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CUSTOMER RELATIONSHIP MANAGEMENT IN THE INSURANCE INDUSTRY

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Abstract:

In today's perplexing and global marketing environment, the insurance industry is fluctuating day by day, which is becoming enormously complex in today's global marketplace. Customer relationship management is a catalyst for the development of the insurance industry. It's an industry loom that seeks to unite the people, the process, and the technology to improve an organization's relationship with its customers, both those presented and potential ones. with low strength. Many insurance service providers are determined to enter competitions in the insurance service industry to convince customers to use insurance. Today, a company's competitiveness is directly dependent on its relationship with its target customers. The main reason to implement customer relationship management is that it helps to ignore the effect of changing customer behavior in insurance companies. The insurance industry has its own complexities and challenges, but it is also highly motivated in the sales sector, which makes it well-suited to implementing customer relationship management techniques. Some of the most common challenges faced by insurance agents are a strong case for customer relationship management. Insurance service providers have long understood the value of customer relationship management, but still face some difficulties and challenges in implementing customer relationship management into practice.

Keywords: *Customer Relationship Management, Insurance Industry, Catalyst, customer relationship management Techniques, Complexities and Challenges.*

Introduction:

“A Customer is the most important visitor on our premises.

He is not dependent on us

We are dependent on him

He is not an interruption in our work

He is not an outsider on our business

He is a part of it

We are not doing him a favor by serving him.” - **Mahatma Gandhi**

The theory of customer relationship management dates back to modern business times. Industry is primarily measured as a public and financial institution created by society and society. The reason this industry is important is to produce and distribute gadgets to the world in general and to customers in particular, and to achieve business goals. The success of Industry's goals relies heavily on the belief and confidence that the industry thrives, as well as the relationships it establishes and maintains with customers, whose tastes, preferences, tastes and dislikes, unreliable approaches and performance. It requires customer relationship management, which has become the backbone of new business worldwide.

In today's global market climate, customer relationship management is increasingly important for insurance providers as they seek to recover earnings through longer-term relationships with their clients. . Customer relationship management has long been of interest to insurance service providers; because today an insurance provider's ability to fight is directly dependent on their relationship with potential consumers. Basically, there is nothing new in the concept, the local agent or advisor always remembers their potential consumer's name and also knows their financial situation and support offer.

Customer relationship management is a business strategy for an organization to maximize revenue and sales through a better understanding of customer desires. A modern insurance service provider has faced difficult problems and unparalleled challenges in achieving its goals. The insurance service industry is changing as today's insurance industry is becoming extremely difficult and fiercer. As the insurance industry continues to grow, finding customers has not become easy due to competition among insurance companies.

“A management strategy that enables an organization to become customer-focused and develop stronger relationship with its clientele. It helps piece together information about customers, sales, marketing effectiveness, responsiveness and market trends” - Soutiman Das Gupta (2005)

“Customer Relationship Management which focuses more on value creation. They consider customer relationship management as ongoing process of identifying and creating new value with individual customers, and then sharing the benefits from this value over a lifetime. It involves the understanding and focused management of ongoing collaboration between an organization and its selected customers for mutual value creation and then sharing this value through interdependence and organizational alignment.” - Brunjes and Roderick (2002)

“Customer relationship management is the infrastructure that enables the explanation of and increase in customer value and the collection of means with which to motivate customers to remain loyal and to purchase again.” - Oaks (2003)

Fundamentals of Quality CRM in the Insurance Services Industry:

The most important motivation for implementing customer relationship management in the

insurance services industry is that it helps to counter the impact of different behaviors of insurance consumers. Here are some key fundamentals of customer relationship management in the insurance industry:

1. Considerate that every prospective customer is an individual, therefore delight them in a different way.

One has to considerate that all customers' requirements and wants take place out of the services product offer. Customer Relationship Management should make available sufficient liberty for customization of services.

2. Customization offer according to financial condition of customer.

A high-quality Customer Relationship Management in insurance Service Sector make arrangements for differentiating customers as per there financial position. On the basis of financial condition customers customization would be easier.

3. Take care of reliable customers, they are always beneficial.

One reliable customer is far more helpful than the top advertisement campaigns. It is every company vision that their customer base increases through word of mouth publicity. It is best kind of sales promotion that any insurance company asks for. More over it is the brand that the strongest contact for the long term.

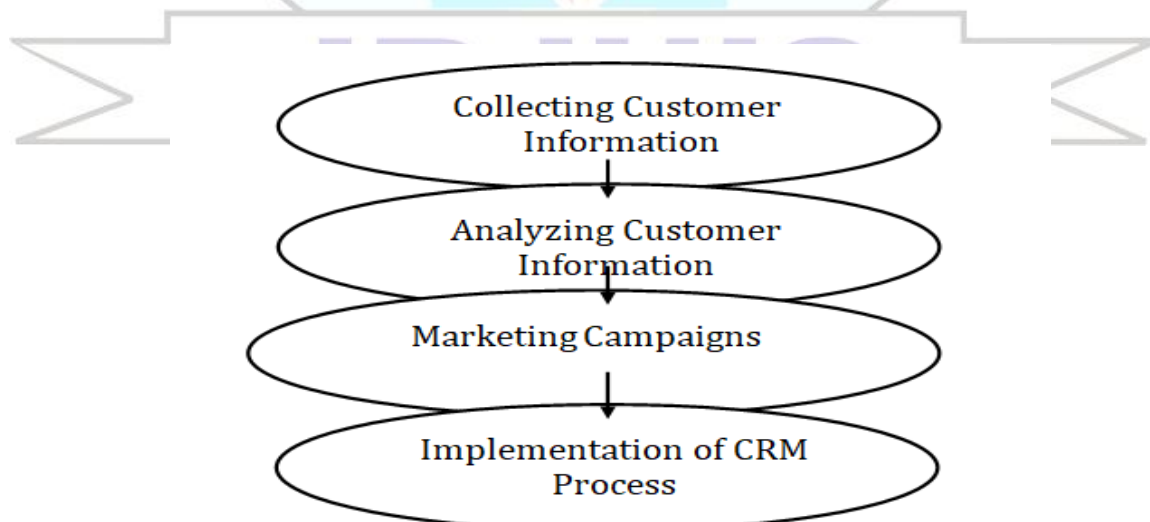
4. Work on customer service for all stages.

Customer relationship management is the process whose main goal is to maximize customer reliability. So customer relationship management process works on all stages, like pre purchase, point of purchase and after purchase.

5. Take customer view or feedback and work on them.

It is very essential that take opinion or feedback from the customer for providing better quality services in future to all customers and proactively acquire new sales and customer.

Process of CRM in Insurance Sector:



1. Collecting Customer Information:

Acquisition of customers and basic data including name, address, gender, age, etc, is fundamental, but transaction data such as date, time, item, value, etc. at every “touch point, i.e., a point of interaction when the company communicates with a customer, or vice versa, are also essential. Information is often needed to balance these data. It is “a knowledge that comes from asking questions to customers such as why and how.”

2. Analyzing Customer Information:

Marketers use these to know interests and preferences of customers. Insurance players should be interested in identifying the insurance orientation of the prospect. Furthermore, they attempt to ascertain purchasing patterns on the basis of business records. Understanding the trend that a certain type of customer is suitable to purchase a specific product and that certain products are often bought with other specific products by a particular type of customer has a beneficial effect on making marketing decisions. Insurer should aim at increasing this by explaining the all possible coverage that can be obtained for his or her various needs and also providing various facilities. This would not only ensure improvement in business but also go a long way in promoting the cause of insurance.

3. Marketing Campaigns:

Companies conduct advertising campaigns that are designed on the basis of the results of analysis. They promote their products through various channels, such as e-mail, the Internet, telemarketing, or direct mail. They also contact their customers for follow-up after purchase. And, of course, they have to scrutinize the results of that campaign in order to filter future campaigns. While implementing these steps it would have a maximization profit to the insurance providers as well as customers.

4. Implementation of CRM Process:

To improve their results, companies need to evaluate the effects of their marketing campaigns. They should measure whether and how given campaigns achieves its original goal and revise their hypotheses according to the results. After that, they should repeat the workflow process, thereby making gradual progress.

Challenges in Insurance services customer relationship management:

Flourishing growth, achievement, exercise and support of customer relationship management systems can provide a important advantage to the Insurance service providers, but frequently there are challenges that block the user from using the program to its full probable. Instances of a CRM attempting to enclose a huge, multifaceted group of data can become burdensome and difficult to know for insurance service providers. The lack of top management support can also obstruct the success of a CRM program. But the challenges faced by the Insurance Company will last longer for the convenience of their customers.

1. Lack of Skills:

To the implementation of customer relationship management, lack of skills in establishing and utilizing the customer relationship management program are the major challenge. In Insurance service scheme, skilled agent or advisor always is important.

2. Inadequate focus on Objectives:

The Insurance service providers should have a clear set of objectives which it would like to achieve through the customer relationship management. These objectives need to be listed and definite as calculable metrics.

3. Defining the Processes:

It is important for the processes to be clearly defined and enforced in order to set up the customer relationship management project for success.

4. Train the agent or advisor:

As the customer relationship management is still developing in Insurance company are need to devote enough time and revenue in training agent as per the customer relationship management objectives. The agent should be able to use the information in best possible manner.

Conclusion:

Customer relationship management will be able to manage the huge database of customers also will facilitate the customer interaction for the sake of quick access, better service and delivering right offers at right time to the right customers. Customer relationship management implementation is also a cost effective and time saving activity, which will provide the long range solutions to the insurance companies and advisors. Thus, the need to integrate customer information from multiple channels, raising service standard, customer satisfaction, loyalty of customers, will be always in demand. Nevertheless we are facing some problems still we have to survive up with these troubles to move ahead.

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