

CHAPTER - 3

RATIONALE OF STUDY
AND
OBJECTIVES

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Rationale of Study and Objectives

After IT converged, Indian financial sector suddenly found itself at the front door of limitless possibilities. The development in Information Technology has an enormous effect on development of more flexible payments methods and user-friendly services. In the era of Information Technology Insurance is the sector that harnessed to IT based services largely. Therefore, it is almost a decade over these insurance companies also provides IT based service and in future, we will see many more investment in IT based services.

Hence, researcher took this view to the research work, which finds the “A study of IT enabled Customer Relationship Management (CRM) in insurance sector” Indore. It is based on major companies of Indore. The research also focuses to seek any increase in the level of customer satisfaction through online approach. It also focuses on contribution of information system to achieve high financial performance for the life insurance companies and the use of IT as a source to gain competitive advantage.

It is necessary for the insurance industry to be in right mental makeup. Insurance must have focus on service quality and should understand their customer requirements and real needs. This holds significance for future strategies related to following components: -

- a) Customer: Retain existing customer with high- level satisfaction and attract new customers.
- b) Capability: Improve operation process, knowledge management, and technology.
- c) Competition: Decide future competitive action, to change in landscape.
- d) Fiscal: Improve profitability, capital adequacy, and new investment in right direction.

Although the previous research shown, that the IT works as wonder in all financial sectors of India; there are some key challenges in front of Life insurance company to handle their customer these are

Transparency and disclosure

A better consumer satisfaction offered through the transparency and well disclosure of policies.

IT alignment

IT strategies must be set up in a way that IT is not only operationally efficient also cost-effective also.

E-commerce

The Internet has not been a good source of distribution for insurer's policy since last 3 decades. Of the population of over one billion in India, only 9.5 million people were estimated to be Internet users and its access is only up to urban areas. Life insurance companies have a website, which mainly focused on accessing product information and rate quotes etc and access only up to urban areas.

Therefore, the present study "A STUDY OF IT ENABLED CUSTOMER RELATIONSHIP MANAGEMENT (CRM) IN INSURANCE SECTOR" has great relevance too.

The study further lead by following objectives, which helps researcher to form hypothesis.

Research Objectives

Main objectives:

1. To study the awareness of IT enabled services in Life Insurance sector.
2. To analyze the impact of Information Technology on Customer Relationship Management in Life insurance companies.
3. To analyze whether E-CRM supports to improve better customer services.
4. To study the impact of E-CRM (IT based Services) on level of customer satisfaction.
5. To study the impact of IT enabled services on operational cost of Life Insurance Companies.

Secondary Objectives

1. To study the effect of age on use of IT based services and customer satisfaction.
2. To study the effect of gender on use of IT based services and customer satisfaction.
3. To study the effect of occupation on use of IT based services and customer satisfaction.
4. To study the effect of Income of customers on use of IT based services and customer satisfaction.
5. To study the effect of Education of customers on use of IT based services and customer satisfaction.

These objectives are analyzed in next chapters