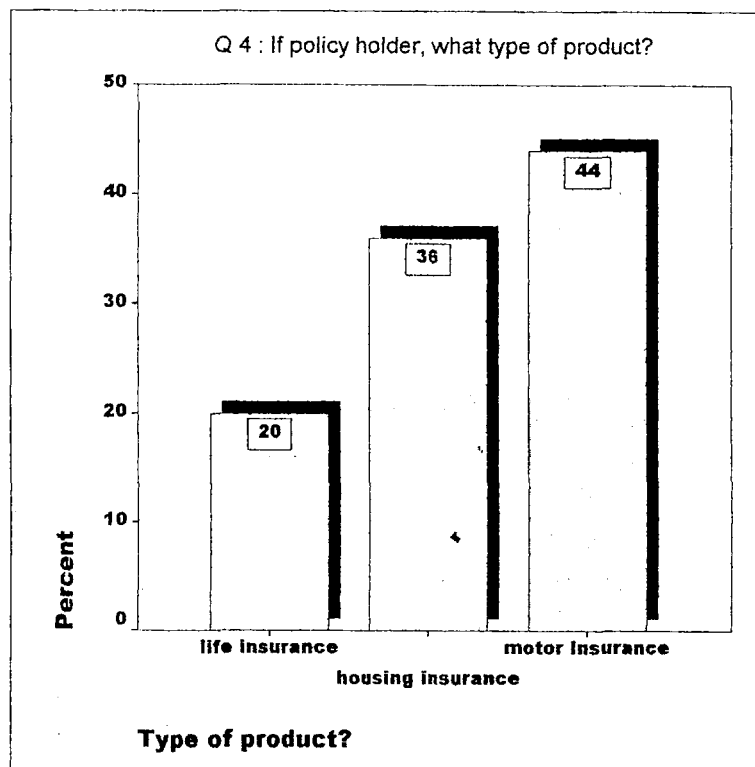
Q 3 : Are you policy holder to any insurance product?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	25	25.0	25.0	25.0
	no	75	75.0	75.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



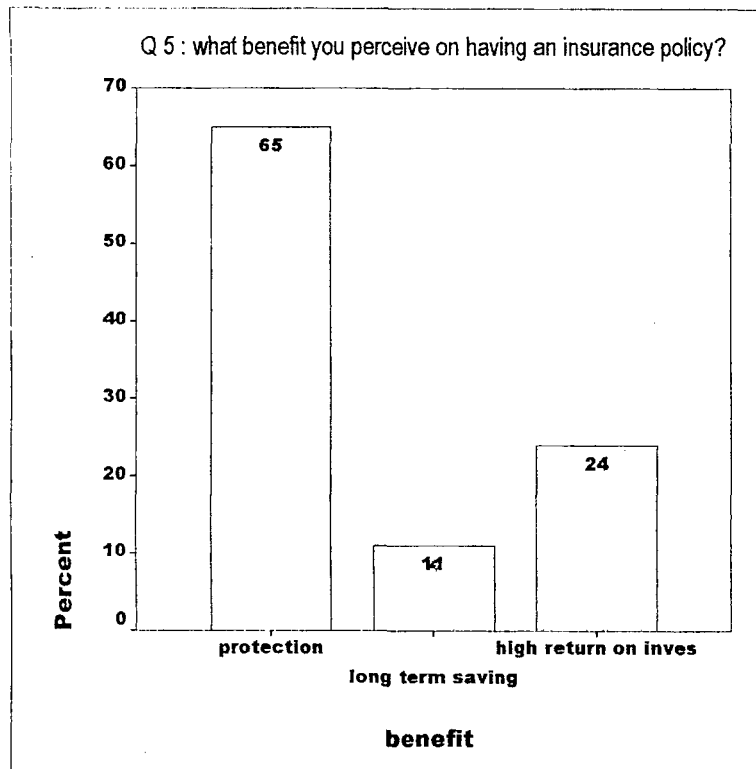
Q 4 : If policy holder,type of product?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	life insurance	5	5.0	20.0	20.0
	housing insurance	9	9.0	36.0	56.0
	motor insurance	11	11.0	44.0	100.0
	Total	25	25.0	100.0	
Missing	System Missing	75	75.0		
	Total	75	75.0		
Total		100	100.0		



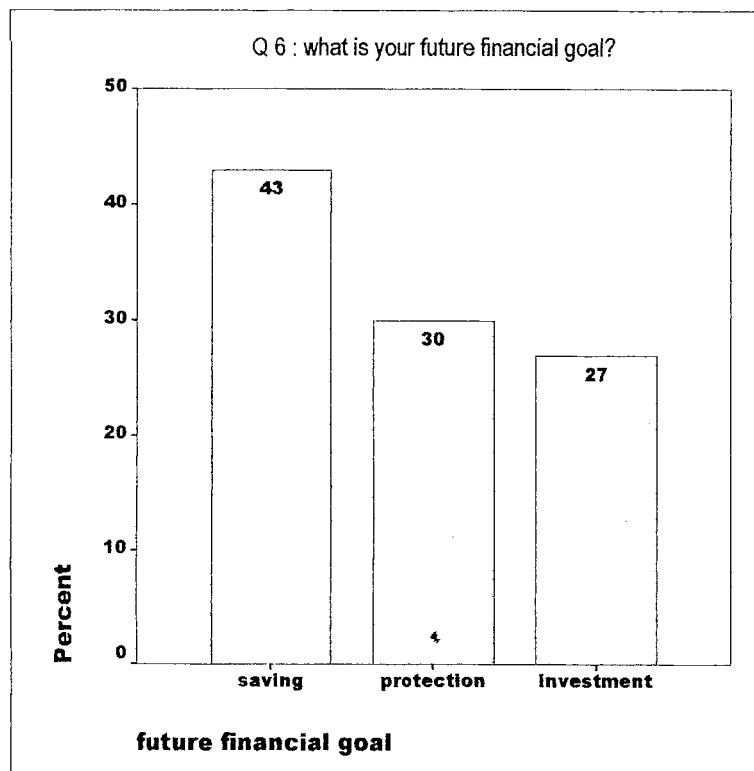
Q 5: What benefit you perceive on having an insurance policy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	protection	65	65.0	65.0	65.0
	long term saving	11	11.0	11.0	76.0
	high return on investment	24	24.0	24.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



Q 6 : what is your future financial goal?

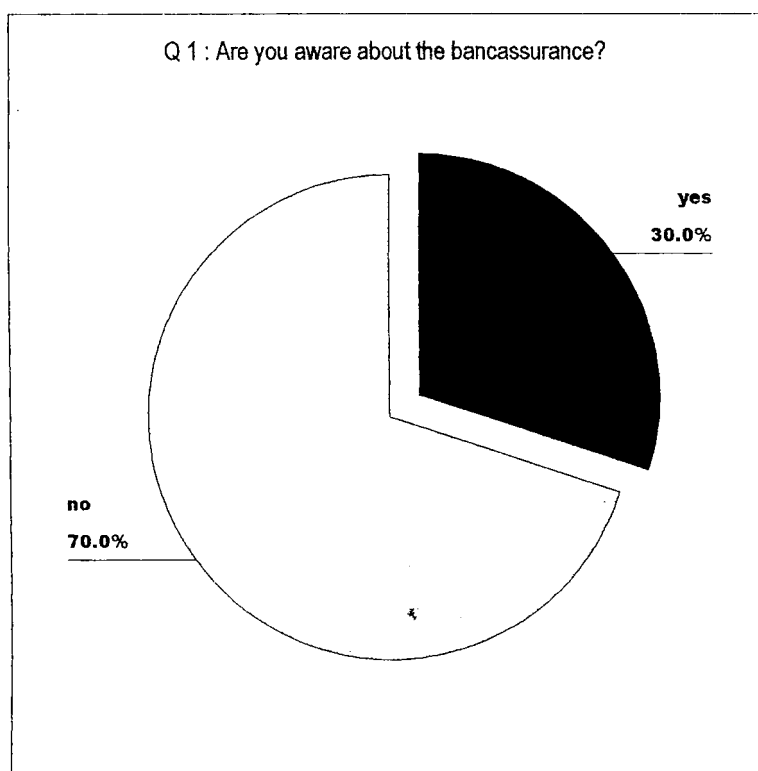
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	saving	43	43.0	43.0	43.0
	protection	30	30.0	30.0	73.0
	investment	27	27.0	27.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



SECTION C : FINANCIAL PLANNING SERVICES

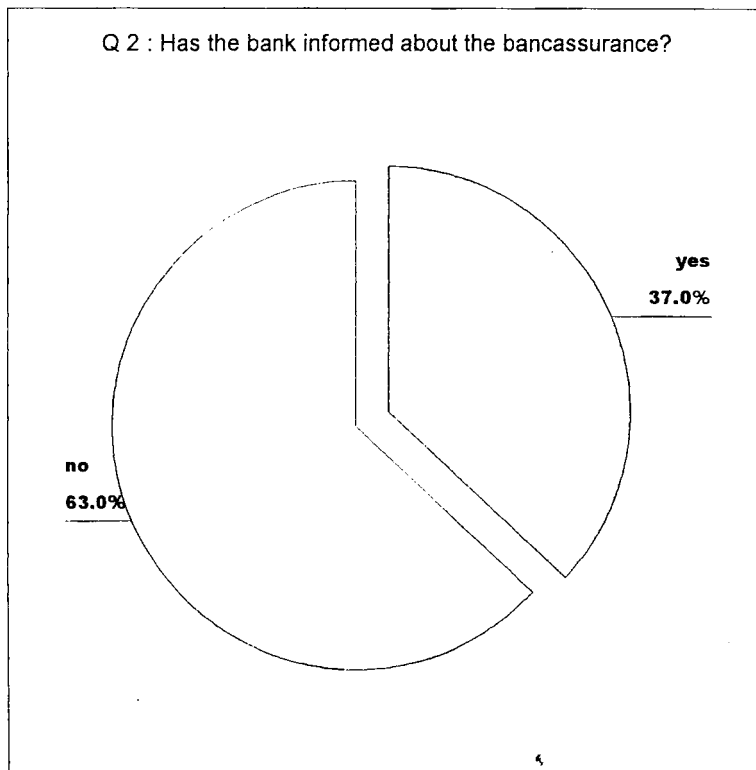
Q 1 : are you aware about the bancassurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	30	30.0	30.0	30.0
	no	70	70.0	70.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



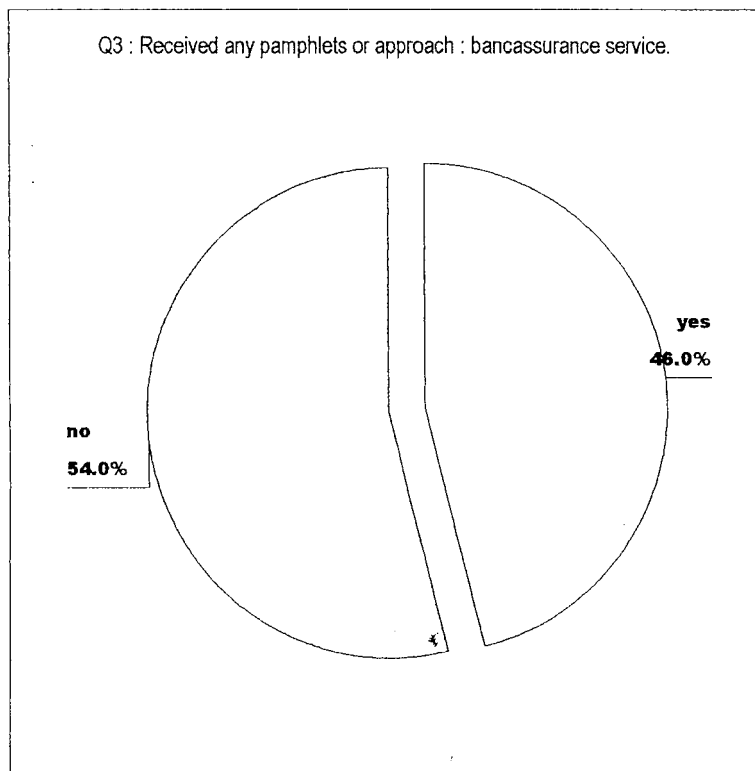
Q 2 : Has the bank informed about the bancassurance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	37	37.0	37.0	37.0
	no	63	63.0	63.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



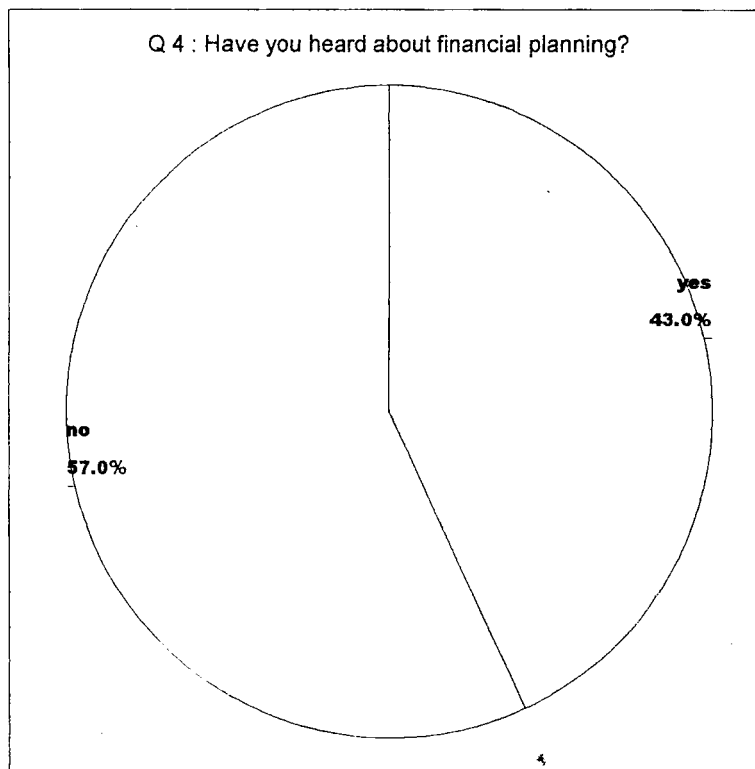
Q 3 : Received any pamphlets or approach : bancassurance service.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	46	46.0	46.0	46.0
	no	54	54.0	54.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



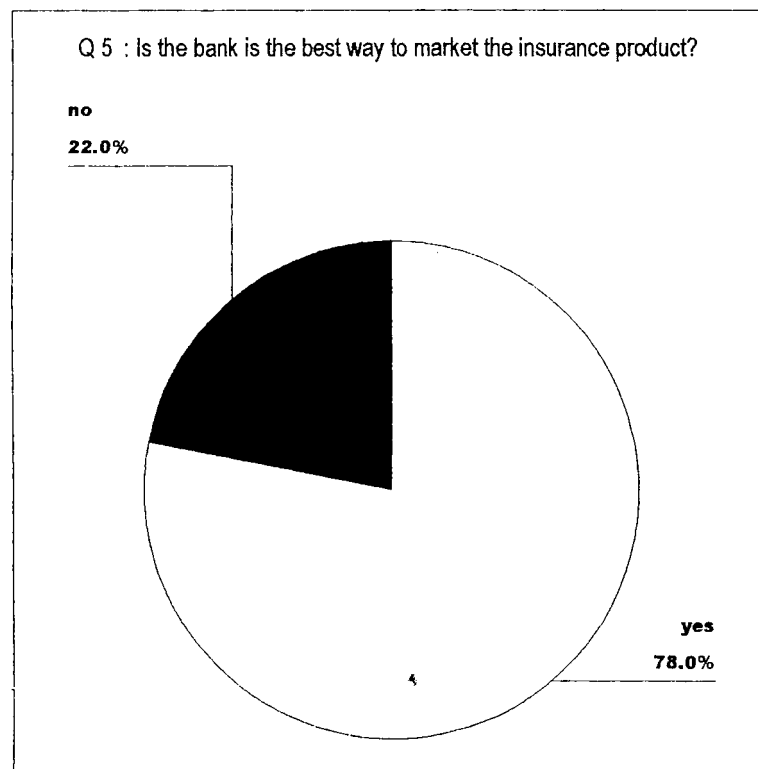
Q 4 : Have you heard about financial planning?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	43	43.0	43.0	43.0
	no	57	57.0	57.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



Is the bank is best way to market the insurance product?

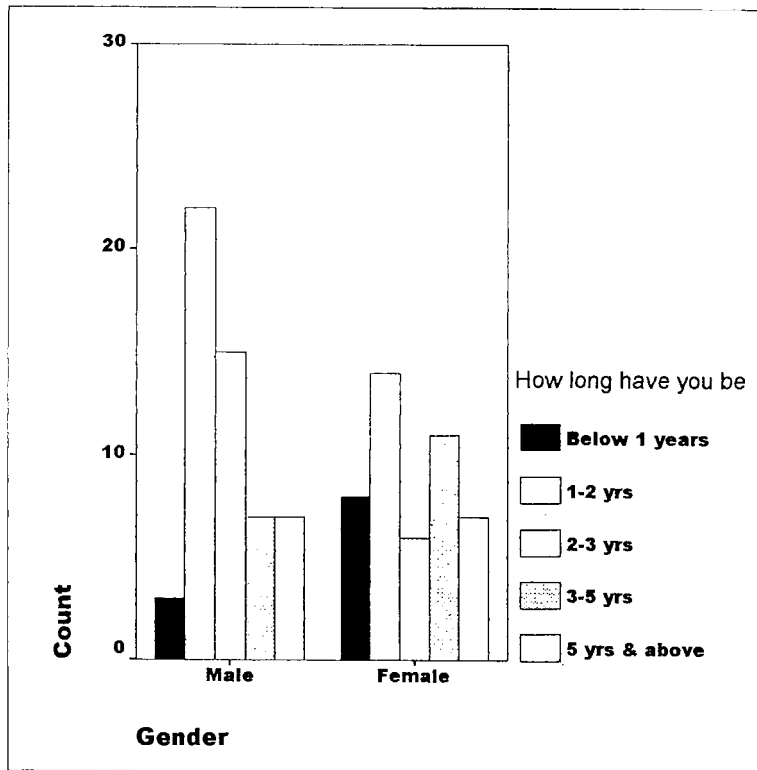
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	78	78.0	78.0	78.0
	no	22	22.0	22.0	100.0
	Total	100	100.0	100.0	
Total		100	100.0		



Crosstabs

Gender * How long have you been a customer of the bank? Crosstabulation

			How long have you been a customer of the bank?					Total
			Below 1 years	1-2 yrs	2-3 yrs	3-5 yrs	5 yrs & above	
Gender	Male	Count	3	22	15	7	7	54
		% within Gender	5.6%	40.7%	27.8%	13.0%	13.0%	100.0%
		% within How long have you been a customer of the bank?	27.3%	61.1%	71.4%	38.9%	50.0%	54.0%
	Female	Count	8	14	6	11	7	46
		% within Gender	17.4%	30.4%	13.0%	23.9%	15.2%	100.0%
		% within How long have you been a customer of the bank?	72.7%	38.9%	28.6%	61.1%	50.0%	46.0%
Total	Count	11	36	21	18	14	100	
	% within Gender	11.0%	36.0%	21.0%	18.0%	14.0%	100.0%	
	% within How long have you been a customer of the bank?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

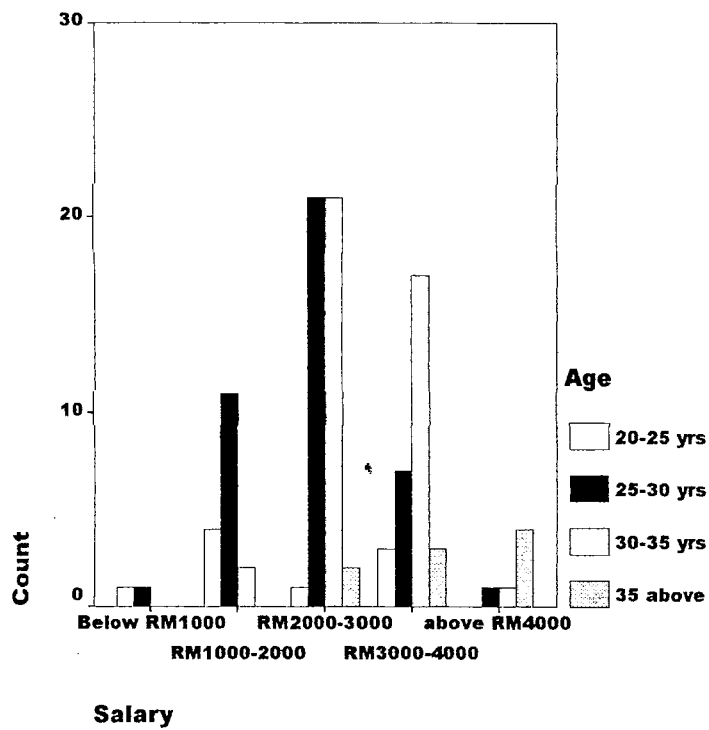


Salary * Age Crosstabulation

			Age				Total
			20-25 yrs	25-30 yrs	30-35 yrs	35 above	
Salary	Below RM1000	Count	1	1			2
		% within Salary	50.0%	50.0%			100.0%
		% within Age	11.1%	2.4%			2.0%
		% of Total	1.0%	1.0%			2.0%
	RM1000-2000	Count	4	11	2		17
		% within Salary	23.5%	64.7%	11.8%		100.0%
		% within Age	44.4%	26.8%	4.9%		17.0%
		% of Total	4.0%	11.0%	2.0%		17.0%
	RM2000-3000	Count	1	21	21	2	45
		% within Salary	2.2%	46.7%	46.7%	4.4%	100.0%
		% within Age	11.1%	51.2%	51.2%	22.2%	45.0%
		% of Total	1.0%	21.0%	21.0%	2.0%	45.0%
	RM3000-4000	Count	3	7	17	3	30
		% within Salary	10.0%	23.3%	56.7%	10.0%	100.0%
		% within Age	33.3%	17.1%	41.5%	33.3%	30.0%
		% of Total	3.0%	7.0%	17.0%	3.0%	30.0%
	above RM4000	Count		1	1	4	6
		% within Salary		16.7%	16.7%	66.7%	100.0%
		% within Age		2.4%	2.4%	44.4%	6.0%
		% of Total		1.0%	1.0%	4.0%	6.0%

Salary * Age Crosstabulation

		Age				Total
		20-25 yrs	25-30 yrs	30-35 yrs	35 above	
Total	Count	9	41	41	9	100
	% within Salary	9.0%	41.0%	41.0%	9.0%	100.0%
	% within Age	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	9.0%	41.0%	41.0%	9.0%	100.0%



What benefit you perceive on having an insurance policy? * What is you future financial goal? Crosstabulation

			What is you future financial goal?			Total
			saving	protection	investment	
What benefit you perceive on having an insurance policy?	protection	Count	30	24	11	65
		% within				
		What benefit you perceive on having an insurance policy?	46.2%	36.9%	16.9%	100.0%
		% within				
		What is you future financial goal?	69.8%	80.0%	40.7%	65.0%
		% of Total	30.0%	24.0%	11.0%	65.0%
	long term saving	Count	6	4	1	11
		% within				
		What benefit you perceive on having an insurance policy?	54.5%	36.4%	9.1%	100.0%
		% within				
		What is you future financial goal?	14.0%	13.3%	3.7%	11.0%
		% of Total	6.0%	4.0%	1.0%	11.0%

What benefit you perceive on having an insurance policy? * What is you future financial goal? Crosstabulation

			What is you future financial goal?			Total
			saving	protection	investment	
What benefit you perceive on having an insurance policy?	high return on investment	Count	7	2	15	24
		% within What benefit you perceive on having an insurance policy?	29.2%	8.3%	62.5%	100.0%
		% within What is you future financial goal?	16.3%	6.7%	55.6%	24.0%
		% of Total	7.0%	2.0%	15.0%	24.0%
Total		Count	43	30	27	100
		% within What benefit you perceive on having an insurance policy?	43.0%	30.0%	27.0%	100.0%
		% within What is you future financial goal?	100.0%	100.0%	100.0%	100.0%
		% of Total	43.0%	30.0%	27.0%	100.0%

