

A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT IN INSURANCE SECTOR WITH SPECIAL REFERENCE TO TAMILNADU

Dr.V.RAMESH KUMAR

Asst. Professor of Management, Adaikalamatha College, Vallam, Thanjavur, Tamilnadu, India

Abstract: The behaviors of the consumers in the services sector have been changing radically during the most recent quite a while. The reason is all services firms have enhanced their existing systems and concoct innovative plans to pull in the new demographic and gain the customer reliability. Therefore, such as banking and telecom industry, insurance industries need to study their customers and their changing behaviors. The simple idea of the insurance business requires knowing wellbeing histories, life histories, recipient information and more about the statistic profile of the imminent customers. In the post progression of insurance showcase in India; one factor that adds to the general execution of insurance players is Customer Relationship Management (CRM). Because of the increase in number of insurance players and rising awareness along with customers about various items, organizations in the insurance sector understand the significance of CRM. CRM consent insurance sectors to authorize the marketing divisions to recognize and focus on their best customers, oversee marketing efforts with clear objectives and goals, and create quality leads for the business group. In this paper, creator endeavors to break down the impression of customers and employees of insurance organizations and their CRM practices and likewise the study includes understanding how well do they deal with their Customer Relationships and to study how empowered are the employees of the organization to deliver superior service. The information gathered for the study is simply on auxiliary premise gathered from different course books, diaries like IRDAI diary, visited libraries for gathering information.

Keywords: Customer Relationship Management, awareness about CRM activities (practices) of the insurance sector, Customer Behavior, Insurance Sector.

1. INTRODUCTION

In the commercial world the importance of retaining existing customers and expanding business is a paramount. With the acceleration of global economic integration process, the markets today have changed from the production and sales-oriented marketing to customer-oriented marketing. Relationship building with the customers is an important goal of marketing and service business. The growth in the service sector has persisted, to the extent that service industries now have a major impact on the national economies. As the service sector is making an increasingly significant contribution to the modern economy, customers reap the benefits of greater choice and easy availability. Due to the steady flow of newcomers into the industry, service firms operate in an increasingly complex, competitive business environment.

Customers faced with an increased array of financial product and services like insurance, banking and securities are expecting more from providers in terms of customized offerings, value, ease of access, and personalized services. The resultant fierce competition, together with the challenges posed by the ever-changing modern business world, is forcing service firms to review and often dramatically adapt their management styles and business practices. It is believed that when marketers satisfy the core expectations of the customers and exceeds in the features of their total offerings then

relationship flourishes. Of the various services provided by the service sector, the insurance sector has been undergoing a tremendous change in recent times resulting fierce competition among the various financial institutions.

The needs and perceptions of the customers of a service firm must therefore be examined so that the service delivery can be improved to meet their requirements. Services marketing pioneers proposed the concept of relationship marketing as means to narrow the gap between companies and their customers. Leonard Berry was the first scholar in services marketing who coined the phrase "relationship marketing". However, the concept had been oriented towards how to acquire customers (Storbacka et al., 1994). As a result, such relationships are not necessarily long term relationships where profitability is the main goal of the relationship.

Customer relationship Management is a strategic approach that is concerned with creating improved customer value through development of appropriate relationships with key customer segments. It is not just the application of technology, but is a strategy to learn more about customers' needs and behaviors in order to develop stronger relationships with them. As such, it is more of a business philosophy than a technical solution to assist in dealing with customers effectively and efficiently. It helps businesses to gain an insight into the behavior of their customers and modify their business operations to ensure that customers are served in the best possible way. In essence, CRM helps a business to recognize the value of its customers and to capitalize on improved customer relations. More you understand your customers; the more responsive you can be to their needs.

In a nut shell, there is a cut-throat competition in the market and the companies have realized the importance of the superior customer service as the key for their survival. To face the competition almost all the companies operating in the life insurance market of India are always in the fore front of designing and implementing various CRM practices. The effort in recent times has been to bring the services as close as possible to the customers and initiating to improve the quality in services as well.

INSURANCE INDUSTRY IN INDIA – AN OVERVIEW

Insurance industries in most emerging markets are characterized by poor perception, low level of technology leverage, low investment and asset management capabilities, and poor regulatory framework. However, the India's insurance industry has the ability to survive in the face of enormous challenges. The insurance industry in our country is on the threshold of a new era of rapid expansion. A more competitive environment is emerging with new participants entering the insurance industry. We need specialists who can work in insurance industry. Risk management has wide applications. It is relevant not only to insurance industry but also to many other organizations in the fields of business and finance. To understand risk, measure it and weigh its consequences are an integral part of management. Financial institutions in the management of the funds placed with them have to reckon with market risk, credit risk, counter party risk and liquidity risk. To mitigate the impact of various risks is the essence of risk management.

Insurance in any company is regarded as a pillar of growth and it works as a catalyst in the overall development of the economy. The industry always remains a source of long-term funds, which are vital for the development of the basic and capital market and also vitalizes the market for government bonds. Well run insurance companies are of the best recyclers of a country's money in the interest of the countries' overall development, particularly because these companies match their liabilities with local assets.

Insurance is, basically defined as a financial agreement that redistributes the cost of unexpected losses. Today, it stands both as a service and industry in its own right. India's life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years. The insurance industry plans to hike penetration levels to five per cent by 2020.

The country's insurance market is expected to quadruple in size over the next 10 years from its current size of US\$ 60 billion. During this period, the life insurance market is slated to cross US\$ 160 billion. The general insurance business in India is currently at Rs.78, 000 crore (US\$ 11.44 billion) premium per annum and is growing at a healthy rate of 17 per cent. The Indian insurance market is a huge business opportunity waiting to be harnessed. India currently accounts for less than 1.5 per cent of the world's total insurance premiums and about 2 per cent of the world's life insurance premiums despite being the second most populous nation. The country is the fifteenth largest insurance market in the world in terms of premium volume, and has the potential to grow exponentially in the coming years.

The insurance industry of India consists of 53 insurance companies of which 24 are in life insurance business and 29 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Other stakeholders in Indian Insurance market include agents (individual and corporate), brokers, surveyors and third party administrators servicing health insurance claims. The Insurance sector in India was expected to attract over Rs.12, 000 crore (US\$ 1.76 billion) in 2016 as many foreign companies are expected to raise their stake in private sector insurance joint ventures. The Government of India has taken a number of initiatives to boost the insurance industry. Some of them are, to allow foreign investment up to 49 per cent subject to the guidelines on Indian management and control verified by the regulators, to reduce the service tax on single premium annuity policies, to list the Government insurance companies on the exchanges.

The Insurance Regulatory and Development Authority (IRDA) of India have formed two committees to explore and suggest ways to promote e-commerce in the sector in order to increase insurance penetration and bring financial inclusion. IRDA has formulated a draft regulation, IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015, in pursuance of the amendments brought about under section 32 B of the Insurance Laws (Amendment) Act, 2015. These regulations impose obligations on insurers towards providing insurance cover to the rural and economically weaker sections of the population. India's insurable population is anticipated to touch 750 million in 2020, with life expectancy reaching 74 years. Furthermore, life insurance is projected to comprise 35 per cent of total savings by the end of this decade, as against 26 per cent in 2009-10. The future looks promising for the life insurance industry with several changes in regulatory framework which will lead to further change in the way the industry conducts its business and engages with its customers.

Since Liberalization has created acute competition in the insurance market, Customer behavior is influenced by the players in the insurance market. The environmental factors like socio economic and demographic factors, inputs of insurance advisors, also influence the customers. The customer relationship management plays a major role in the company's efforts to manage customer satisfaction and experience.

STATEMENT OF THE PROBLEM

Insurance companies today must focus on delivering the highest value to customers through better communication, faster delivery, and personalized products and services. Since a large percentage of customer interaction will occur on the internet rather than with employees (Bultema, 2004). One of the reasons for CRM project failure in the private sector is the lack of focus at what needs to be achieved from CRM, at a macro, programmed level, and at a more micro functional or activity level (Insurance & Technology, 2003). Like private sector organizations, most public sector ones cannot choose the people they serve. Public sector organizations are often poorly coordinated across departments and geographies, internally and with each other (Porter, 2001). There is also a resource problem. The public sector has rarely developed resources to design, build and optimize CRM. Public sector organizations are starting to understand that CRM philosophy involves not just technology but also changes to the proposition, the service is delivered, integration of access and delivery channels, improved data, different measurement systems and a new way of managing people (Johri, 2000).

OBJECTIVES OF THE STUDY

Following are the research objectives of the study.

- ✓ To assess customers perception on the practices of customer relationship management in Insurance companies in Tamilnadu.
- ✓ To study the functioning of the CRM in insurance sector in Tamilnadu.
- ✓ To identify practical difficulties involved in implementing the CRM in insurance sector in Tamilnadu
- ✓ To study the customer behaviour over CRM in insurance companies in Tamilnadu.
- ✓ To give suitable suggestions for effective functioning of the CRM in public and private Insurance companies in Tamilnadu.

2. REVIEW OF LITERATURE

Mornay Roberts-Lombard (2011) in their article titled, "Customer Retention through Customer Relationship Management: The Exploration of Two-way Communication and Conflict Handling" have observed that the organizations such as banks and short-term insurance organizations became more aware of the importance of customer relationship management (CRM) and its potential to help them acquire new customers, retain existing ones and maximize their lifetime value. A close relationship with customers will require a strong coordination between information technology (IT) and marketing departments to provide a long-term relationship of select customers. One independent variable had exerted a statistically significant positive influence on the intervening variable (CRM), while two-way communication exerted a statistically significant negative influence on the intervening variable (CRM). The intervening variable (CRM) positively influenced the dependent variable Customer Loyalty. If short-term insurance organizations communicate accurately, and are skilled in conflict handling, greater loyalty would be created among customers.

S. Durvasula et.al. (2005) in their article titled, "Relationship Quality Vs. Service Quality: An Investigation of their Impact on Value, Satisfaction and Behavioral Intentions in the Life Insurance Industry" have showed that both service quality and relationship quality had a strong connection with satisfaction, value and behavioral outcomes and also significant predictors of satisfaction, value and behavioral intentions. They had concluded that neither service quality nor relationship quality alone is a single useful predictor, but both need to operate together.

K. Sayulu, and G. Sardar (2005) in their article titled, "A Strategic Framework for Customer Relationship Management" have stated that customer value and satisfaction were the important ingredients in the marketers for success. The insurance companies today must develop stronger bonds and loyalty with their ultimate customers and pay close attention to the customer defection rate and undertake steps to reduce it.

D. Upadhyaya and M. Badlani (2011) in their paper titled, "Service Quality Perception and Customer Satisfaction in Life Insurance Companies in India" have identified that despite high satisfaction levels, there remained a lot to be done by the management of the retail life insurance companies to maximize their customer satisfaction and improve the quality of service. The satisfaction of the customer with the services of life insurance companies was found to be linked with the performance of the service. Further, a need was felt to integrate technology features into interpersonal relationships and not to replace them.

Research on the direct relationship between customer satisfaction and profitability has revealed mixed results ranging from positive to no effect, (Christopher et al., 1998; Zeithaml, 2000; Jones and Sasser, 1995). The findings lack in depth analysis and fail to answer questions like: How will service quality attribute be paid off (return on investment)? Or, how much should the company invest in service quality to maximize profitability?

There are two approaches for addressing these questions: offensive marketing and defensive marketing (Fornell and Wernerfelt, 1988; Rust and Zahorik, 1993; Zahorik and Rust, 1992). Such approaches do not have their roots in either industrial or service marketing but have emerged from the traditional consumer goods marketing (Storbacka et al., 1994). Offensive marketing focuses on acquiring new customers and increased customer's transactions (purchase frequency) whereas defensive marketing is focused on minimizing customer switching behavior. This study evaluates the defensive impact of service quality through customer retention in order to measure the financial impact of service quality for the firm.

The basic assumption is that there is a direct and strong relationship between service quality attributes and customer behaviors, for instance; repurchase intention (Fornell and Wernerfelt 1987, 1988; Reichheld and Sasser 1990; Anderson and Sullivan 1990; Grönroos, 1990). The assumption is based on the idea that customer satisfaction can be predicted and assessed as the difference between perception and expectation. Therefore, if the service is performed poorly, then the difference between customer perception and expectation will be negative or the customer will be dissatisfied. If the difference is positive, a customer will be satisfied or desired. Moreover, this relationship is relied upon the assumption that the relationship between service qualities attributes and customer satisfaction is linear and asymmetric.

3. RESEARCH METHODOLOGY

Methodology of any type of research study takes a vital role in bringing a logical and scientific approach. It requires a strong base to the research and it leads to a reliable as well as valid interpretations. Research is a careful investigation, an

inquiry, especially through search, for new facts in any branch of knowledge (Dictionary, 1952). The research methodology enlightens the methods to be followed in research activities starting from investigation to presentation. Rationale behind the research methodology lies on its meaningful considerations of variables and the approaches to study them. In this sense, the research methodology acts as a basement of any type of research. This is an empirical survey, based on primary data. For this study, Tamil Nadu is selected as the geographical area. The purpose of this chapter is to explain the methods used in this study. Items include the research design, pilot study, dimension of the study, hypothesis of the study, population and sample, instrumentation, reliability and validity of the instrumentation, data-gathering procedures, and the methods of statistical analysis.

SOURCES OF DATA USED

Both types of data i.e., secondary and primary data have been used in the present study. The secondary data was collected at first from the text books, web sites, journals and other secondary sources. Since the present study is based on primary data, two different Questionnaires were prepared to collect the data from the customers and employees of the insurance companies considered for the study.

POPULATION AND SAMPLING PROCEDURE

Population of the study consists of two groups such as customers of the insurance companies who are policy holders (including the borrowers) and employees of the insurance companies. Tamil Nadu is the geographical area of the present study. As the population is infinite one, the method of selecting the sample customers is a difficult process. However the present research takes sample customers from the selected five districts of Tamil Nadu namely Trichy, Thanjavur, Pudukkottai, Thiruvarur and Nagai districts. In case the approached customers were not interested in participating in the study, then the researcher moved to the next customer and was asked to answer the questionnaires individually. The sample respondents for the study were the customers of the selected six insurance companies as policy holders of different insurance products in the selected districts of Tamil Nadu and the employees of the six insurance companies in the selected districts. The first group consists of the sample distribution of the customers including all types of policy holders.

The researcher aimed for 800 sample respondents but the response rate on the questionnaire was only 75per cent. Hence the included response of the customers for the present study came to a sample size of 600.

The second group of respondents are the employees who are the internal customers presently employed while undergoing the research. The sample consists of the employees in different cadres of the selected six insurance companies in the five districts of Tamil Nadu considered for the study. From this group, 300 employees, 60 respondents from each selected districts of Tamil Nadu have been selected at random within the six Insurance companies selected for this research study. In the process of study the objectives are pre-determined. The methodology has been designed to fulfill the objectives for the study.

4. ANALYSIS AND INTERPRETATION OF DATA

Data analysis is the most important chapter. It acts like a filter acquiring meaningful insights out of huge data. One of the most important uses of data analysis is that it helps in keeping human bias away from research conclusions with the help of proper statistical analysis. The present chapter attempts to execute analysis and interpretation of all major dimensions considered for the study such as Socio demographic profile of the Customers, Information about the insurance products preferred by the customers, Customer awareness and Customer Behavior.

ANALYSIS FOR AWARENESS ABOUT CRM ACTIVITIES (PRACTICES) OF THE INSURANCE SECTOR

The customer awareness towards the CRM practices followed in the insurance companies for insurance services is taken as an important dimension for analysis. About thirteen factors are included for measuring the customer awareness. They are, 'CRM policy of the Insurance companies, Customer Data Base of the Insurance companies, Importance of the CRM in Insurance companies, Customer awareness about insurance products. E-CRM practice in Insurance companies, Benefits of CRM, CRM environment, CRM Promotes customer's awareness, CRM attract new customers, CRM promotes service quality of the insurance companies, CRM enhances customer's loyalty, CRM boosts customer's confidence and Overall awareness' respectively.

FRIEDMAN TEST FOR SIGNIFICANT DIFFERENCE BETWEEN MEAN RANKS OF AWARENESS ABOUT CRM ACTIVITIES (PRACTICES) OF THE INSURANCE SECTOR

Null Hypothesis: There is no significant difference between mean ranks towards the awareness about CRM activities (practices) of the insurance sector.

Alternative Hypothesis: There is a significant difference between mean ranks towards the awareness about CRM activities (practices) of the insurance sector.

Table – 1

Friedman test for significant difference between mean ranks towards the awareness about CRM activities (practices) of the insurance sector

Awareness about CRM activities (practices) of the insurance sector	Mean Rank	Chi-Square value	Degrees of freedom	Asymp. Significant
CRM policy of the Insurance companies	6.96	1169.917	12	0.000
Customer Data Base of the Insurance companies	6.74			
Importance of the CRM in Insurance companies	7.14			
Customer awareness about insurance products	7.35			
E-CRM practice in Insurance companies	7.25			
Benefits of CRM	7.63			
CRM environment	6.63			
CRM Promotes customers awareness	6.47			
CRM attract new customers	6.88			
CRM promotes service quality of the insurance companies	4.73			
CRM enhances customers loyalty	11.00			
CRM boosts customer's confidence	5.77			

Source: Output generated from SPSS 20

From the above table, it is found out that all the variables related to the awareness about CRM activities (practices) of the insurance sector had significance value less than 0.05 at 1 Per cent significance, thus the null hypothesis is rejected. Thus, it is concluded that there is significant difference between mean ranks towards the awareness about CRM activities (practices) of the insurance sector. Out of the twelve awareness about CRM activities (practices) of the insurance sector variables, the “CRM enhances customers loyalty” has the highest rank (11.00). So, that the awareness about CRM activities (practices) of the insurance sector is influenced by CRM enhances customers loyalty.

The result determines the fact that almost all the attributes under awareness of the customers towards CRM practices in insurance sector are important and the most influencing factor is identified as ‘CRM enhances customers loyalty’ of the respondents. This may be due to the fact that the customers must have felt that the importance of CRM improves their loyalty towards the company or the insurances services. Hence among all other attributes under awareness of the customers towards CRM practices in insurance sector, the above said factor alone is the most influencing variable.

ANALYSIS FOR CUSTOMER BEHAVIOUR ON CRM IN INSURANCE SECTOR

Customer preference varies based on the insurance policy and its services. The preference and opting of insurance policy and services is termed as customer behavior. The customer behavior dimension is measured with the help of the following factors such as, ‘Technology in insurance companies, Responsiveness, Promptness in services, Low service charges or commissions, Service Quality, Employee behavior, and Proximity’.

ANALYSIS OF OVERALL SATISFACTION OF THE CUSTOMER ON CUSTOMER BEHAVIOR ON CRM IN INSURANCE SECTOR BY USING THE NEURAL NETWORK (NN) METHOD

The architecture which provides the best fit for the data is the network with nine input layers, seven covariate variables and one hidden layers and one output layer, as shown in figure 4.5. The model used in this work is the Feed Forward Multilayer perception, using the Back Propagation Algorithm. Where (4-3-1).

9-Input layers

7-Covariates layers

1-Hidden layers

1-Output layer

All inputs are analyzed in the experimental validation part, with appropriate output results by the illustration of graphs so that the influences of the parameters of tensile strength are taken into consideration. The network information presented in the table. The validation of the estimated NN and Experimental value illustrations is shown in Figure.

Figure – 1

Basic Neuron Model for overall satisfaction of the customer on customer behavior on CRM in insurance sector

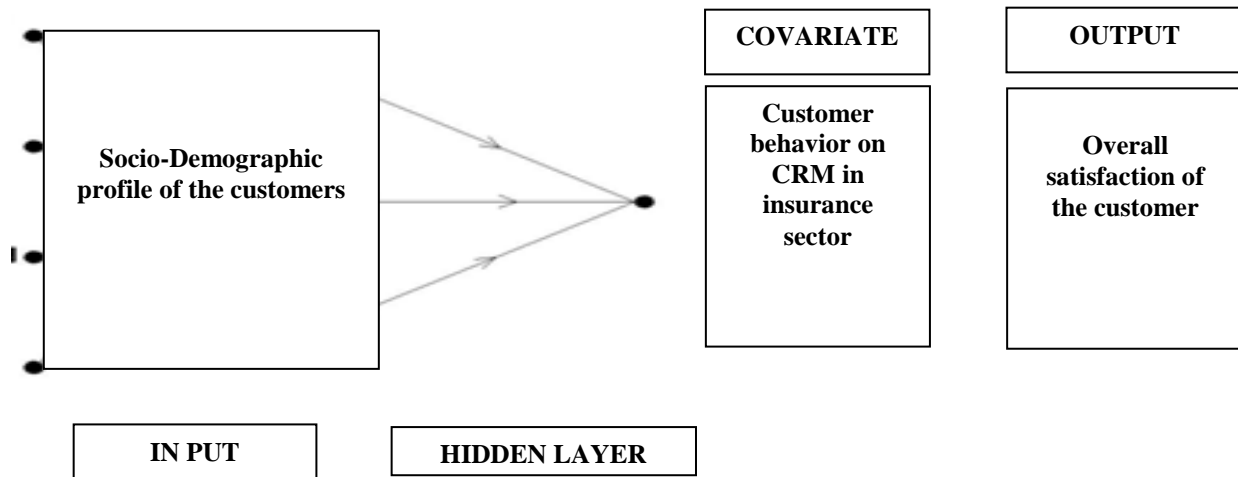


Table - 2

Model Summary for Neural Network Model for customer behavior on CRM in insurance sector

Training	Sum of Squares Error	215.386
	Relative Error	1.014
	Stopping Rule Used	1 consecutive step(s) with no decrease in error ^a
	Training Time	0:00:00.616
Testing	Sum of Squares Error	64.310
	Relative Error	.980
Dependent Variable: Overall Satisfaction		
a. Error computations are based on the testing sample.		

Source: Output generated from SPSS 20

Table – 3

Neural Network Model for overall satisfaction of the customer on customer behavior on CRM in insurance sector

Input Layer	Factors	1	Gender
		2	Age
		3	Marital Status
		4	Educational Qualification
		5	Occupation
		6	Annual Income
		7	Type of Family
		8	Family Size
		9	Area of Residence
	Covariates	1	Technology in insurance companies
		2	Responsiveness
		3	Promptness in services
		4	Low service charges or commissions
		5	Service Quality
		6	Employee behavior
7		Proximity	
	Number of Units ^a	39	
	Rescaling Method for Covariates	Standardized	
Hidden Layer(s)		Number of Hidden Layers	1
		Number of Units in Hidden Layer 1 ^a	9
		Activation Function	Hyperbolic tangent
Output Layer	Dependent Variables	1	OVERALL SATISFACTION
		Number of Units	1
		Rescaling Method for Scale Dependents	Standardized
		Activation Function	Identity
	Error Function	Sum of Squares	
a. Excluding the bias unit			

Source: Output generated form SPSS 20.

The factors of customer behavior on CRM in insurance sector model parameters are modeled by using the Neural Network Method. The parameters are optimized so as to determine the set of parameters, which will influence the increase in the Overall satisfaction of the customer towards, Neural Networks Architecture and network information.

Table – 4

Independent Variable importance for Neural Network Model for the overall satisfaction of the customer on customer behavior on CRM in insurance sector

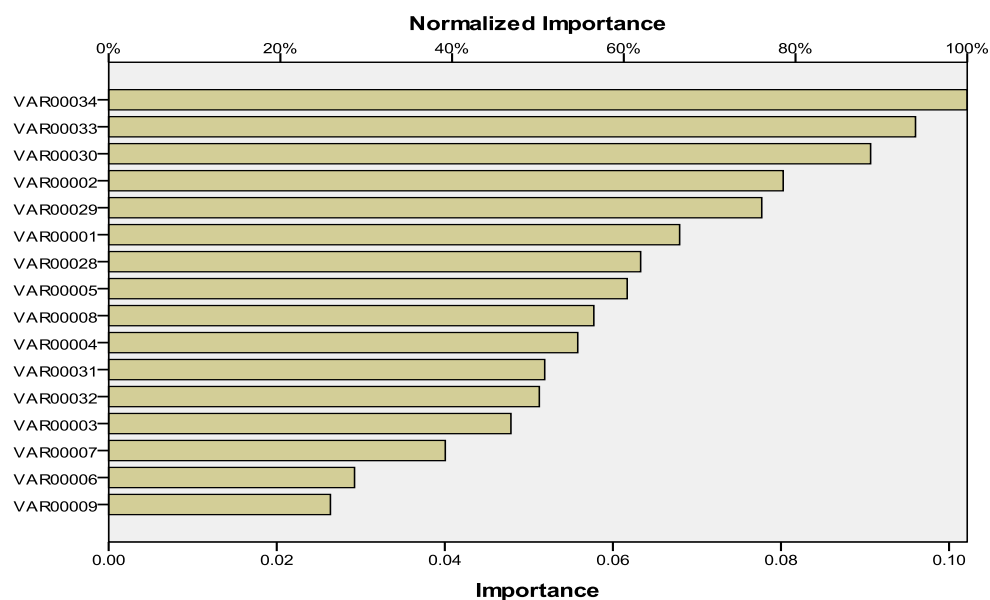
Independent Variable Importance	Importance	Normalized Importance
Gender	.068	66.5%
Age	.080	78.6%
Marital Status	.048	46.9%
Educational Qualification	.056	54.6%
Occupation	.062	60.4%
Annual Income	.029	28.6%

Type of Family	.040	39.2%
Family Size	.058	56.5%
Area of Residence	.026	25.8%
Technology in insurance companies	.063	62.0%
Responsiveness	.078	76.1%
Promptness in services	.091	88.7%
Low service charges or commissions	.052	50.8%
Service Quality	.051	50.2%
Employee behavior	.096	94.0%
Proximity	.102	100.0%

Source: Output generated from SPSS 20

Figure – 2

Normalized importance for overall satisfaction of the customer on customer behavior on CRM in insurance sector



The table and diagram shows the customer behavior on CRM in insurance sector in respect of “Proximity” is contribute more towards the output of overall satisfaction of the customers. The result determines the fact that almost all the attributes under customer behavior on CRM in insurance sector are important and the most influencing factor is identified as ‘Proximity’ of the respondents. This may be due to the fact that the customers must have felt that the customer choice on the policy and the insurance services of the company depends on the accessibility in the insurance services. Hence among all other attributes under customer behavior on CRM in insurance sector, the above said factor alone is the most influencing variable.

5. FINDINGS, SUGGESTIONS AND CONCLUSION

Introduction:

The following findings are derived from the analysis and interpretation of the data collection from the customers and employees of the insurance companies. The findings come from primary sources analyzed which have been statistical packages.

Findings:

- All the attributes under awareness of the customers towards CRM practices in insurance sector are important and the most influencing factor is identified as ‘CRM enhances customers loyalty’ of the respondents. This may be due to the

fact that the customers must have felt that the importance of CRM improves their loyalty towards the company or the insurance services. Hence among all other attributes under awareness of the customers towards CRM practices in insurance sector, the above said factor alone is the most influencing variable.

- The customer behavior on CRM in insurance sector in respect of “Proximity” is contributing more towards the output of overall satisfaction of the customers. The result determines the fact that almost all the attributes under customer behavior on CRM in insurance sector are important and the most influencing factor is identified as ‘Proximity’ of the respondents. This may be due to the fact that the customers must have felt that the customer choice on the policy and the insurance services of the company depends on the accessibility in the insurance services. Hence among all other attributes under customer behavior on CRM in insurance sector, the above said factor alone is the most influencing variable.

Suggestions:

- CRM is not merely an implementing technology solution or customer service, but it should be able to learn about the customer’s needs, behaviors, and preferences in order to identify the market segments. The organization should identify its target segment to extensively bring in customers towards the insurance services and build technology solutions through CRM.
- Customer relationship management / customer service can be improved through training staff, empowering staff, getting customer complaints, hiring good people and delighting customers so as to withstand competition in the insurance service sector.
- Considering the awareness and perception as the psychological determinant to understand the behavior of the customers towards CRM practices in insurance sector, the companies are suggested to design advertising campaigns highlighting the CRM implemented insurance services with customer friendly experience. Advertising campaign should also be in such a manner to spread awareness on the easy accessing of services and persuade the customers of the remote villages to avail those services.

Conclusion:

The results of the study were based up on the discussion of data obtained from close ended questionnaire distributed to customers and the employees of the selected insurance companies for the study. In Insurance service sector secure, trustworthy and quality insurance services are the basis of a sound CRM function. From the results obtained, customers who are policy holders of the selected insurance companies feel safe and secure with the company products and policies as well as their services. The aim of this study was fulfilled so as to identify the perceptive factors of the customers towards CRM practices in insurance sector to establish, maintain, and enhance relationships with customers to achieve the fundamental issue to maximize the business. It is common that as satisfaction declines, customers are unwilling to conduct business transaction. Particular to the insurance sector, customer satisfaction guides to construct long-term relationship with their customers leading to Customer retention and loyalty. The research recommends implementing new approaches to improve CRM practices and thereby accelerating customer satisfaction.

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