

APPENDIXES

APPENDIX A

Dear Agent

SURVEY RESEARCH QUESTIONNAIRE

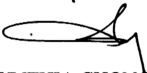
I am a post-graduate student in the faculty of Economics and Administration, University of Malaya. In part fulfilment of the requirements for the MBA degree, I am conducting a study on Effective Selling, optimism, time management, and Attitudinal Behavior: A framework for improving selling effectiveness.

The information that you provide in the questionnaire is important for my research. It is mainly to find out your perceptions, feelings, activities and action about aspects, of the selling environment. There is no 'right' or 'wrong' answer to statements or questions in the questionnaires. I wish only that you give your frank and honest response.

I assure you that all responses will be treated confidentially.

Thank you for you kind assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CYNTHIA CHONG', with a stylized flourish at the end.

CYNTHIA CHONG

ABOUT THIS QUESTIONNAIRE

The items in this questionnaire cover 4 main activities/skills. Please answer each and every question to the best of your ability. There are no right or wrong answers. Your honest response is highly appreciated.

Your responses to the questionnaire items will be kept in the strictest confidence. Your answers will be combined with those of other study participants and my analysis will be conducted only on the aggregated sample.

**THANK YOU FOR TAKING THE TIME
TO FILL OUT THIS QUESTIONNAIRE**

PART I. SALES PROCESS

Using the scale below, please circle the number of the response that best reflects your action/activity.

1	2	3	4	5
Never	Infrequently	Sometimes	Frequently	Always

A. PROSPECTING

The statements below describes activities or actions before an initial sales call.

- | | | | | | |
|--|---|---|---|---|---|
| 1. Using some criteria, (eg. needs affordability) qualifies prospect before initial contact. | 1 | 2 | 3 | 4 | 5 |
| 2. Majors in prospect with adequate incomes and of the thrifty type. | 1 | 2 | 3 | 4 | 5 |
| 3. Considers occupational stability. | 1 | 2 | 3 | 4 | 5 |
| 4. Maintains a good age spread. | 1 | 2 | 3 | 4 | 5 |
| 5. Obtains referred leads. | 1 | 2 | 3 | 4 | 5 |
| 6. Report all positive outcomes of your referral contacts to your referrer. | 1 | 2 | 3 | 4 | 5 |
| 7. Approaches personal friends or acquaintance. | 1 | 2 | 3 | 4 | 5 |
| 8. Engage in cold canvassing. | 1 | 2 | 3 | 4 | 5 |
| 9. Creates and utilizes centres of influence (ie. people who are influential and who are well-respected by their peers). | 1 | 2 | 3 | 4 | 5 |
| 10. Obtains personal introductions to prospects. | 1 | 2 | 3 | 4 | 5 |

11.	Utilizes mass prospecting techniques (direct mail, salary deduction approaches, etc.).	1	2	3	4	5
12.	Resells to existing clients.	1	2	3	4	5
13.	Seeks names of suspects from various sources (newspapers, directories, membership lists, etc.).	1	2	3	4	5
14.	Prospects continuously so as to see enough people.	1	2	3	4	5
15.	Schedule work for maximum effectiveness with prospects (including evenings, Saturdays, etc.).	1	2	3	4	5
16.	Calls on prospects where they can be reached most effectively (home, prospect's office, "rental" location, etc.).	1	2	3	4	5
17.	Select one group of potential customers and then focus on that group (target marketing).	1	2	3	4	5

B. APPROACH

The statements below describes activities or actions for an initial sales call.

1.	Uses direct mail, phone or face-to-face talk designed to secure an interview under favourable conditions.	1	2	3	4	5
2.	Meticulous care given to your personal appearance.	1	2	3	4	5
3.	Am courteous, friendly, sincere and business like.	1	2	3	4	5
4.	Make your true identity and purpose clear.	1	2	3	4	5

5.	Have an idea in mind that fits the prospect's need.	1	2	3	4	5
6.	Approaches skilfully so as to arouse prospect's interest.	1	2	3	4	5
7.	Uses prepared talk designed for that particular customer type.	1	2	3	4	5
8.	Utilizes human interest stories and sweat questions.	1	2	3	4	5
9.	Draw on past experiences ie. to assess the prospect's needs, points of view and problems and to respond appropriately to them.	1	2	3	4	5

C. FACT-FINDING

The statements below describes activities or actions for an initial sales call interaction.

1.	Avoid argument and never challenge the prospect directly, no matter how much you disagree or how wrong his or her opinions might be. (Build rapport with prospect).	1	2	3	4	5
2.	Conduct interviews with the prospect for an uninterrupted period of time in a confined area.	1	2	3	4	5
3.	Try to have both spouses present during the interview.	1	2	3	4	5
4.	Is adept at conducting fact-finding interview to identify problems.	1	2	3	4	5
5.	Ask questions often and utilizes visual techniques effectively where appropriate.	1	2	3	4	5
6.	Use an organized sales talk.	1	2	3	4	5
7.	Determine the facts about the prospect and the prospect's motives.	1	2	3	4	5

D. SOLUTION PRESENTATION & CLOSE

The statements below describes activities or actions for a follow-up sales call.

1.	Acquires and maintains necessary knowledge to develop solutions to problems uncovered.	1	2	3	4	5
2.	Sell on needs' basis. (Conduct a programming interview).	1	2	3	4	5
3.	I always emphasize on "protection".	1	2	3	4	5
4.	Present general different solutions to the prospect.	1	2	3	4	5
5.	Recommend a specific type of policy.	1	2	3	4	5
6.	Make sure the prospect perceives that the coverage you recommend is adequate.	1	2	3	4	5
7.	Provide adequate and correct information.	1	2	3	4	5
8.	If I don't know the answer to a prospect's question, I admit it, promise to find the answer and then get back to the prospect promptly with the correct answer.	1	2	3	4	5
9.	Discuss the incidentals as well (eg. the 14 day free look provision).	1	2	3	4	5
10.	When the subject of cost comes up, I always respond to them completely and positively.	1	2	3	4	5
11.	Appeal to both logic and emotion.	1	2	3	4	5

12.	Get the prospect to participate; getting the prospect to say "yes" to minor points so that he or she is more apt to say "yes" on the major ones.	1	2	3	4	5
13.	Get the prospect to jot down the figures or turn the page of the visual piece.	1	2	3	4	5
14.	Are you able to explain the main points of the presentation clearly and accurately?	1	2	3	4	5
15.	Do you keep the prospect's interests and needs in mind while making the presentation?	1	2	3	4	5
16.	Are you persuasive? Can you make the prospect feel and act?	1	2	3	4	5
17.	Is your voice clear and pleasing?	1	2	3	4	5
18.	Are your gestures and facial expressions appropriate to the presentation?	1	2	3	4	5
19.	Listen carefully to the prospect. Never put the prospect on the defensive. Try hard to understand the prospect's resistance.	1	2	3	4	5
20.	Ask the prospect to explain the objection. Ask "why do you feel that way?" or "What do you mean by that?"	1	2	3	4	5
21.	Isolate the objection. Consider whether this is the only thing preventing the sale. Tell the prospect, "I'm glad you brought that up. In addition to that, are there any other concerns or questions I should be addressing?"	1	2	3	4	5
22.	Answer the objection by emphasizing benefits.	1	2	3	4	5

23.	Confirm the prospects's understanding. Make sure that after I address the objection there are no lingering misunderstandings. I ask "does that make sense?" or "How does that sounds to you?"	1	2	3	4	5
24.	I translate features into benefits, appeal to buying motives and made specific recommendations.	1	2	3	4	5
25.	Gets substantial cash with application.	1	2	3	4	5
26.	Motivates effectively and use implied consent.	1	2	3	4	5
27.	Is persistent; is not deterred by prospect's first refusal; makes repeated attempts skilfully.	1	2	3	4	5
28.	Utilizes silence effectively in a close.	1	2	3	4	5
29.	Is sufficiently forceful to get desired action.	1	2	3	4	5
30.	If unable to close, makes definite future appointment.	1	2	3	4	5
31.	Gets referred leads at this point as well.	1	2	3	4	5

E. SALES FOLLOW-THROUGH AND POLICY DELIVERY

The statements below describes activities or actions for a 'customer' sales call.

1.	Prepare application correctly and completely. Make arrangement for medical and completes other necessary details related to the sale.	1	2	3	4	5
2.	Check policies and prepares any other appropriate materials for delivery.	1	2	3	4	5
3.	Make appointment for delivery.	1	2	3	4	5
4.	Reinforce the sale with the buyer's beneficiaries and reminded the buyer why he or she purchased the policy.	1	2	3	4	5
5.	Explain the policy provision in detail.	1	2	3	4	5
6.	Set the stage for next sale.	1	2	3	4	5
7.	Get referred leads again.	1	2	3	4	5

Using the scale below, please circle the number of the response that best reflects your knowledge.

1	2	3	4	5
Poor	Fair	Acceptable	Good	Excellent

F. TECHNICAL COMPETENCY

1.	Types of policies and supplementary riders.	1	2	3	4	5
2.	Premium rate calculation.	1	2	3	4	5
3.	The insurance contract and insurable interest.	1	2	3	4	5
4.	Policy conditions.	1	2	3	4	5
5.	Life insurance and taxes.	1	2	3	4	5
6.	Policy loans, discontinuation benefits and policy forfeiture.	1	2	3	4	5
7.	Trust policies.	1	2	3	4	5
8.	Applicant-owner policies.	1	2	3	4	5
9.	Assignment of policies.	1	2	3	4	5
10.	Maturity and death claims, claim procedures.	1	2	3	4	5
11.	The Company and Insurance Market in Malaysia.	1	2	3	4	5
12.	Proper usage of forms	1	2	3	4	5
	- for new business					
	- for policy servicing					

PART II.

Please circle the appropriate number to each of the following questions.

Note: All information provided will be treated with the strictest confidence and your responses will be aggregated with others to preserve your anonymity.

- | | |
|---|------------------------------|
| 1. Sex | 1. Male |
| | 2. Female |
| 2. Age | 1. 18-25 |
| | 2. 26-35 |
| | 3. 36-45 |
| | 4. 46-55 |
| | 5. 56-60 |
| 3. Ethnic Group | 1. Malay |
| | 2. Chinese |
| | 3. Indian |
| | 4. Others (Please specify) |
| | |
| 4. Marital Status | 1. Single |
| | 2. Married |
| | 3. Divorced/Widowed |
| 5. Contract Status | 1. Agent |
| | 2. Career Agent |
| | 3. Agency Leader |
| | 4. Others (Please specify) |
| | |
| 6. How long have you been an Agent? | |
| 7. Are you a Million Dollar Round Table Qualifier (MDRT)? | 1. Yes (Please specify when) |
| | |
| | 2. No |
| 8. Are you an IQA Qualifier | 1. Yes (Please specify when) |
| | |
| | 2. No |
| 9. Professional Qualification | 1. Pre-Contract Examination |
| | 2. LUTC |

- | | | | | | | | | | | | | |
|-----|--|--|----|---------|----|-----------|----|---------------------|----|-------------------------|----|---------------|
| | 3. | MII,AII,FCMI
(Please specify level)..... | | | | | | | | | | |
| | 4. | Others
(Please specify level)..... | | | | | | | | | | |
| 10. | Highest general education level
attained. | <table border="0"> <tr><td>1.</td><td>Primary</td></tr> <tr><td>2.</td><td>Secondary</td></tr> <tr><td>3.</td><td>Diploma/Certificate</td></tr> <tr><td>4.</td><td>University/Professional</td></tr> <tr><td>5.</td><td>Post Graduate</td></tr> </table> | 1. | Primary | 2. | Secondary | 3. | Diploma/Certificate | 4. | University/Professional | 5. | Post Graduate |
| 1. | Primary | | | | | | | | | | | |
| 2. | Secondary | | | | | | | | | | | |
| 3. | Diploma/Certificate | | | | | | | | | | | |
| 4. | University/Professional | | | | | | | | | | | |
| 5. | Post Graduate | | | | | | | | | | | |
| 11. | What is your annual first year
commission | | | | | | | | | | | |
| 12. | Name of Insurance Company | | | | | | | | | | | |
| 13. | What is your annual Production | | | | | | | | | | | |
| 14. | What is your average size policy | | | | | | | | | | | |

ACKNOWLEDGEMENT

**ALL INFORMATION CONTAINED IN THIS QUESTIONNAIRE WILL REMAIN
CONFIDENTIAL.**

**THANK YOU FOR YOUR KIND COOPERATION IN FILLING OUT THIS
QUESTIONNAIRE.**

Please return this questionnaire to:

Cynthia Chong
3rd Floor, CAK Plaza
405, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur

APPENDIX B

A PERSONAL SELLING PROCESS

(SALES CYCLE)

Professional selling requires salespeople to develop an effective, systematic approach adaptable to the particular customer type and selling situation. Although several different steps may be identified in the selling process, depending upon the degree of specificity desired, there are seven major stages: (1) prospecting, (2) planning the sales call (often called the "preapproach"), (3) approaching the prospect, (4) making the sales presentation, (5) dealing with prospect objections, (6) closing the sale, and (7) following up on the sale.

PROSPECTING

If salespeople hope to increase or even maintain sales volume, they must continually seek out or prospect for new customers. In fact, more salesperson time is required for prospecting than any other selling activity. In prospecting, salespeople must obtain leads on people who may have a need for the company's product or service. To turn a lead into a prospect, the lead must be qualified in terms of need or want, ability to buy, authority to buy, and eligibility to buy.

Qualification

Need or want. Trying to sell your product or service to people who don't need or want it is simply a waste of time and effort. Industrial salespeople often find that initial contact with their leads usually enables them to determine whether there is a genuine need or want. Sometimes, however, people's needs or wants can be unrecognized or latent until the salesperson points them out. For example, an office manager may not feel the need for a word processor until the salesperson points out the advantages. Experienced salespeople do not try to sell products to people who do not

want them. Not only would this probably be futile, but it would also be unethical even if successful over the short run. Salespeople want to sell products to customers in such a way that the products don't come back but the customers do.

Ability to buy. The individual or organization must have the ability to buy. Usually, those without ready cash can buy on credit or can rent the item. If the lead just doesn't have the wherewithal to buy or make payments, there is little use in pursuing the negotiations, for the item may have to be repossessed later.

Authority to buy. Most salespeople have wasted many hours talking to some person with an official-sounding title who do not have the authority to make the purchase decision. Although a purchasing agent may have the formal authority to buy a piece of machinery, sometimes the final decision may have to come from the operations manager or the machine operator. In organizations, the purchasing decisions are usually made by buying committees instead of any one individual.

Even at the consumer level, salespeople may find that a decision to buy a household appliance is shared. Perhaps one spouse decides what brand to buy, while the other chooses the model or features.

Eligibility to buy. Life insurance salespeople know that many unhealthy people who would like to buy life insurance at regular rates cannot pass the medical examination and thus are ineligible. Similarly, many people would like to purchase products at wholesale, but manufacturers and wholesalers would alienate and lose their retail customers if they sold to the general public.

When the lead qualifies on all four criteria - need, ability, authority, and eligibility to buy - the individual or firm can be declared a **prospect**.

Major Prospecting Methods

Centers of influence. By joining country clubs, civic organisations, professional associations, fraternal orders, and other groups, salespeople have the opportunity to meet influential people who may become customers or who can assist the sales reps in meeting potential customers. While interacting in these centers of influence, salespeople need to operate in a low-key and gracious manner that makes their occupation seem only incidental to, and not

the reason for, meeting people.

Spotters. Sales associates, or "spotters," are people who seek out leads for salespeople and are sometimes paid a fee. Probably the best spotters are current customers who provide referrals to potential prospects. But nearly anyone who deals with the public can be a spotter, including, secretaries, retail clerks, taxi drivers, route drivers, mail carriers, police officers, and even competitive salespeople.

Endless chain. Current customers and especially new buyers have a vested interest in praising your product because they want to alleviate their own anxiety by justifying their purchase. Frequently, they are even willing to provide testimonial letters as satisfied customers. By using referrals and recommendations from satisfied customers, the sales representative can develop an endless chain of leads. But the salesperson must ensure that all customers receive satisfaction; otherwise, the referral chain can be broken. Paying a fee for referrals is not uncommon.

Observation. Organized observation, especially reading local newspapers, can provide salespeople with many leads. Local newspapers contain information on marriages, births, deaths, automobile accidents, fires, new construction, job offerings, and promotions; such items are all sources of leads, since they indicate a change in people's needs for various products or services. Also, by merely driving or talking to various people doing everyday activities, salespeople can gather information about possible prospects. For example, if a salesperson hears that certain companies are seeking new employees, he or she can conclude that they are probably expanding and will need to purchase new production and office equipment.

Advertising. Many sale organizations do not adequately follow up on direct telephone or letter inquiries from people who come across the company's advertisements in newspapers, the Yellow Pages, direct-mail pieces, and trade or popular magazines or on bulletin boards, television, and radio. A survey by the Centre for Marketing Communications found:

- o Eighteen percent of all people requesting information never got any material.
- o Forty-three percent of the people got it too late to be of value.
- o Seventy-two percent of the inquirers were never contacted by

salespeople.

Not responding quickly to inquiries is rather like ignoring customers who walk into your retail store. All companies need a systematic response procedure to following up on inquiries because these are usually "hot prospects."

Cold canvassing. With tangible products that nearly everyone can use, such as cosmetics or vacuum cleaners, cold canvassing can be productive, especially if other lead-generating methods aren't working.

Securing appointments with people by telephone can be an effective way simultaneously to secure and to qualify leads, because people who agree to sales interviews are likely prospects.

PLANNING THE SALES CALL (THE PREAPPROACH)

After qualifying a prospect as a potential customer, the salesperson must plan how best to approach the prospect. In this preapproach stage, the salesperson needs to obtain strategic information about the prospective buyer, and ensure a favourable reception. A call-sheet format needs to be developed to record valuable prospect information.

Obtaining Strategic Information

Nearly everything you can learn about prospects can be strategically useful. At a minimum you should learn the potential buyer's full name, position, title, educational background, level of technical knowledge, authority in the company with respect to buying your product, normal buying behaviour, and personality traits. Moreover, the salesperson ought to take time to learn as much as possible about the prospect's family, hobbies, interests, political views, and lifestyle.

When approaching organizations, the salesperson needs to understand the total buying situation. This includes the relative competitive position of the firm in the industry, its formal and informal organizational structure (especially with regard to purchase influences), basic objectives and goals of the company, and its major customers, current problems, and opportunities. Some of this information can be obtained from general sources such as trade

associations, chambers of commerce, government and public libraries, and investment houses. In addition to gathering secondary data, salespeople may make a preliminary call on the prospect to obtain firsthand preapproach information. Industrial buyers know that a sales representative should fully understand and analyze their purchasing needs before he or she can prescribe solutions, so they tend to cooperate in providing necessary information in fact-finding preliminary call interviews.

Ensuring a Positive Reception

One way to help ensure a favourable initial reception is to ask one of your company's top executive to set up an appointment with a top executive in the prospect company so that key members of the seller team can meet the buyer team. Another way the salesperson can improve his or her reception is to sent the prospect a useful sales promotion gift (such as a nice ballpoint pen or calculator), along with a personal letter and brochure providing basic product information, in advance of the actual sales call. Where possible, the letter and information should be tailored specifically to meet each prospect's needs and to meet sales call objectives. Many sales managers utilize the management-by objectives (MBO) system to make sure that salespeople understand and agree on what accomplishments are expected. If the sales organization does not use MBO, sales representatives should set up their own personal planning objectives in writing, using convenient, workable formats.

Prior to outlining their travel routes, sales representatives must call for appointments in order to avoid noncontact and excessive waiting time in the prospect's office. After appointments have been confirmed, the sales call route should be planned to minimize travelling time and expense. It is a good idea to reconfirm each appointment ahead of time on the scheduled day to make sure your prospects is not absent from work and has not been called into an unexpected meeting.

APPROACHING THE PROSPECT

Depending upon the selling situation, several methods can be effectively used to approach the prospect, including the introductory approach; mutual acquaintance, or reference approach; customer benefit approach; compliment, or praise, approach; free gift, or sample approach; question approach; product, or ingredient, approach; and dramatic approach.

Introductory Approach

Too many salespeople use a perfunctory introductory approach followed by a second approach. Salespeople never get a second chance to make a first impression, so they should make sure their introduction is well thought out and smoothly executed. Initial greeting of the prospect should not be trite or too glib. A friendly, smiling greeting and a sincere, firm handshake are the key both at the beginning and end of the sales call. In their introduction, sales representative should identify themselves by name and by company. Many sales representatives present a business card at this point so that the prospect can refer to it, if needed, to call them by name. Some salespeople prefer to wait until the close of the interview, for emphasis.

Mutual Acquaintance, or Reference, Approach

Mentioning the names of several satisfied customers who are respected by the prospect (even if they are competitors) can be a very compelling approach. One top salesperson always asks new customers to give him the names of their five most influential friends who might be interested in the product or service. Testimonial letters from satisfied customers can be especially valuable in selling products or service that involve high investment or social risk - for example, home computers, consulting services, or jewellery. Salespeople must avoid mere name dropping because prospects will often contact the reference person before buying. Therefore, be sure that the individual will verify your testimonial.

Customer Benefit Approach

Prospects, whether individuals or organizations, seek to solve problems or obtain benefits, through their purchases. Moreover, they generally have one predominant or determinant buying motive, which the salesperson should identify and appeal to. Examples of the customer benefit approach include the following:

- o "Do you know that you can save 20 percent or more on your fleet automobile expenses by using a leasing plan?"
- o "Did you know that our Model 600 microcomputer is faster, more

powerful, and easier to carry than any other microcomputer available?"

- o "Independent research companies have judged our electronic typewriter to be the best value in the market for companies like yours."
- o "By converting your insurance policy to our new family plan, you can get \$50,000 more coverage at the same price you're paying now."

Compliment, or Praise, Approach

If conveyed subtly, a sincerely delivered compliment can be a positive approach to a prospect and can set a pleasant atmosphere for the interview. Many prospects (or, for that matter, people in general) are anxious for positive feedback or praise. An indirect compliment is often more effective than a direct one, which may be dismissed as mere flattery. Some examples of complimentary approaches are:

- o "Congratulations on your recent promotion to assistant purchasing director."
- o "Your secretary is really efficient and thoughtful. She called me Thursday morning to let me know that you would be out of town last Friday and couldn't keep our appointment. I wish that all my customers had such considerate secretaries."

Question Approach

Asking questions involves prospects in two-way communication early, since responses are required. Moreover, other information (such as the level of prospect interest) is inadvertently provided when prospects respond to questions. One type of question helps qualify prospects - for example, "If I could show you how your organization can increase profits by 15 percent or more by using our Salesperson Routing Program, would you be willing to give me a half hour of your time?" Such a question necessitates thoughtful consideration by the prospect, quickly separates the "lookers" from the "buyers", and moves the salesperson along the path to an early sales close if the subsequent sales presentation meets prospects expectations. Most salespeople avoid asking questions that prospects are likely to answer negatively. The classic "May I help you?" which many retail sales clerks use mechanically makes it all too easy for the prospect to brush the sales clerk aside with an

equally mechanical response, " No thanks, I'm just looking. "A customer benefit approach might call for a question format to involve the prospect in a conversation (e.g., "What features or benefits do you want most in a new television?") leading to a potential sale.

Product, or Ingredient; Approach

Some salespeople like to carry a sample of the product or at least a graphic mock-up when first approaching prospects. This allows prospects to see exactly what the salesperson is selling and permits smooth transition into the sales presentation or demonstration. A cutaway cross section of a new type of heavyduty truck battery or hydraulic pump or a customized computer printout for a prospect can significantly enhance the impact of the first contact with potential customers.

Dramatic Approach

Should other approaches fail, the salesperson can turn to a dramatic or attention getting gimmick. Vacuum cleaner salespeople have been known to scatter sawdust or dirt around a room prior to demonstrating their product. Some salespeople have placed \$5 on the prospect's desk and announced, "If I can't show you in the next twenty minutes how our product will do all that I said it would, keep the five dollars." Often, they let the prospect keep the \$5 anyway, since it is a relatively inexpensive way of ensuring attention. More dramatic approaches are sometimes employed, such as setting fire to a bogus dollar bill while declaring, "Let me show you how you can stop burning up your hard-earned dollars."

The danger in using the dramatic approach is that the prospect may resent such blatant showmanship and become defensive. Salespeople should use this approach only when they are confident that the prospect will be receptive to it. Although the approach should spark prospect interest and create a positive atmosphere for the sales interview, the main persuasive effort should be focused on the presentation.

MAKING THE SALES PRESENTATION

Each prospect will project a different personality, but salespeople can usually classify prospects into one of several basic categories, which aids in

developing an appropriate selling strategy.

Various communication tools can aid the sales representative in the sales presentation by bringing into play more dramatically all the prospect's senses: sight, hearing, touch, smell, and taste. Where possible, it is particularly effective to allow the prospect to participate in a demonstration of the product or device. Videotape players, video cameras, videodisc players, overhead projectors, tape recorders, filmstrip projectors, slide projectors, and portable compact computer terminals are some of the many tools available to salespeople. Over 77 percent of companies use audiovisual (AV) support in sales activities. Salespeople should not overlook some of the more traditional but effective visual aids such as product samples or models, flip charts, sales manuals, presentation boards, posters and tables, charts, graphs, and maps.

In order to prepare an effective sales presentation to achieve precise objectives, sales representatives must understand alternative strategies. Stimulus response, formula, problem solution, need satisfaction, team selling, and depth selling.

Problem Solution

In applying problem-solution strategies, the sales representative makes full use of his or her professional consultative selling abilities. This approach is typically used with more technical selling, in which several solutions or alternatives are explored while a long-run relationship of trust, confidence, and respect is developed. It may require considerable research and the aid of a team of backup technical specialists to prepare a written proposal analysing the problem, including the advantages and disadvantages of each alternative solution. An electronics company deciding between purchasing robots for an assembly line and upgrading its current equipment would benefit from a problem-solving sales presentation strategy that would analyze the pros and cons of each possible solution.

Need Satisfaction

Need-satisfaction strategies call for no talk about the product or service until the sales representative has discovered exactly what the dominant needs or wants of the prospects are. Prospects are encouraged to reveal their psychographic makeup (attitudes, interests, opinions, personality, and lifestyle) through skilful questioning by the salesperson. Want-satisfaction strategy

requires that the salesperson be a patient, perceptive listener and observer of body language in order to really understand "where the prospects is coming from" and what is really wanted. Usually utilized in more economically and psychologically significant selling-purchasing situations, it demands considerable selling practice and experience to be effective. Misunderstanding or misreading of the prospect's dominant buying motives will cause the sale to be lost.

Depth Selling

All the above strategies in the sales presentation are applied in depth selling strategies, with two or more often employed simultaneously. For example, a sales representative might use an overall formula strategy (AIDA) while starting with probing want-satisfaction questions to discover buying motives, the turn to stimulus-response questions to get the prospect thinking positively about the product, and finally move to the problem-solving strategy to suggest alternative solutions and win the prospect's confidence. Depth selling is a strategic mix of sales presentation strategies. Therefore, the effective use of this approach requires a very bright and perceptive salesperson.

DEALING WITH PROSPECT OBJECTIONS

Prospect objections should be seen as a positive sign of interest and involvement. Often, objections are indirect ways of asking for more information. In other words, the prospect may be saying, "Convince me, give me more assurance." To avoid the risk of making a buying mistake, prospects will often make negative statements such as, "This typewriter doesn't seem very sturdy. I'll bet it has a lot of plastic parts." What they are really doing is asking the salesperson to assure them that the parts will not break or wear out quickly.

Hopefully, the salesperson can respond honestly along this line: "On the contrary, this is one of the strongest machines on the market. It is made of new lightweight metal that is one and half times as strong as the standard metal in typewriters. Its repair record is one of the best of the market." Each time salespeople can overcome such apparent objections, they remove barriers to the sale.

Sometimes an objection serves as a stalling device or a way for the prospect to get out of the selling situation. When prospects say they want to think it over, would like to talk to their spouse first, or cannot afford to buy now, they may be giving a valid reason for delay. But more often such statement indicate purchase anxiety, which must be offset with risk-reducing benefits or the sale will be lost.

Indirect Denial Method

This method is sometimes called the "Yes, but" approach because salespeople respond to objections by agreeing with the prospect's comment and then gently following up with a disclaimer. For instance, a prospect may say, "Your company's forklift trucks have a reputation for transmission problems." With the indirect denial method, the sales rep may respond, "Yes, we did have that problem with our earlier models, but in the last two years our engineers solved it by changing the design of the transmission so that it undergoes less wear and tear. Now our transmission is as good as any make available."

Boomerang Method

Using the boomerang method, salespeople turn the objection into a reason for buying. If the prospect asserts, "This word processing equipment is too expensive for an office of this size." the salesperson might state in response, "Mr. Vinson, you said you were planning to hire a new secretary for \$16,000 a year. Well, this equipment costs only \$7,000, and your present secretary can more than double her productivity with it, thereby making it unnecessary to hire another secretary." In exercising this method salespeople must take care that prospects do not feel they are being condescended to or made to look stupid for raising objections; otherwise, the boomerang will knock down the sale.

Counterbalance Method

When the prospect's objection is valid and undeniable, the salesperson should try to counterbalance the disadvantage with an offsetting advantage of the same feature. A prospect might complain, "This photocopying machine door is heavy and hard to open," and the salesperson might counter with, "Yes, we purposely designed it that way to keep unauthorized and untrained personnel from tampering with the intricate machinery inside. It has cut down on repair

problems significantly by making it a little more difficult to gain access to the internal workings of the machine."

Denial Method

Sometimes the prospect makes a sincere but erroneous statement, such as: "I don't want to take a chance and buy from you because I hear that your company is near bankruptcy." To overcome this objection, the salesperson has no choice but to deny it politely and firmly with a comment such as, "I've heard that rumour, too, but it just isn't true. We are in strong financial shape, and I'll be glad to show you our latest annual report." A less forthright answer may cause the prospect to think the salesperson is hedging.

Question Method

By responding to a prospect's objections with a specific question, the sales representative can often deflate the objection. If a prospect says, "I don't like the design of this photocopying machine," the salesperson can ask, "What specifically don't you like about the design, Mr Capuci?" Such questions may lead the prospect to see that the objection is not well thought out or may cause the prospect to talk himself or herself into minimizing its significance. Moreover, responding with a question throws the ball into the prospect's court and allows the salesperson to deal with a specific objection and to have more time to think of a reply.

Failure-to-Hear Method

Salespeople should seldom deliberately ignore a prospect's objection even if muttered under the breath. Seemingly minor objections that receive no answer can block a sale. Sensitive salespeople are careful to stay "tuned in" to the prospect in every way possible, including paying attention to tone and inflection of voice and body language.

CLOSING THE SALE

Unless the close is effective, the sale seldom happens. Salespeople must learn not only how to close but when to close, as the "closing cues". Trial closes may be used at various times in the selling interview, depending upon the complexity and cost of the product or service. A trail close is simply a

means of seeing whether the prospect is ready to buy and thus might be ready to close the sale. Trial closes might take these verbal and nonverbal forms:

- o "Do you like Model I or Model II best?"
- o "Do you think you would like the maintenance contract that can be obtained at a discount with the purchase?"
- o "Would you be interested in comparing the lease versus buy options?"
- o Run your hand over the product (e.g., a wool-lined topcoat) to the prospect to touch, hear, or smell. Let all the prospect's senses come into play.

Salespeople should continue to sell when their trial close is met by such caution signs as these:

- o The prospect seems to want more information about a technical product or service.
- o The prospect makes an objection or asks for more information.
- o An interruption upsets the prospect's buyers frame of mind.
- o A trial close fails to get any positive prospect interest.
- o The sales presentation is too hurried or sketchy for the prospect to follow adequately.
- o The prospect is defensive or hostile and essentially refuses to meaningfully communicate with the salesperson.

Choice Close

Instead of asking prospects whether or not they want to buy, the choice, or alternative, close gently leads them to choose between two items the seller has for example, "Which do you want, the compact model or the regular model?" This close avoids, giving the prospect the option of saying "No" by setting up a choice decision. Even restaurant employees routinely use this close when they ask, "What would you like to drink - coffee, milk, or a soft drink?"

Minor Points Close

This approach leads prospects toward progressively larger decisions by starting out with minor points. The salesperson may successively ask, "If you buy, which colour would you like?" "Would you prefer the deluxe or regular

model?" "Are you interested in the instalment plan?" "How soon would you need it delivered?" Through this line of questioning the prospect usually develops an increasingly favourable disposition toward purchasing the product.

Assumptive Close

Here the salesperson assumes that the prospect will purchase and conveys this assumption through his or her comments and nonverbal action. Salespeople may say something like, "Do you want to take it with you or have it delivered?" "Will that be cash or charge?" "We accept either Visa or Master Card - which card do you have?"

Nonverbal actions might include handing the prospect an order blank and a ballpoint pen, handing the product to the prospective customer, starting to wrap the package, or getting out the credit card charge-plate machine.

Stimulus - Response Close

Leading the prospect through a series of selling points or stimuli by eliciting consistently favorable responses is a closing strategy often used by inexperienced salespeople, since it can be readily learned. By asking leading questions (e.g., "you would prefer a product that uses less energy, wouldn't you?"), the salesperson conditions the prospect to respond "Yes" right up to the sale. Applying the stimulus - response close risks irritating some prospects, since the presentation is often memorized and requires little participation by the prospect except to provide positive responses.

Summary Close

Listing all the advantages and disadvantages of buying the product is a good means of letting the prospect see how benefits outweigh costs or disadvantages. With more business-oriented prospects, the summary can be presented in a T-account or balance sheet format.

Standing-Room-Only (SRO) Close

To encourage prospects to make the decision to buy now, some salespeople may apply psychological pressure by stressing that a lot of people are anxious

to buy the product and it may not be available later. Although the SRO close can be very honest, it is sometimes associated with questionable ethics. Some real estate people, for instance, deliberately schedule overlapping appointments with potential buyers so that it appears that a lot of people are interested in the property, thereby pressuring prospects to make a quick decision to buy. In retail stores salesclerks sometimes tell a shopper, "These coats have been selling like hot cakes, so I can't guarantee any will be available later unless you want to put a down payment on one, which will allow me to hold it for you until three o'clock."

Special Deal Close

When a salesperson has done his or her best to close but the prospect remains resistant, the special deal, or one-time offer, close may be the clincher. The salesperson might state, "If you buy today, I can give you a 15 percent discount on the maintenance contract," or, "If you order today or tomorrow so that I can reach my monthly quota, I'll throw in this \$30 adapter free."

Success Story Close

Citing the successful solution to a similar prospect's problem can help close on a reluctant buyer. The salesperson might explain, "Fred Murphy, who, as you may know, is the purchasing director for your competitor, Kentland Poultry Company, switched to our feed grains for Kentland's chickens, and he says their average weight has increased nearly half a pound. I'm confident our feed formula 943 can do the same for your company's chickens."

Closing on Resistance

If the prospect puts up a final objection when the close seems near, the sales person may be able to turn that resistance into a reason for purchasing. A prospect may object, "I need a photocopier with wheels so that it can be moved around our office. The stationary models you've shown me would be too inconvenient." The salesperson might respond, "If you'll sign this purchase order, I'll have one of our machinists install some rollers on the bottom of the model you prefer, which will make it easily movable by your secretaries."

Contingent Close

By setting up a presales presentation contingency, the sales representative can obtain a commitment to buy if the product does what the representative claims it will do. A salesperson might ask, "If I can show you how this heat pump will cut your fuel bills by 20 percent or more yearly, will you buy it?" This places a burden on the salesperson to prove his or her contention, but it simultaneously puts the onus on the prospect to buy if the point is demonstrated.

Turnover Close

If the prospect is not yielding to the sales closing techniques of a particular salesperson, it may be effective to turn the prospect over to another salesperson. This needs to be smoothly handled so that the prospect will not think that the first salesperson has simply lost patience. An appropriate transitional phrase might be, "I'd like to ask Mark Cohen to talk to you about the special benefits of using the navigational system, since he is a boat enthusiast like yourself. He can answer your more technical questions and give you a personal feel for how it handles in the water."

Trial Close

Subtle attempts to find out how close the prospect is to making the purchase decision enable the salesperson to adjust selling tactics. In a trial close, the salesperson might ask the prospect, "Which do you prefer - the Apple IIGS or the Macintosh Plus?" If the prospect indicates even a partial commitment at this point, the salesperson should continue presenting benefits or reasons to buy before trying another trial close. Even nonverbal trial closes can be effective. Depending upon the product, the salesperson might start using the product (a word processor), give it to the prospect to try on (jewellery) or hold (a camera), or simply caress the product (a cashmere sweater). By participating in or observing such nonverbal action, prospects tend to become more committed toward purchase.

Ask-for-the Order Close

Probably the most obvious but often overlooked close is to simply ask for the order. Naturally, this must be done in a graciously assertive manner, such as, "Won't you let me order one for you now so that you can start enjoying these benefits as soon as possible?"

Pretend-to-Leave Close

After completing the basic sales presentation and trying various closes, the salesperson may pretend to leave the prospect to attend to other customers or do some other tasks. This causes the prospect to relax his or her guard and become more receptive when the salesperson returns to mention one final benefit or extra inducement to buy that he or she "forgot" to mention earlier.

Puppy Dog Close

Few people can resist a friendly puppy, and if they take one home with them, they'll probably keep it. Analogously, if a salesperson lets prospects take products (e.g., an automobile, videocassette player, television, or computer) home with them, they'll probably find it difficult to return the products. An experienced salesperson will probably say something like this: "Ms. Piermont, I know you're undecided about buying the Honda Accord, so why don't you just take it home for the weekend to try it out? Then, when you come in Monday, we'll see what you've decided." After the neighbours have seen Ms. Piermont driving the new car and her husband and children have enjoyed riding round in it, she will find it very difficult to lose neighbourhood prestige and disappoint her family by taking the car back to the dealer.

No-Risk Close

To reduce the customer's fear that he or she may make a buying mistake, the salesperson can offer a money-back guarantee if the customer is not fully satisfied. This technique works much like the "Puppy dog close" because once customers take the product home, they will find it difficult to return the product and ask for their money back. Even if not fully satisfied with the product's performance, they'll probably accept a substitute product or some adjustment arrangement from the salesperson.

Lost Sales Close

When the salesperson appears to have failed to close the sale, a final closing technique is to apologize to the customer for not being able to satisfy him or her and then to ask what it would have taken to make the sale. Prospects are often unprepared for this approach and may blurt out their real objection or explain what it would have taken to make the sale. When this happens, the

salesperson can offer whatever the customer wanted or deal with the specific objection.

After making any sales, salespeople should make special efforts to follow up with customers to ensure that they are satisfied and to express thanks for the business. Experienced salespeople know full well that their best future customers are present customers. Many buyers suffer postpurchase anxiety about the wisdom of their purchase decision, and the salesperson's follow-up call may help alleviate this dissonance by reassuring customers. Furthermore, additional sales of complementary products can often be easily made through postpurchase follow-up. Also, salespeople should follow up to handle any potential complaints about a product or service. At British Vita, salespeople are encouraged to look for complaints in order to make sure that customers are satisfied and thus more likely to remain brand-loyal. Vita requires that its salespeople keep in frequent contact with customers after they have purchased the product to spot problems and solve them before they come too large. No matter what the complaint, the salesperson on the account is responsible for solving it. If the salesperson cannot settle it to the customer's satisfaction, a company product manager is called in, too.

APPENDIX C

Appendix C

INDUSTRY FACTS AND FIGURES
(Source: Life Insurance Association of Malaysia, 1994)

CHARACTERISTICS	<u>1992</u>		<u>1994</u>	
	N	%	N	%
<u>Sex</u>				
Male	38,157	70.70	47,690	69.59
Female	15,813	29.30	20,841	30.41
<u>Age</u>				
<21	1,156	2.14	1,711	2.50
21-30	19,993	37.05	25,930	37.84
31-40	20,889	38.70	25,858	37.73
41-50	8,854	16.41	11,165	16.29
>50	3,078	5.70	3,867	5.64
<u>Race</u>				
Malay	4,073	7.55	5,736	87.37
Chinese	41,728	77.32	52,200	76.17
Indian	6,608	12.24	8,772	12.80
Others	1,561	2.89	1,823	2.60
<u>Education</u>				
Primary	1,409	2.61	1,614	2.36
LCE/SRP	9,093	16.85	11,064	16.14
MCE/SPM	30,597	56.69	38,538	56.23
HSC/STPM	5,143	9.53	6,771	9.88
University	7,728	14.32	10,544	15.39
<u>Duration (years)</u>				
<2	24,003	44.47	30,066	43.87
2-4	13,399	24.83	18,680	27.26
4-6	5,444	10.09	7,846	11.45
6-8	6,349	11.76	5,936	8.66
>8	4,775	8.85	6,003	8.76
<u>Annual Commission (RM)</u>				
<5,000	35,917	62.8	39,162	60.9
5,000-10,000	6,749	11.8	7,683	11.9
10,001-15,000	3,567	6.2	4,181	6.5
15,001-20,000	2,274	4.0	2,491	3.9
20,001-25,000	1,546	2.7	1,808	2.8
25,001-30,000	1,115	2.0	1,419	2.2
30,001-35,000	1,149	2.0	1,083	1.7
35,001-50,000	1,893	3.3	2,168	3.4
50,001-100,000	1,830	3.2	2,740	4.3
>100,000	1,116	2.0	1,545	2.4

Appendix D

λ^2 SIGNIFICANCE

VARIABLE		PROSPECTING AIA 17	APPROACH BIB 9	FACT-FINDING CIC 7
L1	Sex	0.4445	0.0553	0.1027
L2	Age	0.2965	0.0001*	0.0605
L3	Ethic Group	0.2691	0.1902	0.2634
L4	Marital Status	0.0042*	0.0255*	0.0002*
L5	Contract Status	0.2653	0.0111*	0.0001*
L6	Duration	0.2953	0.0321*	0.0877
L7	MDQ	0.0518	0.0629	0.0291
L8	IQA	0.3637	0.1474	0.0036*
L9	Professional Qualification	0.2964	0.0432*	0.0060*
L10	Education	0.2822	0.1978	0.2389
L11	FYC	0.1944	0.2630	0.0023*
L12	Company	0.3316	0.0260*	0.3563
L13	Production	0.2923	0.1004	0.0023*
L14	Av. Size Pol.	0.0331*	0.3203	0.0001*

λ^2 SIGNIFICANCE

VARIABLES		SOLUTION, PRESENTATION CLOSE	TECHNICAL COMPETENCY	SALES FOLLOW THROUGH
		D1D 31	EIE 12	FIF 7
L1	Sex	0.0137*	0.0354*	0.1007
L2	Age	0.0002*	0.0030*	0.1019
L3	Ethic Group	0.2475	0.0177*	0.3581
L4	Marital Status	0.0000*	0.0015*	0.0002*
L5	Contract Status	0.0005*	0.00*	0.1459
L6	Duration	0.0239*	0.00*	0.3114
L7	MDQ	0.0015*	0.0083*	0.0490*
L8	IQA	0.0088*	0.00*	0.2278
L9	Professional Qualification	0.0508	0.0268*	0.2169
L10	Education	0.4734	0.0476*	0.2419
L11	FYC	0.1088	0.0492*	0.1741
L12	Company	0.0570	0.0031*	0.2593
L13	Production	0.0021*	0.0002*	0.0642
L14	Av. Size Pol.	0.0744	0.0310*	0.0648

		FYC LII λ^2 Significance
AIA	Prospecting	0.1944
BIB	Approach	0.2630
CIC	Fact-Finding	0.0023**
DID	Solution Presentation & Close	0.1088
EIE	Technical Competency	0.0492***
FIF	Sales follow-through	0.1741
L1	Sex	0.3478
L2	Age	0.0135***
L3	Ethic Group	0.0123***
L4	Marital Status	0.0257***
L5	Contract Status	0.0000*
L6	Duration	0.0016**
L7	MDQ	0.0001*
L8	IQA	0.0010*
L9	Professional Qualification	0.1820
L10	Education	0.4118
L12	Company	0.0891
L13	Production	0.0000*
L14	Av. Size Pol.	0.0000*

* P<0.001

** P<0.10

*** P<0.05

Appendix E

R SQUARE VALUES OF PREDICTOR VARIABLES

Construct		Order Entered	R Square
L5	Contract status	1	0.0793
L10	Education level	2	0.0543
			0.1336

MULTIPLE REGRESSION: METHOD - STEPWISE (ORIGINAL DATA)
Dependent: First Year Commission (L11)

Appendix F

***** MULTIPLE REGRESSION *****

Correlation:

	L1	L2	L3	L4	L5	L6	L7	L8	L9	L10	L11	A1A17	B1B9
L1	1.000												
L2	.143	1.000											
L3	-.091	.142	1.000										
L4	-.002	.500	.126	1.000									
L5	-.099	.390	.238	.399	1.000								
L6	-.110	.382	.238	.348	.595	1.000							
L7	-.117	.382	.298	.348	.595	.116	1.000						
L8	.025	-.120	-.033	-.146	-.123	-.231	.102	1.000					
L9	-.072	-.023	.060	.126	-.389	-.216	-.053	-.128	1.000				
L10	-.097	.060	-.044	.126	-.002	.216	-.038	-.128	.222	1.000			
L11	-.065	.116	.105	.032	-.282	-.082	-.145	-.047	.222	.234	1.000		
A1A17	.004	.097	.013	.253	.105	.175	.145	.114	.139	.234	.007	1.000	
B1B9	.083	.291	.047	.292	.339	.204	.175	.094	.060	.021	.007	.529	1.000
C1C7	-.077	.152	.060	.293	.329	.183	-.153	-.195	.184	-.051	.132	.560	.573
D1D31	-.139	.294	.033	.370	.232	.149	-.185	-.140	.158	-.011	.042	.623	.737
E1E12	-.139	.240	.207	.243	.482	.369	-.237	-.383	.182	.191	.085	.358	.406
F1F7	.132	.112	.051	.287	.153	.071	-.134	-.089	.091	-.005	.099	.537	.556

MULTIPLE REGRESSION: METHOD - STEPWISE (ORIGINAL DATA)
 Dependent: First Year Commission (L11)

***** MULTIPLE REGRESSION *****

	C1C7	01D31	E1E12	F1F7
L1	-.077	.139	-.139	.132
L2	.152	.294	.240	.112
L3	.060	.033	.207	.051
L4	.293	.370	.243	.287
L5	.329	.232	.482	.153
L6	.183	.149	.369	.071
L7	-.153	-.185	-.237	-.134
L8	-.195	-.140	-.383	-.089
L9	.184	.158	.182	.091
L10	-.051	-.011	.191	-.005
L11	.132	.042	.085	.099
A1A17	.560	.623	.358	.537
B1B9	.573	.737	.406	.556
C1C7	1.000	.683	.380	.541
01D31	.683	1.000	.428	.742
E1E12	.380	.428	1.000	.390
F1F7	.541	.742	.390	1.000