

**SALES PROCESS: A FRAMEWORK
FOR IMPROVING SELLING EFFECTIVENESS
IN THE LIFE INSURANCE INDUSTRY**

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BY

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ABSTRACT

This study profiles the productivity characteristics of a life insurance salesperson. The study continues by highlighting the other factors of productivity which in turn lead to more effective sales, a greater number of sales, and the income developed for the insurance salesperson from these productivity factors. The commission of these individuals depends upon the number of lives sold and the total premium production. As such, first year commission was the measure of the salesperson's performance.

A randomised survey involved 153 life insurance salespeople from nine life insurance companies in Malaysia. Responses were culled to eliminate those agents with less than six months' experience. Additionally, only the responses of those agents who had at least one sale completed were selected.

The study identified the various predictors of first year commission. These predictors included the number of clients approached, methods of prospecting used, the ability to find, and the ability to successfully determine a saleable solution which can be presented in an effective manner. Additional criteria identified which affect the first year commission were the agents' contract status and their level of education.

The study also highlighted several demographic variables that had significant influence on selling effectiveness such as age, marital status, sex, and ethnic group. These demographic variables interact with the sales process to affect the final outcome. However, the study will

also show that other factors affecting the sales outcome are the salesperson's knowledge bases, the level of training provided, sales strategies learned, and the propensity to engage in the client qualification process.

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