



# THE IMPACT OF COVID-19-CRM PRACTICES AND STRATEGIES IN LIFE INSURANCE CORPORATION (LIC) OF INDIA

**PROF. RAMESH AGADI**

Retd. Dean and Chairman  
Department of PG Studies and  
Research in Management  
Jnana Ganga, Gulbarga University,  
Kalaburagi-585106, Karnataka, India

**SOMANATH S KARADDY**

Research Scholar  
Department of PG Studies and  
Research in Management  
Jnana Ganga, Gulbarga University,  
Kalaburagi-585106,

## ABSTRACT

This examination researched the effect of COVID-19 on the protection business by contemplating the instance of India from March to June 2020. With an equal correlation with past pandemics, for example, COVID-19, we created traces for reproducing the effect of the pandemic on the LIC protection industry. The examination utilized subjective and quantitative meetings to assess the effect of the pandemic. As of now, the pattern is a financial downturn with diminishing benefits yet expanding claims. Because of the dropping of movements, occasions and other financial misfortunes, LIC Insurance saw a misfortune presently assessed at our correlation and estimate predicts a standardization of monetary pointers from January 2021. Meanwhile, while the pandemic perseveres, back up plans ought to adjust to working from far off areas, prepare and prepare staffs to work under friendly removing guidelines, upgrade network safety conventions and improve on claims/premium handling utilizing e-instalment channels. It will require the cooperation of the Indian Ministry of Health, Banking Sector, Police Department, Customs Excise and Preventive Service, other important Ministries and the worldwide local area to halt the pandemic.

Keywords: Corona virus; COVID-19; Insurance industry; Infection rate and pandemic.

## 1 Introduction

Corona virus disease, scientifically reclassified as COVID-19, has assumed global pandemic proportions [1]. It attained a pandemic status declared by the World Health Organization (WHO) on 11 March 2019 [1]. The current spread of the virus at a fast rate compared to previous pandemics has resulted in a total lockdown of nations, ban on travels, public gatherings and closure of closure of offices. There has been global closure of businesses as well as the loss of jobs and lives. The general economic situation is a global recession. In most instances, the insurance industry and governments all over the world have become the beacons of hope to which people look

for rescue from total annihilation. However, due to the fast increase in infection cases greater than the recovery of infected people, the pandemic has overwhelmed many governments and financially weakened some insurance companies. The impact of the pandemic on the Ghanaian insurance industry is yet to be estimated and projected to provide a guide for government and insurers for the simulation of future events.

Before the COVID-19-induced lockdown, the life insurance industry in India was on a stable footing and growing strongly. All major metrics including premiums saw double-digit YOY growth in January 2020. New business premiums were up 24% YOY in January at around \$2.3



billion. First-year premium collections in January also showed similar growth, coming in at around \$2.7 billion or +18% YOY, reflecting the strong uptick in new policy purchases. When the COVID-19 pandemic arrived in India, it reversed the positive trends seen earlier. Life insurance businesses were hit hard while customer behaviour made a paradigm shift.

## 2 Literature Review

Ganesan and Rajagopalan (2004) in their article on “E – CRM in Service Excellence”, addresses e-crm strategies to explore the all available possibilities in activation, pre-active and also proactive service which are at the peak of its excellence. They highlighted that the competitive environment, eroding the margin, which are at the need to reduce the costs and also to keep customers, as they are the prime drivers for the organizations to embrace e-crm. They conclude that a well executed crm strategies can result in a number of quantitative benefits which also includes greater ability to sell and also to cross – sell, and to improve customer retention besides, reduces cost of services.

Dash Biswamohan and Mishra Bidhubhusham, (2012) an article on “E- CRM practices and Customer Satisfaction in Insurance sectors” the paper has revealed that on a global scale that a number of insurance companies are competing in the market. The customers are demanding quick and also better service from the service provider, for the insurance companies to last in the market; they have to update the quality, transparency and the integrity to acquire and also to retain customers in a long- run in a long range.

Dr. Dhiraj Sharma, Mrs. JyotsmaPahwja (2015) an article on “E-CRM Practices in Indian Health Insurance: A Comparative study of Public and Private Sector Players” stated that Privatization and Globalization wave, Indian Insurance Industry has seen a drastic change in terms of better products and services as the Indian consumers have become more intelligent and careful in choosing the desired health products at the best price. The comparative analysis of strategic CRM policies, usage and impact on overall organizational performance with respect to profitability, providing services and commitments. Results revealed that both public and private sector work on CRM policies, the companies using CRM software have benefited more

than companies not using any software or data base to maintain their data of customers.

Al-Azzam (2016) a study on “The Impact of Customer Relationship Management on Hotels Performance” he says that Customer Relationship Management, are leading to form customer oriented behaviour, organizations have to improve a suitable working environment for service in work. For example giving staff with current tools, and technology, customer satisfaction, pursuing and complaint management systems, right reward systems can all make these behaviours, the achievement of CRM strategy depends upon the involvement of employees in the organization themselves, he concluded that customer orientation strategy is one of the organizational resources to increase customer satisfaction and business income.

Basman Al Dalayeen (2017) an article on “Impact of customer relationship management practices on customer satisfaction” he says that customer relationship management (CRM) is a combination of people, processes and technology that seeks to understand a company’s customers.

## 3 Strategies of LIC

The LIC premiums are accepted through several methods such as net banking, debit card, credit card and also through payment apps such as Paytm, PhonePe, Google Pay, BHIM UPI etc. Apart from online means, the policy premiums can also be paid at all IDBI Bank and Axis Bank branches and by cash through Common Service Centres (CSC), operating at the block level. The insurance giant has assured that insurance claims because of death due to COVID-19 will be treated at par with other causes of death and that the payments shall be made on an urgent basis. LIC has said that death claims due to COVID-19 under 16 policies have been settled without any delays. The company has said that efforts have been made by its officials to locate COVID-19 victims on the basis of lists provided by government authorities to help the families. In the previous fiscal year 2019-20, the insurer has settled more than 7.5 lakh death claims with only 0.75 per cent of the total death claims reported remaining outstanding. Apart from this, policy payments such as survival benefit, policy maturity and annuities have been to the policyholders on due date through direct bank



transfers. LIC said that these payments were more than two crores in numbers in 2019-20.

In addition to online premium payment facilities, LIC is also selling five of its plans online which can be purchased with a click of a few buttons right from home. These are LIC's Tech Term, which is a pure protection plan, LIC's Jeevan Shanti Annuity plan, LIC's Cancer Cover, LIC's SIIP and Nivesh Plus – the last two being ULIP plans. LIC customers can visit the website <https://licindia.in> for enquires and online services such as premium payment, buy online policies etc. All the registered users on the website can also view Policy Status, Bonus Status, Loan Status, Claims Status, Revival Quotation, Premium Due Calendar, Premium Paid Certificate, Claim History, etc. The offices of LIC are currently operational with skeletal staff, whenever feasible, within the restrictions imposed by the local authorities. While other LIC employees are working from home.

#### 4. Objectives

To investigate the strategies of COVID on customer relationship management practice in LIC.

#### 5 Methodology

The target population of this study consists of customers of LIC policy holders. The size of the sample is 100 respondents. A well designed questionnaire has been used for collecting data from selected branches in LIC. The questionnaire set on a five point Likert-scale (5-highly satisfied to 1-highly dissatisfied). A total of 120 questionnaires were distributed but the corrected questionnaires were found only 100. The collected data has been analyzed with the application of Kruskal-wallish test.

#### 6 Data Analysis and Interpretation

**Hypothesis:** There is significant difference between Mean Rank of qualification of policyholders with respect to Using Factors of Deployment of Technology

**Null Hypothesis:** There is no significant difference between Mean Rank of qualification of policyholders with respect to Using Factors of Deployment of Technology

**Table .1. Kruskal-Wallis test for significant difference among Mean Rank of qualification of policyholders with respect to Using Factors of Deployment of Technology**

Factors Deployment of Modern Technology	Qualification						Chi-Square Value	P-Value
	Below SSLC	SSLC	PUC	UG	PG	Others		
E-Payment	20.17	47.92	47.92	48.62	55.64	56.28	20.048	.001**
Mobile								
Communication	28.54	51.69	47.65	52.82	57.45	65.00	10.108	.072**
E-Application	27.54	46.69	51.54	53.07	58.38	64.63	11.143	.049*
E-News letters	29.04	42.08	49.00	56.37	58.83	49.75	11.702	.039*
E-Settlement	32.00	44.19	39.92	54.88	66.13	41.13	15.377	.009*
Communication through Social Media	36.63	46.38	44.00	53.89	56.73	63.25	6.308	.277

\*\* denotes significant at 1% level

\* denotes significant at 5% level



All \*\* Since P value is less than 0.01, null hypothesis is rejected at 1% level with regard to Factors of Deployment of Modern Technology, E-Payment and Mobile Communication of policy holders. Hence there is significance difference between Mean Rank of qualification of policyholders with respect to Factors of Deployment of Technology in the factors of E-Payment and Mobile Communication of policy holders.

All \* Since P value is less than 0.05, null hypothesis is rejected at 5% level with regard to Factors of Deployment of Modern Technology, E-Application, E-Newsletters, E-Settlement of policy holders. Hence there is significance difference between Mean Rank of qualification of policyholders with respect to Factors of Deployment of Technology in the factors of E-Application, E-Newsletters, and E-Settlement of policy holders. E-Payment and Mobile Communication of policy holders.

No Star indicates that there is no significant difference between Mean Rank of qualification of policyholders with respect to Factors of Deployment of Technology factor Communication through Social Media, since P value is greater than 0.05. Hence the null hypothesis is accepted at 5% level with regard to Communication through Social Media.

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## 7 Suggestions and Recommendations

The observed data that the branches have developed E-CRM, E- Customer Relationship Management is the key to success in the present pandemic situation. The Factors of Deployment of Technology like, E-Payment, Mobile Communication, E-Application, E-Newsletters, E-Settlement, Communication through Social Media, in these factors the settlement of claim mean score is very high in this result there are difficulties facing to the policy holders at maturity period of time. The insurance companies changing new technology based settling the maturity amount to the policy holders.

## 8 Conclusions

This present study concludes that, strategies of CRM practices in LIC are the modern technology used to the policy holders the Factors of E-Payment, Mobile Communication, E-Application, E-Newsletters, E-Settlement, and Communication through Social Media help to the customer in staying long run and retained the old LIC customers. In this pandemic situation strategies are online premium, and E-transaction definitely improve the customer's service in LIC of India. In this pandemic situation LIC encourage E-CRM activities to the policyholder's. These are more useful to the customers and also retained the LIC customers.