CRM IN INSURANCE
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ABSTRACT

CRM in insurance is the turn of insurance companies to deploy customer relationship management (CRM) solutions. As competition is increasing, companies are trying to retain existing customers, with a wide range of services driving the market of services for CRM applications. Insurance companies spend nearly 12 percent of their IT budgets on CRM software and services. Our focus of the study would be on how CRM helps in the growth of business like providing better customer service, increasing customer revenues, identifying customers, enabling sales staff close deals faster, make call centers more efficient, up-dating customers about recent developments, etc. In case of an insurance employee, all his colleagues are his internal customers. Unless there is a perfect harmony among the different individuals involved, the customer is put to a great deal of inconvenience. In addition to the pressure created by an unhappy internal customer is well experienced by insurers. External customers are all those with whom an insurer has to interact in the course of managing daily business. In addition to the regular customers who have a policy with the insurer, there are a number of potential customers whose issues need to be addressed.

Keywords: CRM-Customer Relationship Management, internal customers, External customers, CRM software.

1. INTRODUCTION

Customers Relationship Management (CRM) is a broad term that covers concepts used by companies to manage their relationship with customers, including the capture, storage and analysis of customer information. The CRM must consider customer privacy and data security. Customers want the assurance that their data is not shared with third parties. However Customers also want their data by companies to provide a benefit for them. For instance, an increase in unsolicited telemarketing calls is generally resented by customers while a small number of relevant offers is generally appreciated by customers. Business process outsourcing (BPO) plays very important role in front generation and customer care. They gather the data from companies data warehouse using data mining tools for use by insurance companies. This is based on age group, income source, service type, gender etc. The customers are tapped telephonically on their feedback, to inform insurance company to follow-up the customer. BPO helps to improve the customer experience by resolving complaints rapidly. They identify issues faced by customers and help to detect and capture other useful pieces of information around a customer’s life stage, financial needs and product interests, which can generate leads and trigger cross-selling. There are three aspects of CRM: operational, collaborative and Analytical. In operational aspect of CRM there is a support to “front office” as well as “Back Office” business processes, including sales, marketing and services. Each contact or interaction with a customer is generally added to a customer’s contact history, and staff can retrieve information about customers from the database as necessary. One of the advantage of this contact history is that customers can interact with different people or different contact “channels” in a company over time without having to repeat the history of their interaction each time.

In collaborative CRM there is direct interaction with customers. The interaction can be through variety of channels, such as internet, e-mail, automated phone (Automated Voice Response (AVR)) etc. The objective of collaborative CRM is cost reduction and service improvements. Third aspect of CRM is analytical CRM which analyses customer data for variety of purposes including design and execution of targeted marketing campaigns. Optimization activity. The analyzed customer information can also be used for customer acquisition, cross-selling, up-selling, retention, etc. Analysis of customer behavior to aid product and service decision-making, management decision-making, prediction of the probability of customer defection. CRM attract customers by providing chatting facilities (chat rooms) of chat rooms which increases customer’s loyalty to a service provider. The most important tool of customers service is e-mail. It is used to spread information, to send product information and to correspond with customers regarding their inquiries.

2. ADVANTAGES OF CRM

There are some insurance companies which have linked their website to its call center. Thus enabling the call center executives to know the customer’s sales history and his buying behavior. It helps the companies to know the consumer behavior and buying patterns for different range of products or policies. When a customer log onto company’s website to buy a policy or to complain when he faces a certain problem, an agent in the call center can simultaneously talk to
Application of CRM in insurance industry offers several benefits. Firstly it is a continuous product development. Which reduces the cycle time for introduction of new products. Secondly there is efficient distribution. Which enables faster communication with agents and brokers and reduces the cost to distribute and update information. Thirdly servicing by use of contact center management systems enabling better servicing thus reducing costs. Fouthly claims by introduction of CRM systems helps in web based loss filing and checking the claims status. Fifthly optimizes the selling strategy thus helping in accurate forecasting of customer behavior and better territory management. Lastly helps in developing a definitive ROI strategy through the use of various metrics such as customer satisfaction ratings, depicting the number of customer complaints and knowing about the customer attrition levels.

3. MANAGEMENT GAME PLAN FOR CRM

Some of the time-tested and popular strategies adopted by private insurers towards relationship building and management efforts range from sending out a greetings message on special occasions, data mining and cross-selling to sponsoring mega events. Experience has shown that each interaction at an event may not result in a sale; nevertheless the aim is to make each interaction a potentially profitable opportunity to offer additional value to the customer. Again, insurers embarking on event-driven marketing strategies are in a better position to feel the pulse of the customers and channel their energies towards meeting customer expectations. The other advantage is that this strategy results in a greater return on marketing investment coupled with reduced marketing costs, lesser cost of communication reaching out to a larger targeted audience and a higher response rate.

Campaign management in retail insurance is also growing by leaps and bounds from single channel mass campaign to multi-channel targeted campaigns. Technologies have evolved to such an extent that the management can keep a tab on the real-time status of a campaign, complete with client history to enable competition has turned the insurance industry into a buyer’s paradise. “The pension market has been developing in a big way that would benefit the large section of the people in the organized and unorganized sector. The annuity market has started growing. Customers are offered unbundled products with a variety of benefits as riders from which they can choose. This choice has empowered the customers and this is a positive signal. However in their anxiety to reach out to more customers and grab a bigger piece of the cake, insurance company branches appear to be mushrooming all over the cities. More branches entail deployment of more staff. Recruitment and deployment of personnel without adequate inputs relating to the industry, the products and related issues can have a detrimental effect on CRM. A ‘top-down’ CRM focused approach that starts with the top management, percolates and permeates all levels of the organization, is the need of the hour. Success of such a strategy will be possible only when an exclusive CRM team ensures dissemination of the CRM philosophy, conducts a regular CRM audit and offers suggestions and ideas while filing the ‘CRM performance report’ with the top management.

LIC’S Commitments and Standards:
To Our Customers
We will:
- Provide them prompt, efficient and courteous service;
- Act as trustees of their funds and invest the funds to their best advantage;
- Conduct our business with utmost economy and on sound business principles;
- Build and maintain enduring relationship;
- Keep the customer informed.

4. CONCLUSION

Standards for Easy Access to information for customers
We will:
- Educate the customers and the public of the various options available in the area of products and services. This will be done through on-going consumer education campaigns with a special focus during the “Consumer Education Week” to be organized in September every year.
- Make available to the customers brochures in regional languages and in easy-to-understand style on our products and services.
• Expand our existing Home page on the Internet to include more details of our products and services, on an on-going basis;
• Enhance the content and frequency of our communications with our customers. This will be attempted through press Releases, press Conferences, TV/Radio Interviews etc. The communications would, besides providing information on progress of the organization, highlight forums of grievance redressal available to the customers, inside the organization.

**Standards for Fairness in Dealing with customers**

We Will:

• Strive to deal with our customers in an open and transparent manner;
• Explain the rationale behind our decisions, consistent with requirements relating to business principles, wherever such decisions are likely to affect the customers’ interests adversely;
• Continuously expand our product-line and services to afford wider choice.

**REFERENCES**


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