Impact of CRM in Increasing Customer Awareness; An Empirical Study in Odisha Market

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ABSTRACT:

This research study is based on impact of customer relationship management practices on insurance sector in Odisha market. The research study mainly focuses on the the pattern of service and the facilitation process for the sake of customers adopted by the CRM driven insurance companies in Odisha. Customer Relationship Management(CRM) practice is now becoming imperative and need of the hour in the cut throat competition held in the insurance sector. Specifically this research paper is based on opinions of insurance officials in increasing awareness regarding benefits of insurance schemes. For this purpose chi square statistical technique has been implemented to test the statistical significance. Here five selected companies have been taken like LIC of India, AVIVA, Reliance, BSLI, ICICI Prudential life insurance in Odisha market to test the impact of CRM in increasing customer awareness.

Key word: CRM driven companies, customer awareness, statistical significance

1-INTRODUCTION:

As a result of globalization of business and evolving recognition of the importance of customer satisfaction and retention, there has been a change in marketing policies. Bose (2002) added that, over the past few years, there has been a shift in relationship between company and customers, focusing on the benefits of long term relationship with the customers. Over the time, there has been a gradual move in marketing thoughts; from mass marketing to market segmentation. Then from market segmentation to Niche marketing and then from niche marketing to customization and personalization. The twenty first century marketing emphasizes more on smaller group of customers. Increasing competitiveness in international economy is forcing the organizations to place larger emphasis on building valuable customer relationship.

Customer Relationship Management (CRM) is the concept of building the philosophy of comprehensive and integrated approach towards the customers. CRM enables the service providers to improve their customers' experience with every interaction by delivering real business benefits. Bradshaw (2004) said that CRM is consistently building improved customer loyalty, increased customer satisfaction and enhanced profitability. In looking for ways to drive growth, insurers need to evaluate their customer management strategy having CRM practices which lead consistent and cost-effective customer service, Customer-aligned products, enhanced customer loyalty, long-term value and customer retention. Today, more than ever before, the ability to maximize customer loyalty through close relationships is critical to insurers to grow their businesses. As insurers strive to create and manage customer relationships, the companies should adopt several emerging tools to achieve sustainable growth. These trends reflect a fundamental change in the ways insurers interact with the customers.

Traditionally, insurers have grown through an aggressive strategy of acquiring the competitors directly along with their branch networks. Today, that strategy is no longer sufficient, since it does not create organic growth for the insurers. To build stronger customer loyalty, satisfaction and retention; insurers need to improve quality products and to deliver services at specific market segments to the right customers at the right time resulting in need-based selling. Because of this, it is becoming evident that companies fundamentally have to change the way in which marketing is done. There is a fundamental shift from managing a market to managing specific customers. But managing the customers and retaining them for years is not easy task in a difficult and competitive market. Besides, coping with changing preferences and needs of the customers are becoming challenges.

Therefore, the study on CRM in insurance sector is an attempt to understanding the customer relationship in insurance sectors. The study focuses on quality service, competitive price, transparency, understanding customers' needs, their satisfaction, creation of awareness and integrity which can raise the concept of Customer Relationship Management (CRM).

2. CUSTOMER RELATIONSHIP MANAGEMENT:

CRM is an integrated business approach to create and develop one to one relationship with customers. CRM is the customer –focused strategy to deliver customized service with value. CRM is about managing customer knowledge to better understanding and serve them. It is an umbrella concept that places the customer at the centre of an organization. Customer service is an important component of CRM; however CRM is also concerned with coordinating customer relations across all business functions and points of interaction. The business organizations in general depend on customers for their sustenance and growth. Every business communicates with their clients in different ways by using various communication channels. CRM acts as a central repository of information on clients – both existing and potential ones. Customer relationship management software and technology are helpful to organize the data. Insurers receive data about customers and record it in an orderly manner. Online and web based CRM software help to understand customer needs and helps to recognize the required processes to achieve business goals. Customer loyalty has a significant impact on both the top and the bottom line. Whether it is a sales person or the CEO, that needs a crucial piece of correspondence, phone number, quarterly forecasts or a simple brochure and the access can be available through CRM. With the advent of these Cloud CRM tools business becomes more customer-centric. A customer-centric strategy is created with the intention of increasing both customer satisfaction, and customer loyalty. CRM practices and its solutions have revolutionized the way a company can provide service to the customers, retain them and to increase the business growth and ultimately profit. It should be the most acceptable practice for Indian service providers to adopt e-CRM and to get benefits. The essence of CRM is to build customer relationship and trust among the customers. According to Director, Clint service of Talisma, it costs 10 times to acquire a new customer, where as maintaining a happy customer will not only cost less, but also will lead to more business and other new customers. After 1990s, it has been observed that the success of any enterprise depends upon its successive initiatives in implementation of effective relationship marketing policies. It has become imperative for the company to go for

transformation with a successful change management process, which involves creation of new culture basing upon customer satisfaction and customer delightfulness.

CRM builds the philosophy of relationship marketing that aims to create, develop and enhance relationships with carefully targeted customers to maximize customer value, corporate profitability and thus the shareholders' value. The goal then is to improve the customers experience of how they interact with the company, which will turn into more satisfaction. This might lead to more loyalty and finally to increased profit. Service sectors employ more and more people, for example nine out of ten job opportunities are created within service sectors. Advances in IT especially the rapid growth of internet usage has improved production capabilities, especially adopting ERP solutions and CRM to manage and retain customers. Service firms that want to be successful in the knowledge economy must implement a comprehensive CRM integrated solution that involves all departments and personnel working as a team to acquire or to retain customers.

According to Kotler et al. (2010) the key goal of marketing is to develop a deep and enduring relationship with people and organizations that could directly or indirectly affect the success of the firm's marketing activities. Relationship marketing aims to build mutually satisfying long term relationships with key constituents in order to earn more profit and retain them in their business. Also, they have considered four key constituents for relationship marketing. These constituents are customers, employees, marketing partners and the shareholders and investors. Marketers must respect the need to create prosperity among all these constituents and develop policies and strategies to balance the returns to all key stakeholders. To develop strong relationships with these constituents, it requires an understanding of their capabilities and resources, as well as their needs, goals and desires.

3-LITERATURE REVIEW:

Swift 2002; stated that companies can gain many benefits from CRM implementation. Such as lower cost of acquiring customers, to acquire so many customers to preserve a steady volume of business. CRM can help to retain the customers for long range. Apart from this he stated, the cost regarding selling are reduced owing to existing customers are usually more responsive. In addition with better knowledge of channels and distributions, the relationship becomes more effective as well as that cost for marketing campaign is reduced. According to Maoz 2003, Research director of CRM for the Gartner group, CRM is a strategy by which companies optimize profitability through enhanced customer satisfaction and retention. ".CRM is a business strategy, not a technology, says Maoz."It involves process, technology and people issues. All three together really captures what CRM is.Burnett-2001; discussed that the objectives from CRM generally fall into three categories; cost saving, revenue enhancement and strategic impact and having the benefits of improving level of customer retention, increasing margins and decreasing marketing administrative costs. Wilson 2001; claimed that organizations are becoming increasingly aware of the importance of moving closer to their customers and extending their enterprise units. CRM objectives are to; improve the process to communication with the right customers, providing the right offer for each customer, providing the right offer through the right channel for each customer, providing the right offer at the right time for each

customer. By doing this, organizations can receive the following benefits; like increasing customer retention and loyalty, higher customer profitability, creating value for customer. Greenberg 2001 stated that the following objectives seem reasonable for an organization implementing CRM such as; it focuses the sales force on increasing organizational revenues through better information and better incentives to drive top line growth, it improves global forecast and pipeline management to improve organization.

4. OBJECTIVE OF THE STUDY:

To study the impact of CRM implementation in increasing the customer awareness.

5. SCOPE OF THE STUDY:

This study is conducted in the capital city of Odisha where major five insurance companies like LIC of India, AVIVA life insurance, ICICI prudential, Birla sun life insurance, and Reliance life insurance have been taken. They have managed their customer relationship through e-CRM.

6. RESEARCH METHODOLOGY:

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

7. DATA ANALYSIS:

Respondent's profile:

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

Table 1:

Sl. No.	Demographic factors	Sample profile	Insurance Organisations					
			LIC	AVIVA	Reliance	ICICI	Birla	Total
1.	Age	Gr.I (Below 30)	20	06	16	11	18	71
		Gr.II (30-40)	29	07	15	12	12	75
		Gr.III (Above 40)	20	06	07	05	08	46
		Total	69	19	38	28	38	192
2.	Education	Upto Grad. (Gr.I)	30	13	19	08	15	85

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

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

CHANNELS OF COMMUNICATION AND PERCEPTION OF OFFICIALS ACROSS INSURANCE ORGANISATIONS:

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

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

Sl. No.	Comm. Channel	Insurance Organization	Perception					χ^2	P
			1	2	3	4	5		
1.	Newspaper	AVIVA		2	8	9	0	61.258	0.0001
		BIRLA		0	8	24	6		
		ICICI		0	16	12	0		
		LIC		0	51	18	0		

		RELIANCE		0	14	22	2		
2.	TV	AVIVA		2	5	12	0	35.680	0.0003
		BIRLA		0	12	22	4		
		ICICI		0	12	16	0		
		LIC		0	30	39	0		
		RELIANCE		0	8	26	4		
3.	Hoarding	AVIVA		0	12	7	0	51.488	0.012
		BIRLA		0	14	20	4		
		ICICI		0	4	20	4		
		LIC		9	39	21	0		
		RELIANCE		0	14	16	8		
4.	Sales Agent	AVIVA		2	8	7	2	50.571	0.000
		BIRLA		0	6	22	10		
		ICICI		0	0	18	10		
		LIC		0	15	51	3		
		RELIANCE		0	4	24	10		
5.	Website	AVIVA			5	9	5	57.014	0.00
		BIRLA			10	24	4		
		ICICI			0	20	8		
		LIC			45	24	0		
		RELIANCE			8	24	6		
6.	Telephone	AVIVA		6	8	5	0	55.732	0.00
		BIRLA		4	10	22	2		
		ICICI		0	12	14	2		
		LIC		21	36	12	0		
		RELIANCE		0	10	24	4		
7.	Internet	AVIVA		0	2	11	6	37.036	0.00
		BIRLA		0	14	22	2		
		ICICI		0	2	22	4		
		LIC		3	24	42	0		
		RELIANCE		0	10	20	8		
8.	Call Centre	AVIVA		3	9	7		45.251	0.000003
		BIRLA		0	20	18			
		ICICI		4	14	10			
		LIC		27	33	09			
		RELIANCE		0	20	18			
9.	Direct mail	AVIVA		4	10	5		11.702	0.002
		BIRLA		4	18	16			
		ICICI		2	18	8			

		LIC		15	27	8	
		RELIANCE		10	20	8	

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

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

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

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

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

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

organizations is statistically significant .This indicates telephone was perceived differently for different organizations.

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

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

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

9-FINDINGS:

As far as perception of officials towards communication channels are concerned for all the channels, the percentages are highest for LIC in comparison to other insurers and it shows the officials of LIC perceive that all the channels like; news paper, e mail, Sales agents, banks, hoardings and websites have greater impact for LIC to increase product awareness.

As far as the electronic channels are concerned; like website, web chart, e mail and telephone, officials perceive strongly and are the most preferred channels to increase the awareness. Like wise for website, officials perceive each company is using this channel and in five point scale of perception, that is most preferred. Similarly for e mail, web chart and telephone, perception of officials across the companies reflect that for each company the the percentages of responses are higher. These channels are preferred. Thus the fact is that, in odisha market the insurers have started to interact with customers electronically by taking the help of electronic channels and they are getting the benefits out of it.

10-CONCLUSION:

According to insurance official's responses, it is concluded that, as far as perception of officials towards communication channels are concerned for all the channels, the officials of LIC perceive

that all the channels like; news paper, e mail, Sales agents, banks, hoardings and websites have greater impact for LIC to increase product awareness. As far as the electronic channels are concerned; like website, web chart, e mail and telephone, officials perceive strongly and are the most preferred channels to increase the awareness.

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