



Customer Behaviour Management

Chanchal¹, Dr. Amarjit R. Deshmukh², Mr. Yashwant Kumar³, Mr. Anmol Soi⁴

¹Research Scholar, Bharati Vidyapeeth (Deemed to be University) Institute of Management and Research, New Delhi

^{2,3,4}Associate Professor, Bharati Vidyapeeth (Deemed to be University) Institute of Management and Research, New Delhi

ABSTRACT

India's insurance sector has been growing dynamically in the last couple of years. Despite the suite of reforms that have been implemented to stoke the sector's growth, it still has a long way to go, as its share in the global insurance market remains abysmally low. In this paper, we analyse the Indian insurance sector and trace its evolution and growth. We also identify the key challenges facing the sector. As underlined in the paper, low penetration and density rates, less investment in insurance products, the dominant position of public sector insurers and their deteriorating financial health are some of the challenges facing the sector. Since India's economic growth depends on how shock-absorbent India's economy is, addressing these challenges assumes importance for developing a sound insurance sector.

Keywords Customer Behaviour, Customer Satisfaction, Service Quality, Marketing Strategies, Insurance, Liberalisation, Life Insurance

Introduction

I CHANCHAL, student of Bharati Vidyapeeth (Deemed to be University), Pune have done my summer internship at NIVESHIFY INSURANCE MARKETING LLP which provide services in INSURANCE and preparing my project on "Customer Behavior Management".

The world of business is driven by the needs and preferences of customers. Understanding what customers want and how they make choices is at the heart of a thriving enterprise. This concept is particularly vital in insurance, Insurance is a means of protection from financial loss in which, in exchange for a fee, a party agrees to compensate another party in the event of a certain loss, damage, or injury. It is a form of risk management, primarily used to protect against the risk of a contingent or uncertain loss

Customer Behavior Management isn't just a fancy term; it's the science and art of figuring out what customers like, what makes them choose one service over another, and how to keep them satisfied. Imagine, for instance, the decisions a company like Jubilant Road Carriers has to make daily, from route planning to delivery times, all with the aim of meeting customer expectations.

As I stepped into the role of an SALES EXECUTIVE during my two-month internship, my focus was to work closely with the Marketing Executive to uncover the intricacies of managing customer behavior in this industry. Through this project, I aim to shed light on how NIVESHIFY INSURANCE MARKETING LLP and similar companies navigate the dynamic world of customer preferences, satisfaction, and service delivery.

Rationale

During my internship as an SALES EXECUTIVE at "NIVESHIFY INSURANCE MARKETING LLP," I was afforded a firsthand experience of the intricacies of the INSURANCE industry. I witnessed the pivotal role that customer behavior plays in shaping the company's strategies and operations. I recognized that, in a highly competitive landscape, understanding and managing customer behavior is essential for ensuring the company's continued growth and sustainability.

The project aligns with my academic pursuits in the field of Business Administration and enables me to apply theoretical concepts to practical situations. "Customer Behavior Management" is a topic of increasing relevance in the context of business management, providing an opportunity for academic inquiry and learning.

Given my role as an SALES EXECUTIVE, I had access to valuable data and information within NIVESHIFY INSURANCE MARKETING LLP. This access provided a unique chance to explore and understand the company's customer behavior management practices. The project allows me to apply my observations and insights to provide actionable recommendations to benefit both the company and the wider industry.

By choosing this topic, I aim to not only deepen my understanding of customer behavior management but also to contribute to the existing body of knowledge in the INSURANCE sector. Sharing the findings and recommendations with the company and the academic community aligns with the goal of knowledge transfer and informed decision-making.

Literature Review

Gamarra(2007) estimated cost and profit efficiency of three groups of German life insurance companies: multichannel insurers, direct insurers, and independent agent insurers. Nonparametric DEA is used to estimate efficiencies for a sample of German life insurers for the years 1997-2005. Testing a set of hypothesis, she found economic evidence for the coexistence of the different distribution systems which is the absence of comparative performance advantages of specialised insurers. Further, she found evidence for scale economies in the German life insurance industry

In the Indian context, Tone and Sahoo(2005) were the first to study efficiency of the life insurance sector as they applied new cost efficiency model to examine the performance of Life Insurance Corporation (LIC) of India. The findings show a significant heterogeneity in the cost efficiency scores over the 1994–1995 can be taken as evidence of increasing allocative inefficiencies arising from the huge initial fixed cost undertaken by LIC in modernizing its operations. A significant increase in cost efficiency in 2000–2001 is, however, cause for optimism that LIC may now be realizing a benefit from such modernization. This will stand them in good stead in terms of future competition. Results from a sensitivity analysis are in broad agreement with the main findings of this study.

Objectives

- 1. Customer Satisfaction:** The primary objective of the insurance sector in customer relations management is to ensure high levels of customer satisfaction. This can be achieved by providing efficient services, timely claim settlements, and personalized customer support.
- 2. Customer Retention:** Another key objective is to retain existing customers. This can be done by offering competitive insurance products, providing value-added services, and maintaining strong relationships with customers..
- 3. Risk Management:** The insurance sector aims to help customers manage risk effectively. This involves understanding customer needs and offering insurance products that provide adequate coverage against various risks.
- 4. Trust and Credibility:** Building trust and credibility with customers is essential for the insurance sector. This can be achieved by being transparent in operations, providing accurate information, and honoring commitments made to customers.
- 5. Business Growth:** Ultimately, the objective of the insurance sector in customer relations management is to drive business growth. This can be achieved by acquiring new customers, increasing the share of wallet from existing customers, and expanding into new markets.
- 6. Recommendations for Improvement:** To make data-driven recommendations for enhancing customer behavior management within the organization. To provide actionable insights for improving customer retention, acquisition, and service quality.
- 8. Knowledge Transfer** To synthesize the knowledge gained during the internship and share it with the company and the academic community To foster a culture of continuous improvement and informed decision-making.

Research Methodology

Research Design:

The research design for this project will be predominantly qualitative and exploratory in nature. Qualitative research is well-suited for understanding complex phenomena such as customer behavior. The project will employ a mix of primary and secondary research methods to gather data and insights. A case study approach will be used to focus on the specific customer behavior management practices at NIVESHFY INSURANCE MARKETING LLP, enhancing the depth of understanding.

Nature and Source of Data/Information:

- **Primary Data:** Primary data will be collected through:
 - **Surveys:** Structured questionnaires will be administered to current and past customers of NIVESHFY INSURANCE MARKETING LLP to capture their preferences, feedback, and decision-making factors.
 - **In-depth Interviews:** Interviews will be conducted with key personnel within the company, including the Marketing Executive, to gain insights into the company's strategies, CRM systems, and customer management practices.
 - **Observations:** Observational data will be collected through direct interactions with customers during the internship to understand their behavior and interactions with the company.

2. Secondary Data: Secondary data will be gathered from various sources, including academic journals, industry reports, company documents, and customer feedback databases. These sources will provide context, industry benchmarks, and insights into general customer behavior trends within the insurance sector.

Tools and Techniques for Data Collection:

1. Surveys: Surveys will be conducted using online survey platforms, and data will be collected and analyzed using statistical software like SPSS. Questions will be designed to elicit information on customer preferences, satisfaction levels, and perceived service quality.

2. In-depth Interviews: Semi-structured interviews will be conducted in person or via video conferencing. The interviews will follow a pre-defined guide and be recorded for transcription and analysis.

3. Observations: Observations will be conducted during interactions with customers, company personnel, and service delivery processes. Field notes and digital recordings will be used to capture observations.

Methods for Data Collection:

1. Quantitative Data Collection: Survey questionnaires will be distributed to a sample of customers. The data collected will be subjected to statistical analysis to identify trends, correlations, and patterns in customer behavior.

2. Qualitative Data Collection: In-depth interviews will be held with company personnel and selected customers to gain insights into their decision-making processes, satisfaction levels, and experiences. This qualitative data will be transcribed and analyzed thematically to extract key findings.

3. Observational Data Collection: Observations will be conducted during customer interactions, service delivery, and company processes. These observations will be documented in field notes, and relevant insights will be extracted for analysis.

Implications

- **Trust Building :** Insurance can play a crucial role in building trust with customers. By offering insurance coverage or related services, businesses can reassure customers about the safety and security of their purchases or investments, enhancing their overall experience.
- **Risk Mitigation:** Insurance helps businesses mitigate risks associated with their products or services. This can lead to better customer relations as customers feel more secure knowing that potential risks are covered, reducing their apprehensions and increasing their loyalty.
- **Enhanced Customer Experience:** Insurance services can enhance the overall customer experience by providing additional benefits and support. This can include expedited claims processing, dedicated customer support for insurance-related queries, and personalized recommendations based on the customer's insurance needs.
- **Competitive Advantage:** Offering comprehensive insurance solutions can give a business a competitive edge in the market. It sets them apart from competitors and can attract new customers looking for businesses that provide added security and value through insurance services.
- **Research Methodology:** The project's methodology, combining both qualitative and quantitative research, can serve as a model for future research in similar areas, illustrating the benefits of using a multi-faceted approach.
- **Customer Retention :** Providing insurance options can be a strong incentive for customers to stay with a business. It adds value to the overall product or service offering and can increase customer satisfaction, leading to higher retention rates.

Conclusion

In the culmination of this project exploring "Customer Behavior Management" within the insurance sector, the journey through the intricacies of NIVESHFY INSURANCE MARKETING LLP has yielded valuable insights and practical implications. The study began with a comprehensive exploration of existing literature, shedding light on the evolving landscape of customer behavior in logistics and providing a foundation for our analysis.

As a SALES EXECUTIVE during a two-month internship, the firsthand experiences and interactions within the company allowed for a deeper understanding of the multifaceted factors influencing customer decisions. The project's research methodology, combining qualitative and quantitative approaches, enabled the collection of rich data encompassing customer preferences, segmentation strategies, and the impact of CRM systems.

To achieve successful CRM, a company should understand what is and why it is beneficial to customers in order to retain them for long time. Customers give priority only to satisfy their needs. The success rate of the CRM depends on the quality of CRM. Many infrastructural changes are required for industry deployments to be successful. These changes include updating administration systems, consolidating back offices, integrating front-end channels with back-end systems, moving customer information to front-end channels and dealing with data issues. The future of CRM is very hopeful in insurance sector.

Reference

-
- [1]. Shaw, Robert, *Computer Aided Marketing & Selling*, Butterworth Heinemann ISBN 978-0-7506-1707-9 (1991)
- [2]. Atul Parvatiyar & Jagdish N. Sheth, *Customer Relationship Management: Emerging Practice, Process, and Discipline*, (2001)
- [3]. Suresh Babu Ponduri, *Customer Relationship Management in Selected Service Sector Organizations Customer relationship management in insurance sector- A study of perceptions of customers and employees in Visakhapatnam*, ISSN 0976-2183, Vol.3, Issue3, (2015)
- [4]. Alok Kumar Rai, *Customer Relationship Management: Concepts and Cases* (2013)
- [5]. Gupta, P.K., *Insurance and Risk Management*, 1st Edition, Himalaya Publishing House, Mumbai (2004)
- [6] Dumblekar, Vinod “Building Customer Relationships Through Call Centres in Banking and Financial Services”, *Customer Relationship Management Emerging Concepts, Tools and Applications*”, Tata Mcgraw Hill Publishing Co. pp.463-471.(2001)
- [7] Gupta, M.P. and Shukla, Sonal “Learnings from Customer Relationship Management (CRM) Implementation in a Bank” in the „Global Business Review“ Vol. 3, No. 1, pp. 99-122, (2002)
- [8]. R. Kumar and K. Vaidya, “Differentiation Strategies of Insurance Companies”, *Insurance Chronicle*, Vol. 6, No. 3, pp.43-49. (2004)
- [9]. H.S. Sandhu and N. Bala, “Marketing of Life Insurance Services Revisited”, *Indian Management Studies Journal*, Vol.10, No.2, 2006, pp.1-33.(2006)
- [10]. Jampala and V. Rao, “Distribution Channels of LIC”, *Insurance Chronicle*, pp.71-75.(2007)
- [11]. M. Rajkumari, “A Study on Customer’s Preference towards Insurance Services and Bancassurance”, *The ICFAI Journal of Risk and Insurance*, Vol.4, No.4, pp.49-59, (2007)