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Comparative Performance of Distribution Channels of Public and Private Life Insurers in India

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ABSTRACT: Selling products through an intermediary has always been advantageous for the manufacturer of goods or service providers. This becomes more relevant when you are selling services and particularly a financial service. The selling of insurance products is in the ambit of financial services. Therefore, the relevance of intermediary channels has increased to the highest, because selling insurance product is a subject of persuasion, so personal contact to increase market efficiency become relevant. In the present study, an emphasis has been made to study the marketing channels exhausted by the life insurance industry for selling their products, further, a comparison has been made between the public and private sector companies concerning to channels these two companies are using to sell their insurance products. The span of the study is 2016-17 to 2021-22 because during this period a few new marketing channels came into existence in the insurance market. The performance of these channels has been measured in terms of first-year individual premiums collected and policies issued by these commonly used distribution channels. At last, it is found that in the case of Life Insurance Corporation of India, the channel 'Individual Agent' is more significant as compared to other channels; whereas Corporate Agent-bank is significant for private life insurance companies. To conclude two way ANOVA and Tukey Post Hoc test have been applied to the data.

KEY WORDS: Corporate Agent, Micro Insurance Agent, Marketing Channel, Premium collected, Policies Issued.

INTRODUCTION

Insurance has always been a subject matter of persuasion, it is a push product; therefore, it has always been a complicated sector, and selling insurance products has ever been an even bigger hassle. Therefore, insurance companies sell their products through intermediaries; before the enactment of the IRDA act individual agents, company staff, tied agents and telesales were the major distribution channels for selling life insurance products (IMF report, 2000), these distribution channels were licensed for selling insurance products, they follow the process by which consumers buy insurance from these licensed individual agents or tied agents. An effective distribution channel not only enables insurers to operate soundly but makes it more sustainable for going concerns. Insurers conduct sales through one or more distribution channels, nuances of which vary by market, coverage country, the technology available, and historical development of the insurers. An insurer can utilize multiple or hybrid forms of distribution methods, all these channels play important role in the success of the industry and affect all other marketing decisions, the second reason behind selecting multiple channels is its long-term nature, enduring commitment; huge investments, and social and political character.

Private Companies in collaboration with foreign companies brought some new players into the insurance market. In the previous decade, the Indian life insurance industry has been witnessing tremendous changes in product offerings and marketing channels, which help the private sector to grow its market share. The emerging scenario provides customers, with plenty of insurance products with a wider range of new and innovative products, competitive pricing, quality service, and a better grievance-handling process. The Insurance business falls under the ambit of services and is widely used as a method of risk transfer. There are number of services such as hospitality, banking, insurance, transport and education which are provided to the customers in lieu of benefit transferred by another party either in tangible mode or intangible mode (Kotler and Bloom, 1984; Kotler, 2000). Life Insurance is a product according to the insurance regulations and for the services for the beneficiaries that insurance companies offered through their intermediaries in lieu of premium taken from insured.

After the privatization of the insurance business in India in the year 1999; the IRDA introduced several other distribution channels, corporate agents, brokers, and direct selling (Tiwari, 2012), but with the advent of Information Technology, some new channels like online selling, web aggregators, common service centres, and points of sale have also emerged in the insurance market; after the

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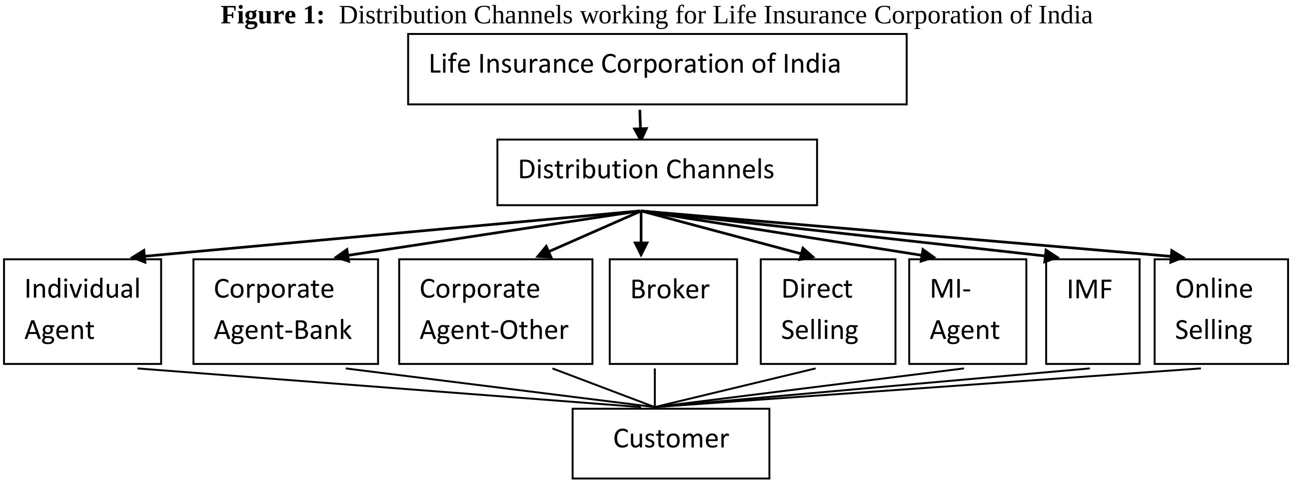
issue of IRDA guidelines for micro insurance in 2005, Micro Insurance Agents have been emerged in the Indian Insurance Market for low coverage at low premium. From 21st January 2015 with the objective to increase insurance penetration of India the concept of Insurance Marketing Firms was introduced to act as insurance intermediary. Therefore, distributors should determine the marketing channels in the context of the complete process by which products are manufactured, distributed, sold, and delivered (Philip, Keller, Koshi, & Jha 2013). The distribution element of the service marketing mix is concerned with two main issues-accessibility and availability. Accessibility refers to the ease and convenience with which a service can be purchased or used whereas availability refers to the extent to which a service is obtainable or capable of being purchased or used. Both criteria must be met to achieve successful service marketing. (Pillai & Bagavathi: 2010).
Presently, there are Individual Agent, Corporate Agent- bank, Corporate Agent-other than bank, Broker, Direct Selling, Micro Insurance Agent, Common Service Centres, Web-aggregators, Online Selling, Insurance Marketing Firms, and Point of Sale are the distribution channels, which are functional in India and playing their role in the growth of insurance market. Since both private and public companies are working for selling life insurance products through their distribution channels, hence the present study is conducted to measure the performance of the marketing channels used by both the type of companies and to compare their performance with the performance of the life insurance industry. The performance of these elements has been compared in terms of first-year individual business premium collected and policies issued through the selected distribution channels.

Distribution Channels of Life Insurance Industry

In the language of business, distribution is related to the allocation of goods and services to the recipients. In general terms distribution of all activities refer to the transfer of material or economic power over tangible or intangible goods from one economic unit to another (Wirtschaftsleyikon24.net). It encompasses a system of all activities that relate to the transfer of economic goods between manufacturers and consumers. It includes coordinated preparation of manufactured goods according to their type and volume, space, and time, so that supply deadlines can be met or estimated demand can be efficiently satisfied (Domschke & Schield). Present-day information technology-enabled distribution channels have underlined their specific role in sensitivity, simplification of the distribution system, increase in the number of channels, market size, wider use of e-commerce, access to the global market, change in distribution channels, application of technological systems and hierarchical structures (Sabansua & Alabay).

The performance of any entity depends on how proficiently its inter-mediatory network executes the business. In the present competitive scenario, the working of intermediate channels and maintaining a strong distribution network is an important constituent for sustainable growth. Insurance Industry is one of the enormous sectors of the Indian economy and particularly Corporate Agent-bank have been established themselves for its growth (Chaudhary et. el 2011). Life Insurance Industry opt to sell its products through intermediary, but both Life Insurance Corporation of India and Private Life Insurance Companies opt to sell their products with the help of following intermediary explained in the diagram 1 and 2 below:-

Figure 1: Distribution Channels working for Life Insurance Corporation of India



(**Source:** Author's drawn)

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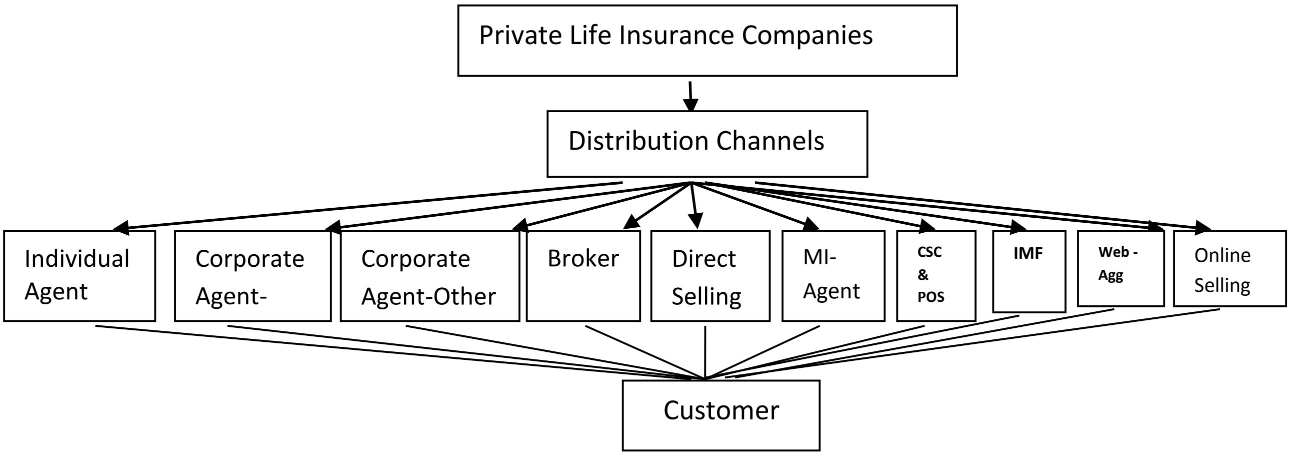
Since the establishment of insurance business in India, agency has been the distribution channel for selling insurance products, even now huge volume of life insurance business is carried on through the individual agent, because these agent establish personal contact and relationship with the customers and provide presale and post sales services as well as valuable source of feedback about the need and expectation of consumers. However, in the present technological era this channel is not fully equipped with the latest information technologies. Corporate Agent is authorised and qualified artificial person or institution who can provide advice on financial products and offer financial services for sale; these are commissioned agents whose primary business is the sale of property and casualty insurance for more than one insurer.

Technically, independent financial advisors who sell insurance policies usually do so as broker. Brokers are professionals who assess risk on behalf of a client, advice on mitigation of that risk, identify the optional insurance policy structure that brings together the insured and insurers and carry out preparatory to insurance contracts. They represent the customers and sell the product of more than one company and seek to determine the best fit for the client. Direct Selling refers to the type of channel vide which company sells its products directly to the customers either through their website or direct contact. Although, there are number of other channels working in the life insurance industry, but Life Insurance Corporation of India is primarily selling its products using marketing channels shown in the figure 1 above. These are Individual Agents, Corporate Agents comprising of Banks and other corporate bodies, Brokers, Direct Selling, Micro Insurance Agents, Insurance Marketing Firms and Online Selling. However LIC uses Common Service Centre, Web-Aggregator and Point of Sale only for collection of renewal premium only.

Figure 2: Marketing Channels used by Private Life Insurance Companies



(**Source:** Authors Drawing)

Both Life Insurance Corporation of India and Private Life Insurance Industry are using same marketing channels except Common Service Centre, Web-Aggregators and Point of Sale. These three channels sell policies for Private Life Insurance Companies but for LIC they are acting as premium collector on renewal policies only. Therefore, to make the study for reliable and significant a comparison has been made only with the common marketing channels used by both public and private life insurance companies in India.

SCOPE OF STUDY

The domain of the study is life insurance industry functional in India, the life insurance industry has been further divided into two parts namely public sector and private sector. Presently there is one public sector company Life Insurance Corporation of India and 23 private life insurance companies, but during the year 2021-22 one private life insurance company M/s Excide Life has been merged with HDFC Standard Life Insurance Company Ltd. It is pertinent to mention here that since the data in the present study for private life insurance companies is inclusive of M/s Excide Life. A complete list of public and private life insurance companies

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is enumerated in the table 1 below to understand the private life insurance companies their collaborative foreign players, registration number, date of registration and year of the commencement of business.

Table 1. Public and Private Life Insurance Companies Functional at Present in India

S.No.	Insurer	Foreign Partners	Regn. No.	Date of Registration	Year of Operation
Public Sector					
1	Life Insurance Corporation of India	---	512	01.09.1956	1956-57
Private Sector					
2	Aditya Birla Sunlife Insurance Company Ltd.	Sun Life Financial (India) Insurance Investment Inc, Canada	109	31.01.2001	2000-01
3	Aegon Life Insurance Company Ltd.	Aegon India Holdings BV, Netherlands	138	27.06.2008	2008-09
4	Ageas Federal Life Insurance Company Ltd.	Aegis Insurance International NV Netherlands	135	19.12.2007	2007-08
5	Aviva Life Insurance Company India Ltd.	Aviva International Holdings Ltd. UK	122	14.05.2002	2002-03
6	Bajaj Allianz Life Insurance Company Ltd.	Allianz, SE Germany	116	03.08.2001	2001-02
7	Bharti AXA Life Insurance Company Ltd.	AXA India Holdings, France	130	14.07.2006	2006-07
8	Canara HSBC Life Insurance Company Ltd.	HSBC Insurance (Asia Pacific) Holdings Ltd. UK	136	08.05.2008	2008-09
9	Edelweiss Tokio Life Insurance Company Ltd.	Tokio Marine & Nichido Fire Insurance Company Ltd. Japan	147	10.05.2011	2011-12
10	*Exide Life Insurance Company Ltd.	---	114	02.08.2001	2001-02
11	Future Generali India Life Insurance Company Ltd.	Participatie Maatschapij Graafsschap Holland NV, Netherlands	133	04.09.2007	2007-08
12	HDFC Life Insurance Company Ltd.	Standard Life (Mauritius Holdings) 2006, Ltd. UK	101	23.10.2000	2000-01
13	ICICI Prudential Life Insurance Company Ltd.	Prudential Corporation Holdings Ltd. UK	105	24.11.2000	2000-01
14	IndiaFirst Life Insurance Company Ltd.	Carmel point investments India Pvt. Ltd.	143	05.11.2009	2009-10
15	Kotak Mahindra Life Insurance Ltd.	---	107	10.01.2001	2001-02
16	Max Life Insurance Company Ltd.	Mitsui Sumitomo Insurance Company Ltd. Japan	104	15.11.2000	2000-01
17	PNB Metlife India Insurance Company Ltd.	Metlife International Holdings Inc, USA	117	06.08.2001	2001-02
18	Pramerica Life Insurance Company Ltd.	Prudential International Insurance Holdings Ltd. USA	140	27.06.2008	2008-09
19	Reliance Nippon Life Insurance Company Ltd.	Nippon Life Insurance Company Ltd. Japan	121	03.01.2002	2001-02

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20	Sahara India Life Insurance Company Ltd.	---	127	06.02.2004	2004-05
21	SBI Life Insurance Company Ltd.	BNP Paribas Cardif, France	111	29.03.2001	2001-02
22	Shriram Life Insurance Company Ltd.	Sanlam Emerging Markets (Mauritius) Limited	128	17.11.2005	2005-06
23	Star Union Dai-ichi Life Insurance Company Ltd.	Dai-ichi Life Insurance Company Ltd. Japan	142	26.12.2008	2008-09
24	TATA AIA Life Insurance Company Ltd.	American International Assurance Company (Bermuda) Ltd.	110	12.02.2001	2001-02

(**Source:** IRDAI Annual Report)

*Note: Excide Life serial No. 10 has now been merged with HDFC Standard Life Insurance Company Ltd

From the above table it is clear that at present in India there is one Public Sector Company and 22 Private Sector Companies that are functional in India.

SIGNIFICANCE OF STUDY

The result derived from the present study will be useful for life insurance industry to identify the functioning and effectiveness of the concerned channel, further the study will also demonstrate the exhaustive list of marketing channels which will ultimately help the investors in buying their policies and to provide them after sale services and at last claim settlement process.

RESEARCH OBJECTIVES

1. To assess the future scope of life insurance business in India.
2. To make a comparison of the performance between the distribution channels used by Life Insurance Corporation of India, Private Life Insurance Companies and the life insurance industry.
3. To assess the growth performance of distribution channels of public and private life insurers and to compare the same with the industry performance.
4. To Find out the most significant distribution channel for Life Insurance Corporation of India, Private Life Insurance Companies and the Life Insurance Industry.

RESEARCH METHODOLOGY

In the present study, the performance of the distribution channels have been measured through two variables i.e. distribution channel-wise individual business premium collected and new individual policies issued by all life insurance companies for the period from 2016-17 to 2021-22. Further to make comparison between the Public and Private Life Insurance Companies, the data pertaining to First Year Premium and policies issued for individual businesses has been divided between the Public and Private Life Insurance Companies as per their share occupied during the period of study. Two-way classification ANOVA has been applied using Excel software at 1 percent level of significance and 99 percent level of confidence to test the significance both channel-wise and time period-wise. Further Tukey Post Hoc test has been conducted to determine the most significant channel. The Premium and Policy issued have been taken as dependent variables, whereas time period and distribution channels have been taken as independent variables. To calculate the CAGR, the assumptions of the technique viz homogeneity of variance and normality by taking log of the premium and policies have been considered. To test the growth in various parameters, compound annual growth rate has been calculated by applying regression model in its exponential form.

DATA COLLECTION

The study is based on secondary data collected from the handbook of insurance published by Insurance Regulatory and Development Authority of India for the year 2016-17 to 2021-22, books, journals, newspapers, magazines and websites. Since the study is based on historical data, hence it is not free from limitation of secondary data.

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RESEARCH PROBLEM

Whether there is any difference between performance of the channels of distribution with respect to collection of premium and policies issued by Public, Private life insurance Companies and life insurance industry in India?

FRAMING OF HYPOTHESIS

Insurance Regulatory and Development Authority of India stated that performance of industry shall be determined by the premium it generates by selling policies. The selling of policies and collection of premium depend on the factors such as the complexity and terms of contract, structure of distribution and method of payment. The insurance industry is leading in procuring business year after year with the help of new distribution channels which is proof in itself that premium collected through different marketing channels during the time period of the study (Sethi, 2008: 29-31). Therefore, to determine the performance of Life Insurance Corporation of India and Private Life Insurance Companies and to compare them and to test their significance the following hypotheses have been framed and tested:-

H_0= The amount of premium does not vary significantly with respect to the type of distribution channel of Life Insurance Corporation of India.

H_1= The amount of premium differs significantly with respect to the type of distribution channel of Life Insurance Corporation of India.

H_{0a}= The amount of premium does not vary significantly over the time period of study within the distribution channel of Life Insurance Corporation of India.

H_{1a}= The amount of premium differs significantly over the time period of study within the distribution channels of Life Insurance Corporation of India.

H_{0b}=The amount of premium does not vary significantly with respect to the type of distribution channel of Private Life Insurance Companies.

H_{1b}= The amount of premium differs significantly with respect to the type of distribution channel of Private Life Insurance Companies.

H_{0c}= The amount of premium does not differ significantly during the time period of study within the type of distribution channels of Private Life Insurance Companies.

H_{1c}= The amount of premium differs significantly during the time period of study within the type of distribution channel of Private Life Insurance Industry.

H_{0d}= The amount of premium does not vary significantly with respect to the type of distribution channel of Life Insurance Industry in India.

H_{1d}= The amount of premium differs significantly with respect the type of distribution channel by Life Insurance Industry in India.

H_{0e}= The amount of premium does not differ significantly over the time period of study by Life Insurance Industry in India.

H_{1e}= The amount of premium differs significantly over the time period of study by Life Insurance Industry in India.

H_{0f}= The issuance of policies do not differ significantly with respect to the type of distribution channels of Life Insurance Corporation of India.

H_{1f}= The issuance of policies differ significantly with respect to the type of distribution channels of Life Insurance Corporation of India.

H_{0g}= The issuance of policies do not differ significantly with respect the time period of study for Life Insurance Corporation of India.

H_{1g}= The issuance of policies differ significantly with respect to the time period of study for Life Insurance Corporation of India.

H_{0h}= The issuance of policies do not differ significantly with respect to the type of distribution channels of Private Life Insurance Companies.

H_{1h}= The issuance of policies differ significantly with respect to the type of distribution channels of Private Life Insurance Companies.

H_{0i}= The issuance of policies do not differ significantly with respect the time period of study for Private Life Insurance Companies.

H_{1i}= The issuance of policies differ significantly with respect to the time period of study for Private Life Insurance Companies.

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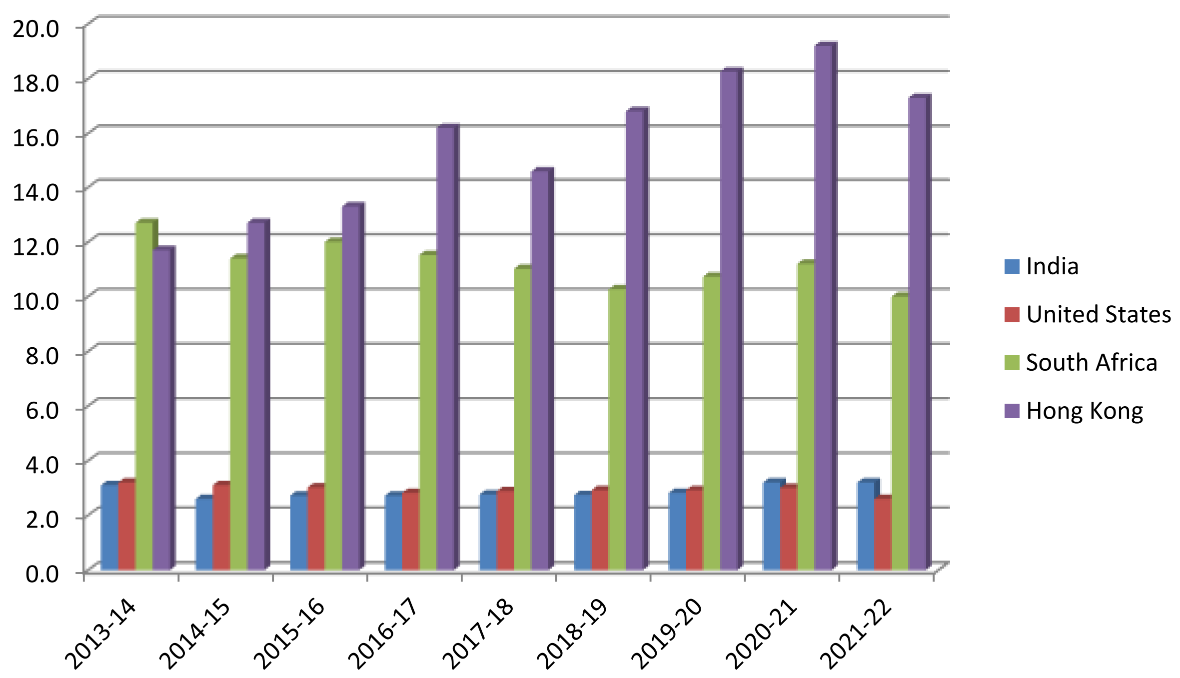
H_{0j}= The issuance of policies do not differ significantly with respect to the type of distribution channel of Life Insurance Industry in India.
H_{1j}= The issuance of policies differ significantly with respect to the type of distribution channel of Life Insurance Industry of India.
H_{0k}= The issuance of policies do not differ significantly with respect to the time period of study for Life Insurance Industry in India.
H_{1k}=The issuance of policies differ significantly with respect to the time period of study for Life Insurance Industry in India.

DATA ANALYSIS AND INTERPRETATION

Performance and present status of Life Insurance Business in India

Chart 1: Life Insurance Penetration and Comparison with other Countries



(**Source:** Excel)

Overview of Life Insurance Penetration after Liberalization

In the post liberalization period the life insurance penetration was 2.15 percent in the year 2001-02, while the insurance industry penetration of 2.71 percent for the same period. In 2005-06 it rose up to 2.53 percent in life insurance sector as compared to total of 3.14 percent. It further rose to 4.40 percent in 2010-11 in comparison of the total 5.10 percent. The economic slowdown which was prevailing globally in the last decade did not spare India, as after 2010-11 insurance penetration started declining and continue until 2018 and during the accounting year 2019-20 it was at bottom of 2.81 percent; thereafter, it started rising again. The report of Swiss Re Sigma depicts that during the financial year 2020-21 and 2021-22 it was 3.20 percent as compared to average insurance penetration throughout the world that remain at 3.00 percent in 2020-21 and 2021-22. The mean life insurance penetration is 3.12, whereas maximum insurance penetration of life insurance sector during the periods from 2001 to 2021-22 is 4.60 and minimum 2.15.(Source Swiss Re Sigma Report). Life insurance penetration in USA is poor than India, whereas in comparison with other nations like Hong Kong, South Africa and Japan India's life insurance penetration is poor. Insurance industry needs to explore the life insurance business in India.

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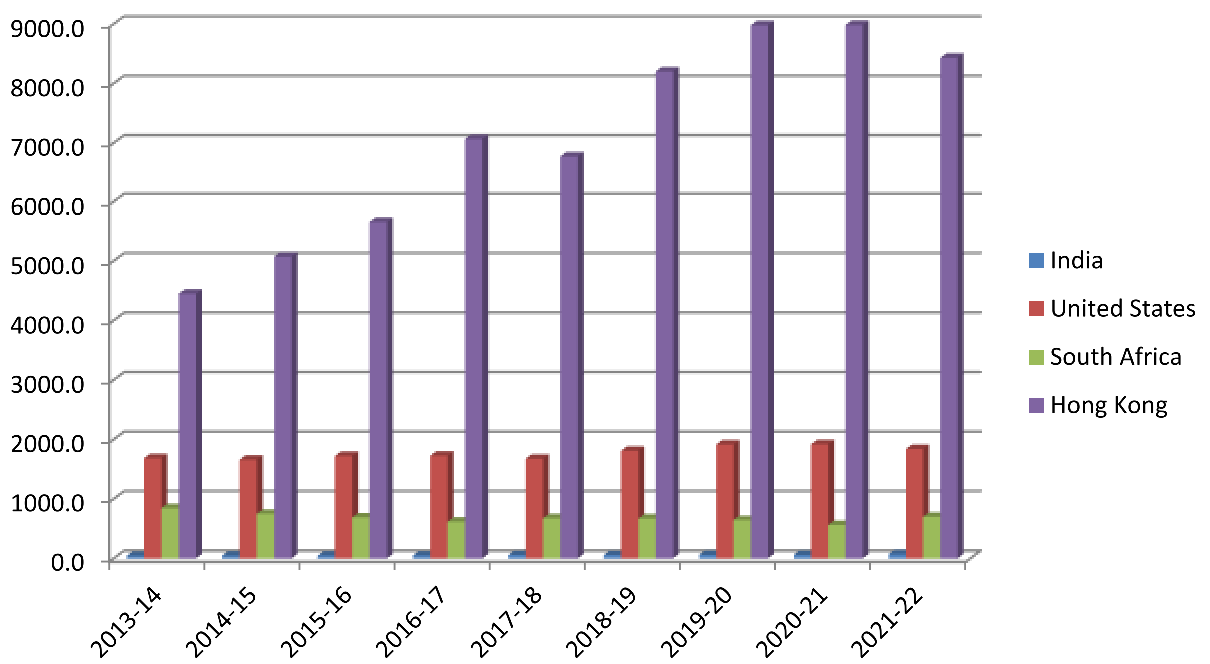
Life Insurance Density after Liberalization

After the opening of the insurance sector for private sector the insurance density started increasing; it was 9.10 USD in 2001-02 as compared to 11.5 USD of Insurance Industry in the same period. During the year 2005-06 it rose up to 18.30 USD and 55.70 USD in 2010-11 as compared to total of 64.40 USD. Thereafter it started decreasing and remained at 41 USD in 2013-14 against total insurance density of 52 USD, it started rising again from accounting year 2014-15 and it was 69 USD against 2021-22 as compared to world's life insurance density of 382 USD in the same financial year. (Source: Report of Swiss Re Sigma) It is concluded that life insurance penetration is increasing and is greater than the world's average and on the other hand insurance density is decreasing as compared to world's average. The spending on the life insurance products in India is showing slowest increasing rate. The reasons for low insurance density may be increasing population, unemployment, lack of awareness about insurance products. The mean insurance density for the period is 40.40 in the life sector and 10.21 in non-life sector with a total of 46.94 during the study period. The Maximum life insurance density during the period remains 69 and minimum 9.10 with a total of 91 and 11.5 respectively. The life Insurance Density of India is very poor to all the nations except Sir Lank, Bangladesh and Pakistan.

Chart 2. showing India's Life Insurance Density with other Developed Nations (Figure in USD)



(**Source:** IRDAI Report & Excel generated)

Performance in Terms of Growth Rate

Life Insurance Industry is selling products in the form of policies and yield generated from sale is the revenue from operation of the industry. Data pertaining to life insurance premium of first year for individual business have been collected as well as number of policies sold by different distribution channels by private and public life insurance company is analysed on the basis of two parameters namely growth rate (CAGR) and analysis of variance and comparison in the performance of channels for Public and Private Life Insurance Companies presently functional in India.

For the purpose of determining growth rate in the performance of distribution channels over the period of time, the following CAGR model has been used Y = abt After calculating its log Log Y = log a t log b CAGR = antilog(log b- 1) * 100 Log Y = Parameter whose CAGR is calculated a = constant term t = time period Log b = Retrogression Measure.

Growth of Distribution Channels of Life Insurance Corporation of India in terms of First Year Individual Premium on new business.

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Table 2. New Business Premium Collected by Life Insurance Corporation of India through Channels (Fig in Cr)

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent –Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	43814.02	1110	42.14	16.1	663.94	10.04	2.23	108.23
2017-18	49460.33	1350.43	36.65	25.71	824.72	**9.93**	7.7	185.44
2018-19	42712.18	1269.38	46.01	19.64	767.98	20.83	10.64	165.01
2019-20	48699.14	1429.86	40.08	25.04	739.05	222.09	13.78	233.58
2020-21	53068.19	1734.41	62.16	36.49	631.16	352.93	29.66	467.66
2021-22	52789.44	1441	50.67	28.43	618.95	257.92	79.28	295.13
Mean	**48423.88**	**1389.18**	**46.285**	**25.24**	**707.63**	**145.62**	**23.88**	**208.12**
Median	**49079.74**	**1390.15**	**44.08**	**25.38**	**701.50**	**121.46**	**12.21**	**209.51**
Minimum	**42712.18**	**1110**	**42.14**	**16.10**	**663.94**	**9.93**	**2.23**	**108.23**
Maximum	**53068.19**	**1734.41**	**62.16**	**36.49**	**739.05**	**352.93**	**79.28**	**467.81**
CAGR	**3.15**	**4.45**	**3.12**	**9.94**	**-1.16**	**71.77**	**81.33**	**18.20**

(**Source:** IRDAI Reports)

The year-wise performance in terms of premium collected by the distribution channels working as intermediary for Life Insurance Corporation of India; it has been found that the Individual Agent's performance is below mean and median performance during the year 2016-17 and 2018-19, whereas it is greater during rest of the study period. The business performance of Corporate Agent-Bank has been found below mean and median business performance in the year 2016-17, 2017-18 and 2018-19, whereas the business performance of other Corporate Agent has been below mean and median business performance during the year 2016-17, 2017-18, 2018-19 and 2019-20. The performance of the broker has been found below the mean performance during the year 2016-17, 2018-19 and 2019-20. The business performance of intermediary channel 'direct selling channel' has been found less than mean and median performance during the year 2016-17, 2020-21 and 2021-22. The business performance of MI-Agent and IMF has been found less than mean and median business performance during the year 2016-17 and 2017-18; the business performance of Online selling channel has been found less than mean and median performance during the year 2016-17, 2017-18 and 2018-19 whereas the performance of all the selected intermediary channels has been remained more than the mean and median business performance during rest of the study period.

Life Insurance Corporation of India has been positioned as the customer's choice due to the reason it has maintained the highest market share of 65 percent in overall business premium and 63.25 percent in first year business premium in individual business in spite of the fierce competition with the private sector companies; it has continue to sustain its leadership position even after 23 years of liberalization. It is further observed that LIC contributed Rupees. 43814.47 crore during the year 2016-17 as first year premium, which is more than 95 percent of individual business premium sourced through individual agency force. It has further intends to increase market share of Non par business. LIC is maintaining 1.33 million individual agents as main distributors of products, which can focus in rural, semi urban, urban and metropolitan areas of the country. It has aim to ensure a pan India presence across the various economic segments. Reserve Bank of India has allowed banks and other corporate entities to sell insurance and other financial products in the year 2001, it further allows other corporate entities to sell insurance and other financial products in 2015, but even after passing of 22 years LIC has not exhausted fully these channels because Corporate Agents like banks and other corporate entities have contributed only Rs. 1152.19 crore of First Year Premium which was 3.01 percent of total premium during 2016-17. LIC has currently tie-ups with 12 PSU Banks, 4 Private Banks, 15 Regional Rural Banks, 35 Co-operative Banks and one Foreign Bank for selling their insurance products. It also has 40 Corporate Agents on roll, 12 new Corporate Agents & 33 Insurance Marketing Firms (IMFs). The intermediary channel 'Brokers' contributed Rs. 16.10 crore of First Year Premium. The Insurance Marketing Firms contributed Rupee 2.23 crore of First Year Premium. Direct Marketing Channel was established in August, 2009 with 6 Units and since then it has expanded to 124 Units spread across the length and breadth of the country. In the Financial Year 2016-17, the Channel procured a First Premium Income of Rupee 663.94 Cr. Online selling contributed Rupee 108.23 Crores during

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the financial year 2016-17 and increased to 295.13 crore during 2021-22. The initiatives 'sales process monitoring' and 'business process' taken by LIC for tapping new system of business generation with a view to reaching out the untapped Markets; and further these initiatives will provide a new and improved buying experience to the customers, particularly to the young and technology friendly customers; this would led to the maintaining the leadership position of the LIC. During the year 2021-22 IMF showed 167.29 percent growth in first year business as compared to premium of 2020-21, whereas all other channel showed negative growth for the year 2021-22 when compared to the business of 2020-21. Whereas CAGR (81.33 percent) of premium from 2016-17 to 2021-22 of IMF has been found highest to all other channels. The CAGR of MI agent is (71.77 Percent), Online Selling (18.20 percent), Broker (9.94 percent), Corporate Agent-Bank (4.45 Percent), Individual Agent (3.15 percent) and Corporate Agent other than bank (3.12 percent). The Direct Selling is showing -1.16 percent CAGR during the period from 2016-17 to 2021-22. The highest mean premium collection of individual agents is (48423.88 Crore) followed by Corporate Agent- Bank (1389.18 Crore), Direct Selling (707.63 Crore), Online Selling (242.51 Crore), Micro Insurance Agent (145.62 Crore), Other Corporate Agent (46.29 Crore), and IMF (23.88 Crore).

Table 3: Channel wise Performance of Private Life Insurance Companies (Figure in Crore) in terms of First Year New Business Individual Premium.

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent –Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	9651.32	17140.35	969.27	955.98	3519.04	**7.92**	12.29	309.83
2017-18	11248.72	21854.25	1177.96	1156.43	4338.58	8.95	32.97	313.47
2018-19	18109.94	25141.25	1340.62	1371.06	5502.86	1.21	52.12	940.56
2019-20	12368.62	12368.62	1524.00	1524.00	1687.07	1.05	54.18	1235.99
2020-21	13191.31	31292.86	1837.34	1624.66	7449.00	0.91	131.15	1327.2
2021-22	**16083.8**	38551.22	2419.61	2396.31	8343.03	30.73	127.99	1609.18
Mean	13442.3	24391.4	1544.8	1504.70	5139.90	8.5	68.5	956.0
Median	**12779.97**	**23497.75**	**1432.31**	**1447.53**	**4920.72**	**4.565**	**53.15**	**1088.28**
Minimum	**9651.32**	12368.62	969.27	955.98	1687.07	1.05	12.29	309.83
Maximum	**18109.94**	38551.22	2419.61	2396.31	8343.03	30.73	131.15	1609.18
CAGR	8.88	14.46	16.47	16.55	15.47	25.35	47.78	31.60

(**Source:** IRDAI Reports)

The channels engaged by private life insurance companies are showing sustainable growth when measured in terms of CAGR throughout the period of study from 2016-17 to 2021-22; IMF depicts highest CAGR of (47.78 percent) followed by Online Selling (31.60 percent), MI agent (25.35 percent), Broker (16.55 percent), Corporate Agent other than bank (16.47 percent), Corporate Agent Bank (14.46 Percent) and Individual Agent (8.88 percent). The mean of individual premium received by each channel of private life insurance companies is in decreasing order starting from Corporate Agent-Bank (24391.4 Crore) followed by Individual Agent (13442.3 Crore), Direct selling (5139.9 Crore), Other corporate entities (1544.8 Crore), broker (1504.7 Crore), Online selling (956 Crore), IMF (68.8 Crore) and Micro Agents (8.5 Crore).

While making year-wise analysis it is observed that the new business premium collected through individual agents during the year 2016-17, 2017-18 and 2018-18 is less than median whereas new business premium collected through the same agent during 2018-19, 2020-21 and 2021-22 is greater than median. The new business premium collected by Corporate Agent-Bank found less than median during the year 2016-17, 2017-18 and 2019-20, whereas during the year 2018-19, 2020-21 and 2021-22 greater than median for the same channel. Corporate Agent-Bank is also found highest median value as compared to other marketing channels like Direct Selling, broker, Corporate Agent other than Bank, online selling IMF and MI. Further while making year-wise analysis it is found that Corporate Agents other than bank and broker have collected new business premium less than median performance and mean during the year 2016-17, 2017-18 and 2019-20. Direct selling shows less than median during the year 2016-17, 2017-18 and

2019-20. Micro agent shows less than median during the year 2018-19, 2019-20 and 2020-21. IMF and online selling shows less than median during the year 2016-17, 2017-18 and 2018-19 and rest of the year shows greater than median performance.

Table 4: Performance of Life Insurance Industry in terms of First Year Individual Premium (Fig.in Crore)

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent –Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	53465.34	18250.35	1011.41	972.08	3529.18	17.96	14.52	418.06
2017-18	60709.05	23204.78	1214.61	1182.14	5163.31	**18.88**	40.67	498.91
2018-19	60822.12	26410.44	1386.63	1390.70	6270.84	22.04	62.76	1105.57
2019-20	61067.75	27893.37	1564.08	1712.11	7309.98	223.14	68.00	1740.00
2020-21	66259.50	33027.27	1959.50	1661.15	8080.16	353.84	160.81	1794.87
2021-22	**68873.20**	39992.19	2470.28	2424.74	8961.98	288.65	207.27	1402.86
Mean	**61866.20**	**28129.70**	**1601.09**	**1557.15**	**6552.58**	**154.09**	**92.34**	**1209.23**
Median	**60944.90**	**27151.90**	**1475.36**	**1525.93**	**6790.41**	**122.59**	**65.38**	**1401.78**
Minimum	**53465.34**	**18250.35**	**1011.41**	**972.08**	**3529.18**	**17.96**	**14.52**	**418.06**
Maximum	**68873.20**	**39992.19**	**2470.28**	**2424.74**	**8961.98**	**353.84**	**207.27**	**1697.99**
CAGR	**4.31**	**13.97**	**16.05**	**16.46**	**16.80**	**58.86**	**55.75**	**26.31**

(**Source:** IRDAI Reports)

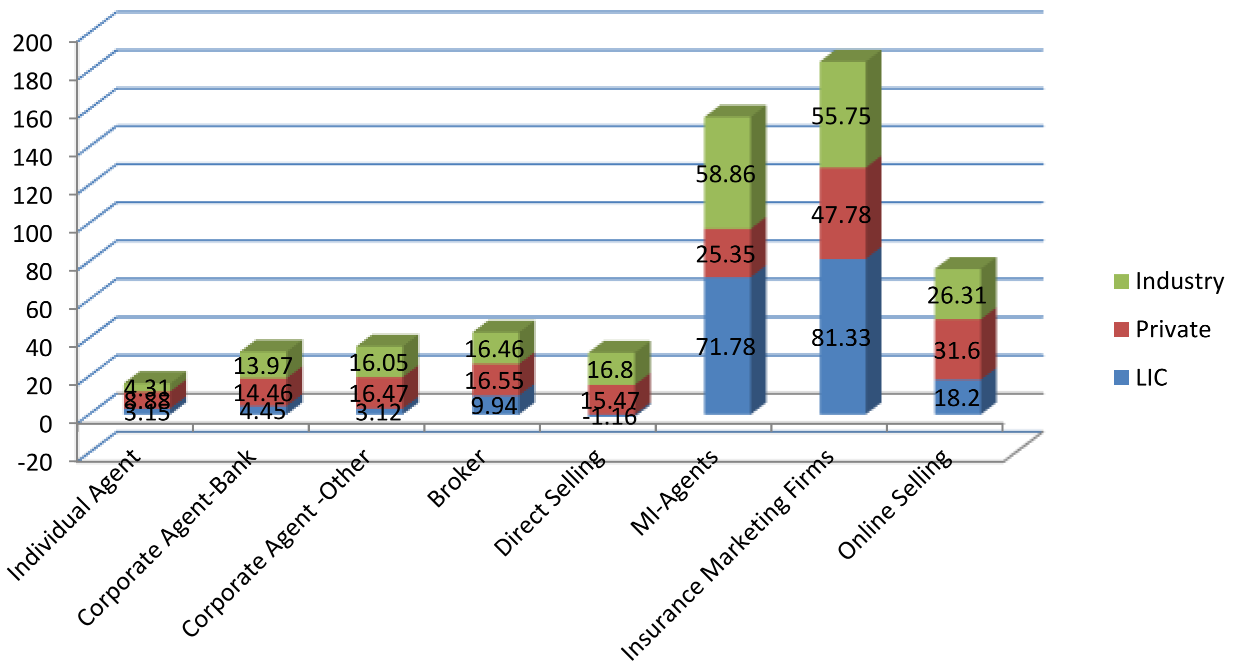
Life Insurance Industry Analysis

While making the industry analysis it is observed that individual agents, Corporate Agent-Bank, Corporate Agent other than bank, broker, direct selling, micro agents, IMF and online selling are showing greater performance during the year 2019-20, 2020-21 and 2021-22, because premium collected through all these distribution channels is greater than median in these year whereas less than median during the remaining period of study.

While making the mean performance analysis it is found that Individual Agents, Corporate Agent-Bank and Corporate Agent- other than bank, Broker, Micro Agents and Online Selling are showing premium collection less than the mean performance during the year 2016-17, 2017-18 and 2018-19 whereas during rest of the years these channels depicts collection of premium greater than the mean performance, whereas IMF shows less premium collection during the year 2016-17, 2017-18, 2018-19 and 2019-20.

From the above table it is observed that IMF is having highest CAGR (48.31 percent) followed by Broker (13.39 percent), Corporate Agent other than bank (8.59 percent), MI Agent (4.81 percent), Corporate Agent-Bank (4.55 Percent), Direct Selling (3.19 Percent) and Individual Agent (0.68 percent). The intermediary channel Online Selling channel depicts -0.63 percent CAGR during the study period. It is concluded that internet penetration in India is increasing and it is found 47 percent in 2022, yet the life insurance industry is not utilising the channels which are information technology enabled, this is a further matter of further investigation. When it is correlated with the financial literacy rate of India which is 29 percent during the year 2021, it is found that citizens are less aware about the financial products available in the financial market of the country. Life Insurance Industry needs to redress these issues for making further growth in life insurance business in India.

Diagram 1: Comparative CAGR of Life Insurance Corporation of India, Private Life Insurance Companies, and the Life Insurance Industry for Premium Collected.



(**Source:** Excel)

Comparison in Growth in Terms of First Year Individual Premium

Life Insurance Corporation of India is showing highest CAGR as compared to Insurance Industry with respect to IMF and MI Agent only; Individual Agent of Private Life Insurance Companies are showing CAGR greater than Industry performance followed by Corporate Agent-Bank, Corporate Agent Other than bank and Broker. The other marketing channels of private life insurance companies like Corporate Agent- bank, other than bank, broker and online selling have performed greater than the life insurance industry during the study period. Direct Selling channel in case both the sectors is depicting less than the industry performance. During the year 2021-22 life insurance industry has showed slow growth as compared to 2020-21. There was increase of life insurance business during 2020-2 particularly in the business of Life Insurance Corporation, this is indicative that during the time of financial emergency, people believe more on Public Sector Company and less on Private Companies. An amazing trend has been observed that there is increase of first year premium from all sources in case of LIC except direct selling during the year 2020-21 as compared to 2019-20 and showing robust increase in online selling. Private life insurance companies revealed CAGR of 15.48 percent for direct selling channel over the period of study, whereas LIC shows negative CAGR of -1.16 percent for the same period similarly private companies are showing CAGR of 31.60 percent for online selling during the period of study. Private companies are taking advantage of the increased information technology and selling more policies online and directly to the customers either through their website or from the aggregator appointed for the purpose.

Business Performance in Terms of Policy issued

Table 5: Policies Issued by Life Insurance Corporation of India

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent -Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	19368000	170232	22462	828	60882	480892	218	12397
2017-18	20466000	180614	28266	1476	71011	**564541**	478	16795

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2018-19	17768000	190423	37168	1611	68843	617653	1085	31795
2019-20	20711273	214447	24555	1418	68233	859375	5055	11864
2020-21	19647857	212182	24865	1554	65333	992200	8309	19352
2021-22	20641416	216518	28360	1492	64099	732007	17650	18147
Mean	19767091	197403	27613	1397	66400	707778	5466	17689
Median	20056929	201303	26566	1484	66783	674830	3070	15364
Minimum	**19368000**	**170232**	**22462**	**828**	**60882**	**480892**	**218**	**11864**
Maximum	**20711273**	**216518**	**37168**	**1611**	**68843**	**992200**	**17650**	**31795**
CAGR	**1.07**	**4.09**	**3.96**	**10.31**	**0.86**	**7.25**	**107.99**	**1.97**

(**Source:** IRDAI Reports)

Individual Agents have issued highest number of policies during the period of study with highest mean and median policies issued, but not in terms of CAGR IMF are showing highest CAGR of 107.99 percent. The CAGR of other intermediary channels are Broker (10.31 Percent), MI Agent (7.25 percent), Corporate Agent- Bank (4.09 percent), other than bank (3.96 percent), Online Selling (1.97 Percent), Individual Agent (1.07 percent) and Direct Selling 0.86 percent. However, in terms of number of policies issued Individual Agent issued highest number of policies over the period of study followed by MI agent, Corporate Agent-Bank, direct selling, Corporate Agent other than bank, Online Selling and Direct Selling. The mean individual policies in case of Individual Agent are significant because all values over the time period are around the mean value. The mean value is 19767091, maximum policies 20711273 and minimum 19368000 have been issued though individual agent.

Table 6: Policies issued by Private Life Insurance Companies in India-channel wise

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent - Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	2168497	2709758	279928	226786	549793	**94509**	5500	18633
2017-18	2022896	3018594	409317	236905	714505	54642	24329	59742
2018-19	4759242	3203229	435827	278287	713516	54049	27048	131731
2019-20	1903638	3022872	413979	309417	675462	83239	16583	143009
2020-21	1759857	3449476	417324	276413	738420	24634	28997	142751
2021-22	**1792451**	3545668	467392	482161	673246	30946	24848	50968
Mean	**2401097**	**3158266**	**403961**	**301662**	**677490**	**57003**	**21218**	**91139**
Median	**1963267**	**3113051**	**415652**	**277350**	**694489**	**54346**	**24589**	**95737**
Minimum	**1759857**	**2709758**	**279928**	**226786**	**549793**	**24634**	**5500**	**18633**
Maximum	**4759242**	**3545668**	**467392**	**482161**	**738420**	**94509**	**28997**	**143009**
CAGR	**-3.12**	**4.58**	**8.92**	**13.40**	**3.43**	**-16.98**	**28.57**	**18.26**

(**Source:** IRDAI Reports and Author's Calculations)

Private Life Insurance Companies are showing highest CAGR of 28.57 percent for the period of study in terms of number of policies issued followed by Online Selling (18.26 Percent), Broker (13.40 percent), Other Corporate Agent (8.92 percent), Corporate Agent Bank (4.58 percent) and Direct Selling (3.43); whereas individual agent depicts negative CAGR of 3.12 percent and MI Agent (-16.98 Percent) over the period of study. Corporate Agent-Bank is the among the distribution channels which issued highest number of policies with highest mean and median policies of 31.58 and 31.13 lakh respectively and minimum policies of 28 lakh and maximum 35.46 lakh policies issued during 2016-17 and 2021-22 respectively. Individual agent is the second largest in terms of mean and median policies issued by private life insurance companies followed by direct selling, corporate agents other than banks,

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brokers, online selling, micro agents and IMF. Direct Selling issued mean and median policies of 6.77 and 6.94 lakh respectively; it is further found that this channel issued policies less than mean during the year 2016-17, 2019-20 and 2021-22 and greater than mean and median during the rest of the years over the period of study.

Table 7: Individual Business Policies issued by Life Insurance Industry in India.

Year	Individual Agent	Corporate Agent-Bank	Corporate Agent –Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
2016-17	21536497	2879990	302390	227614	610675	575401	2609	260168
2017-18	22488896	3199208	437583	238381	785516	**619183**	5099	292352
2018-19	22527242	3393652	472995	278448	782359	671702	9801	317177
2019-20	22614911	3237319	438534	310835	743695	942614	11533	304536
2021-21	21407714	3661658	442189	277967	803753	1016834	20284	298704
2021-22	22433867	3762186	495752	483653	737345	762953	27768	250548
Mean	**22168188**	**3355669**	**431574**	**720489**	**743891**	**764781**	**12849**	**287248**
Median	**22461382**	**3315486**	**440362**	**294401**	**763027**	**717328**	**10667**	**295528**
Minimum	22527242	3393652	472995	2784482	782359	671702	9801	317177
Maximum	22614911	3237319	438534	310835	743695	942614	11533	304536
CAGR	**0.68**	**4.55**	**8.59**	**13.39**	**3.19**	**4.81**	**48.31**	**-0.63**

(**Source:** Reports of IRDAI and Author's Calculations)

The brokers in terms of CAGR of (13.39 percent) issued highest number of polices over the period of study in the life insurance industry followed by Other Corporate Agent (8.59 percent), Corporate Agent-Bank (4.55 percent), Direct Selling (3.19 percent) and Individual Agent (0.68 percent); whereas online selling shows (-0.63 percent) CAGR over the period of study. The highest mean and median for policies issued is through the Individual Agent, but their growth rate is less as compared to other channels except online selling.

Table 8: Comparative Analysis of CAGR for Policies Issued for New Business

Sector/Channel	Individual Agent	Corporate Agent-Bank	Corporate Agent – Other	Broker	Direct Selling	MI-Agents	Insurance Marketing Firms	Online Selling
LIC	**1.07**	**4.09**	**3.96**	**10.31**	**0.86**	**7.25**	**107.99**	**1.97**
PVT	**-3.12**	**4.58**	**8.92**	**13.40**	**3.43**	**-16.98**	**28.57**	**18.26**
Industry	**0.68**	**4.55**	**8.59**	**13.39**	**3.19**	**4.81**	**48.31**	**-0.63**

(**Source:** Calculated from IRDA Reports)

Life Insurance Corporation of India revealed positive CAGR for policies issued throughout the study period and with respect to all the channels of distribution worked for the company in the same period. IMF shows highest CAGR of 107.99 percent over the period of study followed by Broker (10.31 Percent), MIA (7.25 percent) and Corporate Agent-Bank (4.09 Percent). IMF, MIA and Corporate Agent-Bank have emerged as prime channels in terms of CAGR for policies issued over the period of time. Private life insurance companies show highest CAGR for policies issued for IMF (28.57 Percent) followed by Online selling (18.26 Percent), Broker (13.40 Percent), other corporate agents (8.92 Percent) and Corporate Agent-Bank (4.58 percent). The life insurance industry shows highest CAGR for policies issued by IMF (48.31 percent) followed by broker (13.39 percent), Other Corporate Agent (8.59 percent), MIA (4.81 percent) and Corporate Agent-Bank (4.55 percent). It is clear that IMF shows highest CAGR for policies issued followed by broker and Corporate Agent bank and other than bank and both LIC and Private life insurance companies followed the same pattern.

Table 9: ANOVA two Way Classification for Test for Premium Collected by Life Insurance Corporation of India, Private Life Insurance Companies and Life Insurance Industry-A Comparison

ANOVA TWO WAY CLASSIFICATION TABLE						
Indicator	Source of Variation	Sum of Square	Degree of Freedom	Mean Sum of Square	F-Ratio	T-Value
Premium-LIC	Channels	12133244845	7	1733320692	741.16	3.21
	Time	14249408.40	5	2849881.68	1.22	3.43
	SSE	81853343.16	35	2338666.95		
Premium-Private Life	Channels	3185040087	7	455005726.7	40.62	3.21
	Between Time	144384782.2	5	28876956.43	2.58	3.43
	SSE	392044038.1	35	11201258.23		
Premium-Life Industry	Channels	20340130755	7	2905732965	353.29	3.21
	Between Time	168272707.2	5	33654541.4	4.09	3.43
	SSE	287863838.5	35	8224681.1		

(**Source:** Author's Calculations)

The Calculated value of F for premium collected through Life Insurance Corporation of India is 741.16 which is greater than the table of at 99 percent level of confidence and 1 percent level of significance which is 3.21 whereas V_1 is 7 and V_2 is 35 i.e. $P>P_{01}$ $(741.16>3.21_{01})$; therefore, the null hypothesis H_0 is rejected and alternative hypothesis H_1 is accepted, this reflects that premium collected by Life Insurance Corporation of India though different distribution channels differs significantly. On the other hand premium collected over the period of time though different distribution channels do not differ significantly as $P<P_{01}$ $(1.22<3.43_{01})$ for Life Insurance Corporation of India, hence in case of time period H_0 is accepted and found that there is no significant difference for premium collected over the time period of study.

Similarly making the ANOVA analysis of premium collected by private life insurance companies though distribution channels which are common with Life Insurance Corporation of India, it is found that calculated value of F for premium is 40.62 and Table value is 3.21 which is less than the calculated value of F i.e. $P>P_{01}(40.62>3.21_{01})$, it is found that new business premium collected through distribution channels differs significantly, whereas while making the analysis over the time period of study, it is also found that $P<P_{01}$ $(2.58<3.43_{01})$, the calculated value of F is less than table value, hence concluded that premium collected through different channels over the period of study do not differ significantly in case of private life insurance companies. Hence null hypothesis is accepted.

While making the analysis of distribution channel engaged by Life Insurance Industry in respect of first year premium collected through these channels. It is found that calculated value of F for premium is 353.29, which is greater than the table value of 3.21 i.e. $P>P_{05}$ $(353.29.29_{01})$, hence it is concluded that first year individual business premium collected through different distribution channels differs significantly, therefore H_1 is accepted and null hypothesis is rejected, similarly while making the industry analysis over the time period from 2016-17 to 2021-22, the calculated value of F is 4.09 and the table value is 3.43, the calculated value of F is greater than table value i.e. $P>P_{01}(4.09>3.43_{01})$, but the critical value of p is greater than 0.01, hence the H_0 is accepted and alternative hypothesis is rejected and it is concluded that performance of distribution channels over the time period do not differ significantly, this implies that year-wise performance of the life insurance industry do not differ significantly.

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Table 10: ANOVA two Way Classification Test for Policies Issued by Life Insurance Corporation (LIC), Private Life Insurance Companies (Pvt. Life) and Life Insurance Industry (Life Industry)

Indicator	Source of Variation	Sum of Square	Degree of Freedom	Mean Sum of Square	F-Ratio	T-Value
Policies –LIC	Between Channels	2023484018899150	7	289069145557022	1808.80	3.21
	Between Time	895652311637.19	5	179130462327.44	0.51	3.43
	SSE	5605818508980.25	35	160166243113.72		
Policies-Pvt Life	Between Channels	60856911966000.30	7	8693844566571.47	47.80	3.21
	Between Time	1003037938438.66	5	200607587687.73	1.10	3.43
	SSE	6366101478263.01	35	181888613664.66		
Policies –Life Industry	Between Channels	2434309751963770	7	347758535994824	6933.48	3.21
	Between Time	504747177526	5	100949435505.20	2.01	3.43
	SSE	1755474691800	35	50156419765.71		

(**Source:** Author's Calculations)

While making ANOVA analysis of Policies issued by Life Insurance Corporation of India through distribution channels, the calculated value of F for policies issued is 1808.54 which is greater than the table of at 99 percent level of confidence and 1 percent level of significance which is 3.21 whereas V_1 is 7 and V_2 is 35, i.e. $P>P_{05}$ ($1808.54>3.21_{01}$); therefore, the null hypothesis H_0 is rejected and alternative hypothesis H_1 is accepted, this reflects that policies issued by Life Insurance Corporation of India though different distribution channels differ significantly. On the other hand policies issued over the period of time though different distribution channels do not differ significantly as $P<P_{01}$ ($0.51<3.43_{01}$), hence is null hypothesis is accepted.

Similarly, while making the ANOVA analysis of policies issued by private life insurance companies though the selected distribution channels, it is found that calculated value of F for policies issued by private life insurance policies is 47.80 and Table value is 3.21, the critical value is less than the calculated value of F i.e. $P>P_{01}$ ($47.80>3.21_{01}$), it is found that new business policies issued through distribution channels differ significantly, whereas while making the analysis over the time period of study, it is found that $P<P_{01}$ ($1.10<3.43_{01}$), the calculated value of F of policies issued over the time period is less than table value, hence concluded that policies issued through different channels over the period of study do not differ significantly, hence H_0 is accepted.

While making the analysis of distribution channel engaged by Life Insurance Industry in respect of first year policies issued through these channels. It is found that calculated value of F for policies issued is 6933.81, which is greater than the table value of 3.21 i.e. $P>P_{01}$($6933.81>2.29_{01}$), hence it is concluded that first year individual business policies issued through different distribution channels differ significantly, therefore H_0 is rejected and alternative hypothesis is accepted, similarly while making the industry analysis over the time period from 2016-17 to 2021-22, the calculated value of F for policies issued is 2.01 and the table value is 3.43, the calculated value of F is less than table value i.e. $P<P_{01}$($2.01<3.43_{01}$), hence the H_0 is accepted and alternative hypothesis is rejected and it is concluded that performance of distribution channels over the time period do not differ significantly in respect of policies issued by life insurance industry.

While making the comparison between Life Insurance Corporation of India and the Private Life Insurance Companies it is found that both the sectors of life insurance industry differ significantly with respect to first year premium and policies issued and both these sectors shows resemblance with the industry with respect to first year premium collected through the distribution channels but do not show resemblance with respect to policies issued. The life insurance industry differs significantly with respect to time period of study, but public and private life insurance companies do not differ significantly over the time period of study.

After making the ANOVA analysis, it is concluded that the common distribution channels of both Life Insurance Corporation of India and Private Life Insurance Companies with respect to first year individual business premium collected differs significantly. Hence alternative hypothesis has been accepted. In the present circumstances it is not possible to indicate which channel is more efficient in case of Life Insurance Corporation of India, private life insurance companies, and life insurance industry individually and collectively for the industry. Similarly both LIC and private companies do not differ significantly with respect to first year premium over the time period of study; therefore, no need to study further in this connection. With respect to policies issued LIC,

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Private life insurance companies, and life insurance industry differ significantly, but with respect to time period for policies issued by LIC, Private life insurance companies, and life insurance industry do not differ over the time period of study. Hence there is no need to study further in this connection. Therefore, to know the more significant distribution channel of public and private life insurance companies for first year business premium collected and policies issued by them the Post-Hoc test is to be conducted with respect to first year business premium and policies issued by both the life insurance sectors as well as the Life Insurance Industry.

Table 11: Summary of Two Way Classification Test Results of ANOVA

Hypothesis	Sector	Dependent Variable	Independent Variable	Level of Significance	Result	Remedial Action if rejected
H_0	Life Insurance Corporation of India	Premium	Channel	.01	Rejected	Post Hoc
H_{0a}	Life Insurance Corporation of India		Time	.01	Accepted	No Need
H_{0b}	Private Life Insurance Companies		Channel	.01	Rejected	Post Hoc
H_{0c}	Private Life Insurance Companies		Time	.01	Accepted	No Need
H_{0d}	Life Insurance Industry		Channel	.01	Rejected	Post Hoc
H_{0e}	Life Insurance Industry		Time	.01	Accepted	No Need
H_{0f}	Life Insurance Corporation of India	Policies	Channel	.01	Rejected	Post Hoc
H_{0g}	Life Insurance Corporation of India		Time	.01	Accepted	No Need
H_{0h}	Private Life Insurance Companies		Channel	.01	Rejected	Post Hoc
H_{0i}	Private Life Insurance Companies		Time	.01	Accepted	No Need
H_{0j}	Life Insurance Industry		Channel	.01	Rejected	Post Hoc
H_{0k}	Life Insurance Industry		Time	.01	Accepted	No Need

(**Source:** Author's Interpretation)

Tukey's Post –Hoc Test

The calculated value of F for premium collected by Life Insurance Corporation of India through distribution channel is greater than the critical value, therefore alternative hypothesis accepted, it means different channels differ significantly; therefore, to find out which channel is more significant, it need to test further to find out which of the channels are most significant, the most relevant test for this purpose is Tukey's Post Hoc Test which is followed after ANOVA, if F value is found differing significantly.
The P-value corresponding to the F-Value in the ANOVA table is lower than 0.01, which strongly suggests that one or more channel of distribution of Life Insurance Corporation of India are significantly different. In the present study there are 8 different distribution channels namely Individual Agent, Corporate Agent- banks, Corporate Agent other than Bank, Broker, Direct Selling, Micro Insurance Agent, Insurance Marketing Firms and Online Selling; therefore as per Tukey treatment for Post Hoc Test k= 8, so as per this test we have 28 different pairs out of which, it is to pinpoint which of these exhibits statistically significantly different. To establish Tukey treatment first to find critical value of the Tukey-Kramer HSD q so k=8, and n=6, therefore, v=48-8 = 40, alfa is .01 and 0.05. P-value in the Standardized Range distribution value of q is 5.3920 at 1 percent level of significance and 4.5206 at 5 percent level of significance. In the Tukey analysis when the sample sizes of columns in a pair being compared are different, the harmonic mean lies somewhere in between the two samples sizes. The relevant harmonic mean is required for applying Tukey-Kramer procedure for channels with unequal sizes. Therefore, the Mean Square Error is 2402568.79. The test of whether the Tukey-Kramer confidence interval includes zero is equivalent to evaluating whether $q_{ij}>q_{critical}$.
K=8
Degree of freedom 40
q_{α}= 0.01, k=8, v=40 critical value = 5.3920, and
q_{α}= 0.05, k=8, v=40 critical value = 4.5206

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Table 12: Tukey Result showing Mean Difference between I and J

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Premium-Life Insurance Corporation of India	Individual Agent	Corporate Agent – Bank	74.3286	0.001	p<0.01
		Corporate Agent-Others	76.4508	0.001	p<0.01
		Broker	76.4841	0.001	p<0.01
		Direct Selling	75.4057	0.001	p<0.01
		Micro Insurance Agent	76.2968	0.001	p<0.01
		IMF	76.4862	0.001	p<0.01
		Online Selling	76.1407	0.001	p<0.01
	Corporate Agent-Bank	Corporate Agent-Others	2.1222	0.778	p>0.01
		Broker	2.1554	0.765	p>0.01
		Direct Selling	1.0770	0.899	p>0.01
		Micro Insurance Agent	1.965	0.841	p>0.01
		IMF	2.158	0.764	p>0.01
		Online Selling	1.812	0.899	p>0.01
	Corporate Agent-Others	Broker	0.033	0.899	p>0.01
		Direct Selling	1.045	0.899	p>0.01
		Micro Insurance Agent	0.157	0.899	p>0.01
		IMF	0.035	0.899	p>0.01
		Online Selling	0.310	0.899	p>0.01
	Broker	Direct Selling	1.0784	0.899	p>0.01
		Micro Insurance Agent	0.1902	0.899	p>0.01
		IMF	0.0021	0.899	p>0.01
		Online Selling	0.3434	0.899	p>0.01
	Direct Selling	Micro Insurance Agent	0.8881	0.899	p>0.01
		IMF	1.0805	0.899	p>0.01
		Online Selling	0.7350	0.899	p>0.01
	Micro Insurance Agent	IMF	0.1924	0.899	p>0.01
		Online Selling	0.1531	0.899	p>0.01
	IMF	Online	0.3455	0.899	p>0.01

(**Source:** Author's Calculations)

Tukey post hoc HSD test conducted for premium collected by Life Insurance Corporation of India depicts that the Tukey value at 01 percent level of significance 5.392 called Q value. The mean difference i.e. (I – J) in case of Individual Agent is greater than the value of Q, this indicates that Individual Agent is significantly differs from the other distribution channel. The above table 12 reveals that the value of mean difference in case of all the other distribution channel is showing less than Tukey Q value, this indicates that these channels are not significantly differ from the each other. Similarly Tukey critical value of p is less than 0.01 in

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case of Individual Agent, whereas in case of all other case Tukey critical value is greater than 0.01; therefore, It is found that Individual Agent in case of Life Insurance Corporation of India differs significantly from all other distribution channels

Table 13: Post Hoc Test for Premium Collected by Private Life Insurance Companies through the selected Distribution Channels

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Premium-Private Life Insurance Companies	Individual Agent	Corporate Agent –Bank	7.3237	0.0010053	P<0.01
		Corporate Agent-Others	7.9580	0.0010053	P<0.01
		Broker	7.9848	0.0010053	P<0.01
		Direct Selling	5.5533	0.0072657	P<0.01
		Micro Insurance Agent	8.9856	0.0010053	P<0.01
		IMF	8.9455	0.0010053	P<0.01
		Online Selling	8.3518	0.0010053	P<0.01
	Corporate Agent-Bank	Corporate Agent-Others	15.2817	0.0010053	P<0.01
		Broker	15.3085	0.0010053	P<0.01
		Direct Selling	12.8770	0.0010053	P<0.01
		Micro Insurance Agent	16.3093	0.0010053	P<0.01
		IMF	16.2692	0.0010053	P<0.01
		Online Selling	15.6755	0.0010053	P<0.01
	Corporate Agent-Others	Broker	0.0268	0.8999947	P>0.01
		Direct Selling	2.4047	0.6646579	P>0.01
		Micro Insurance Agent	1.0276	0.8999947	P>0.01
		IMF	0.9875	0.8999947	P>0.01
		Online Selling	0.3938	0.8999947	P>0.01
	Broker	Direct Selling	2.4315	0.6539191	P>0.01
		MI- Agent	1.0008	0.8999947	P>0.01
		IMF	0.9607	0.8999947	P>0.01
		Online Selling	0.3670	0.8999947	P>0.01
	Direct Selling	MI-Agent	3.4323	0.2565851	P>0.01
		IMF	3.3922	0.2698214	P>0.01
		Online Selling	2.7985	0.5068442	P>0.01
	MI- Agent	IMF	0.0401	0.8999947	P>0.01
		Online Selling	0.6338	0.8999947	P>0.01
	IMF	Online	0.5937	0.8999947	P>0.01

(**Source:** Author's Calculation)

Tukey value at 1 percent level of significant and 99 percent level of confidence is 5.392 and the mean difference indicated in the above table 11 is greater that Tukey value of 5.392; it is greater in case of Individual Agent and Corporate Agent–Bank, whereas the Tukey Value, in case of all other distribution channels engaged by Private Life Insurance Companies is lower than the mean difference (I – J) as indicated in the above table. Similarly the Tukey critical value of p is less than 0.01 in case of Individual Agent and Corporate Agent-Bank. Therefore, in case of Private Life Insurance Companies Individual Agent and Corporate Agent-Bank are differing significantly with other distribution channels, whereas all other channels do not differ significantly with each other since their Tukey value is greater than 0.01.

Table 14: Tukey Post Hoc Test for Premium Collected by Life Insurance Industry

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Premium-Life Insurance Industry	Individual Agent	Corporate Agent –Bank	24.4713	0.0010053	p<0.01
		Corporate Agent-Others	43.7143	0.0010053	p<0.01
		Broker	43.7462	0.0010053	p<0.01
		Direct Selling	40.1227	0.0010053	p<0.01
		Micro Insurance Agent	44.7639	0.0010053	p<0.01
		IMF	44.8087	0.0010053	p<0.01
		Online Selling	44.0343	0.0010053	p<0.01
	Corporate Agent- Bank	Corporate Agent-Others	19.2430	0.0010053	p<0.01
		Broker	19.2749	0.0010053	p<0.01
		Direct Selling	15.6514	0.0010053	p<0.01
		Micro Insurance Agent	20.2926	0.0010053	p<0.01
		IMF	20.3374	0.0010053	p<0.01
		Online Selling	19.5629	0.0010053	p<0.01
	Corporate Agent-Others	Broker	0.0319	0.8999947	p>0.01
		Direct Selling	3.5917	0.2087873	p>0.01
		Micro Insurance Agent	1.0496	0.8999947	p>0.01
		IMF	1.0944	0.8999947	p>0.01
		Online Selling	0.3199	0.8999947	p>0.01
	Broker	Direct Selling	3.6235	0.1999778	p>0.01
		MI- Agent	1.0177	0.8999947	p>0.01
		IMF	1.0625	0.8999947	p>0.01
		Online Selling	0.2880	0.8999947	p>0.01
	Direct Selling	MI-Agent	4.6413	0.0405701	p>0.01
		IMF	4.6860	0.0374862	p>0.01
		Online Selling	3.9116	0.1326349	p>0.01
	MI- Agent	IMF	0.0448	0.8999947	p>0.01
		Online Selling	0.7297	0.8999947	p>0.01
	IMF	Online	0.7745	0.8999947	p>0.01

(**Source:** Author's Calculations)

Tukey value at 1 percent level of significant and 99 percent level of confidence is 5.392 and the mean difference indicated in the above table 12 is greater that Tukey value of 5.392; it is greater in case of Individual Agent and Corporate Agent–Bank, whereas the Tukey Value, in case of all other distribution channels engaged by Life Insurance Industry is lower than the mean difference (I – J) as indicated in the above table. Similarly the Tukey critical value of p is less than 0.01 in case of Individual Agent and Corporate Agent-Bank. Therefore, in case of Life Insurance Industry; the Individual Agent and Corporate Agent-Bank are differing significantly with other distribution channels, whereas all other channels do not differ significantly with each other since their Tukey value is greater than 0.01in case of all other channels.

Table 15: Tukey's Post Hoc Test for Policies Issued by Life Insurance Corporation of India

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Policies Issued-Life Insurance Corporation of India	Individual Agent	Corporate Agent –Bank	118.9005	0.0010053	p<0.01
		Corporate Agent-Others	119.9321	0.0010053	p<0.01
		Broker	120.0914	0.0010053	p<0.01
		Direct Selling	119.6964	0.0010053	p<0.01

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		Micro Insurance Agent	115.7996	0.0010053	p<0.01
		IMF	120.0667	0.0010053	p<0.01
		Online Selling	119.9881	0.0010053	p<0.01
	Corporate Agent- Bank	Corporate Agent-Others	1.0316	0.8999947	p>0.01
		Broker	1.1909	0.8999947	p>0.01
		Direct Selling	0.7959	0.8999947	p>0.01
		Micro Insurance Agent	3.1009	0.3790497	p>0.01
		IMF	1.1662	0.8999947	p>0.01
		Online Selling	1.0876	0.8999947	p>0.01
	Corporate Agent- Others	Broker	0.1593	0.8999947	p>0.01
		Direct Selling	0.2357	0.8999947	p>0.01
		Micro Insurance Agent	4.1325	0.0947066	p>0.01
		IMF	0.1346	0.8999947	p>0.01
		Online Selling	0.0560	0.8999947	p>0.01
	Broker	Direct Selling	0.3949	0.8999947	p>0.01
		MI- Agent	4.2918	0.0736306	p>0.01
		IMF	0.0247	0.8999947	p>0.01
		Online Selling	0.1033	0.8999947	p>0.01
	Direct Selling	MI-Agent	3.8969	0.1355965	p>0.01
		IMF	0.3702	0.8999947	p>0.01
		Online Selling	0.2917	0.8999947	p>0.01
	MI- Agent	IMF	4.2671	0.0766717	p>0.01
		Online Selling	4.1885	0.0869819	p>0.01
	IMF	Online	0.0785	0.8999947	p>0.01

(**Source:** Author's Calculations)

Tukey value at 1 percent level of significant and 99 percent level of confidence is 5.392 and the mean difference indicated in the above table 12 is greater that Tukey value of 5.392 for policies issued; it is greater in case of Individual Agent, whereas the Tukey Value, in case of all other distribution channels engaged by Life Insurance Industry is lower than the mean difference (I – J) as indicated in the above table. Similarly the Tukey critical value of p is less than 0.01 in case of Individual Agent. Therefore, in case of Life Insurance Corporation of India; the Individual Agent differs significantly with other distribution channels, whereas all other channels do not differ significantly or insignificant with each other since their Tukey value is greater than 0.01.

Table 16: Tukey's Post Hoc Test for Policies Issued by Private Life Insurance Companies

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Policies Issued-Private Life Insurance Companies	Individual Agent	Corporate Agent –Bank	4.3211	0.0701591	p>0.01
		Corporate Agent-Others	11.3974	0.0010053	p<0.01
		Broker	11.9812	0.0010053	p<0.01
		Direct Selling	9.8364	0.0010053	p<0.01
		Micro Insurance Agent	13.3774	0.0010053	p<0.01
		IMF	13.5816	0.0010053	p<0.01
		Online Selling	13.1826	0.0010053	p<0.01
	Corporate Agent- Bank	Corporate Agent-Others	15.7184	0.0010053	p<0.01
		Broker	16.3022	0.0010053	p<0.01
		Direct Selling	14.1574	0.0010053	p<0.01

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		Micro Insurance Agent	17.6985	0.0010053	p<0.01
		IMF	17.9027	0.0010053	p<0.01
		Online Selling	17.5037	0.0010053	p<0.01
	Corporate Agent-Others	Broker	0.5838	0.8999947	p>0.01
		Direct Selling	1.5610	0.8999947	p>0.01
		Micro Insurance Agent	1.9800	0.8348415	p>0.01
		IMF	2.1843	0.7530022	p>0.01
		Online Selling	1.7852	0.8999947	p>0.01
	Broker	Direct Selling	2.1448	0.7688156	p>0.01
		MI- Agent	1.3962	0.8999947	p>0.01
		IMF	1.6005	0.8999947	p>0.01
		Online Selling	1.2014	0.8999947	p>0.01
	Direct Selling	MI-Agent	3.5410	0.2233105	p>0.01
		IMF	3.7453	0.1692790	p>0.01
		Online Selling	3.3462	0.2854872	p>0.01
	MI- Agent	IMF	0.2042	0.8999947	p>0.01
		Online Selling	0.1948	0.8999947	p>0.01
	IMF	Online	0.3990	0.8999947	p>0.01

(**Source:** Author's Calculations)

Tukey value at 1 percent level of significant and 99 percent level of confidence is 5.392 and the mean difference indicated in the above table 14 is greater that Tukey value of 5.392; it is greater in case Corporate Agent–Bank for policies issued, whereas the Tukey Value, in case of all other distribution channels engaged by Private Life Insurance Companies is lower than the mean difference (I – J) as indicated in the above table. Similarly the Tukey critical value of p is less than 0.01 in case of Corporate Agent-Bank. Therefore, in case of Private Life Insurance Companies; Corporate Agent-Bank is differing significantly with other distribution channels, whereas all other channels do not differ significantly with each other since their Tukey value is greater than 0.01.

Table 17: Tukey's Post Hoc Test for Policies Issued by Life Insurance Industry

Dependent Variable	Channel (I)	Channel (J)	Mean Difference	Tukey HSD P-Value	Tukey HSD interference
Policies Issued by Life Insurance Industry	Individual Agent	Corporate Agent –Bank	193.8550	0.0010053	p<0.01
		Corporate Agent-Others	223.9866	0.0010053	p<0.01
		Broker	225.3134	0.0010053	p<0.01
		Direct Selling	220.7683	0.0010053	p<0.01
		Micro Insurance Agent	220.5530	0.0010053	p<0.01
		IMF	228.3014	0.0010053	p<0.01
		Online Selling	225.4738	0.0010053	p<0.01
	Corporate Agent- Bank	Corporate Agent-Others	30.1316	0.0010053	p<0.01
		Broker	31.4583	0.0010053	p<0.01
		Direct Selling	26.9133	0.0010053	p<0.01
		Micro Insurance Agent	26.6980	0.0010053	p<0.01
		IMF	34.4463	0.0010053	p<0.01
		Online Selling	31.6188	0.0010053	p<0.01
	Corporate Agent-Others	Broker	1.3268	0.8999947	p>0.01
		Direct Selling	3.2183	0.3315960	p>0.01

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		Micro Insurance Agent	3.4336	0.2561914	p>0.01
		IMF	4.3148	0.0708934	p>0.01
		Online Selling	1.4872	0.8999947	p>0.01
	Broker	Direct Selling	4.5451	0.0479446	p>0.05
		MI- Agent	4.7604	0.0328264	p>0.05
		IMF	2.9880	0.4270432	p>0.01
		Online Selling	0.1604	0.8999947	p>0.01
	Direct Selling	MI-Agent	0.2153	0.8999947	p>0.01
		IMF	7.5331	0.0010053	p<0.01
		Online Selling	4.7055	0.0362128	p>0.05
	MI- Agent	IMF	7.7483	0.0010053	p<0.01
		Online Selling	4.9208	0.0245046	p>0.05
	IMF	Online	2.8276	0.4950739	p>0.01

(**Source:** Author's Calculations)

Tukey value at 1 percent level of significant and 99 percent level of confidence is 5.392 and the mean difference indicated in the above table 12 is greater that Tukey value of 5.392; it is lower in case of Individual Agent, Corporate Agent–Bank and Insurance Marketing Firms (IMF) for policies issued, whereas the Tukey Value, in case of all other distribution channels engaged by Life Insurance Industry is greater than the mean difference (I – J) as indicated in the above table. Similarly the Tukey critical value of p is less than 0.01 in case of Individual Agent, Corporate Agent-Bank and Micro Insurance Agent for policies Issued. Therefore, in case of Life Insurance Industry; the Individual Agent, Corporate Agent-Bank and Micro Insurance Agent are differing significantly with other distribution channels, whereas all other channels do not differ significantly with each other since their Tukey value is greater than 0.01 at 99 percent level of confidence.

Individual Agent differs significantly in case of Life Insurance Corporation of India with respect to premium collected and policies issued during the period of study. In case of Private Life Insurance Companies, Corporate Agent-Bank differs significantly for premium collected and policies issued; whereas life insurance industry differ significantly in case of Individual Agent, Corporate Agent-Bank for premium collected and Individual Agent, Corporate Agent-Bank and Micro Insurance Agent for policies issued.

FINDINGS AND CONCLUSIONS

Success of every insurance company largely depends upon the performance of distribution network adopted by the company. Distribution channels have increasingly been seen as one of the key marketing variable, capable of providing significant competitive advantage particularly in the service sector, where changing attitude of consumers as well as technological and regulatory trends largely impact the market. In order to achieve expedition for further growth, insurers need to implement their strategies to shift from using a single channel sales approach towards adopting a multiple channel distribution strategy (Coelho and Easingwood 2004: 1-3). The present study have been conducted taking into account multiple channels both technologically enabled and the traditional; used by the life insurance industry and aims to find the scope for further growth of life insurance business in India by making analysis of life insurance penetration, density and to analyse the CAGR of public, private and life insurance industry in India; to measure the performance of the distribution channels Individual Agent, Corporate Agent bank and other than bank, broker, direct selling, Micro Insurance Agent, Insurance Marketing Firms and Online Selling commonly adopted by Life Insurance Corporation of India and Private Life Insurance Companies and to make a comparison in the performance of public and private sector companies in terms of first year individual business premium and policies issued and further to compare the same with the performance of life insurance industry.

It is found that life insurance penetration and density is increasing after the year 2019-20, population of India is increasing; at present it is 145 crore (2021) and expected to further increase to 150 crore by the year 2031, internet penetration is also increasing and ever changing customer needs are the key drivers that decide the scope of life insurance in the country. The Covid-19 pandemic has impacted the mind set of people and tendencies have increased to invest in insurance products including health.

Insurance Marketing Firms, the modern distribution channel engaged by both Life Insurance Corporation of India and Private Life Insurance Companies showed highest CAGR during the period of study in terms of first year individual premium and policies issued over the time period of study; both the sectors followed the pattern of the life insurance industry. Among the traditional distribution channels engaged by LIC and Private Life Insurance Company 'broker' showed highest CAGR during the period, which followed the pattern of the life insurance industry in India. Since the life insurance is a subject matter of persuasion so the individual agent and broker would be the key channels in deriving personalized products according to the need of the customers, because these channels consider case to case and personalized requirements of consumers. The Life Insurance Companies would be able to offer attractive and personalised bundles of product to the consumers after receiving feedback from such personalised channels; by doing so greater amount of personalized satisfaction can be achieved. Further, due to increase in internet penetration both in rural and urban India, all the digital distribution channels would become the normal source by the year 2030 in the insurance sector, the insurers should realize about the need for digital distribution channel and adoption for their survival. Individual Agent should be trained for adoption of technology so that they can carry more business for the industry. It is suggested that for achieving the higher growth in the life insurance sector a mix of distribution channels should be adopted that is equipped with new and innovative technology and ideas that can meet the need of all type of customers to their satisfaction, because distribution channels are expected to reach to the potential customers and their efficiency, professionalism, affectivity and skill will directly result into the performance of the industry.

Marketing channels are the key drivers for the success of any business; the insurance products have been taken as risk transfer mechanism but slowly it is getting as a risk avoidance technique, due to these changes marketing channels were the predominant factors that contributed majority to the healthy metrics for the insurer. Individual agent is the leading one in terms of generating maximum business income to the insurance industry both in terms of premium income and policies in comparison to other numerous channels (Bawa and Chattha, 2016: 51-65) but in spite of ongoing regulatory, technological and demographics changes, individual agent is found as a dominant distribution channel of Life Insurance Corporation of India; whereas Corporate Agent-Bank has been found as significant distribution channel for private life insurance companies. The most significant distribution channels for life insurance industry are found to be the Individual Agent and Corporate Agent-Banks for life insurance industry. The number of other channels have been grown but traditional insurance channel Individual Agent, Corporate Agent- Bank are still dominating the life insurance market in India with reference to first year individual business premium and policies issued. So the empirical result produced by Bawa and Chattha have been changed in the present circumstances and emerges of new distribution channels. All other channels also play a valuable role in the development of life insurance market and help in retaining customers and mapping their needs. Life Insurance products in India have predominantly taken as long term products that spanned across multiple years or short term policies for few years, but due to regulatory changes there are micro insurance policies and products have become active and on demand products. There are some rider products that will just work for a few weeks or few months or even for few hours for the insured taking part in paragliding ride or trekking rides, as per the requirement of the insured.

For the Insurance Industry in India, Internet has proved as the game changer, because in the internet world no one can own the customer; the customer is empowered by knowledge attained through it. It is the real power for driving complex business model and helps to integrate all models of distribution from the issue of policy to administration and claim settlement and reduces the operating cost effectively. It is to be used to create new distribution channels, because a more professional and productive agency force will be a logical outcome of insurers adopting modern internet driven business models. The internet penetration in the rural India has been increased and the new and innovative distribution channels can play a significant role for providing insurance cover to the rural people at low cost.

With the advent of internet, increase in financial literacy rate and social media, selling insurance product has been found to be with the new challenges everyday within the complex market, the insurers have to face the challenges like digitalization of distribution channels, minimizing the cost, improving the overall accuracy and maximizing the return. To achieve these objectives insurers may use intelligent automation technique, which will help them to achieve higher efficiency, streamlining the cost of operation and right customer relationship management system which will allow companies to support customers throughout their lifetime instead of merely providing services at the moment.

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