A Study of Customer Relationship Management in Insurance Industry in India

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Abstract: Customer care is an aggressive weapon that can easily differentiate one supplier from another. The correction is taken after to a decent customer service and operational activities keeping in mind the end goal to make generous rewards Dall and Bailive, 2004. Relationship marketing is practices that are gone for creating, managing trusting and building long-term relationships with bigger consumers. In relationship marketing, consumer profile, purchasing patterns, and history of contacts is kept up in a business database, and a record official is appointed to one or more real consumers to satisfy their necessities and maintain the relationship. The main objective of the present study is to find out the impact of CRM on customer satisfaction. Convenience sampling technique was used to identify the respondents of the study. The population for the study consists of customer of insurance company who are using insurance services. Sample size was 200 and area of the study is Gwalior region.
Keywords: Customer, Insurance Industry, Customer satisfaction, Relationship marketing.

INTRODUCTION
Concept of Relationship Marketing
Relationship marketing is practices that are gone for creating, managing trusting and building long-term relationships with bigger consumers.

In relationship marketing, consumer profile, purchasing patterns, and history of contacts is kept up in a business database, and a record official is appointed to one or more real consumers to satisfy their necessities and maintain the relationship.

Relationship marketing is a strategy designed to accelerate customer loyalty, interaction and long-term employment. Building relationships with customers and suppliers is necessary for a company during the past few years, concentrating their marketing by focusing on their important customers and suppliers, whom they must develop in order to build long-lasting relations. This is the only way that a company can obtain a permanent competitive advantage and as a result ensure its own survival and growth. It implies that relationship building is a key factor to success.

Customer Relationship Management (CRM)
Customers in the current era are much more empowered today and selling to them requires a far more strategic approach, which CRM hopes to fulfill. Organizations are not only attempting to interpret the needs of the customers based on their buying behavior, but are also predicting their future needs. CRM enables firms to customize offerings for customers and when offerings are customized, the perceived value gets enhanced. The perceived value is equated with perceived quality by customers, leading to enhancement of customer satisfaction. This emphasizes the need for integration along the value chain and aligning and integrating organizational processes back through the supply chain to enable better value delivery to the end customer.

Customer Relation Management is an emerging marketing activity or occasion, which has gained prominence among academics and practitioners. However the adoption of customer relation management by most hotels fully is not only yet to be realized but also the benefits of it achieved, this is because there are no laid down guidelines on adoption, implementation and practices.

Objectives of the Study
With the acknowledgement of the purported research, work "A Study of Customer Relationship Management in Insurance Industry in India." The researcher will have to focus over the following objectives. The main objectives of the research are,

- To examine different customer relationship management practices adopted by Insurance in India.

- To study the effects of customer relationship practices on customer satisfaction.

Review of Literature
Review of Literature on CRM
Berry [1] defined TQM as a total corporate focus on meeting and exceeding the client's demands and significantly cutting down costs by taking up a new management system and corporate culture.

Babakus and Boller [2] defined supporting condition for CRM implementation in terms of customer satisfaction: The customer should decide what aspects of the service are the most beneficial rather than the service provider.

Greenberg [3] in his study observed that CRM should produce a task that involves an interaction between a dealer and consumer. Collaborative CRM can raise their effectiveness in success by fulfilling the necessities of the customer.

RESEARCH METHODOLOGY

Hypotheses of the Research Study
H1: Claim payment security is having positive and significant impact on Customer satisfaction.
H2: Transparency in product selling is having positive and significant impact on Customer satisfaction.
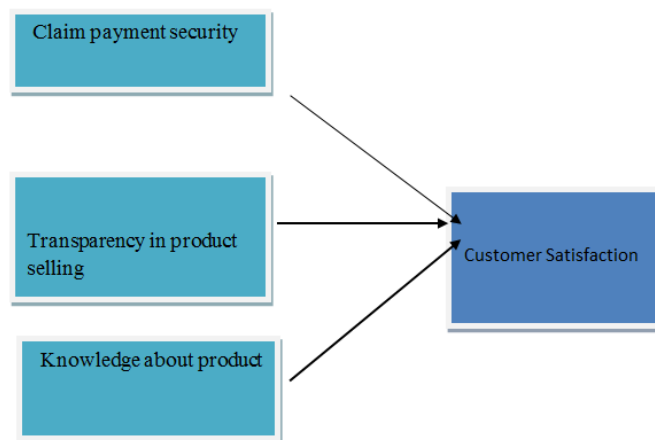**H3:** Knowledge about product is having positive and significant impact on Customer satisfaction.

Fig-1: Conceptual Framework

RESEARCH DESIGN
The study was exploratory and empirical in nature. Primary data is used for study. Primary data are collected with the help of structured questionnaire. Questions were asked relating to CRM practices.

Sampling Technique
Convenience sampling technique was used to identify the respondents of the study.

Population
The population for the study consists of customer of insurance company who are using insurance services.

Sample Size - Sample size was 200

Questionnaire
Structured questionnaires were prepared for the study. The questionnaires are divided into two parts. First section of the questionnaire consist demographic profile of customers. In the second part of questionnaire, various items related to the customer relationship practices and their factors were included. The variables are measured on five point Likert scale where 1= strongly disagree and 5= strongly agree.

DATA ANALYSIS
Collected data was analyzed with the help of different statistical calculations using SPSS software.
- Reliability
- Regression analysis

DATA ANALYSIS

Reliability of the Scale
Cronbach's alpha represents the inner consistency of data and used to check the reliability of the measuring scale. Cronbach's alpha estimate tells us how highly the items in the questionnaire are interrelated.

Reliability of overall data (Scale): the reliability of the scale is found .848 by applying reliability test through SPSS 20.0.

Table. Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.848	.858	20

Reliability Statistics of all the variables

Table. Reliability Statistics of all the variables			
S. No.	Variable Name	No of Items	Cronbach's Alpha
1	Claim payment security	7	.882
2	Transparency in product selling	6	.856
3	Knowledge about product	7	.654

Regression Analysis

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.744[a]	.554	.549	6.46356	1.950
a. Predictors: (Constant), Claim payment security, Transparency in product selling Transparency in product selling, Knowledge about product					
b. Dependent Variable: Customer Satisfaction					

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15259.942	3	5086.647	121.755	.000[a]
	Residual	12282.622	294	41.778		
	Total	27542.564	297			
a. Predictors: (Constant), Claim payment security, Transparency in product selling, Knowledge about product						
b. Dependent Variable: Customer Satisfaction						

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.619	2.411		.997	.000
	Claim payment security	.819	.107	.390	7.658	.000
	Transparency in product selling	.297	.085	.195	3.513	.001
	Knowledge about product	.592	.077	.343	7.668	.000
a. Dependent Variable: Customer Satisfaction						

The equation for regression analysis from above table can summarized as below

$Y = a + bx + error$. Customer satisfaction = .619 + .390 (Claim payment security) + .195 (Transparency in product selling) + .343 (Knowledge about product)

Value of F is 121.755, which are significant at 0% level, and value of t is .997, which are also significant at 0% level. R square value is .554, which indicates 55.4 % of variance in customer satisfaction is explained by CRM. Thus our alternative hypotheses are accepted.

CONCLUSION

The present study on CRM concludes that claim payment security, Transparency in product selling and knowledge about product is having significant impact on customer satisfaction. The insurance industry services should be transparent to their customers, so they can build strong relationship with the customers. CRM practices help the industry to increase customer satisfaction, win customer loyalty and retain the customers, which results in increased market share and high profitability.

To enhance profitability and loyalty, the insurance industry should concentrate on implementing Customer Relationship Management (CRM).

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