Perceptions of stakeholders on CRM practices in life insurance sector of India.

Dr. M.V. S. Srinivasa Rao,
Assistant Professor, College of Business Administration,
Prince Sattam Bin Abdulaziz University, Kingdom of Saudi Arabia,
Email: mvss_rao@rediffmail.com

Abstract

This study was discussed the perceptions of stakeholders on CRM practices in life insurance market of India. By surveyed the sample of 210 respondents in Visakhapatnam District of Andhra Pradesh in India, it was found that there was a moderate levels of agreement among the participants of this study about the CRM practices in life insurance sector. However, these perseverance levels were observed similar while considered the respondents of both public and private sectors. Mainly the majority of respondents were felt disagreed about the information that was displayed and available at the branch offices regarding the policy holder services. However, the respondents were comparative more agreed about CRM practices such as comforts at branch offices, ease of access to the branch offices, and work hours and timings of branch offices. The study results would reflect the stakeholder’s levels of satisfaction in life insurance market of India and would be useful to frame the policies for better CRM practices at branch office level operations.

Key words: stakeholder; CRM practices; customer satisfaction; insurance sector.

Introduction

Customer Relationship Management is a far reaching system and procedure of procuring, holding and partnering together with particular customers to make prevalent incentive for the organization and the client. It includes the combination of marketing, sales, client service, and the inventory network elements of the association to accomplish more noteworthy proficiency and adequacy in conveying client esteem. Essentially, CRM is market oriented towards solid, enduring associations with singular
records. In light of the understanding accessible of Customer Relationship Management, it can be characterized as "Customer Relationship Management is a Constantly refreshed procedure of distinguishing relative estimation of customers and outlining redid organization connection to enchant them so they don't quip stay with the organization beneficially yet additionally be the company’s ambassador. Full contribution and strengthening of employees and proper innovation are two basics for fruitful CRM" CRM in Insurance With the expansion in the quantity of insurance organizations in the market and consumers ending up more mindful of various policies Insurance organizations have understood the significance of CRM. The cost of pulling in another customer is five times more than that is brought about to make a current customer cheerful. Along these lines, to make due in the market, insurance organizations need to execute CRM in their associations. This is the way to accomplishment in the business. The associations can succeed who have possessed the capacity to manufacture a base of their faithful customers, in light of the fact that a loyal customer advocates the organizations' products much superior to the association itself. The essential presence of the association lies in the hands of its customers. It can be effectively reasoned that for progress, it is important to execute CRM in the correct way.

**Insurance agencies accessible in India**

1. Life Insurance Corporation of India
2. SBI Life Insurance Co. Ltd
3. Tata AIG General Insurance
4. New India Assurance
5. Oriental Insurance
6. ING Vysya Life Insurance
7. Shriram Life Insurance
8. ICICI Prudential Life Insurance
9. HDFC Standard Life Insurance
10. Bajaj Allianz General Insurance
11. IFFCO TOKIO General Insurance
12. ICICI Lombard General Insurance
13. Birla Sun Life Insurance
14. Aviva Life Insurance
15. Max Life Insurance
16. MetLife India Insurance
17. Reliance Life Insurance
18. Sahara India Life Insurance
19. Om Kotak Mahindra Insurance Company
20. Agriculture Insurance Company of India Ltd
21. Amsure Insurance
22. ANZ Insurance
23. Cholamandalam General Insurance
24. Employee’s State Insurance Corporation Peerless Smart Financial Solutions
25. Royal Sundaram Alliance Insurance India
26. Export Credit Guarantee Corporation of India Ltd. III.
Significance of CRM in insurance sector

Numerous customers of Insurance organizations don't know about the policies and services to be rendered by the company. So there ought to be a connection between the client and the company. CRM encourages the association to information the clients for the benefit of the association. At that point just they wind up plainly loyal to the association. Most insurers comprehend the CRM business recommendation and have attempted noteworthy activities; there has been constrained accomplishment to date.

CRM in India

The insurance industry in India has made some amazing progress since advancement of the segment. Opening up of the area has hardened the competition, making it vital for the suppliers to move from traditional policy based deals structure to altered deals structure. An industry which flourishes to offer 'intangible' needs to comprehend and serve its clients by setting at any point enhanced principles. CRM in India is still in its outset. The CRM advertise in India is probably going to develop. The insurance segment is required to witness high spending activities on deployment of CRM solutions. Indian insurance companies need to outfit the new instates of CRM. G.N. Bajpai, the then Chairman of LIC underlined the developing significance of customer relationship management and said that companies should change CRM to value-based customer relationship. Presently, it is in light of a legitimate concern for partners of the insurance business to empower joining that develops around center skills and keep up a suitable harmony between the plan of action, Human Resources and innovation.

Recent CRM trends

Emerging trends, for example, social CRM (where data is accumulated from social networking sites, sites, news feeds, and so) available to come back to work for assemblage and preparing of substantial data sets. Data develops exponentially and keeps running into Peta bytes.

Alongside alternate goals of insurance like money related security, tax benefits and so forth one of the significant destinations is saving and investment. traditional life insurance policies like blessing getting to be plainly ugly and not meeting the desires of the policyholders as the policyholder found that the total accepted ensured on maturity had truly deteriorated in genuine esteem as a result of the devaluation in the estimation of cash. The speculator will never again content with the supposed security of capital gave under the approach of life insurance and began demonstrating an inclination for higher rate of return for his investments as additionally for capital appreciation. It was in this way discovered vital for the insurance organizations to think about a technique whereby the desires of the policyholders could be fulfilled. The target of giving the
fence against the inflation through an agreement of insurance drove safety net provider to interface the insurance approach with market and therefore the business watched the start of unit linked insurance arrangement (ULIP).

1. New clientele and increment in customer loyalty (given that insurers are not forcing a structure for correspondences on their customers however adjusting to the correspondence condition of customers
2. Social CRMs upgrade the relationship part of CRM and expands on enhancing business-customer relations with productive cooperation
3. Increase the productivity of resources, diminish operational cost, and meet the desires of customers like never before some time recently.
4. Position protection offerings deliberately to pertinent gatherings of customers
5. Facilitate vital business decision-making.
6. Better arranging and gauging, control over business process, and diagnosis of issues
7. Greater operational productivity and quick reaction to customer questions, and more noteworthy customer fulfillment

**Review of literature**

Murthy, K. K. & Karthikeyan, K. (2016) defined the CRM as the recent idea that was managed the insurance business in a successful manner. They studied the CRM practices in Chennai city, India with reference to public and private sector insurers. It was found that how the relations among the stake holders of insurance sector was become dynamic in their nature within the context of policies and guidelines that were frames by the respective regulatory and government bodies. They analyzed the perceptions of customers towards CRM practices and found their satisfactions and attitudes levels in the Chennai city. It was identified that the respondents had faced some difficulties to obtain the services offered by CRM practices of insurers.

Imam, A. discussed the relationship life cycle model in CRM and felt that the services offered by organizations through CRM practices were the key to the success of organizations. However, he derived some direct and indirect functions of CRM such as profits and sales volumes as direct functions, whereas convenience of customers participation in marketing activities of organizations were termed in the category of indirect functions of CRM.

Shanmugam and Srilekha (2017) studied on advantages and failures in CRM practices of insurance sector. It was identified in their study that there were lot of advantages form the CRM practices in insurance sector, however also there was some intensity of risks because of failures in implementing the CRM practices in the insurance market.
Study objectives

1. To survey the perceptions of stakeholders in life insurance sector of India,
2. To highlight the differences in perceptions of customers, insurance agents, and employees of life insurance companies in India,
3. To also analyze the perceptions form the perspectives of CRM practices in both public and private sectors of life insurance market, and
4. To offer suggestions for better improvement in the CRM practices of life insurance operators in India.

Research methodology

In the present examination, the descriptive and analytical sort look into outlines was controlled. This examination analyses the policyholders”, employees” and agents” conclusion about customer relationship management hones executed by the LIC of India.

Sources of Data

The hotspots for secondary data contained existing published and unpublished writing, which was utilized for establishing the theoretical framework, audit of writing important to the investigation. Vast number of published content and reference books were eluded for illuminating the hypothetical ideas. Past research in the field of the present examination was checked on by alluding to investigate journals, trade magazines and distributions of the Banking and Insurance institutes.

Sample of study

<table>
<thead>
<tr>
<th>Stake holders</th>
<th>Respondents in public sector (LIC of India)</th>
<th>Respondents in private sector (private players)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>40</td>
<td>70</td>
<td>110</td>
</tr>
<tr>
<td>Insurance agents</td>
<td>20</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>Employees</td>
<td>10</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
<td>140</td>
<td>210</td>
</tr>
</tbody>
</table>

Data was collected from selected sample by way of convenient sampling and stratified random sampling methods. However, the convenient sampling was useful to access the policy holders and others whereas stratified sampling would help the study to identify the samples that were to choose different types of sample such as the customers and employees of life insurance companies.

Data was collected from the sample of 210 which consists of all stake holders of life insurance sector such as customers, insurance agents, and employees of life insurance sector. The sample design was shown in above table. The sample was
drawn from the Visakhapatnam District of Andhra Pradesh in India. Survey was conducted during June and July months of 2017.

**Tools used**

A comprehensive questionnaire on a five point Likert’s scales from strongly agree (5) to strongly disagree (1) was used to identify the perception on 10 different CRM practices at the branch offices of insurers. The study was covered both public sector and private sectors customers as well as the agents and employees.

Statistical tool of mean values of responses of participants in this study were utilized for the analysis of data.

**Study results**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Statements</th>
<th>Mean values in public sector.</th>
<th>Mean values in private sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There was adequate space rendered for comfortable stay at branches.</td>
<td>3.98</td>
<td>2.86</td>
</tr>
<tr>
<td>2</td>
<td>The facilities of sitting chairs, drinking water, fans and others accessible things were found at branch offices.</td>
<td>4.21</td>
<td>3.12</td>
</tr>
<tr>
<td>3</td>
<td>There was enough parking during working hours of branch offices.</td>
<td>2.98</td>
<td>4.16</td>
</tr>
<tr>
<td>4</td>
<td>It was easy to approach the branch offices of insurers because they were located near to residential areas.</td>
<td>4.13</td>
<td>2.93</td>
</tr>
<tr>
<td>5</td>
<td>The branch offices were also near to the transportation points like bus stops and railway stations.</td>
<td>3.97</td>
<td>4.03</td>
</tr>
<tr>
<td>6</td>
<td>There was adequate information provided at the notice boards of branch offices.</td>
<td>2.13</td>
<td>1.69</td>
</tr>
<tr>
<td>7</td>
<td>The punctuality of branch offices in their working timings was well observed.</td>
<td>4.10</td>
<td>3.76</td>
</tr>
<tr>
<td>8</td>
<td>There was a compliant box that was placed and visible to all people.</td>
<td>3.01</td>
<td>2.96</td>
</tr>
<tr>
<td>9</td>
<td>The branch timings were convenient to provide the services.</td>
<td>2.83</td>
<td>3.48</td>
</tr>
<tr>
<td>10</td>
<td>The complaints made at the branch offices were solved within due time period.</td>
<td>4.13</td>
<td>3.56</td>
</tr>
</tbody>
</table>
This study would reflect the performance of both public and private sector insurers with regard to their CRM practices in life insurance market. However, their responses were observed as more agreeable towards all the practices that were undertaken by the companies. The perceptions of stakeholders at both the sectors were observed as moderately agreed (overall mean values are above 3.00 and less than 4.00) to the said practices of CRM. However, some differences in their perceptions were found with regard to the facilities and information provided at the branch offices.

More specifically, the stakeholders were observed as disappointed with regard to the proper information related to the policies were not displayed at the branch offices of both public and private sector insurers. Because the mean value of public sector was between 2 to 3 and which was very low and was between 1 and 2 while observed at branch offices of private sector insurers.

**Findings**

The CRM managers are confronting some issue to keep up connection with their current clients as there isn't conceivable to keep up large amount of data/record or information identified with their old clients and new clients and even of premium statements, as the vast majority of the CRM individuals sets that they are missing behind on the grounds that the Information Technology not has been created yet to everywhere throughout the offices or to the operator.

Managers need to confront the opposition to be in the market and create from it they handle their rivals in the accompanying way;

- By making heavy in advertisement
- By offering better service to their customers
- By giving additional advantages to customers

The CRM action is advantage for the customer as it help to pitch the arrangements to the customers which help the customer to make sparing through taking life insurance policy for his/her or for their family as it gives financial security to the policyholder or dominance and as there is 100% assurance of getting cash back.

**Suggestions**

1. It was advised that the information related to the services offered to the policy holders should be displayed adequately at the visible points of branch offices.

2. It was however advised that the more improvement in CRM practices is required with regard to all practices as such this study
was found an average of responses towards the CRM practices.

3. It was felt that the employees are very good in their approach towards customer services as well as maintenance of their workplaces.

4. It was clearly understood that there was more agreement among the stakeholders that was observed in all the CRM practices of insurers, however these levels of perceived satisfactions of customers towards CRM practices are found moderate. Hence it was advised to further improve innovative CRM practices in life insurance industry of India.

5. The life insurance organizations need to start ventures to instruct the customers about new services/new items (strategy restoration in on the web, new arrangement landing in on the web, premium due date in on the web, e-CRM and so forth).

Conclusion

It was obvious to understand that the CRM practices in life insurance sector of India were perceived positively by the stakeholders of both public and private sectors. However, to accomplish effective CRM, an organization ought to comprehend what is and why it is gainful to customers keeping in mind the end goal to hold them for long time. Customers give need just to fulfill their requirements. The achievement rate of the CRM relies upon the nature of CRM. Numerous infrastructural changes are required for industry organizations to be fruitful. These progressions incorporate refreshing organization frameworks, solidifying back offices, coordinating front-end channels with back-end frameworks, moving client data to front-end channels and managing information issues. The fate of CRM is exceptionally confident in protection division.

References


2. Atul Parvatiyar & Jagdish N. Sheth, Customer Relationship Management: Emerging Practice, Process, and Discipline


8. Imam, A. The research scholar mentioned in the brochure at Aligarh Muslim University in India.