CRM to CIM: An Indian Insurance Perspective

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Summary

The decades of eighties and nineties realized that the operations of the company must focus on the customer. Companies began to acknowledge the customer as a king. This concept changed the function of the marketing department. Marketing was now all about building relationships. With this the concept of CRM evolved.

With the increase in competition something more was required. Today customers are increasingly becoming more sophisticated in their buying behavior. Their demands are higher, in terms of service and quality. And therefore new methods and techniques are required to delight the customers. Few of them are:

- Customer Experience Management (CEM)
- Customer Response Management (CRM)
- Customer Integration Management (CIM)

Insurance companies in the developed global market have already adopted these techniques. But the Indian Insurance companies are still in the stage of Customer Relationship Management.

Therefore the companies in India needs to make efforts to incorporate better and developed techniques to delight their customers.

KEY WORDS:

Customer Relationship Management; Customer Experience Management; Customer Response Management; Customer Integration Management; Knowledge dissemination; Product Development; Product Promotion; Service Standards; Indian Insurance Market: Issues, Reasons for lack of proper techniques of ; CRM, Future.

CRM TO CIM: AN INDIAN INSURANCE PERSPECTIVE

CUSTOMER RELATIONSHIP MANAGEMENT

Customer relationship management is a tool through which the company records the data of all the customers and uses it to increase loyalty and retention of the customers. It is a customer centric philosophy which brings together information from all the data sources to give a holistic view of each customer. It helps to learn more about customer's needs and behaviors in order to develop stronger relationship with them, thus not only satisfying them but delighting them.

Evolution of CRM

CRM was originally driven by an inside outside approach. It had three phases Technology, Integration, and Process. And recently it has taken another step: the fourth- Customer driven approach, which is an outside in approach.

It started in early 90's when it was realized that the company's marketing efforts must focus on identifying and serving the organization's profitable customers. It was the work of Frederick Reichheld at Bain and Company where he suggested that customers become increasingly

145

profitable over time because their income increases and so does their spending, satisfied customers may make referrals and loyal customers are price sensitive. The relationship marketing approach has gradually taken the shape of Customer Relationship Management. Over the time, with the change in technology the efforts of CRM were extended to the use of PCs and internet. And with this customer's expectation rose significantly. With the development of internet and wireless technology CRM can be extended to other outside parties as well such as partners, vendors, and other organization in order to speed up responsiveness and get a clearer picture of customer sales opportunities. Thus the CRM technology now makes it possible to systematically manage one to one customer services on an entirely new scale.

Why Customer Relationship Management

- **Highly competitive marketplace**: The emerging channels have transmitted the marketplace into a fierce battle field.
- **The new empowered e-customer**: The customer is now well aware of the market opportunities, through Internet & other sources.
- **Ever changing technology**: New technologies provide a way to provide personalized solution at individual level.
- **Making business sense**: Companies that provide customers with what they want, take share of wallet from those who don't.

The ever growing demand of CRM solutions find it's foundation in the perpetual shift of the market circumstance, and escalating leap forward in strategy formulation towards the customers.

A survey (result shown below) highlights the emergent base of CRM:

- The cost to sell to a new customer is six times greater as compared to an existing customer.
- A disappointed customer will notify 8-10 people
- With an increase of 5% customer retention rate, profits could increase by 85%
- Probability of selling to fresh customers = 15%, as judged against for existing customers which amounts to 50%
- 70% of the complaining customers will remain faithful if problem is resolved
- 90% of companies do not have the sales and service integration to support e-commerce
- These are enough reasons for any small or big organization to have a customer orientation and go in for solutions which help them achieve this objective.

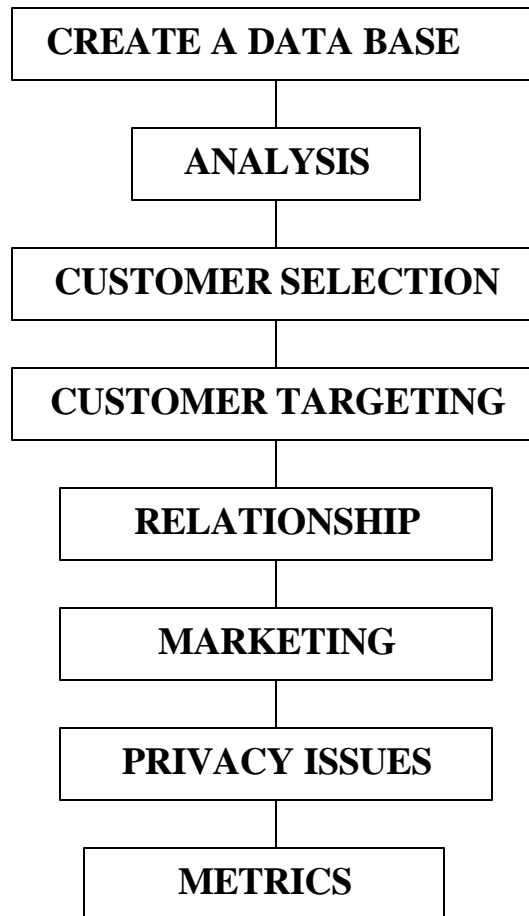Few broadly defined parameters where a CRM can help an organization are:

1. **Intent-** Creating the base upon which the customer relationship would be managed and turned to value proposition.
2. **Tactic** – To focus and work upon turning the customer base into an asset for the business entity.
3. **Value satisfaction** – Ensuring that the customers are endowed with the value satisfaction they have visualized, it is to reduce the dissonance amongst the prospective long term customers.
4. **Organizational change** – With the changing business environment and multi cultural aspects, businesses require a distinct approach towards the customers as well as the

employees. Undeniably a SMARTER pursuit would be the introduction of a comprehensive CRM suit in the organization.

5. **Procedure** – Merely streamlining the internal processes would do no wonders to an organization, a holistic approach would work towards creating and maintaining customers for life long.
6. **Update** – Unanimously, data recording is a great aspect of every CRM suit which makes it perfect blend of information and facilitation.
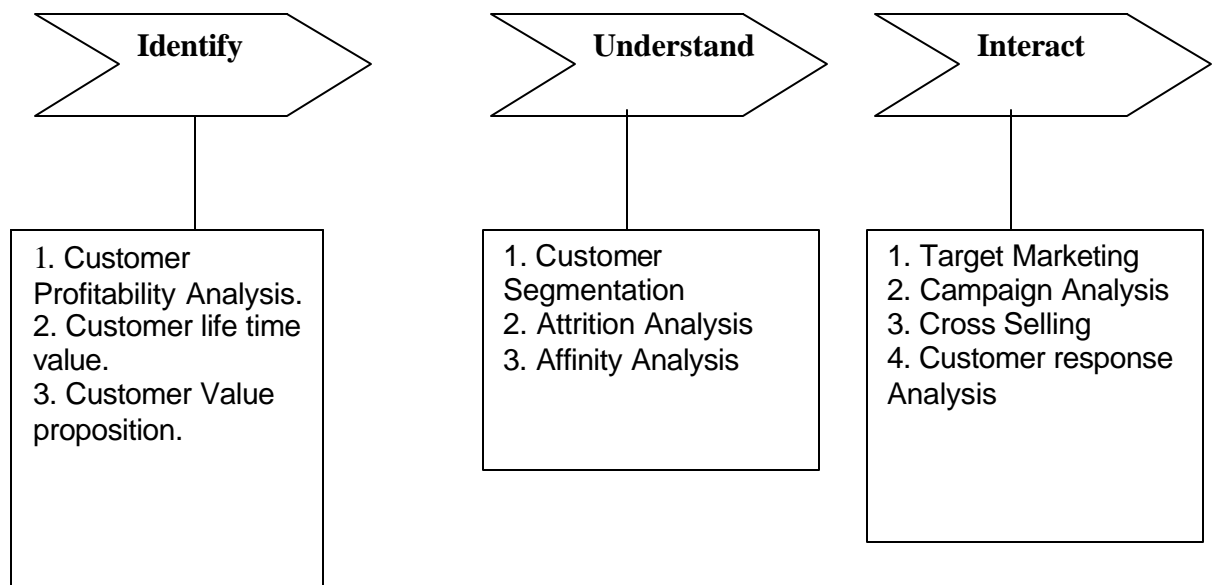
Basic Model for CRM

CRM involves a logical sequence of activities right from need identification of potential customers to need fulfillment. A data base of existing and prospective customers is created and is periodically analyzed from several perspectives. This analysis is to be performed not only on the existing customers but also the former customers so that corrective actions may be instigated to retain current customers. With the help of this analysis, the company must have a detailed classification of market and customers for segmented marketing and implement a focused relationship approach.

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CRM Process

The implementation and success of CRM depends on the process, which includes the future, revenue, customer value, customer retention, customer acquisition and profitability. The process involves gathering information, aggregating the data and thus based on these planning and implementing the strategies. Finally, once the customer interaction takes place and the response of the customer is captured, the company recycles it to use in the ongoing learning, analysis, and refinement process. Each time the process is completed more is learned about the needs and wants of the customers thus improving the understanding of the customers to increase their profitability.

Identify	Understand	Interact
1. Customer Profitability Analysis. 2. Customer life time value. 3. Customer Value proposition.	1. Customer Segmentation 2. Attrition Analysis 3. Affinity Analysis	1. Target Marketing 2. Campaign Analysis 3. Cross Selling 4. Customer response Analysis

Four C's of the CRM Process

The basic structure of the CRM organization aligns around the key communication process. It is important for the company to recognize the right customer, relate the right offer, and schedule the interaction and communication of the offer at the right time, through the right channel. Thus the Four elements of the CRM process become very important:

148
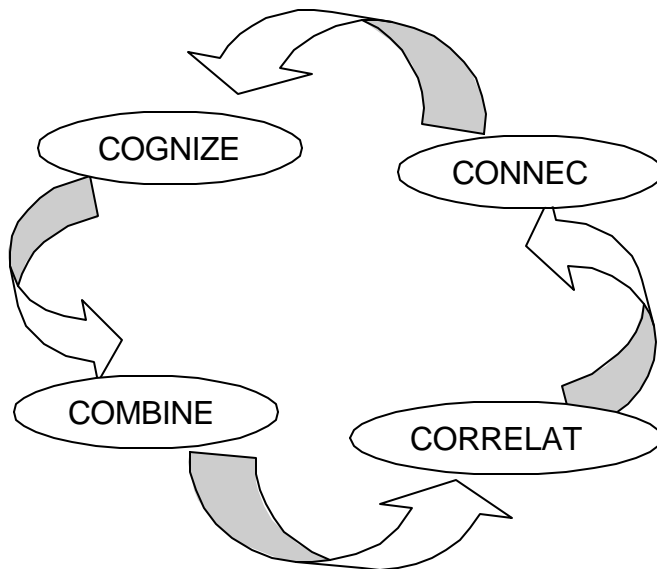
Correlate
It involves series of transaction and interactions that make up a dialogue between customers/channel/end user and the organization.

Combine
It involves mapping and management of interaction points between a customer /channel/end user and the organization.

Cognize
The insight gained through capture and analysis of detailed information is to create continuous learning about the product, customer, channel, market and competitors.

Connect
This is done to create relevant interaction between the customers, consumers, suppliers and partners that build the value relationships.

CRM in Insurance
Insurance is a complex business where personalized service is achieved through an intimate knowledge of customers and their history with an insurance company is critical to making sales. As insurance options broaden and products grow more complex, customers seek superior, personalized service more than ever.

In the post - liberalized insurance market, one factor that is contributing to the overall performance of the insurance player is the CRM philosophy that the companies have been adopting. Getting closer to customers and effectively responding to their needs is a great way to boost their loyalty and encourage deeper business relationships and it is also a much more strategic route to success than only cutting costs and improving efficiency. Most of the companies in India are relatively new and relatively not been tested particularly in case of life companies who have long term relationship with the client. So they must attempt not only to retain customer but also widen the customer base by enrolling fresh customers from time to

time. If the customer is provided with really good service by the organization it is unlikely that he will move elsewhere and also will act as a brand ambassador for the company.

PRESENT SCENARIO

To maintain competitive edge and viability, insurance companies are focusing intently on delivering superior customer service. A comprehensive customer relationship management (CRM) strategy addresses three imperatives: Sum providing a unified enterprise customer view, Sum retaining customers with great services; and Sum controlling costs as the insurance company in question expands. These three imperatives form a unique interplay that maximizes sales while reducing operational costs—the equation for improved revenue growth and profitability.

Gain a Unified Enterprise View of Customers

Within many insurance companies, there is a wealth of valuable information about individual customers: you know who they are and what insurance products and services they buy. You know their history of claims and the status of their accounts. You may even know about their opinions and preferences, or whether promotions have attracted their response. But the main problem lies is to unify all these fragments into a complete portrait. Customer data may be divided among product lines, or among legacy claims, policy and billing systems. A customized individual portrait of each customer at one point will help the company to provide personalized service will help to retains good customers and reduces churn and also act as a differentiating factor in the era of competition.

Retain Customers With Great Service

Most insurance companies understand the virtues of a single, complete, real-time enterprise view of individual customers, and they have made great progress towards providing this view at customer touch-points throughout the enterprise. But it's critical to note that this view should not be regarded as an end in and of itself rather, it is a rich foundation to be used as a basis for a deeper, more advanced level of customer understanding.

By making customer analysis and behavior prediction data immediately accessible at the desktop, sales efforts are optimized and customer loyalty is strengthened, as individual customers feel that their needs are understood and met in a way that is fast and convenient.

Predicting customer behavior for improved sales efforts is a three-step process:

Sum Profiling: Insurance companies first build a profile of information about customers who have previously exhibited a targeted behavior. Profiling requires rich customer data, including enterprise-wide transactional and behavioral data such. An example of profiling might be building a profile for customers who bought new homeowners' insurance policies in the past two years. The goal is to determine characteristics to look for in future buyers.

Sum Modeling: By using data mining on the profile information, analytics can uncover the most relevant characteristics of the customer segment being analyzed. For example, the most significant attributes of customers who bought homeowners' insurance are gleaned from the profile via the data mining application. Such characteristics comprise the model of customers most likely to purchase homeowners' insurance in the future.

Sum Scoring: Insurance companies use predictive analytics to score existing customers by comparing them to the model. Those most closely matching the characteristics included in the

model are most likely to exhibit the targeted behavior. Given the example above, an insurance company can rate its customers numerically to indicate how closely they match the model of the person most likely to buy homeowners' insurance.

Once customers are scored and the analysis pinpoints customers most strongly correlating with the model, an insurance company can address those customers, especially the top prospects. This will help the company to retain the customers and stop them to migrate to another provider.

Control Costs While You Expand Business expansion presents many positive opportunities to insurance companies, including increased assets and broader geographic reach to new customers. The company must offer the same level of superior service that its customers have come to expect while minimizing operational costs.

The first key is to enable your agents, representatives and brokers to identify and spend the right amount on each opportunity. A high-value, low-risk customer, who carries policies over a long period and makes relatively low claims, is an ideal subject for marketing and sales efforts targeted at extending his or her portfolio. Agents and brokers need real-time access to this business intelligence, so they will know where to concentrate their efforts in the limited amount of time they have the customer's attention.

The second key is to use the most cost-effective channels without sacrificing a high level of customer service. Using customer analysis and behavior prediction, call center representatives, agents and brokers can target marketing and sales efforts through different channels depending on the target audience in question.

The third key is automation of the more mundane insurance business processes. By automating mundane processes and removing the paper trail, call center agents, representatives and brokers are freed up to focus on the more strategic activities—like servicing customers.

With the increase in number of players in the market and consumer becoming more and more aware of the different products insurers have realized the importance of CRM .LIC has been the sole Player in the market before the appearance of private players CRM concept was not given so much importance. Customer was not educated regarding the benefits of insurance .But with the entry of the private players in the market the competition forced LIC and other new entrant to become customer centric.

The impact of their entry has been felt in four areas namely:

1. Knowledge dissemination
2. Product Development
3. Product Promotion
4. Service Standards

Knowledge dissemination
With the advent of Liberalization an area that has undergone dramatic transformation is product knowledge. Prior to liberalization buying of insurance product was done through an agent known to the insured or referred to him/her by a friend, relative or colleague. With no option at disposal one has to repose full trust in the agent and accepted on the face value all the information dished out. It was at the time of any calamity that one realized the implication of the various clauses and blamed the PSU insurers, rather than the agent for misleading them.

151

With the entry of the private sector they have largely addressed this issue by appointing and adequately training executives who are well qualified to understand he nuances of the product and implication of various clauses. They make presentations of their product in a professional manner and explain the finer points and the implications of the various policy and rider provisions taking into consideration the need and demand of the customer.

Repeated exposures to various channel of information as well as highly competitive insurance market has changed the customer from a docile, uninformed individual into an aggressive and highly demanding species. This has lead to a change in thinking of customer, as a passive saver to one who understood insurance as a product which optimally combines risk coverage and savings.

Product Development
Another important differentiation is the variety of alternatives being offered to the customer by the private sector. For the customer used to the plain Vanilla type of product on offer by the public sector the availability of different options to package a solution to his needs was like icing on the cake from the private sectors.

Introduction of unit linked products was well received in the market and the booming stock market provided further push.

Product promotion
One of the perceptible changes with the entry of the private players was the series of aggressive advertisement .Since most of the Indians are conservative in their outlook and are generally averse to risk, the private player projected themselves as the customer centric company willing to provide customized package and service in order to capture a share of customer's wallet.
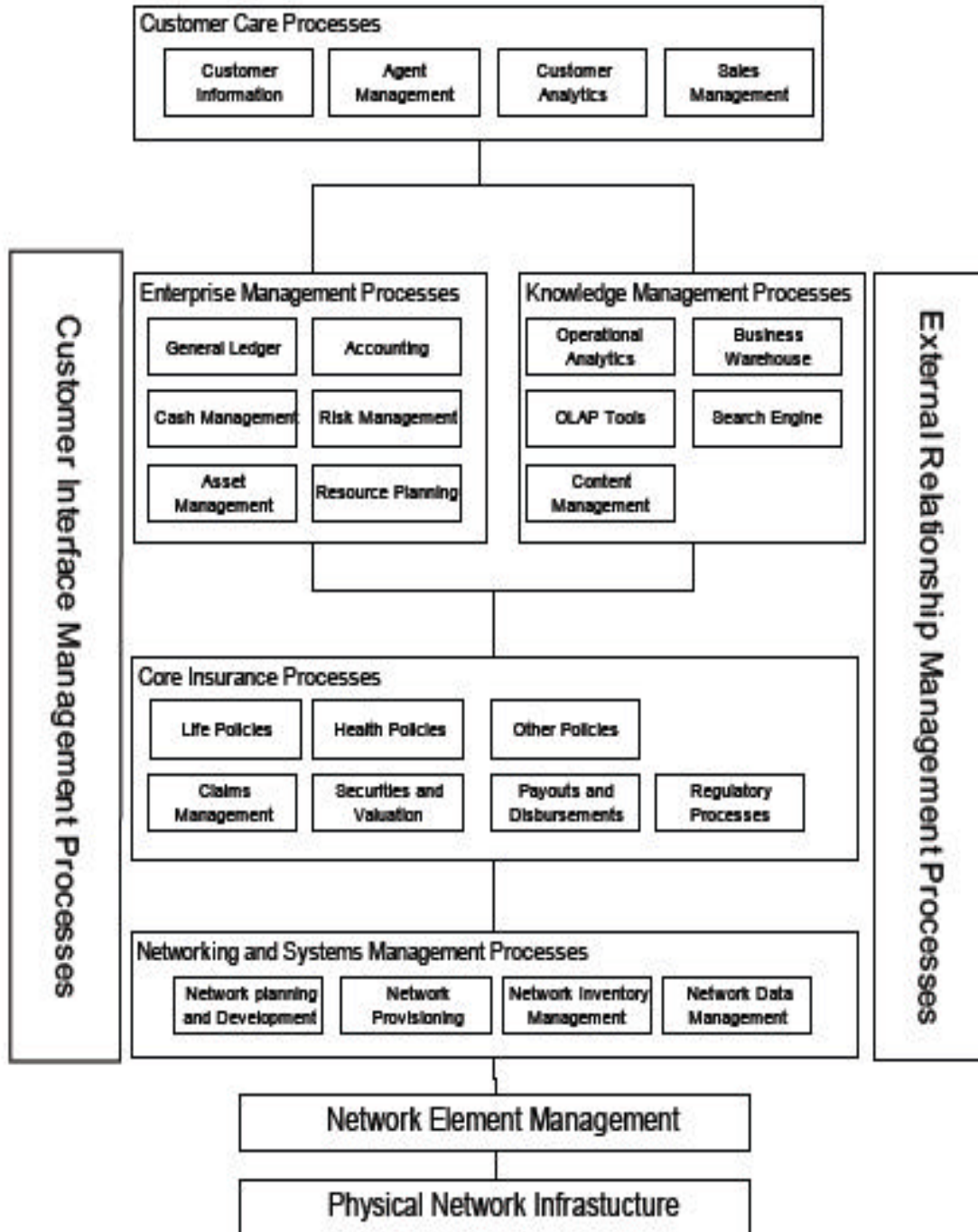
With LIC using "TRUST and RELIABILTY" (Jeevan ke Saath Bhi Jeevan Ke Baad Bhi) as their advertisement tool, private sector companies like ICICI Prudential projected the "Sindoor" a sacred and auspicious symbol for the family to drive the message of offering 'protection at all stages of the Life'.Max new York life tried appealing to patriotic sense and emotions in their advertisement showing goddess Durga and three teenagers with saffron, white and green painted across their face. This was done to create a niche in the minds of the potential clients.
Some of the other time tested and popular strategies adopted by the private sector were acknowledging by sending greetings on the special occasion, data mining and cross selling to sponsoring mega event. Though experience has shown that each interaction at an event may not result in a sale but it helps in two ways, firstly it helps company to feel the pulse of the customer and channel their energies toward meeting customer expectation and secondly this strategy has resulted in greater return on marketing investment coupled with reduced marketing cost, lesser cost of communication for reaching out to a larger targeted audience and higher response rate.

Service Standards
One of the key factor which after liberalization marked a huge improvement is the service standards in the sense of introduction of the smart, computer savvy and competent professional to distribute the product and introduction of web portal as well as facility to pay premium by way of instruction to bank or alternatively to any branch of the service provider.

LIC relied on the huge network of agents who were pushing the product on a part-time basis or selling policies while awaiting big break in the job market, private sector hired well educated youngsters and providing them professionalizing them before sending them into the market. This has taken the concept of customer service to a new height. It will not be far away, considering the size and geographic distribution of the branches and the magnitude of the network for the PSU's to match the private sector but it need considerable effort from the management.

Another aspect which has seen a vast improvement is the fast redress of the grievances. In today's open and competitive insurance market where consumer purchase insurance to cover unforeseen calamity based the cost and quality of service besides the track record of the company, there cannot be a greater calamity than the denial of claim by the insurance company especially when the insured had already suffered from adverse circumstances. These circumstances have led to increased importance of grievance redress in the form of easy and efficient settlement of claims.

Customer Care Processes

| Customer Information | Agent Management | Customer Analytics | Sales Management |

Enterprise Management Processes

General Ledger	Accounting
Cash Management	Risk Management
Asset Management	Resource Planning

Knowledge Management Processes

Operational Analytics	Business Warehouse
OLAP Tools	Search Engine
Content Management	

Core Insurance Processes

| Life Policies | Health Policies | Other Policies |
| Claims Management | Securities and Valuation | Payouts and Disbursements | Regulatory Processes |

Networking and Systems Management Processes

| Network planning and Development | Network Provisioning | Network Inventory Management | Network Data Management |

Customer Interface Management Processes

External Relationship Management Processes

Network Element Management

Physical Network Infrastucture

Operating Model for Insurance Industry

154

Platform for ideal CRM in insurance:

1.   Segmentation
One area where insurers are looking at facilitating ideal CRM is the customer segmentation. They should divide the target population into segments and provide customized product to them. This would enable the players to adopt right CRM solutions which would be expected to last for reasonably long time with constant review of these to keep up with the changes.

2.   Insurance Orientation of Customer
Insurance players should be interested in identifying the insurance orientation of the prospect. Insurer should aim at increasing this by explaining the all possible coverage that can be obtained for his or her various needs and also providing him discounts. This would not only ensure improvement in business but also go a long way in promoting the cause of insurance.

3.   Long term Association with customer
This type of relationship should be build up by a rock solid commitment towards providing good service throughout the contract period.

4.   Need based selling
The insurer should be capable of firstly identifying the need of the client and be in such a position that he can suggest a suitable product which best suits his needs. This would help in building a long term relationship and also to increase the customer loyalty.

1.   Proper training input for the distributor
There are several perquisite laid by the regulator for being a agent but if high incidence of default is observed despite of all these condition what does it indicate about the company's brand image.

To avoid these conditions the insurance companies today are taking this matter very seriously by insuring that their agents/advisors have proper skills and knowledge about the product. This will help the insurance companies not only to identify the needs of the prospect and then sell the product but also providing them efficient service during the entire policy period.

2.   Claims management
One of the very vital part of CRM In insurance is the way insurance companies settle the claims. For the policy holder it is the early settlement of the claims that matters as an essential service. So it becomes utmost important for the insurance companies that they settle the claim efficiently and effectively. This act as a medium to increase customer retention and also to create a brand image for the company in the minds of the people.

Road Ahead
Identifying, attracting and retaining the most valuable customers is the focus point of the organizations around the world. CRM gives you an opportunity to strengthen and deepen these relationships. But what are companies doing today to build and sustain high-value customer relationships? And how will technology innovation drive competitive advantage in the future?
The answer lies in the innovation in technology. The process of CRM will change over time with the change in technology and with increase in competition. Companies will have to offer something more in the future to compete in the dynamics of the industry.

Over the time some new methods of relationship management have evolved which are:

- CUSTOMER EXPERIENCE MANAGEMENT
- CUSTOMER RESPONSE MANAGEMENT
- CUSTOMER INTEGRATION MANAGEMENT

CUSTOMER EXPERIENCE MANAGEMENT

Customer experience management is a business approach through which the company uses the experience undergone by the customer for framing the strategies and plans for the company. Customers have needs which include, among others, function, price, quality, emotion, prestige, value, and convenience. CEM gives a broad view of how a company and its products can be relevant to the customer's life. CEM helps to collect the truly relevant customer information and then using that to the advantage of the company. It measures the experience of the customer, whether it was unsatisfactory, satisfactory or delighting and thus determines whether the customer had a positive, neutral, or negative experience. That, in turn, determines whether the customer will continue with the insurer. Like other relationship approaches, even the concept of CEM focuses on the customer, what makes it different is that CEM tries to tie all the customer strategies and goals together by focusing on the experience that the customer has and thereby delivering a great experience to the customer.

Advantages of CEM over CRM

CRM consists primarily of databases and software programs. It stores and use the data that is mainly quantifiable in nature, which does not gives the true picture of the customer. CRM focuses on the information that is useful for the company and occasionally helps to shape customer behavior. Building a relationship requires integration across a variety of touch points, But CRM databases are usually not integrated.

The core purpose of CRM is to increase the effectiveness of the relationships with the customers. It does provide you with answers to the questions as to, what the customer did. But not, why he did so? Whereas with CEM you know what drives your customer, what they want and why. With this knowledge available, the company can deliver services effectively in timely manner and thus react faster to the business issues and opportunities.

Objectives of CEM

CEM aims to develop personalized experiences by providing value to customer's experiences through improved service quality, personalized care, reduction of customer stress, increased value for money and customer empowerment.

The companies through CEM try to:

- Know what their customers think about the services provided by the company and thus act accordingly in future.
- Identify and respond quickly to customer's issues and opportunities.
- Optimize the relationships financially.
- Combines both analytical and creative for strategizing and implementation.

CEM in Insurance

The major means of distribution in Insurance industry is through agency channel. Because of this agency-centric model, insurance company must provide support to its distribution channel to make it responsive, efficient and profitable. Therefore insurers must develop a strategy where it becomes easy for the company to track and manage the customer's experience and thus connecting the different aspects of the customer experience to enjoy the benefits of customer's loyalty. The insurance sector needs to maintain a balance between acquiring customers and developing existing ones. The insurance market has been expanding impressively and the companies are facing intense competition not only amongst the insurance companies but also from banks, mutual funds companies and non-financial institutions.

CEM can prove to be very beneficial specifically to the life insurance companies because they have contracts with the customer which stretches for 50-60 years. Therefore the companies need to maintain relationship with the policyholders and provide them with a valuable and memorable experience to delight them.

The CEM Model

CEM, the customer becomes the center of your business.

CRM is a 360° view of your customer. CEM is your customer's 360o view of you.

CUSTOMER RESPONSE MANAGEMENT

Superior customer service is essential for every company, to maintain competitive edge and viability. Most organizations are structured by functional specialization (for example, marketing, sales and customer service) in which each department has a unique relationship with the customer. In this model, there is no comprehensive view of the customer and no comprehensive strategy for the relationship. The enterprise typically does not understand the existing or

157

potential profitability of that customer. On the other hand, an end-to-end CRM customer strategy focuses on the complete customer value chain. In this model, lines of business collaborate around the customer, focusing on enhancing the customer experience and increasing customer lifetime value.

What is Response management?
Every organization is faced with challenge of handling transactions, orders or requests by any organization for information or product through their complete life cycle and delivering their promise through exceptional service.

Response management includes:

- **Response generation**
- **Response acceptance**
- **A centralized database**
- **Fulfillment system**
- **Web enabled work flow**

Response Management to an insurance company and agencies.
Many insurance companies are struggling to improve customer satisfaction, increase sales and maximize administrative productivity by integrating multiple customer contact channels, disconnected administration systems and external process participants.

Response management allows companies to manage and respond to all email inquiries and is the most scalable email management application on the market.

The number of emails sent daily for enquiry is growing exponentially as more and more consumers rely on the Web as the primary method of contact with companies. The email solutions that organizations demand have to integrate and leverage other customer service functions and systems to increase agent productivity.

Latest technology in response management is designed to handle up to 500,000 emails, in virtually any language, every day, guaranteeing almost immediate response and resolution to customer queries. The latest version dramatically reduces customer service costs by providing agent productivity capabilities such as a unified agent view and access to content and knowledge wherever it resides. The soft wares automatically pulls data from multiple back-office systems, based on keywords in customer emails, to automate the resolution of transactional inquiries, including questions regarding order status, shipping and billing. By allowing agents to access customer context sensitive information from anywhere in the enterprise, it enables agents to more quickly and accurately handle customer questions in a consistent manner.

Advantages:
- Improved Knowledge management and Increased Agent Productivity: Agents now have easier access to important information that can help them answer e-mail inquiries immediately.
- Analytical and Reporting Capabilities: Companies are focused on reducing inquiry resolution times, and increasing first contact resolution rates. It also provides replication functionality to keep test and production servers in synch, and allows for remote system administration.

- Enhanced Quality Monitoring and management: ensure professional levels of control for quality assurance and consistency, and witness integration to help optimize workforce performance and quality as the Contact center managers need to ensure messages are consistently delivered and questions are answered correctly and appropriately.
- Provides the widest platform support tailored to meet the IT requirements of both enterprises and mid-market companies.

CUSTOMER INTEGRATION MANAGEMENT

Attaining higher levels of customer delight, increasing the speed and efficiency in the product development process, and increasing profits have led to the development of Customer integration management. Industry analysts have identified the "foundational problem of CRM projects" as bad customer data.

Customer integration Management helps insurers solve the foundational problem by providing CRM applications and all front office channels with the authoritative single view of the customer, as well as business processes for maintaining the customer data that are shared across the front and back office. It is a real-time service-oriented application that manages customer centric business processes and transactions, while persisting "new" enterprise customer knowledge and processes, such as interaction history, event notifications, privacy and data entitlement rules, customer relationships (households), and customer value profiles.

Customer integration Management will integrate all the activities and data of the company so that it simplifies the functions of the organization thus delivering services to customers expeditiously and efficiently.

CASE STUDIES

Max New York Life

MNYL is a 74:26 Joint venture between max India and New York life. MNYL's strategy in India is to focus on its customers. It follows the RATER strategy for its operations and for the customers according to which these five elements must be the framework for its service.

- Reliability
- Assurance
- Tangibles
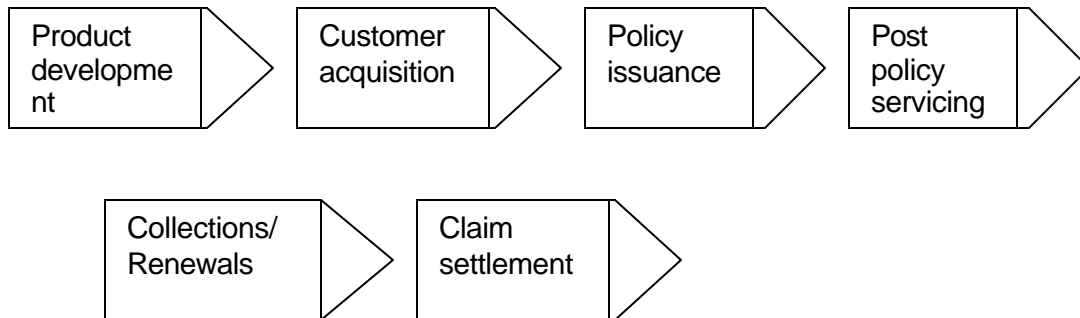- Empathy
- Responsiveness

The company also follows a integrated service strategy where the people, service deli every, customers, agents, customer listening systems etc. work in a unified manner in order to focus on the customers.

The customer listening systems of the company functions through tools like customer satisfaction surveys, Agent satisfaction surveys, Service scorecard (Customer touch point experience) Customer/Agent issues inventory, Service monitoring questionnaire with policy pack, complaint questionnaires and focus group.

MNYL through these measures tries to build and maintain long term relationships with their customers. It tracks the performance on the various Touch points on a continuous basis and

159

tries to align their internal measures to what customer says/perceive. The customer thus forms an opinion about company based on these experiences.

The service value chain followed by MNYL is as follows:

Product development ⟩ Customer acquisition ⟩ Policy issuance ⟩ Post policy servicing ⟩

Collections/ Renewals ⟩ Claim settlement ⟩

This process is supported by the following functions:

Customer Care/call centers, IT, F& A, Actuarial, HR & facilities, Marketing and legal processes. The company tries to differentiate itself from other competitors not only on the basis of products they offer but also through the experience they provide to their policyholders. All the factors which affect and impact the service experience of the customers are mapped by the company. The various touchpoints could be

Agent Servicing – Acquisition Experience, Medical Tests experience, Call Center Experience, Website Experience, Complaint Resolution Experience, Policy Issuance (Policy Pack) Experience, Renewals (Premium notice, payment, receipt) Experience, POS Experience, Refunds Experience and Claims Experience.

MNYL has been making efforts to provide the best services to its customers and has thus established itself as a customer centric brand.
It is one of the:
- First Indian life insurer to be awarded ISO 9001:2000 certification
- First life insurance company to have an Agent & Customer toll free number
- First life insurance company to have a Direct Customer Service Unit.
- First life insurance company to launch a formal Six Sigma Program
- One of the top 100 MDRT agent life insurance companies in the world

Life Insurance Corporation
The Company
Life Insurance Corporation of India (LIC) is a 4, 62,000 crore public sector enterprise (total assets as of 31st Dec 2003). LIC has approximately 1million agents across the country, and it services approximately 160 million policy holders. LIC's operations span the length and breadth of the nation through seven zonal offices, 100 divisional offices, and 2,048 branch offices.
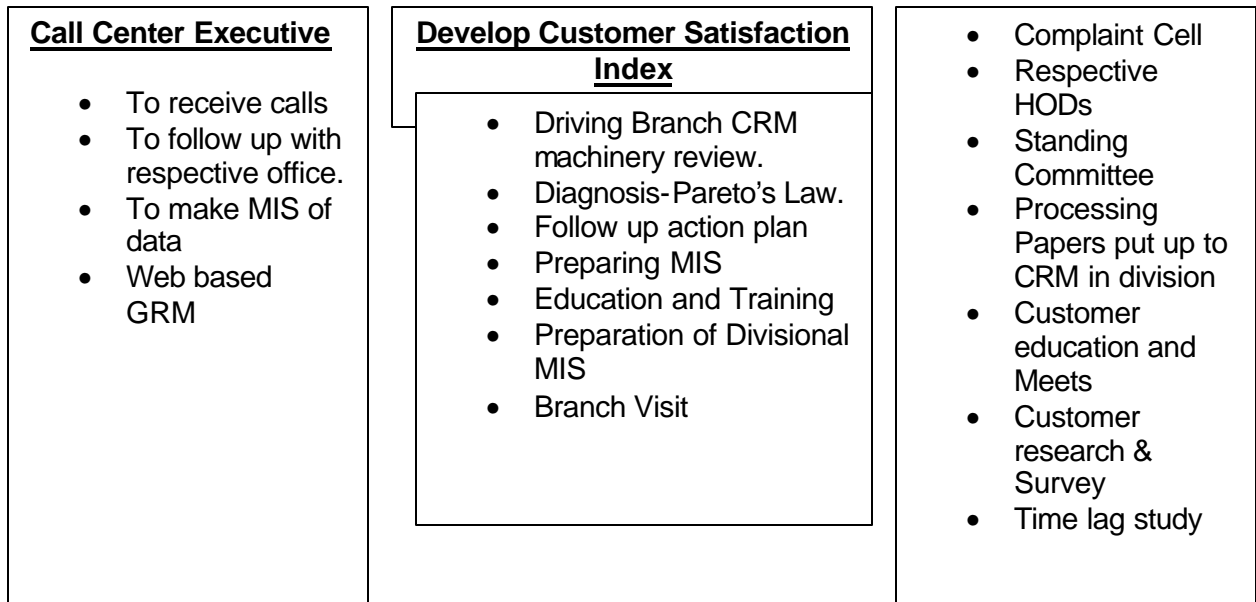
The Need
Servicing so many customers across the country is quite a challenging task, and LIC wanted to improve customer services

❖ Streamlining processes.
❖ Making policies detail more accessible to customers.
❖ Reduce costs on travel and intra-office communications.
❖ Effective implementation of grievance redress procedure.
❖ To manage an analytical feedback from the customers in regard to service quality, desired improvements and potential.
❖ To generate innovative methods / steps to improve the quality service.
❖ Customized Targeting of the customer.
❖ Data Integration at one place which is accessed by all.

The Solution
An extensive network with a Web front-end to make policy detail and services more accessible. LIC connected more branches, district centers and zonal offices to the WAN in a hierarchical arrangement, it helped to integrate the data at one place so that each division or branch can have an access of all the information about individual policy holder and can customized product according to his requirements. It then set up a EPS (Enterprise Portal System) so that policy holders could lodge complaints online, modify policy information or just check the status of policies. To cut costs on travel and long distance calls, LIC chose to voice-enable it's WAN and deploy video conferencing solutions. While doing so, LIC also interfaced its EPABX voice communications systems with the WAN.

CRM of Divisional Offices of LIC

Call Center Executive	**Develop Customer Satisfaction Index**	
• To receive calls • To follow up with respective office. • To make MIS of data • Web based GRM	• Driving Branch CRM machinery review. • Diagnosis-Pareto's Law. • Follow up action plan • Preparing MIS • Education and Training • Preparation of Divisional MIS • Branch Visit	• Complaint Cell • Respective HODs • Standing Committee • Processing Papers put up to CRM in division • Customer education and Meets • Customer research & Survey • Time lag study

The Benefits
The upgraded and extended WAN helped LIC to
❖ Streamlines processes, making it easier for customers and LIC staff to check the status of policies, address grievances, and act on feedback.
❖ Collections via the Web reduce time taken for transactions.
❖ All customer related enquiries will link all policies of a customer for a better view and single stroke servicing of the customer.

161

- ❖ Option to drill down to any policy or any request pending (proposed) on any policy of the customer
- ❖ Single Window Operations for all products and services for a customer
- ❖ Customer ID links all policies of a customer from the branch data base and enables inquiry or display from any terminal in the branch, thus enabling call center like operations from each branch.

Apart from the above mentioned benefits it helped marketing people to provide better service to customer and thus increasing customer satisfaction and loyalty.

Results

Though after liberalization it was seen with the entry of the private sector that LIC was losing its market share on mere ground of CRM, but now with the adoption of above mentioned modern technique it is now able to sustain the competition and provide better service to the new and existing policy holders.

Conclusion:

Insurance Companies should not be carried by the apparent high sounding appeal the CRM solutions make but rather pay caution while implementing them. CRM in insurance industry in India is at a very nascent stage so a proper CRM platform has to be laid only after properly understanding the customer's needs and desires.

Even though most of the private insurance companies are using CEM the public sector companies are in CRM stage itself. The reason for this is that amount of data is very less and the quality of data is very high as compared to public sector companies, so they are able to implement the CEM concept easily. It is the biggest challenge in front of PSU's to purify the data that has been evolved through different systems over the years and also handling such a big volume, to enable efficient implementation of the CRM solutions. For the success of any CRM initiative, proper conviction of top level management is must.

Moreover the Indian market for Insurance is not matured enough. Some of the higher technologies can not be implemented here. The system is not so well developed that it can adopt itself to the changing CRM concepts. Indian Insurance companies may require more funds which could be possible only when the market is further liberalized.

We could see these developments in the coming few years when the market is developed and matured.

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