



A STUDY ON POLICY HOLDERS' PERCEPTION TOWARDS CUSTOMER RELATIONSHIP MANAGEMENT PRACTICES OF GENERAL INSURANCE SECTOR

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ABSTRACT:

When the Indian Economy was liberalized in the 1990s, it was thrown open for competition. Each and every field of industry and service sector was opened for competition and many companies from other countries came to India in order to establish their business. The insurance sector was no exception. Earlier being a "Closed Economy", the Indian Economy was dominated by Public Sector Insurance Companies. The Government of India constituted many committees for the improvement of customer services which was given by insurance companies. Committees like Malhotra committee, Mukherjee Committee & Insurance Regulatory Act (1999) gave number of recommendations for improving the services thus moving in the direction of Customer Relationship Management in insurance companies. Post Liberalization era has boosted the competition among the various Insurance companies forcing the public sector companies to adopt the recommendation of the various committees for their survival. After 1990, the Insurance companies started setting standards for the Marketing of Insurance Services and building good relationships with the customers.

KEYWORDS: Indian Economy , Closed Economy , Marketing of Insurance Services.

INTRODUCTION:

Today, the insurance companies are more enthusiastic to provide a whole range of services, such as; telemarketing, use of equipment and technology, convenient working hours, branch of company at convenient location, providing services to the customer instantly, settlements of claims without any delay, communicating customer about new schemes and about new product etc. For providing better and qualitative services to the customers, the insurance companies have concentrated on modern techniques of attracting customers and retaining the existing ones. Almost all the Insurance companies are using the CRM as a strategic tool to establish their dominance in the Indian market. The employees of the Insurance companies are highly motivated so as to provide quality services along with building customer relationship. The insurance companies are developing their basic infrastructure in such a way as to provide better and effective specialized and need-based services to the customers.

The major forces which are significantly affecting the insurance companies are: De-regulation, Technology and Globalization. Due to liberalization and de-regulation, the Insurance companies are free to choose (a) their segments (b) Products/Services (c) Customers. Similarly the customers are also free

to choose products/services from alternative sources. In order to survive the Insurance companies will have to be innovative in terms of products/services thus giving more emphasis on relationship management rather than on other activities. General insurance companies are moving towards new and innovative techniques to attract more and more customers and are moving into new directions along with their traditional methods. General insurance companies are operating today in highly competitive and rapidly changing environments. Too many institutions are in a fray eyeing on the common man who has the capacity to save. This brings to light the need for deliberate and well thought out marketing strategies on the part of the insurance companies in order to retain their supremacy and well established reputation of being the best insurance company among the public.

Despite the increasing availability of the various insurance companies and various policy schemes in the market, the popularity of general insurance in the Indian context is still very low. People in the Indian context are yet to gauge the necessity of insurance in their lives. That is the reason why the present research has chosen this area for research. In the present competitive world, marketing has made a paradigm shift from transactional approach to relational approach. We are living in a globalized world. Where competition has become an unavoidable element of business and customers have become scarce. This has led to a situation where all the firms in the same industry are trying to attract the same customers in various ways, even while offering similar products and services. They are using relationship marketing approach to ensure that the customers remain loyal and come back to them for the same products and services. This study aims to understand the impact of CRM in insurance sector. It also discusses the impact of various demographic variables like gender, income and education, in association with marketing variables, on customer relationship management in relation to Indian general insurance sector with particular reference to Kanyakumari district in Tamil Nadu. Particularly the relationship between the CRM practices and how it leads to the satisfaction of the customers and how it is converted into the loyalty of the customers is the major focus of the present research.

OBJECTIVES OF THE STUDY

- To study the customers' perception towards the CRM practices such as Clarity of information, Product variety, Payment procedure, and Customer service.
- To analyze the customers' satisfaction towards general insurance company
- To analyze the loyalty of the policy holders towards the general insurance company.

HYPOTHESES OF THE STUDY

H₀ – There is no significant Mean Rank differences between gender of the respondents and their perception towards CRM practices of Insurance sector.

H₀ – There is no significant Mean Rank differences between gender of the respondents and their level of satisfaction and Loyalty towards Insurance company.

SCOPE OF THE STUDY

The area of Customer Relationship Management (CRM) in the Indian Insurance Sector has never been given priority, as this area has always been considered to be non-important. But with the Liberalization of Indian Economy, the competition has crept in and many insurance companies have emerged in the Indian context. Companies have started thinking that the survival of their business remains in maintaining customers and giving them the best of services, but, still there is no clarity, what type of Services will lead to a satisfied customer that leads to customer retention thus contributing to long term relationship and profits to the organization. Particularly the relationship between the CRM practices and how it leads to the satisfaction of the customers and how it is converted into the loyalty of the customers is the major focus of the present research. At the end of this research, the findings and suggestions provided in the present research will be of crucial help for the insurance companies in order to improve their CRM practices and maintain their customer base for a long time.

RESEARCH METHODOLOGY

As far as the present study is concerned, the minimum required sample size is 384, for the accuracy of the study, the researcher has targeted 540 sample respondents from the nine blocks. Among the 540 respondents, only 527 respondents responded properly. From that 527, only 513 complete responses were selected for the present research. However, respondents have been selected by Convenience sampling technique from Non probability sampling method. The research is cross sectional Data research. Demographical area of the study is Kanyakumari District.

Data Analysis and Result Discussion

1. Gender of the respondents and their perception towards CRM practices of Insurance sector

Table consist of gender wise perception of respondents towards CRM practices of Insurance sector. The relation between the gender of the respondents and their perception is assessed with the help of Mann-Whitney U test.

H₀ – There is no significant Mean Rank differences between gender of the respondents and their perception towards CRM practices of Insurance sector.

Table No. 1
Gender of the respondents and their perception towards CRM practices of Insurance sector

Gender		Mean Rank	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Clarity of Information	Male	191.65	5008.500	67843.500	-15.041	.000
	Female	402.50				
Product Variety	Male	192.98	5480.500	68315.500	-14.836	.000
	Female	399.53				
payment procedure	Male	193.27	5582.500	68417.500	-14.648	.000
	Female	398.89				
Customer Service	Male	191.82	5068.500	67903.500	-15.034	.000
	Female	402.12				

P values grabbed by the four factors in the table are same. Attained p value is .000 < 0.05. Hence this p value leads to the rejection of null hypothesis by 5 percent and expose the significant difference in between the gender of the respondents and their perception towards CRM practices of Insurance sector.

Clarity of Information: Female respondents' perception of clarity of information is greater than the perception level of male respondents. High perception of female respondents towards Clarity of Information is visible via their highest mean rank value of 402.50. Less perception of male respondents can be seen in their least mean rank value of 191.65.

Product Variety: In case of product variety perception of female respondents is higher than the male respondents. Highest mean rank value of 399.53 which is achieved by the female respondents reveal their high perception of product variety and less perception of male respondents is exposed through their least mean rank value of 192.98.

payment procedure: Perception of female respondents towards payment procedure is greater than the perception level of male respondents. High perception of female respondents towards payment procedure is visible via their highest mean rank value of 398.89. Less perception of male respondents can be seen in their least mean rank value of 193.27.

Customer Service: Taking the perception level of male and female respondents towards Customer Service, perception of female respondents is higher than the male respondents. Highest mean rank value of 402.12 which is achieved by the female respondents reveal their high perception of

Customer Service and less perception of male respondents is exposed through their least mean rank value of 191.82.

Thus the table, conducted Mann-Whitney U test and its result brings out the fact that perception level of respondents differs as per their gender and female respondents perception towards CRM practices of insurance company is higher than the male respondents' perception.

2. Gender of the respondents and their satisfaction and loyalty towards insurance company

Table consist of the satisfaction and loyalty of the respondents towards insurance company relying on their gender. Level of significant Mean Rank differences between gender of the respondents and their level of satisfaction and Loyalty towards Insurance company is scrutinized in this table with the help of Mann-Whitney U test.

H₀ – There is no significant Mean Rank differences between gender of the respondents and their level of satisfaction and Loyalty towards Insurance company.

Table No. 2
Gender of the respondents and their perception towards CRM practices of Insurance sector

Gender		Mean Rank	Mann-Whitney U	Wilcoxon W	Z	Asymp. Sig. (2-tailed)
Satisfaction	Male	191.82	5068.500	67903.500	-15.033	.000
	Female	402.12				
Loyalty	Male	192.14	5182.500	68017.500	-14.961	.000
	Female	401.41				

Both satisfaction and loyalty factor grabbed the p value of $.000 < 0.05$. This p value rejects the null hypothesis by 5 percent and proves the existence of statistical mean significant difference between the gender of the respondents and their satisfaction and loyalty.

Satisfaction: Satisfaction of female respondents is higher than the male respondents. High satisfaction of female respondents is visible through their highest mean rank value of 402.12. Less satisfaction of male respondents is visible through their least mean rank value of 191.82.

Loyalty: In case of loyalty of the male and female respondents, female respondents are more loyal to the insurance company than the male respondents. High loyalty of female respondents could be seen in their huge mean rank value of 401.41. Male respondents less loyalty is depicted by their least mean rank value of 192.14.

Thus the conducted Mann-Whitney U test reveal the result that satisfaction and loyalty of the female respondents towards the insurance company is higher than the male respondents.

Table consist of the satisfaction and loyalty of the respondents towards insurance company relying on their age. Level of significant Mean Rank differences between age group of the respondents and their level of satisfaction and Loyalty towards Insurance company is scrutinized in this table with the help of Kruskal-Wallis test.

MANAGERIAL IMPLICATION:

CRM is a powerful concept for the success of any industry. It paves the way to maintain an optimistic relationship with customers to increase the business and profitability of a company. From the present study, it is evident that CRM must be implemented in the insurance sector and the CRM process has to be systematic. The study further reveals that, good CRM practices can lead to customer satisfaction and it can again lead to customer loyalty. Moreover the problems faced by the customers need to be taken care by the insurance company.

Apart from these, database management is another major factor that is crucial in any service based industry. When the database of the customers is not properly maintained it can result in the

dissatisfaction of the customers and they might feel left out by the company and eventually leading to the drop out of that customers from the company. Thus, it is very essential to maintain a proper data base where all the customer related information is categorized and whenever necessary can be retrieved efficiently. Through this way, the information relevant for any particular customer for example the policy renewal date, maturity time and period, any special offer provided by the company related to the customers' policy, time period when the policy will lapse, etc. can be communicated to the customers well in advance so that the customers may make informed decisions regarding their policy.

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