A Pragmatic Evaluation of Customer Relationship Management in Insurance Segment in India

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Abstract

Customer Relationship Management (CRM) is one the key perspectives for the escalation and promotion of business with the goal to keep the existing customers with the strong glue of effectual services, interactions, feedback and reviews and other related dimensions. In service sector, the strategy to retain customers using CRM models is more important because of the increasing competitive environment with assorted modules. In this research work, the specific scenario of Insurance Industry is analyzed with the customer relationship and associated satisfaction level in the existing customers to have the potential customers

Keywords: Customer Satisfaction, Customer Retention, CRM, CRM in Insurance Sector

Introduction

In India, insurance has a profound established history. Protection in different structures has been specified in the compositions of Manu (Manusmrithi), Yagnavalkya (Dharmashastra) and Kautilya (Arthashastra) (Dasgupta, P. and Sengupta, K., 2002.). "The basic premise of the recorded reference to insurance in

these antiquated Indian writings is the same i.e. pooling of assets that could be re-disseminated in times of disasters, for example, fire, surges, plagues and starvation. The early references to Insurance in these writings have reference to marine exchange credits and bearers' agreements.

Insurance in its present frame has its history going back until 1818, when Oriental Life Insurance Company was begun by Anita Bhavsar in Kolkata to take into account the necessities of European people group. The pre-autonomy period in India saw segregation between the lives of nonnatives (English) and Indians with higher premiums being charged for the last mentioned. In 1870, Bombay Mutual Life Assurance Society turned into the primary Indian safety net provider.

At the beginning of the twentieth century, numerous insurance agencies were established. In the year 1912, the Life Insurance Companies Act and the Provident Fund Act were passed to manage the protection business. The Life Insurance Companies Act, 1912 made it

important that the excellent rate tables and periodical valuations of organizations ought to be affirmed by a statistician. Notwithstanding, the difference still existed as segregation amongst Indian and remote organizations. The most seasoned existing insurance agency in India is the National Insurance Company which was established in 1906, is still in business.

The Government of India issued an Ordinance on 19 January 1956 nationalizing the Life Insurance segment and Life Insurance Corporation appeared around the same time. The Life Insurance Corporation (LIC) assimilated 154 Indian, 16 non-Indian guarantors as likewise 75 provident social orders—245 Indian and remote back up plans on the whole. In 1972 with the General Insurance Business (Nationalization) Act was passed by the Indian Parliament, and therefore, General Insurance business was nationalized with impact from 1 January 1973. 107 guarantors were amalgamated and gathered into four organizations, to be specific National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and

the United India Insurance Company Ltd. The General Insurance Corporation of India was joined as an organization in 1971 and it start business on 1 January 1973.

The LIC had syndication till the late 90s when the Insurance part was revived to the private area. Before that, the industry comprised of just two state safety net providers: Life Insurers (Life Insurance Corporation of India, LIC) and General Insurers (General Insurance Corporation of India, GIC). GIC had four backup organizations. With impact from December 2000, these auxiliaries have been de-connected from the parent organization and were set up as autonomous insurance agencies: Oriental Insurance Company Limited, New India Assurance Company Limited, National Insurance Company Limited and United India Insurance Company.

The protection has its starting point path back in the times of early development when individuals thought of advancing a distributive way of bearing misfortunes whereby the general public by and large

bears the misfortune/harm to one individual/family and limit the unfavorable impact that misfortune. There are a few stories where the King gives fiscal help to the people who endured misfortune because of common catastrophes and this was only a confirmation that the State will take care of you at the season of any difficulty and this affirmation is a type of protection where the cash gathered from a few citizens has been utilized to limit the misfortunes of particular gathering which endured misfortune. With the progressing time the idea of protection had been refined and prompt the acquaintance of documentation with get the confirmation of misfortune bearing for indicated purposes.

In Indian situation the underlying foundations of Insurance in India has their beginning in the period of Sage Manu (Rishi Manu) and later in Maurya Dynasty in the time of Kautilya (i.e. Chanakya) who has composed the guidelines of Arthshastra (Economics). Manav Dharma Shastra (Laws of Manu) of Manu contained standards for Ocean Form

contracts which were honed for doing universal exchange. In Kautilya's Arthshastra one of the parts has said about the security of State to the general population against the any characteristic disaster, burglary or any demonstration of Anti-Social-Elements."

Along these lines, thusly India has the starting point of Insurance a huge number of years back and later it has advanced in

Relationship of Parameters in Research

present arranged frame in the Influence of English Rule which was winning everywhere throughout the world at one purpose of time.

Models for Customer Relationship Management in Service Industry

- CRM Value Chain Model
- IDIC Model
- QCI Model
- SERVQUAL

Research Objectives and Hypothesis

RESEARCH OBJECTIVES ▼	
	• *Evaluation of the Strategies for Customer Relationship Management by the Insurance Companies in India*
	• *Analysis of Performance and Claim Setter Ratio*
	• *To Analyze the Service Oriented Satisfaction Score in the Customers of Insurance Sector for Effectual and Long-Term Relationship Management*
	• *Exploration of the Customer Relationship and Associated Satisfaction Score on Multiple Parameters*

	• *Building Association and Relationship between the Higher Degree of Customer Relationship Management Oriented Insurance Sector in India with the GDP of Nation*
STATEMENT OF RESEARCH PROBLEM ▼	
	Customer Relationship Management in the Insurance Sector
HYPOTHESIS ▼	
RESEARCH DESIGN ▼	
	Primary Data Collection • Questionnaires • Contact Mode • Focused Personal Interviews Secondary Data Collection • Government Publications • Whitepapers • Research Libraries • Progress Reports • International Journals • Books • Periodicals • Magazines • Newspapers

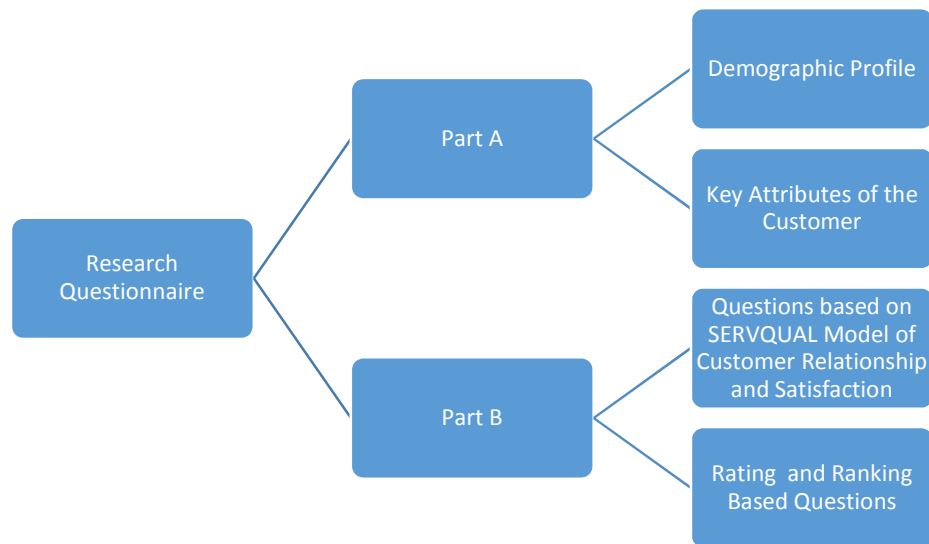| METHODOLOGY	
▼	
	• Random Sampling
	• Hypothesis Testing
	• Trends Analysis
MULTIDIMENSIONAL APPROACH TO EXAMINE PROBLEM	
▼	
	• Statistical Analysis IBM SPSS
	• Data Analytics
	• Graphical Reports Generation
	• Data Interpretation

Figure 1: Phases of Research Questionnaire

In this section, the name, region, business type and related information is asked from the customers.

Findings and observation

The client's perspective in graphical representation is presented here. Following

is the analytics of the data interpretation after collection from assorted sources. The results and analysis are depicted in form of graphs and charts so that the overall evaluation can be done on multiple parameters.

are satisfied and contented with the performance and effectiveness in the services of these financial institutions.

In all the case scenarios and analysis parameters, the results depicts that more than 80% customers are found satisfied in each segment or SERVQUAL parameter.

From the Results of Primary Data Collection and Interpretations in the format of graphs, it is found that most of the clients of insurance segment from different locations

Perception about Reliability

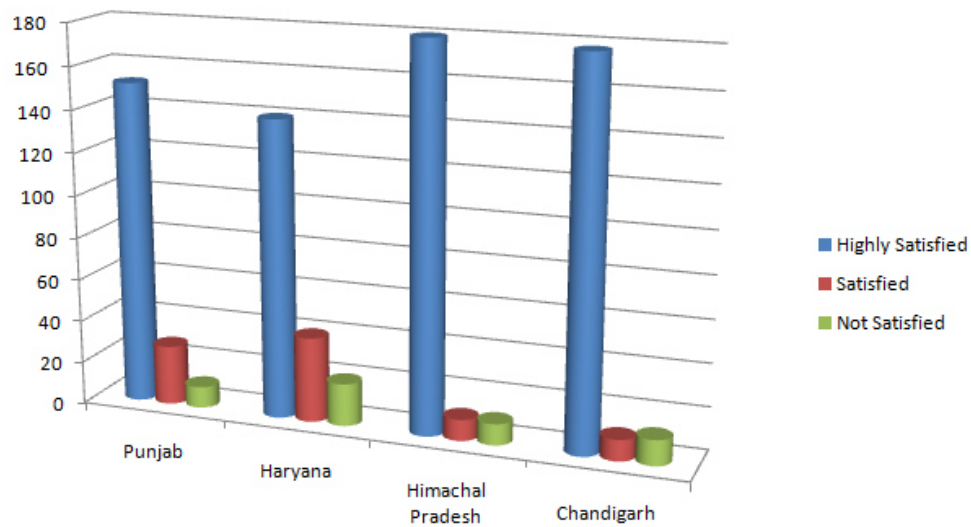Swift service to the customers of any type

Figure 2: Perception on Reliability

Source: Primary data

Feeling safe and secured with the policies and protocols of the organization
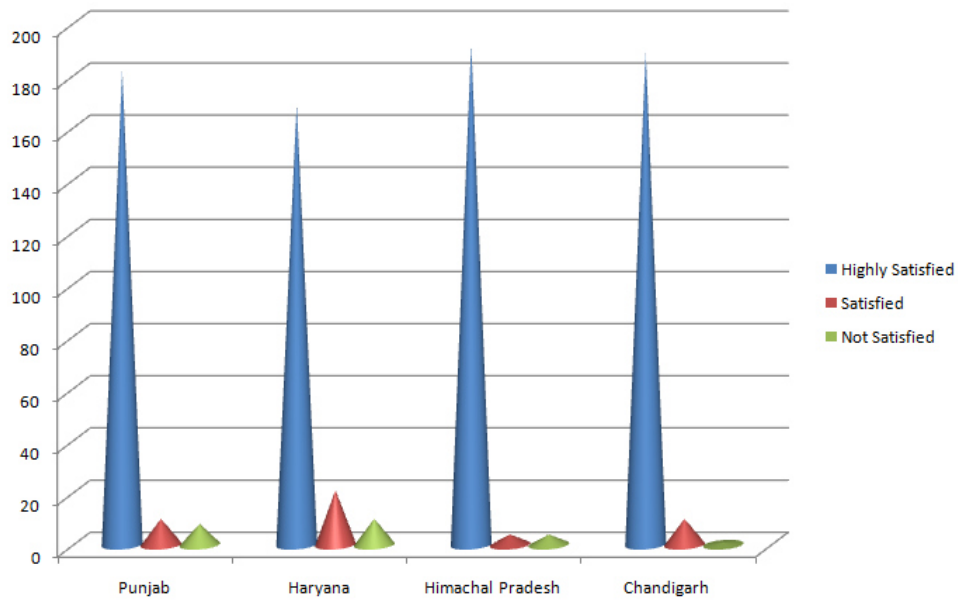

Figure 3: Perception on Security

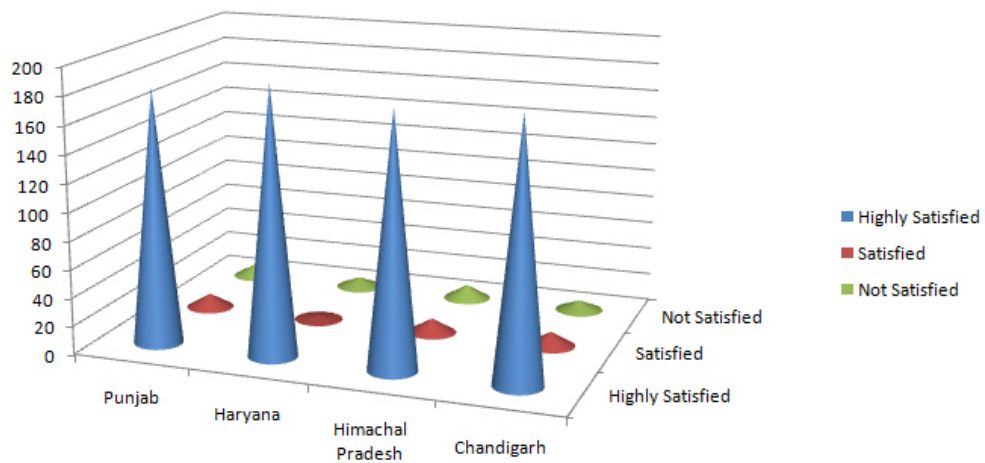Time scheduling and abiding it, meeting timelines

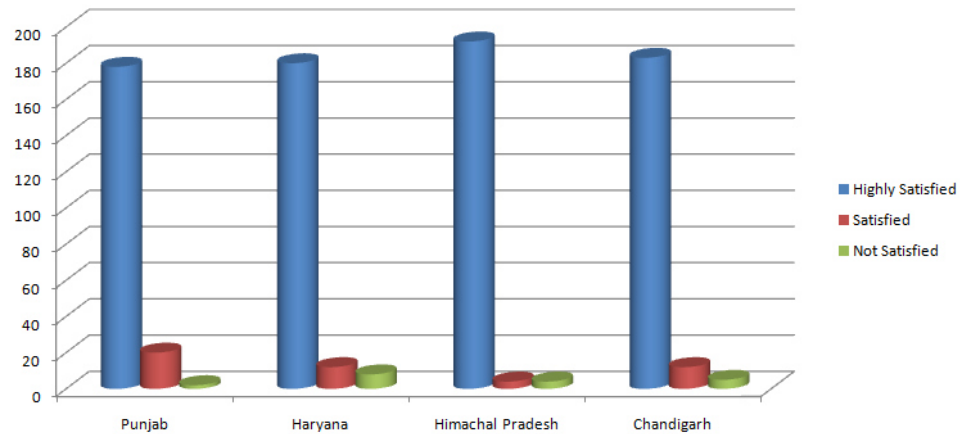Figure 4: Perception and Feedback on Time Scheduling

Figure 5: Timely Services based Perspectives

Testing the Research Hypothesis using Primary Data Analysis
Impact of 360 Degree Feedbacks

H_0 **(Null Hypothesis):** The feedback, observation and overall response of the customers are not positive towards the services of insurance companies in India

H_0 **(Alternate Hypothesis):** The feedback, observation and overall response of the customers are positive towards the services of insurance companies in India

To analyze the results of the null as well as alternate hypothesis, the following statistical analysis using SPSS software has been performed.

ONEWAY Feedback360Degree BY Company Type
  /STATISTICS DESCRIPTIVES EFFECTS HOMOGENEITY BROWNFORSYTHE WELCH
  /MISSING ANALYSIS.

Test of Homogeneity of Variances

Feedback360Degree

Levene Statistic	df1	df2	Sig.
216.000	1	18	.000

ANOVA

Feedback360Degree

	Sum of Square	Df	F	Sig.
Between Groups	.800	1	6.000	.025
Within Groups	2.400	18		
Total	3.200	19		

Robust Tests of Equality of Means[b]

Feedback360Degree

	Statistic[a]	df1	df2	Sig.
Welch	.	.	.	.
Brown-Forsythe	.	.	.	.

a. Asymptotically F distributed.

b. Robust tests of equality of means cannot be performed for

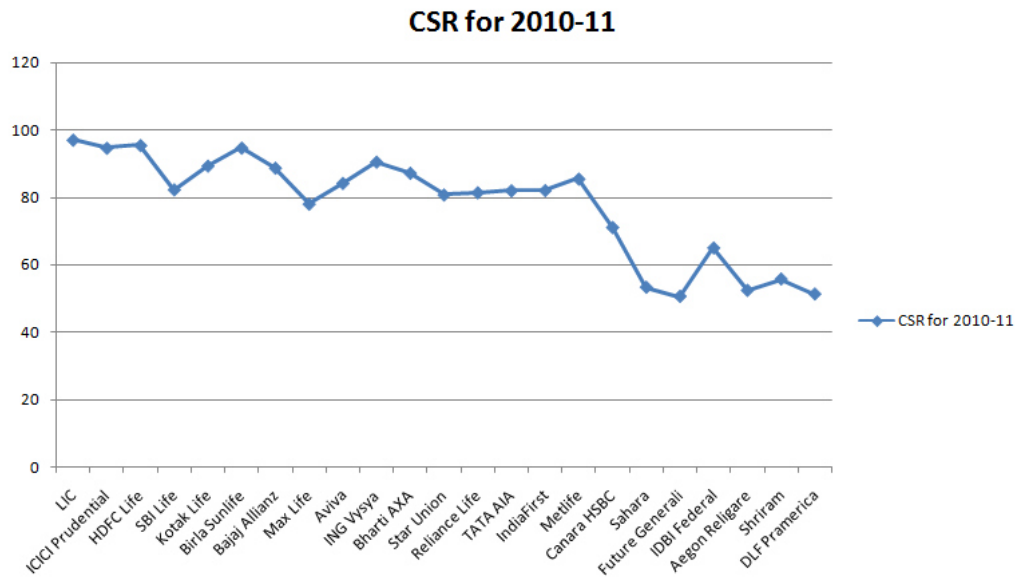Feedback360Degree because at least one group has 0 variance.
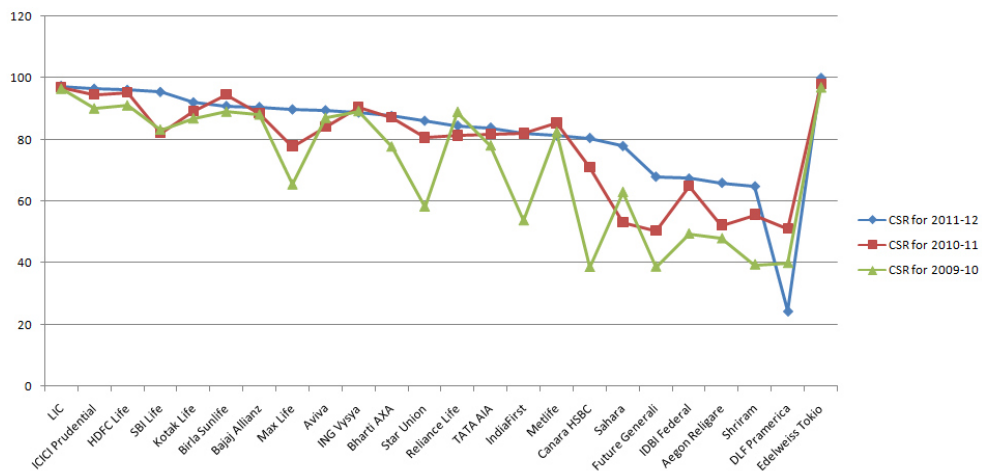
Figure 6: Claim Settlement Aspects

Figure 7: Claim Settlement Aspects

Company	Policies Registered 2011	Percentage
LIC	20404281	79.72119
ICICI Prudential	785938	15.14253
Reliance Life	698109	15.85051
Bajaj Allianz	640483	17.28129
Birla Sunlife	589855	19.24022
SBI Life	491927	19.86874
Max New York	405662	20.44712
HDFC Standard	397408	25.17958
Kotak Life Insurance	199614	16.90373
Tata AIG	199275	20.3078
Aviva	100216	12.81538
Future Generali Life	100143	14.68842

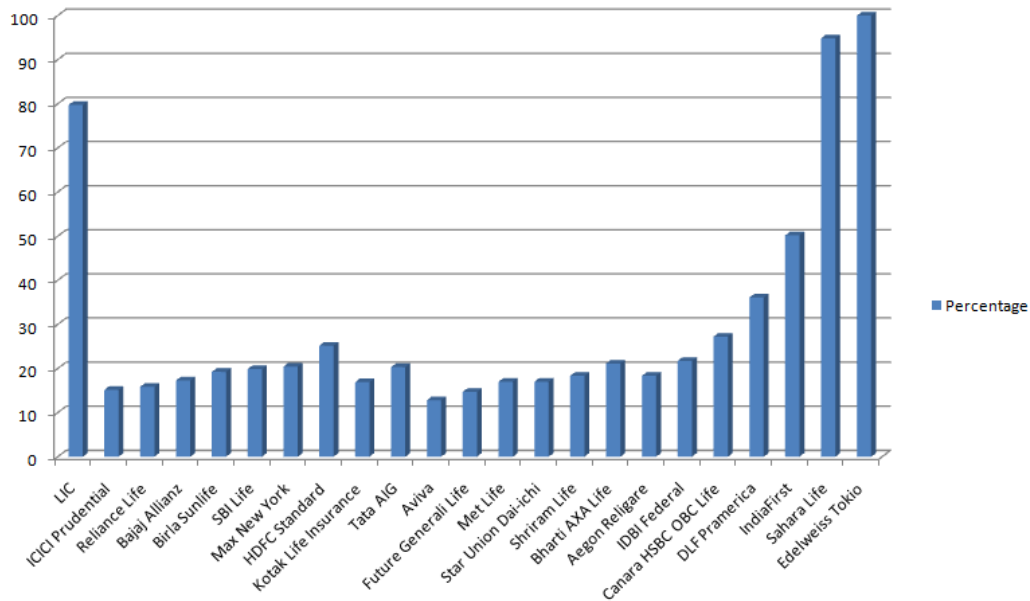|		
Met Life	98904	17.00436
Star Union Dai-ichi	82037	16.99421
Shriram Life	73490	18.3405
Bharti AXA Life	69151	21.13365
Aegon Religare	47332	18.34168
IDBI Federal	45833	21.75015
Canara HSBC OBC Life	44899	27.22934
DLF Pramerica	43299	36.0846
IndiaFirst	38498	50.19689
Sahara Life	36228	94.84763
Edelweiss Tokio	1968	100

Figure 8: Policies Registration by the Companies with Effectual CRM

Conclusion

Insurance Companies are the leading and primary institutions out of which some are governed by Private Sector while others by the Govt. of India to provide the life and general insurance sector in India. It has become mandatory for all firms as well as all financial and non financial institutions to maintain the best satisfaction level in context of their customers. Financial performance is a necessity for survival and growth of any firm. Scholars and practitioners continue to insist that principles of overall customer satisfaction be integrated with core business strategies. They believe that this will not only improve their economic objectives but will contribute to society efficiently and in sustainable manner. This present study involved the primary survey as well as secondary data analysis method. Both analyses have their own research methodology and also their own outcomes. Both of the study provide an insight to the one important aspect of thesis i.e how useful international trade and its related policies towards the economic growth of country and also how essential a positive

outlooks towards the customer services in Banking Industries in special reference with insurance industry in India.

With the data interpretation and analysis, it is found that the overall feedback and response of customers are positive. As we have generated the results using assorted tools and techniques, the results and feedback is found optimistic. Using the frequency table and related tools, the results are in favor the procedures and practices which satisfies and defend the proposed research objective.

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