

# Impact of CRM on Insurance Industry; Empirical Study on Odisha Market

Dr. Biswamohan Dash<sup>1</sup>, Dr. Sadashiv Dash<sup>2</sup>, Dr. Sanjukta Mishra<sup>3</sup>, Mr. Asha Bikash Mohapatra<sup>4</sup>

<sup>1</sup>Asst. Prof, College of engineering, Bhubaneswar

<sup>2</sup>Professor, College of engineering, Bhubaneswar

<sup>3</sup>Asst. Prof, College of engineering, Bhubaneswar

<sup>4</sup>Asst. Prof, College of engineering, Bhubaneswar

**Abstract:** This study is based on the impact of Customer Relationship Management (CRM) practices in the insurance sector in Odisha market. The study mainly focuses on the service model and facilitation process adopted by CRM based insurance companies in Odisha for the benefit of customers. The practice of Customer Relationship Management (CRM) is now becoming imperative and the need of the hour. Cut throat competition is happening in the insurance sector. In particular, this study is based on the opinions of insurance institutions about raising awareness about the benefits of insurance systems. For this purpose, chi-square statistical technique is adopted to test statistical significance. Here are five selected companies like LIC, AVIVA, Reliance, BSLI, ICICI Prudential life insurance in Odisha market to test the impact of CRM on customer awareness.

**Keyword:** CRM-based insurance, customer awareness, statistical significance

## 1-INTRODUCTION

As a result of globalization of enterprise and evolving popularity of the significance of client pleasure and retention, there was alternate in advertising policies. Bose (2002) delivered that, over the last few years, there was a shift in relation among enterprise and customers. Over the time, there is the concept in advertising thoughts; from mass advertising to marketplace segmentation. Then from marketplace segmentation to Niche advertising, then to customization and personalization. The 21st century advertising emphasizes more on benefits of clients. Increasing competitiveness in global financial system is forcing the organizations to emphasise on constructing precious customer relationship. Customer Relationship Management (CRM) is the idea of constructing the philosophy of complete and

included method towards the customers. Bradshaw (2004) stated that CRM is continuously constructing advanced client loyalty, expanded client satisfaction and profitability. In searching out approaches to power boom, insurers want to assess their client control method having CRM practices which lead steady, Customer-aligned merchandise, more suitable client loyalty, long-time period cost and client retention. As insurers try to create and manipulate client relationships, the groups have to undertake numerous rising equipment to reap sustainable boom. There is an essential shift from coping with a marketplace to coping with unique clients. But coping with the clients and keeping them for years isn't always clean assignment in a hard and aggressive marketplace. Besides, handling options and desires of the clients are getting challenges.

## 2. CUSTOMER RELATIONSHIP MANAGEMENT

CRM is an included enterprise technique to create and increase one to one relationship with clients. CRM is the concept of handling consumer understanding to higher information and to serve them. It is an umbrella idea that locates the consumer on the centre of an organization. CRM is likewise involved with coordinating and customer interaction. Every enterprise communicates with their customers in specific methods with the aid of using the usage of numerous conversation channels. CRM acts as important repository of records on customers demographic, personal, social and psychological information. Various softwares are being used to store and retrieve the customer information. E-CRM is being implemented to further analyse the customer's information and which leads the appropriate decisions for the sake of smooth conduction of the project. CRM

raises the concept of integrated and transparent approach combining customers, company and its promise and officials. CRM ensures the customers are getting right promise, dealings, services and after sales services by the service provider. This will lead to well managed marketing mechanism, retention and delightfulness of the customers. There will be a strategic impact on service provider by increasing revenue and market share as well.

### 3-LITERATURE REVIEW

Swift 2002; realized that companies can get benefit greatly from CRM implementation. CRM can help retain customers in the long run. In addition, he stated that the cost of sales will decrease because current customers tend to be more receptive. In addition to a better knowledge of channels and distributions, the relationship becomes more effective and the costs of the marketing campaign are reduced. According to Maoz 2003, Research Director of CRM at Gartner Group, CRM is a strategy by which firms optimize profit by improving customer satisfaction and retention. ".CRM is a business strategy, not a technology," says Maoz. It includes questions about processes, technology and people. All three together really represent CRM. Burnett-2001 discussed that the objectives of CRM generally fall into three categories; savings, revenue growth and strategic impact and its benefits improve customer retention, increase margins and reduce marketing management costs. Wilson 2001; argued that organizations are increasingly aware of the importance of moving closer to customers and expanding business units. The objectives of CRM are; improving the process of communication with the right customers, offering the right offer to each customer, through the right channel, offering the right offer to each customer at the right time. In this way, organizations can obtain the following benefits: for example, increase customer retention and loyalty, improve customer profitability and create customer

value. Greenberg 2001 stated that the following goals seem reasonable for an organization implementing CRM, for example; it focuses salespeople on increasing organizational revenue through better information and better incentives to drive top growth and it improves global forecasting and pipeline management to improve the organizational efficiency.

### 4. OBJECTIVE OF THE STUDY

To investigate the impact of CRM implementation on customer awareness.

### 5. SCOPE OF THE STUDY

This study is conducted in the capital Odisha where five major insurance companies such as LIC of India, AVIVA Life Insurance, ICICI Prudential, Birla Solar Life Insurance and Reliance Life Insurance are under contract. They managed their customer relationships with e-CRM.

### 6. RESEARCH METHODOLOGY

This research deals with primary data collected from officials through a structured questionnaire. 192 officials have responded from five selected insurance companies in Odisha market. All officials are from the undertaken five companies like, LIC, ICICI prudential, AVIVA life insurance, Birla sun life insurance and Reliance life insurance. These insurers have already implemented CRM in their operation. Officials' opinion and perceptions have been collected and analyzed, where the officials were selected randomly having better idea about CRM. To prove the hypothesis, statistical technique like chi square test have been used. The opinion of respondents are measured in a 5-point likert scale where, not preferred at all is taken as 1, mostly not preferred is taken as 2; sometimes preferred is 3; mostly preferred is 4; very much preferred is 5.

### 7. DATA ANALYSIS

Respondent's profile:

Data collected from 192 respondents are presented in Table 1 showing the sample profile.

Table 1:

Sl. No.	Demographic factors	Sample profile	Insurance Organisations					Total
			LIC	AVIVA	Reliance	ICICI	Birla	
1.	Age	Gr.I (Below 30)	20	06	16	11	18	71
		Gr.II (30-40)	29	07	15	12	12	75

		Gr.III (Above 40)	20	06	07	05	08	46
		Total	69	19	38	28	38	192
2.	Education	Upto Grad. (Gr.I)	30	13	19	08	15	85
		Above Grad. (Gr.II)	39	06	19	20	23	107
		Total	69	19	38	28	38	192
3	Occupation	Gr. I (private service)	00	19	38	28	38	123
		Gr.II (govt. service)	69	00				69
		Total	69	19	38	28	38	192
4.	Monthly Income	Gr.I (below 20 th)	21	08	21	14	21	85
		Gr.II (20-30th)	28	05	10	09	09	61
		Gr.III (Above 30th)	20	06	07	05	08	46
		Total	69	19	38	28	38	192

It is observed from the above table that the largest numbers of respondents (69) were from LIC, because of its wide presence. Then, it is followed by Birla Insurance (38), Reliance Life Insurance (38), ICICI Prudential (28) and AVIVA Life Insurance (19). Age-wise classifications of respondents indicate that 37% of respondents belong to the age group of below 30. It is followed by 39% of respondents belong to the age group of 30-40 and lastly 24% of respondents belong to age group of above 40. Education-wise classification of respondents indicate that 44% of respondents belong to the category i.e. upto graduate (Gr.I). It is followed by 56% of respondents belong to the category of above graduate. Occupation-wise classification of respondents indicate that 64% of respondents belong to private service holder, followed by 36% of respondents belong to Govt. job. Income-wise classification of respondents indicate that 44% of respondents belong to Gr.-I i.e. (below 20,000). 32%

of respondents belong to Gr.II (20,000-30,000) and 24% of respondents belong to Gr.III i.e. (above 30,000).

### 8.CHANNELS OF COMMUNICATION AND PERCEPTION OF OFFICIALS ACROSS INSURANCE ORGANISATIONS

Insurance companies under study are using different channels of communication to create awareness. Here various channels of communication have been taken into consideration and each channel is tested through chi square tool for creating awareness. These communicating channels are responsible for creating favorable customer relationships and creating awareness for consumers. The table 2 depicts the officials opinion regarding creation of awareness for consumers relating to various media.

Table 2: Perception of Officials towards Communication Channels across organizations:

Sl. No.	Comm. Channel	Insurance Organization	Perception					$\chi^2$	P
			1	2	3	4	5		
1.	Newspaper	AVIVA		2	8	9	0	61.258	0.0001
		BIRLA		0	8	24	6		
		ICICI		0	16	12	0		
		LIC		0	51	18	0		
		RELIANCE		0	14	22	2		
2.	TV	AVIVA		2	5	12	0	35.680	0.0003
		BIRLA		0	12	22	4		
		ICICI		0	12	16	0		
		LIC		0	30	39	0		
		RELIANCE		0	8	26	4		
3.	Hoarding	AVIVA		0	12	7	0	51.488	0.012
		BIRLA		0	14	20	4		
		ICICI		0	4	20	4		
		LIC		9	39	21	0		
		RELIANCE		0	14	16	8		
4.	Sales Agent	AVIVA		2	8	7	2	50.571	0.000
		BIRLA		0	6	22	10		

		ICICI		0	0	18	10		
		LIC		0	15	51	3		
		RELIANCE		0	4	24	10		
5.	Website	AVIVA			5	9	5	57.014	0.00
		BIRLA			10	24	4		
		ICICI			0	20	8		
		LIC			45	24	0		
		RELIANCE			8	24	6		
6.	Telephone	AVIVA		6	8	5	0	55.732	0.00
		BIRLA		4	10	22	2		
		ICICI		0	12	14	2		
		LIC		21	36	12	0		
		RELIANCE		0	10	24	4		
7.	Internet	AVIVA		0	2	11	6	37.036	0.00
		BIRLA		0	14	22	2		
		ICICI		0	2	22	4		
		LIC		3	24	42	0		
		RELIANCE		0	10	20	8		
8.	Call Centre	AVIVA		3	9	7		45.251	0.000003
		BIRLA		0	20	18			
		ICICI		4	14	10			
		LIC		27	33	09			
		RELIANCE		0	20	18			
9.	Direct mail	AVIVA		4	10	5		11.702	0.002
		BIRLA		4	18	16			
		ICICI		2	18	8			
		LIC		15	27	8			
		RELIANCE		10	20	8			

Newspaper: It is observed that for LIC this channel is the most preferred. Also the views of respondents are mostly in the perceptual group 3 and 4, indicating higher preference for the media. Chi square value is 61.258 across the companies and value of p is 0.0. The value is significant at 1% level, indicating the difference in perception of officials. Hence, the impact of news paper in creating awareness across different organizations is statistically significant. This indicates news papers were perceived differently for different organizations.

Television: It is observed that for LIC this channel is the most preferred; since in a five point scale of perception, the views of the respondents are mostly in the perceptual group no 4 and 3, indicating higher preference for the media. Chi square value is 35.680 across the companies and value of p is 0.0. It means the television is the useful channel. Chi square value is significant at 1% level indicating the difference in perception of officials. Hence, the impact of TV in creating awareness across different organizations is

statistically significant. This indicates TV was perceived differently for different organizations.

Hoardings: It is observed from the table that, the views of the respondents are mostly in the perceptual group 3 and 4, indicating higher preference for the media. Chi square value is 51.488 across the companies and value of p is 0.012. It means the hoarding is the useful channel. Chi square value is significant at 1% level indicating the difference in perception of officials. Hence the impact of hoardings in creating awareness across different organizations is statistically significant. This indicates hoarding was perceived differently for different organizations.

Sales agent: It is observed from the above table that, the views of respondents are mostly in the perceptual group 3 & 4, indicating higher preference for the media. Chi sq value is 50.571 across the companies and value of p is 0.0. It means the sales agent is the useful channel. Chi square value is significant at 1% level indicating the difference in perception of officials. Hence the impact of sales agents in creating

awareness across different organizations is statistically significant. This indicates sales agent was perceived differently for different organizations.

Website: It is observed from the above table that, in a 5-point scale of perception, the views of respondents are mostly in perceptual group 3 and 4, indicating higher preference for the media. Chi square value is 57.014 across the companies and value of p is 0.0. It means the web site is the useful channel. Chi square value is significant at 1% level, indicating the difference in perception of officials. Hence the impact of web site in creating awareness across different organizations is statistically significant. This indicates website was perceived differently for different organizations.

Telephone: It is observed from the above table that, in a 5-point scale of perception, the views of respondents are mostly in perceptual group 3 and 4, indicating higher preference for the media. Chi square value is 55.732 across the companies and value of p is 0.0. It means the telephone is the useful channel. Chi square value is significant at 1% level, indicating the difference in perception of officials. Hence the impact of telephone in creating awareness across different organizations is statistically significant. This indicates telephone was perceived differently for different organizations.

Internet: It is observed from the above table that, in a 5-point scale of perception, the views of respondents are mostly in perceptual group 3 and 4, indicating higher preference for the media. Chi sq value is 37.036 across the companies and value of p is 0.0. It means the internet is the useful channel. Chi square value is significant at 1% level indicating the difference in perception of officials. Hence the impact of internet in creating awareness across different organizations is statistically significant. This indicates internet was perceived differently for different organizations.

Call center: It is observed that in the five-point scale of perception, the views of respondents are mostly in the perceptual group 3 & 4, indicating higher preference for call centre. Chi square value is 45.251 across the companies and value of p is 0.0. It means the call center is the useful channel. Chi square value is significant at 1% level, indicating the difference in perception of officials. Hence the impact of call center

in creating awareness across different organizations is statistically significant. This indicates call center was perceived differently for different organizations.

Direct mail: It is observed from the above table that, in a 5-point scale of perception, the views of respondents are mostly in perceptual group 3 and 4, indicating the preference for direct mail. Chi square value is 11.702 across the companies and value of p is 0.0. It means the direct mail is the useful channel. Chi square value is significant at 1% level, indicating the difference in perception of officials. Hence the impact of direct mail in creating awareness across different organizations is statistically significant. This indicates direct mail was perceived differently for different organizations.

## 9-FINDINGS

In comparison to other insurers the LIC of India and officials have been doing good job in creating awareness of product in a consistent manner by using various communication channels. The officers of LIC understand that each one of the channels like; news paper, electronic mail, Sales agents, banks, hoardings and web sites have more effect for LIC to facilitate product awareness. The digital channels are involved; like website, net chart, electronic mail and telephone, having much more impact on customers and increasing products knowledge with its benefits. The digital marketing plays a very important role for each company in Odisha market not only to increase product awareness but also to attract and retain the customers for long range. The digital communication channels have been used in huge manner by every insurers but LIC of India has been getting more success to increase the product knowledge as it is a well known and old brand having higher brand equity and trust.

## 10-CONCLUSION

It is concluded that there is the huge impact of electronic channels and digital channels for growth of product awareness among the customers in marketing community. The web based marketing channels and social media marketing are having much impact in increasing product awareness as internet users are increasing every day and especially the youth mass of Odisha market are rampantly using social media and are loving to see any advertisements of insurers. As

internet based advertisements have maximum reach then the insurance product knowledge is spreading very fast.LIC of india is having highest brand acceptability and popularity in Odisha insurance market and with emergence of internet and web based marketing ,the acceptability and popularity is naturally doubled.CRM here plays a great role in enhancing trust among targeted customers and creating ,sustaining and developing better understanding with targeted customers to increase sales volume and customer satisfaction. Communication channels are backbone of marketing management and marketing management is the backbone of any company, so effective communicating channels are having much positive impact upon company's success.

#### 11-REFERENCE

- [1] Kotler, Keller, Koshy and Jha, (2010) Marketing Management, PHI, New Delhi.
- [2] Dyche, Jill, (2002); the CRM hand book, Pearson education, Singapore.
- [3] Sheth, Jagdish N and Parvatiyar, (2003); handbook of relationship marketing, Sage publication, New Delhi.
- [4] Kothari C.R, (2009); research methodology, New Age International Publisher, New Delhi.
- [5] Subramanian, V. (2007); life assurance management; insurance institute of India, Mumbai.
- [6] Ramaswamy VS and Namkumari.s, (2006); Marketing management; Macmillan, India Ltd, New Delhi.
- [7] Sheth, Jagdish. And Rajendra S .Sisodia, (2000); improving marketing productivity.
- [8] Xavier, M.J ;( 2002) Marketing in the new millennium, Vikash publishing, New Delhi.
- [9] Khurana, B.S,(2002) Building relationships that last.
- [10] Gaur S sanjay, review and comparative assessment of CRM solutions for key verticals, CRM-emerging concepts, tools and applications, Tata Mc Graw Hill publications.
- [11] Mandell, Maurice, Marketing 3<sup>rd</sup> edition, PHI, New Delhi
- [12] Bayon.t, Gutsche.j; (2002), Customer equity marketing; touching the intangible; European management journal; vol.20, no.3, pp-213 -222.
- [13] www.latec.uff.br/mestrado/sg-qualidade/
- [14] Greenberg, (2002), managing e-business projects; www.hicbusiness.org.
- [15] Galbreath,J and Rogers,T;1999,CRL,TQM ,vol.11,no.3,pp.161-71;
- [16] www.bizresearchpapers.com
- [17] Wilson,(2002);factors for success in CRM ,journal of marketing management,vol.18,issue1/2,pages 193-219.
- [18] www.mendely.com/.../hugh-wilson-mcdonald-factors-success-customers-relationship-management
- [19] Ryals, L and Knox, S, (2001), cross-functional issues in the implementation of relationship marketing through CRM, European management journal, vol.19, no.5, pp534-542.
- [20] www.crmcommunity.dynamics.com/product
- [21] www.crmcommunity.com
- [22] www.microsoft.com/.../microsoft-dynamics.insurance.
- [23] www.crm.dynamics.com/financials-services
- [24] www.gatewayforindia.com/technology/crm.htm