

A Study on Customer Relationship Management (CRM) Implementation and Customer Opinion, Customer Services Quality, Customer Expected, Insurance Industry Tamil Nadu In Thanjavur District

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Abstract- Insurance plays an important role in the financial sector but while there is many research on the casual relationship bank lending and economic growth is often ignored relationship insurance and economic growth. Among financial intermediaries, insurance companies play an important role in carrying out the functions of the financial system. They play an important role through risk management for companies and individuals. Through the issue of insurance policies they collect funds and transfer them to entities to finance real investment. Insurance companies perform this through their two very important roles, a) the role of financial intermediation and b) the role as risk transfer and compensation payment; enable the promotion of economic growth by providing efficient risk management instruments and channeling savings into productive investments. The importance of data mining techniques to customer relationship management (CRM), there is a lack of a comprehensive literature review and a classification scheme for it. This is the first identifiable academic literature review of the application of data mining techniques to CRM. In , as in all developing countries dominated non-life insurance to life insurance. the collective expertise and intelligence in an organization and using them to foster innovation through continued organizational learning whereas obtaining customer-related knowledge is specified as the means to attain CRM objectives This paper examines the relationship between general insurance, life insurance and economic growth in The results of the research show that there is a significant positive relationship between non-life insurance and economic growth and no significant.

Keywords- Customer relationship management (CRM), Knowledge Management (KM), customer retention, Customer expectation, Customer satisfaction.

I. INTRODUCTION

CRM is a technology. Implementation of this technology includes collection of valuable information of the customers through previous contacts, surveys and queries. The information is collected through telecom , e-mail, fax and call centers. It is best fit for providing quality service towards policyholders. Through the implementation of CRM, the insurer gets the advantages of innovative development of product, better operational efficiency and accelerated customer satisfaction. The customers are becoming harder to convince and satisfy. They are more demanding, price and service-conscious, less forgiving and are approached easily by competitors with same or higher offers. This challenge is not to develop satiated customers but to produce very much delighted, loyal and committed customers. guidelines, tax benefits, Bonus information and SMS enquiry. It also provides premium calculator and multiple premium payment options. It was found that LIC had the most number of channels for customers to pay their premiums both online and offline when compared to private life insurance companies. The Offline premium payment options were – ECS, Bill Pay and ATM

II. OBJECTIVES OF THE STUDY

1. This study aims at evaluating the importance of Customer Relationship Management in Insurance industry
2. To measure the CRM strategies used by Insurance industries.
3. To evaluate the extent of customer centric selling and customer preference for insurance industry products.
4. To measure of the customer expectations, and continues relationships,

5. To analyze customer preference, customer focus, customer contact point and customer opinion levels the insurance industry
6. To measure the CRM technologies, CRM benefits used levels in insurance industry.

Conceptual definition of CRM

Customer relationship management (CRM) has defined in many ways. “Influence of technology” in order to encourage customers to give their opinions until institution could provide services and products in accordance with order to attract, develop and retain the customers is the common element to all definitions. The definition that was proposed by Galbraith and Rogers has been expressed CRM as follows. “Activities that a company carries in order to identify, find, attract, develop, and retain loyalty of profitable customers by providing tailored products and services to the right customers through the right channels at the right time and cost”. Customer relationship management (CRM) facilitates relationships among company and customers, business partners, suppliers and employees.

5. Advantages of CRM for insurance companies

Advantages of CRM for insurance companies can divide into two groups. Hardware advantages consist of revenue increase and cost reduction, and software advantages include customer satisfaction increase.

• **Hardware Advantages**

Revenue Increase

Insurance companies through increase of selling volume can maximize their income. Methods of increasing selling volume that accomplished with help of CRM are as follows:

- 1- Get new customers
- 2- Encourage existing customers to buy more insurance
- 3- Encourage customers to buy new insurance policies
- 4- Retain customers for longer periods
- 5- Performing certain services for free by insurance companies
- 6- Development of selling channels

Cost reduction occurs in various departments including service, marketing, and selling.

Service Department

- 1- Reduction of response time

- 2- Improve coordination between support units and selling department
- 3- Increase cost efficiency by new channels such as email

• **Marketing Department**

- 1- Better understanding of customer and insurance companies market
- 2- Proper segmentation of the market, acquisition price, proper product positioning
- 3- Improve targeting
- 4- Distinguish insurance policies that most needed

• **Selling Department**

- 1- Easy review of the customer information prior to communicate with him for selling or renewal of insurance policy
- 2- Using low-cost selling channels
- 3- Offer automatic selling

• **After Sale Services Department**

- 1- Provide loss record for every customer and inform about the work progress
- 2- Identify customers who have introduced new customers and considering service and discount for them

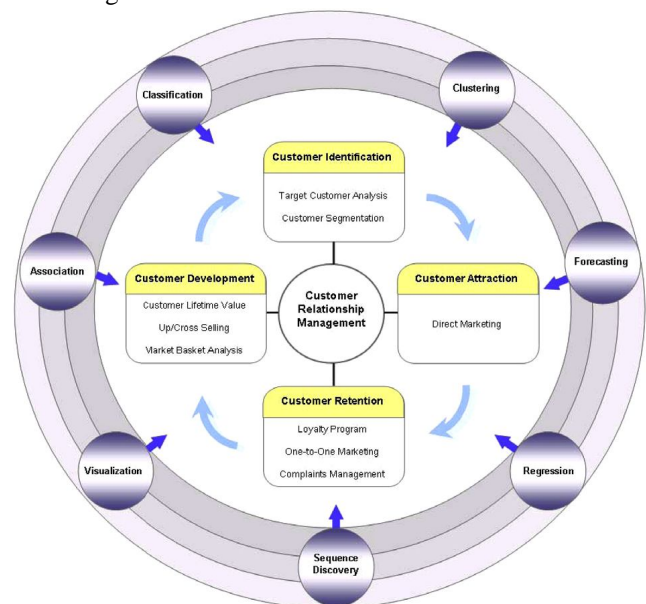


Fig. 1. Classification framework for data mining techniques in CRM.

CRM in LIFE CRM initiatives ;

- First organization to have provided a free look period of 15 days for the customers - later on IRDA made this mandatory

- First Indian life insurer to have provided different services to the agents and customers over phone
- First company to have started toll free lines for agent services
- First life insurer in India to have started service centers at the regional level
- First and the sole Indian life insurer to have put into practice the Lean methodology of service excellence in service industry
- First Indian life insurer to have been awarded ISO 9001:2008 certification

various services to pay premium online, detailed premium payment procedure, ECS facility, NRI services, claim settlement process, Answers to FAQs, SMS based services and Revival of lapsed policies. New customers can avail of services of Premium calculator, Need analysis calculator, Retirement calculator, Human Life Value (HLV) calculator, Buy Policy Online Tools, Financial Planner tools, Proposal tracker, Order a form, Meet an Advisor, Child education Planner, Tax calculator and Easy Plan Finder

CRM implementation issues

CRM normally involves business process change and the introduction of new information technology, consequently effective leadership is important (Galbreath and Rogers, 1999). Because leaders monitor the external environments of an organization they are often the best placed to set the vision or strategic direction for CRM projects. In addition, leaders are

In entail in the authorization and control of expenditure, the setting and monitoring of performance and the empowerment and motivation of key personnel (Pinto and Slevin, 1987).

As CRM reaches into many parts of the business it has been suggested that organizations should adopt a holistic approach (Girishankar, 2000). The holistic approach places CRM at the heart of the organization with customer orientated business processes and the integration of CRM systems. Ciborra and Failla (2000) conceptualize CRM beyond a front office contact management system. For others,

CRM goes further, to constitute operational, analytical and collaborative elements (Trepper, 2000). Holistic approaches to CRM help organizations co-ordinate and effectively maintain the growth of disparate customer contact points or channels of communication. However, problems of channel conflict have been identified whereby customer

experiences differ depending on the sales channel (Peppard, 2000).

Another implementation issue is that of sourcing. Many organizations have few alternatives but to outsource a significant proportion of their CRM solution as they lack the resources to develop CRM software. According to MacSweeney (2000) 60 per cent of in-house CRM systems fail. Timing is also important, as developing CRM software in-house can be a lengthy process and there are rewards to those that can respond rapidly and appropriately (Howle, 2000).

CRM is also reputed to be facilitating the outsourcing of more business operations directly to the customer, highlighted by the UPS customer self-tracking system with annual savings of US\$164 million (Hamm and Hof, 2000) and by the enormous savings in Internet banking (Downes and Mui, 1998).

According to Newell (2000) CRM is a useful tool in terms of identifying the right customer groups and for helping to decide which customers to jettison. Clemons (2000) estimates there may be a tenfold difference between the most portable customers and the average. The idea that you cannot have a portable relationship with all customers and the practice of targeting customers with a differentiated product or service is already widespread in many financial services, e.g. banking, insurance, credit cards etc. It is less established in many other business sectors such as manufacturing. One method

III. CUSTOMER ATTRACTNESS STRATEGIES

- 1- Provide a single view of the customer
- 2- Integrate multiple channels of customer service and selling
- 3- Targeted marketing to build customer loyalty and extension
- 4- Effective management of distribution channels

1. *Provide a single view of the customer*

With the implementation of old systems, insurance companies had large number of customers' information and access to a wide variety of data. However, this access was very limited and insurance companies could not receive a lot of useful information from these systems, and while for service to customers had full access to all information of them.

2. *Customer services representatives (CSRs)*

Customer services representatives (CSRs) have vital role in eliminating the gap between customer expectations and

a variety of services that offers insurance companies. However, the lack of their access to customers information are caused this part of the activities of insurance companies have not been had the required performance. Failure to anticipate the needs and expectations of customers and ways to fix them for having the long-term relationships with customers have a huge risk. In fact, insurance companies are successful that differentiated between the expectations and demands of customers in their lifetime. CSRs with timely and adequate access to useful customers' information can be involved to improve customer interactions level and personalize services too. Using current information, CSRs with maintaining security of people's confidential information can take action for lateral products selling and cross selling and have had the possibility of highly specialized services to each customer. For example, when a customer calls to renew his home insurance policy, while the center handles call, this department with CSRs has access to all insurance policies and customer information. For example, they know that the customer does not have car insurance contract with the company, so during the phone conversation in an appropriate condition provides information for customer about car insurance facility, until persuade customer to take car insurance contract with the company too. It is fully obvious; that organization with combining and integrating obtained information from multiple systems can improve its relationships with customers. Systems of issuing insurance policy, loss and determining rate are valuable in insurance companies. Nevertheless, with the help of CRM solution with the integration of information such as profitability, every customer behavior, and business operations could upgrade these systems, and when we combined key customers information and business operations with each other and analyzed them effectively, will be able to get the right business decisions with regard to existing conditions. Administrators also by using of this information could have proper understanding of distribution channels, service, and customers and manage them more effectively. Similarly, insurance agents and representatives by proper understanding of both the insured and insurance policy could have successful management in relation to customers. By integration and composition of analytical CRM and data mining, companies will be able to segment based on the customer; and agents and representatives could be had models to predict future behavior of customers. Identifying behaviors such as customers' tendency to certain types of insurance contracts or possibility of the renewal of insurance policy by each customer provides useful information to adopt accurate decisions for organization.

3. Integrate multiple channels of customer service and selling

Due to increasing competition in financial institutions, including insurance companies, these companies have forced to use multiple selling channels for maintaining their market share. Especially, when in some countries, banks and agents are also able to offer insurance policy to their customers, and thus have been entered the insurance market, and even a plan is running as one-stop shop to provide centers that meets all financial needs of the customer such as insurance policy, loan, saving and so on. All these factors cause intense competition increase in the insurance industry. Today, customers have access to adequate information and consequently see many choices for themselves, and with altering the price of insurance policy (insurance premium) easily change their insurer to competitor insurance company. Although the price is a key driver, but customers in addition to it, give importance for offering better services and accurate informing about insurance policy and services provided by insurance companies. At present, more than any other time, insurance companies should perform processes and stages of insurance operations easier and faster, so that behave beyond customers' expectation. Customers should have the freedom to choose how to deal with insurer. Available channels such as phone, fax, and audio answering machine system must correctly integrate with newer communication channels such as email, mobile, online services, and internet. Self-service solution of CRM are most welcomed for effectiveness and potential availability of insurance company to full-time (24 7) and providing online services to customers. Web-based and self-service channels can support a large number of interactions with the customer. Current and future customers could search types of insurance services, and have had access to their prices and online offered buying order of insurance policy. Insurers, beneficiaries, and the insured can manage status of loss payment, changing account information, and offering suggestions and complaints through the web-based services system. In spite of communication channels, insurers requires products, services, and personalized messages for every insured, until could maximize satisfaction and loyalty of them.

4. Targeted marketing to build customer loyalty and extension

In today's highly competitive market, insurance companies should be constantly looking for ways to increase their products in the shopping cart of current customers and preserve their customers. CRM solution that backed by intelligent automatic business process can help insurers in timely identifying for cross-selling and selling other products to customers. CRM can also warn you, which one of customers are likely to be join to other insurance companies so before leaving them, you can take preventive actions. In

addition, CRM enables you to send advertisements and personalized messages for each customer and measure effectiveness of each. Some insurance companies experimentally use event-life marketing in order to provide appropriate insurance recommendations to current customers in their lifetime. For example, they survey, one person who has home insurance policy and recently having a child, at this time offer to him life insurance to guarantee him and his child future. This type of marketing requires comprehensive and extensive information from current customers and in organizations that provide integrate and multiple systems of customers' information, practically, implementing event-life marketing is impossible. To obtain much information of customers, the existence of integration and alliance among systems that deliver services to customers is vital and necessary. Development of market, establish customer loyalty, execution of event-life marketing, and measurement tools of performance rate too requires infrastructure of comprehensive and extensive CRM in the organization. This infrastructure also will play an important role in the growth and success of external marketing through direct mail, telemarketing, and email marketing and in internal marketing through web and call centers. This infrastructure enables insurers to market analysis and gives tool of their performance measurement.

People

Generally, in relation to this factor should consider the below mentioned cases:

Cooperate of people in various organizational functions and involving personnel opinions in the selection of appropriate technology for implementation of CRM in the organization. Achieve employee satisfaction of their respective organization in order to achieve customers' satisfaction

Justification of individuals and organizations' senior managers of "CRM" issue and its operational and strategic benefits, in order to have their support for CRM projects with the aim of attributing appropriate funds for this affair. Moreover, inclusion of CRM project in the strategic plans of the organization

Process

Needs to take the necessary actions as to identify and clarify issues such as work processes, how to interact with customers, employees empowerment, the number and points of call centers and distribution channels based on the customers desires, using reengineering of business processes. After the implementation of the foregoing factors, took the

necessary action as to reengineering of processes with the aim of optimizing them.

5. Organizational form and structure

insurance and on the top, its managers and officers must effort as to create flexible organizational structure in order to create a customer-centric values and more quickly responding to environmental changes and customers' needs in the shortest possible time, and avoid centralization, formalization and tall structures that lead to confusion, time wasting and customers' dissatisfaction.

in order to implement CRM also is required to organize its structure in a way that provides the opportunity to focus on its key customers. This affair will achieve by providing the inter-functional facilities and customer-centric collaboration among staffs in different sections

6. Theoretical and Managerial Implications

The present study makes both theoretical and managerial contributions, and suggests several applications for the research. Theoretical contribution is to offer a significant advance to the current literature of CRM practices by affording an integrative framework to organizations. This study provide a clear conceptualization of CRM practices construct and develop a conceptual model with three essentials namely key customer focus, knowledge management and relationship marketing. Though some of the ideas expressed in this conceptual model may be familiar to marketers, its value is in integrating these various notions to provide a more comprehensive and holistic picture of CRM practices. Several important managerial implications follow from this study. First and foremost, it is clear that CRM practices can be leveraged to provide important customer information which can used to improve organizational performance. Since, the traditional way of marketing in increasing retention of customer incurred high cost, the best practicing of CRM provides firm with a promising way to attack this critical problem. The practicing of CRM in firm will adopt, build and test integrative strategies in a food manufacturer setting. Second, periodic measurement of a firm's CRM could help managers track changes over time. Other than the applicability of the model in the monitoring process, the three apparatus in the CRM model may serve training needs by assisting human resource managers to develop appropriate training programs that can help improve the staff's understanding of the activities involved in implementing CRM. Finally, top management may use this framework to develop relevant and effective marketing strategies and tactics. Functional managers can also use the framework to set clear policies that develop

and consider CRM as a necessary and essential business process rather than a burden on the staff. Changing the corporate culture and reward system accordingly reinforces behavior that creates strong CRM, and should also be considered.

IMPORTANCE OF THE CUSTOMER RELATIONSHIP MANAGEMENT WITH INSURANCE INDUSTRY .

CUSTOMER EXPECTATION FULFILLED MAIN TOOLS IMPORTANCE OF THE STUDY. CUSTOMER AWARENESS LEVELS, SERVICE QUALITY, CUSTOMER OPINION, THE INSURANCE INDUSTRIES CRM TECHNOLOGIES, CRM BENEFITS, USED LEVELS FULFILLED in insurance industry

Customer Relations in the Insurance Industry

Compared to other players in the financial services industry such as banks, brokers or credit card companies insurance companies have a much lower frequency of customer interactions within a certain period of time. Long term insurance contracts (e.g. in health-, life-, building- or car insurance) hinder a regular customer interaction that might allow an insurance company to build up a learning relationship.

As indicated in the previous paragraph, interaction with customers exists on two levels: between insurance holder and primary insurance as well as between primary insurance and reinsurance. In the primary insurance market customers are usually served through independent insurance agents, financial service intermediaries or online insurance companies. Reinsurance companies traditionally do not maintain any direct end consumer contact. However, a clear separation of these roles is not possible as some insurance companies offer reinsurance products. Conversely

Reinsurance companies take over the function of a primary insurer when serving large customers directly without any intermediaries or risk brokers. This traditional role concept of actors within the insurance industry is actually more complex in practice, with additional intermediaries between primary- and reinsurance companies, online insurance companies or the capital market as a platform for alternative risk transfer. For reasons of clarity the role of these players will not be described at this point as it would not contribute to a significantly better understanding of future research questions. However, when discussing the impact of UC on the customer relations in insurance industry later on it is important to keep in mind the 'old' way of interacting within the value creation process.

New Customer Relations in Insurance Industry

As illustrated in the previous sections the way how products are designed, produced and delivered changes. Customers are increasingly becoming part of the value creation process. Especially the use of UC technology offers numerous opportunities to acquire a better customer knowledge that allows a better customization of insurance products. Hereby particularly new intermediaries and service providers (e.g. Adidas, DaimlerChrysler, Health Clubs, etc.) will play an important role as they do not only sell innovative insurance products but they also gather and provide valuable customer information for the development of new products. Traditionally insurance companies have little customer interactions and insurance policies usually are long term contracts. However, UC enables to offer new types of insurance products and services through different sales channels with a higher interaction frequency. Thus the customers experience with a traditionally 'boring' insurance product might change into rich proactive offerings through intermediaries such as Adidas. In our previous examples of innovative car and health insurance products, which basically represent activity based pricing for the individual customer, companies such as DaimlerChrysler or Adidas would become risk intermediaries by providing customer information to insurance companies for real-time pricing. Adidas could offer, manage and control individualized training programs based on the data acquired from communicating sensors in Adidas sports shoes. These information could be used by the health insurance company and prices would be adapted according to the training efforts of an insurance holder.

One step further Adidas could offer new insurance products itself as an intermediary. The same would be possible for DaimlerChrysler by offering special insurance conditions to its customers if they have their cars checked and maintained regularly and if they drive according to the instructions of the Global Positioning navigation System (GPS) that suggests the optimal speed for road and traffic conditions. A prototype that is able to do so has been developed by DaimlerChrysler already. These new channels of customer interaction may erode the traditional sales channels of insurance products such as sales agents, retail banks or via telephone. The usual cost ratio of insurance products lies around 30 to 35 percent [34] related to the net premium. A major part are cost for commissions and administration. Internet has shown that the switch towards technology is accepted by most of the customers, as significant price reductions may be realized. With UC technology this customer contact may become even more intense and pricing would be adapted to the individual and thus would be considered

New Value Creation Structures CRM in the Insurance Industry

As the value proposition of insurance industry changes, new actors offering supplementary services need to be considered for product and service offerings that will be provided by value adding company networks

A value creation network of the future?

In our car and health insurance example companies that traditionally have little in common with insurance industry such as tire producers, car manufacturers, sport shoe manufacturers or health clubs become important actors as information- and service providers linked to the traditional and 'boring' insurance product. These actors will become an integral part of the value creation networks, where dispersed information need to be collected from various sources in order to offer a set of additional services around the core product, through one customer relationship manager. Through UC technology, companies in originally independent industries potentially could become data sources on risk relevant parameters such as customer behaviour, state of physical objects and business processes. New intermediaries collecting information could become service providers of risk information, delivering granular data to primary insurance and reinsurance companies but also to open risk exchanges, e.g. the capital market. This means that the traditional role of insurance industry as a risk diversifier, and risk financier is partly endangered due to the breach of the 'information monopoly' on risk, traditionally held by the insurance industry.

IV. STATISCAL TOOLS

ANOVA test for family size of the customer and Attributes Related to Customer Retention of towards insurance industries.

HYPOTHESIS

Null hypothesis H0- There is no significant relationship between the mean score of family size of the Customer Retention of towards insurance industries.

Alternative hypothesis H1- There is significant relationship between the mean score of family size of the Customer Retention of towards insurance industries.

Table – 1

ANOVA test for family size of the customer and Attributes Related to Customer Retention of towards insurance industry

Attributes Related to Customer Retention of towards insurance industry	F Value	Significant Value
High Tech Services	4.308	.005**
Understanding the customers need	2.820	.038*
A Grievance Cell developed to attend customers complaint	1.866	.134
Customer centric Approach	7.315	.000**
Market leader in strategies and practices	6.260	.000**
Effective Employees involvement	.312	.817
Sub-division of Customer based on their Needs	.706	.549
Value added services	1.448	.227
Customers Empowerment	1.196	.310
Information about the Products to the customer	1.467	.222

Source: Output generated from SPSS 20

Based on the result generated by SPSS 20, the significant values of all the variables related to the expect of the product of insurance industries in respect of customers' opinion on customer Retention of rural customers are greater than 0.05. So the null hypothesis is accepted in these cases. (High Tech Services, Understanding the customers need, Customer centric Approach, Market leader in strategies and practices) Therefore, there is no significant relationship between the mean score of family size of the customer and customer retention the product of insurance industries in respect of customers' opinion on customer Retention of rural customer's insurance industries (High Tech Services, Understanding the customers need, Customer centric Approach, Market leader in strategies and practices)

FRIEDMAN TEST FOR SIGNIFICANT DIFFERENCE BETWEEN MEAN RANKS CUSTOMER RETENTION OF CUSTOMERS INSURANCE INDUSTRY IN THANJAVUR DISTRICTS

Null Hypothesis: There is no significant difference between mean ranks towards the customer retention of customers towards insurance industries.

Alternative Hypothesis: There is a significant difference between mean ranks towards the customer retention of customers towards insurance industries.

Table – 1.1

Friedman test for significant difference between mean ranks towards the customer retention of customers towards insurance industries

expectations of rural customers while purchasing non-durable goods	Mean Rank	Chi-Square value	Degrees of freedom	Asymp. Significant
High Tech Services	5.35	249.1769	9	.000
Understanding the customers need	6.06			
A Grievance Cell developed to attend customers complaint	5.36			
Customer centric Approach	5.37			
Market leader in strategies and practices	5.45			
Effective Employees involvement	5.52			
Sub-division of Customer based on their Needs	5.90			
Value added services	5.69			
Customers Empowerment	4.55			
Information about the Products to the customer	5.76			

Source: Output generated from SPSS 20

From the above table, it is found out that all the variables related to the customers’ opinion on customer Retention of customers of the insurance industries 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 customers’ opinion on customer Retention of customers. Out of the ten customers’ opinion on customer Retention of the Understanding the customers need has the highest rank (6.06). So, that customers’ opinion on customer Retention of rural customers is influenced by Understanding the customers need

FACTOR ANALYSIS FOR CUSTOMER RETENTION OF TOWARDS INSURANCE INDUSTRY IN IN THANJAVUR DISTRICTS

KMO and Bartlett's Test

The dimensionality of customer Retention of towards insurance industry the was examined using factor analysis based on ten individual statements and the customer Retention of towards insurance industry of the subsequent factor structures was then tested for internal consistency of the grouping of the items. The ten factors of customer Retention of towards insurance industry statements are related to the following:

1. High Tech Services
2. Understanding the customers need
3. A Grievance Cell developed to attend customers complaint
4. Customer centric Approach
5. Market leader in strategies and practices
6. Effective Employees involvement
7. Sub-division of Customer based on their Needs
8. Value added services
9. Customers Empowerment
10. Information about the Products to the customer

Table – 1.2 KMO and Bartlett's Test of customer retention of customer toward insurance industry

Kaiser-Meyer-Olkin Adequacy.	Measure of Sampling	.714
Bartlett's Test of Sphericity	Approx. Chi-Square	3847.901
	Degree of freedom	45
	Significant.	.000

Source: Output generated from SPSS 20

High value of KMO (.714 > .05) of indicates that factor analysis is useful for the present data. The significant value for Bartlett’s test of Sphericity is 0.000 and is less than 0.05 which indicates that there exists significant relationships among the variables. The resultant value of KMO test and Bartlett’s test indicates that the present data is useful for factor analysis.

Table – 1.3 Total variance explained for customer retention of customer toward insurance industry

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	2.983	29.828	29.828	2.983	29.828	29.828	2.791	27.905
2	2.499	24.992	54.820	2.499	24.992	54.820	2.247	22.468	50.373
3	1.322	13.222	68.043	1.322	13.222	68.043	1.767	17.670	68.043
4	.817	8.175	76.218						
5	.585	5.852	82.069						
6	.555	5.550	87.620						
7	.427	4.267	91.887						
8	.308	3.084	94.971						
9	.302	3.019	97.990						
10	.201	2.010	100.000						

Extraction Method: Principal Component Analysis.

Source: Output generated from SPSS 20

All the statements of the customers’ opinion on customer retention of insurance industry are loaded on the three factors. The total variance accounted for, by all the three factors with Eigen value greater than 1 is 68.043 percent and the remaining variance is explained by other variables. Among the six factors, the first factor accounts for around 27.905 percent of variance which is the prime criteria considered in customers’ opinion on customer retention of insurance industry.

Table – 1.4 Rotated Component Matrix of customer retention of customer toward insurance industry

Rotated Component Matrix ^a	Component		
	1	2	3
High Tech Services	.822	.142	-.081
Understanding the customers need	.808	.193	-.148
A Grievance Cell developed to attend customers complaint	.747	.195	-.182
Customer centric Approach	.712	-.094	.091
Market leader in strategies and practices	.616	-.200	.270
Effective Employees involvement	.046	.869	.116
Sub-division of Customer based on their Needs	.074	.844	.134
Value added services	.045	.724	.150
Customers Empowerment	-.081	.136	.908
Information about the Products to the customer	.006	.303	.864

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Source: Output generated from SPSS 20

The statements are converted into 3 factors using factor analysis.

The following five aspects related to customers’ opinion on customer retention of customer are converted into a single factor.

1. High Tech Services
2. Understanding the customers need
3. A Grievance Cell developed to attend customers complaint
4. Customer centric Approach
5. Market leader in strategies and practices

The following three aspects related to customers’ opinion on customer retention of customer are converted into a single factor.

1. Effective Employees involvement
2. Sub-division of Customer based on their Needs
3. Value added services

The following three aspects related to customers’ opinion on customer retention of customers are converted into a single factor.

1. Customers Empowerment
2. Information about the Products to the customer

Apart from that, the dimension “customers’ opinion on customer retention of comprises 10 statements. Out of ten statements, 3 statements contribute more towards customer

retention of customers in respect of insurance industry. The statements are (1) High Tech Services (2) Effective Employees involvement (3) Customers Empowerment.

Technological: Advances in software and hardware are transforming ‘big data’ into actionable insights

As the insurance industry reaps productivity gains from the most recent wave of automation, new technologies are significantly enhancing operational efficiencies, increasing revenue opportunities and improving the customer experience. The important new technological developments for the insurance industry are:

- The growth in smart phones and tablets, coupled with cloud computing, which provide constant access to the internet.
- The explosion of computing power and storage, enabling the accumulation and analysis of extremely large amounts of data.
- The growth in active sensors and devices connected to the internet.

Big data: The growth of internet connected devices and sensors, which are projected to reach 50 billion by 2020, will have a significant impact on the availability of real-time information – a trend often referred to as ‘big data’. Insurers who can exploit this information for better pricing, underwriting and loss control will have a distinct competitive advantage over their peers. To harness the ‘big data’ trend, global investment in advanced analytical techniques is increasing in order to develop the capabilities to process large volumes of unstructured and multimedia data, such as continuous real-time video, life blogging and social chatter. These advances will lead to software – and eventually hardware – that can translate ‘big data’ into actionable insights. Advances in Artificial Intelligence techniques, such as machine learning, natural language understanding and intelligent decision-making will allow insurers to advance from using technology for transaction processing to decision-making. Today, analytical techniques are used for making ad hoc decisions using structured data. By 2020, the use of unstructured data (e.g. social media, devices, video and audio) will complement structured data, allowing insurers to make strategic forward-looking decisions.

From a reactive to a preventative business model: Commercial insurers are already using connected devices and sensors to develop risk and loss management and improve productivity, but we also envision life and health insurers using them as well. By 2020, a number of biotechnologies will be available at the nanoscale, providing the ability to embed

devices and sensors unobtrusively within the human body. The nanotechnology drug delivery market is expected to grow at a CAGR of 21.7% between 2009 and 2014, and reach almost \$16bn by 2014.5 Such nanotechnologies have the potential to dramatically improve health outcomes through enhanced monitoring and preventive control of chronic disease.

V. CONCLUSION

The results of the study are cause for concern, for they support the findings of other surveys that show a high failure rate for CRM. This research was conducted because of the relative lack of CRM empirical studies, particularly within this business sector. This modest contribution has identified and analyzed some of the approaches and theories relating to CRM and CRM project implementation. The study confirms that CRM is a complex and holistic concept requiring appropriate business processes and integrated systems.

In addition, the study demonstrates the relevance of the need for effective leadership, sourcing, targeting and evaluation within CRM strategies. The ELMS case is an archetypal study of a CRM implementation that has failed to

deliver in these core areas and where many lessons can be learnt by other adopters. It is an interesting example of the affect of CRM and how it is forcing companies to change.

Despite a decade of developments in respect of business process change, systems integration and information sourcing, it is only now with the threat of CRM centric competition, targeting customers effectively, that ELMS are exposed by their indifference to change in such areas. The impact of CRM is real and so are the problems for certain organizations in terms of successful implementation. This is a disturbing scenario because of the accumulation of diverse and complex factors that now need addressing, the lack of expertise to resolve them and the lack of time in which to respond appropriately.

Thus, there is a great need for additional empirical research within CRM to identify the extent of such issues, the state of organizational effectiveness and for additional insights. This particular research is ongoing and will aim to develop and expand on the issues raised by conducting more empirical studies.

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