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## *CRM in Insurance Sector a Comparative Study*

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*Abstract: Liberalization of the financial services sector has led to insurance companies functioning increasing under competitive pressure ; so companies are consequently directing their strategies towards increasing customer satisfaction and loyalty through improved service quality with the opening of insurance industries to private players, the competition has intensified and it has become very difficult for the companies to attract and retain the policy holders every company has recognized the need for shifting from a traditional strategy to survive in the market it in the context , the process of CRM has been adopted by all private and public sector insurance companies as well.*

*The study is an Endeavour to examine and evaluate the various factors influencing CRM in non life insurance sector public and private.*

*Keywords: CUSTOMER SATISFACTION, TRUST, CUSTOMER LOYALTY.*

### I. INTRODUCTION

Customers are the critical factors in each business in all companies, the loyal and the fixed customers are expecting more level of service qualifications, suitable transaction, and customized products. So it means that the companies should be informed of each customer to increase the loyalty and effectiveness for these reason CRM systems can help to change the way that each company is treated with customers and employees, to promote its revenue and obtain higher final profit.

The challenge is not to develop satisfied customers but to produce very much delighted, loyal and committed customers.

### II. REVIEW OF LITERATURE

#### **Archana Singh and AJAY Rana(2013)**

Customer Relationship Management (CRM) is a leading approach undertaken by the marketers in the process of retaining their customers. CRM approach is still new for the corporate managers, as in India the customers are still at the receiving end only. In this paper an attempt is made to segregate your customer with segmentation. A new customer centric analytical model has been proposed using data mining, computing active customer retention value and the parameters affecting value.

#### **YOGITA SHARMA; DR.PARUL KHANNA (2012)**

This can be proficiently gained through a better understanding of customers, based on their purchasing patterns and demographics, and better information empowerment at all customer touch points. There are many technological components to CRM. The study focused on different facets of CRM and IT enabled approach and tools to manage it.

#### **Sunil Mithas, M.S.Krishnan&Claes Cornell (2005)**

This research evaluates the effect of customer relationship management (CRM) on customer knowledge and customer satisfaction. This article also shows that gains in customer knowledge are enhanced when firms share their customer related information with their supply chain partners.

**III. NEED FOR THE STUDY**

The current scenario in the insurance industry is a complex and competitive environment tinged with little stability. The major hassle the industry faces is obtaining clients. CRM helps the insurance companies to ensure that the customer is understood better. CRM solves these problems with its use friendly web based CRM tools that increase sales opportunities. Therefore, research that assesses the perception of policy holders in implementing CRM in insurance sector with regard to Non life Insurance products.

**IV. OBJECTIVE OF THE STUDY**

1. To find out the factors influencing CRM in non life insurance sector
2. To draw conclusions and offer suggestions based on the study

**HYPOTHESIS OF THE STUDY**

CRM is more effective in private sector of non life insurance companies when compare to public sector

**V. SAMPLING TECHNIQUE**

The convenience sampling method was adopted for policy holders

Sample size: 1000 collected responses

**DATA COLLECTION**

A well structure questionnaire was developed and distributed to policy holders personal method was adopted. The researcher distributed questionnaire with the help of agents, interviewed face to face asked questions and recorded responses of policy holders. Questionnaires were given at home and office. The research was conducted during August 2014 to November 2014. Primary data was obtained from the insured population of 1000 respondents who were policy holders of public: New India assurance co. Ltd., National Insurance co. Ltd., and private: Reliance general Insurance Co.Ltd., ICICI Lombard General Insurance Co. Ltd.,

**VI. ANALYSIS OF DATA**

Summary of factors in insurance sector

	Overall Insurance sector (N=1000)		Public Insurance Sector (n=500)		Private Insurance Sector (n=500)	
	Mean	S.D	Mean	S.D	Mean	S.D
Claim Payment Security	3.54	1.024	3.09	1.185	3.98	0.542
Knowledge	3.71	0.945	3.26	1.061	4.16	0.508
Personalization	3.82	0.943	3.39	1.058	4.26	0.534
Transparency	3.56	1.183	2.98	1.306	4.15	0.643
Service Quality	3.53	1.212	2.82	1.310	4.24	0.463
CRM (Overall)	3.62	0.906	3.07	0.930	4.16	0.430
Customer satisfaction	3.99	0.929	3.71	1.098	4.27	0.605
Customer Loyalty	4.38	0.647	4.42	0.677	4.33	0.613

Source: Computed from primary data

S.D=Standard Deviation

As shown in the table overall CRM is high in private insurance sector with mean value of 4.16 and it is in light of same sample of 500 in public and private non life insurance sector. However, there is a difference in mean value of factors which influence CRM in public and private non life insurance sector

On the other hand customer satisfaction is high in private insurance sector with mean value of 4.27. However customer loyalty recorded high in public non life insurance sector with mean value of 4.42.

**VII. CRM IN INSURANCE: FINDING OF THE SURVEY**

A study was done on the CRM factors in public sector and the private sector of non life insurance companies

1. From the study it was found policy holders staying in semi urban and urban areas perceived high. There is use potential in rural areas. Further place of living has significant relationship with CRM in private non life insurance sector. Low premium products for rural customers should be designed.
2. Insurance providers offering products should be honest and quick in stilling claim payment
3. CRM should be throughout until the companies get closed. From the study it was found CRM is directly related to customer satisfaction more relation with customer more satisfaction to customer.

**VIII. CONCLUSIONS AND SUGGESTIONS**

The major objective of the research is to compare CRM in public and private insurance companies with respective of non life insurance products.

1. Factors influencing customer relationship management (CRM) in insurance sector

From the literature review; various factors were identified influencing CRM in various sectors. In particular, to insurance sector there were studies which are of foreign context and scales with less reliability. The factors extracted were claim payment security, personalization, customer knowledge about Products, transparency, service quality, customer satisfaction, customer loyalty.

2. The level of perception of CRM by policy holders in insurance sector

To address this question the study examined CRM in insurance sector by collecting responses on liker's scale 1-5 with each response being anchored to numerical value assigned to it from a minimum of one (strongly disagree) and a maximum of five (strongly agree) in the present study, 42 parameters are used for measuring the CRM in public and private non life insurance sector. The responses were collected in twin cities of (Hyderabad & Secuderabad) of Telanagana State

3. The dimensions were constructive in predicting CRM in insurance sector. All factors considered in the study showed relationship CRM. Service quality was one of the major factor influencing maximum towards CRM in insurance sector.
4. The notable aspect of the study CRM was not correlated to customer loyalty in public & private non life insurance sector. The reason might be policy holders may not make repeat purchase of products. Unless lapsed are shift towards other policy or insurance provider is made. On the other side people purchase products when they by a vehicle or property and need for travel and medical policy for family.

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