

1970

A Field Study of Adaptation of Conventional Persuasive Techniques by Life Insurance Agents

Richard L. Shoen

Eastern Illinois University

This research is a product of the graduate program in [Speech Communication](#) at Eastern Illinois University. [Find out more](#) about the program.

Recommended Citation

Shoen, Richard L., "A Field Study of Adaptation of Conventional Persuasive Techniques by Life Insurance Agents" (1970). *Masters Theses*. 4051.

<https://thekeep.eiu.edu/theses/4051>

This is brought to you for free and open access by the Student Theses & Publications at The Keep. It has been accepted for inclusion in Masters Theses by an authorized administrator of The Keep. For more information, please contact tabruns@eiu.edu.

PAPER CERTIFICATE #2

TO: Graduate Degree Candidates who have written formal theses.

SUBJECT: Permission to reproduce theses.

The University Library is receiving a number of requests from other institutions asking permission to reproduce dissertations for inclusion in their library holdings. Although no copyright laws are involved, we feel that professional courtesy demands that permission be obtained from the author before we allow theses to be copied.

Please sign one of the following statements.

Booth Library of Eastern Illinois University has my permission to lend my thesis to a reputable college or university for the purpose of copying it for inclusion in that institution's library or research holdings.

July 31, 1970
Date

Author

I respectfully request Booth Library of Eastern Illinois University not allow my thesis be reproduced because _____

Date

Author

A Field Study of Adaptation of Conventional
Persuasive Techniques by Life Insurance Agents
(TITLE)

BY

Richard L. Shoen

THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF

Master of Arts

IN THE GRADUATE SCHOOL, EASTERN ILLINOIS UNIVERSITY
CHARLESTON, ILLINOIS

1970
YEAR

I HEREBY RECOMMEND THIS THESIS BE ACCEPTED AS FULFILLING
THIS PART OF THE GRADUATE DEGREE CITED ABOVE

July 31, 1970
DATE

ADVISER

July 31, 1970
DATE

DEPARTMENT HEAD

ACKNOWLEDGMENTS

The writer is indebted to the Prudential Insurance Company of America and Mr. Jerry Heneberry, Manager of the Decatur, Illinois District Office of the Prudential, for assistance in providing material and subjects for the study.

TABLE OF CONTENTS

Chapter

I. INTRODUCTION 1

 The Hypothesis 1

 Field of Investigation 2

 The Business of Life Insurance
 The Salesman's Task: Persuasion
 The Factor of Audience Adaptation

 Review of the Literature 6

 Field Research
 Research in Persuasive Adaptation
 Persuasion Research in Sales

 The Specific Methodology 8

 Preliminary Steps
 Median Steps
 Final Step

 Overview of Study 12

II. EIGHT PERSUASION FACTORS 13

 The Factor of Attention 13

 The Factor of Identification 16

 The Factor of Suggestion 17

 The Factor of Evidence 20

 The Factor of Emotion 21

 The Factor of Language 23

 The Factor of Delivery 27

 The Factor of Organisation 29

 Conclusion 32

III. AUDIENCE ADAPTATION	33
Audience Adaptation Defined	33
Agent Training in Audience Adaptation	38
The Audience	40
Modes of Auditor Analysis	44
The Persuasive Situation	46
The Physical Setting	
The Client	
The Agents	
Summary	48
IV. ANALYSIS OF SALES PRESENTATIONS	50
Introduction	50
Analysis of Sales Presentation A	50
Summary	
Analysis of Sales Presentation B	71
Summary	
Summary	84
V. SUMMARY, CONCLUSIONS, IMPLICATIONS	85
Summary	85
Conclusions	85
Implications for Future Research	87
APPENDIX	90
BIBLIOGRAPHY	141

CHAPTER I

INTRODUCTION

The 1968 New Orleans Conference on Research and Instructional Development sponsored by the Speech Association of America and the United States Office of Education resulted in a number of recommendations for speech-communication scholars. Two that are of significance read as follows:

The conference participants encourage speech-communication scholars to design and execute research dealing with the speech-communication dimensions of current social problems.

.....
The conferees encourage speech-communication scholars to make every effort to apply the findings of their research to the solution of contemporary individual and social problems.¹

The thrust of these two recommendations encourages scholars to pursue research outside the academic confines of the university or college. It was decided to implement these recommendations by turning to the area of field research and, more specifically, to the "natural experiment" for this study. A natural experiment is defined as

a study in which the researcher specifies in advance the variables he wishes to observe, states hypotheses concerning the relationships among these variables, and, without manipulation, measures their interaction in a natural setting.²

The Hypothesis

In this study the variables being considered are the methods of

¹Robert J. Kibler and Larry L. Barker, eds., Conceptual Frontiers in Speech-Communication: Report of the New Orleans Conference on Research and Instructional Development (New York: The Speech Association of America, 1969), p. 25.

²Keith R. Sanders and Thomas J. Pace, "The 'Natural Experiment' as a Research Methodology for the Study of Speech-Communication," in Proceedings of the Speech Association of America Summer Conference V ed. by James Roeber, Minneapolis, Minnesota. (Mimeographed.) p. 80.

audience adaptation employed by two life insurance salesmen. The general hypothesis of the study is that successful life insurance salesmen demonstrate a higher degree of adaptation of traditional persuasive techniques to the listener and occasion than less successful life insurance salesmen. The study took place in a natural setting but with various controls which will be described.

In addition to the recommendations of the SAA Conference, it was decided that a study of life insurance agents would best be done in a field setting in order to maintain, as much as possible, a natural persuasive situation.

Field of Investigation

The Business of Life Insurance

Life insurance is a multi-billion dollar a year business in the United States. Figures released by three of the country's largest insurance firms support this conclusion. As of December 31, 1968, the John Hancock Insurance Company had assets that totalled more than nine billion dollars and insurance in force totaling more than fifty-two billion. The Equitable Life Assurance Society of the United States had insurance in force in excess of sixty-five billion dollars on that same date. Both of these companies were dwarfed by the largest of all United States insurance companies, the Prudential. With more than twenty-six billion dollars in assets and \$137 billion of insurance in force, the Prudential Insurance Company represents a major economic factor in the life insurance business and in business in general.³

The success of these insurance companies and hundreds of smaller ones

³The Insurance Almanac (57th ed.; New York: The Weekly Underwriter, 1969), pp. 747, 695 and 844 respectively.

can probably be attributed to the two factors that generally spell success in any business venture: (1) a product desired by consumers, (2) a sales force capable of selling the product. The product sold by the life insurance companies is, in effect, a plan to guarantee funds for the financial security of the average man.⁴ In functional terms this means, for many people, guaranteeing funds for death and burial expenses, providing funds to pay off a mortgage on a house, or guaranteeing the availability of money needed for retirement purposes. In order to sell this product to the consumer, the insurance companies train salesmen in the principles of life insurance and in the principles of persuasion.

The Salesman's Task: Persuasion

For the purposes of this study, persuasion will be defined as the conscious effort of the individual to control symbols in order to manipulate men's attitudes and motives to achieve preconceived changes in the beliefs, feelings, or conduct of individuals.⁵ This definition assumes that persuasion is not a haphazard or chance process but that it is a carefully controlled attempt to manipulate individuals. The assumption is also made that persuasion is accomplished by controlling verbal and non-verbal symbols in such a way that the bases of a persuadee's behavior become the bases for change. In other words, the persuadee holds the means the persuader must use to effect changes in the beliefs, feelings or conduct of men. It is

⁴The Prudential Insurance Company of America, The Miracle of Life Insurance, The Prudential Training Program (New York: 1966), p. 2.

⁵This definition is supported in whole or in part by Robert Oliver, The Psychology of Persuasive Speech (2nd ed.; New York: The David McKay Company, Inc., 1968), pp. 7-9; Winston L. Brembeck and William S. Howell, Persuasion: A Means of Social Control (Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1952), pp. 10-24; Irwin P. Betinghaus, Persuasive Communication (New York: Holt, Rinehart and Winston, Inc., 1968), pp. 13-17; Gary Cronkhite, Persuasion: Speech and Behavioral Change (New York: The Bobbs-Merrill Company, Inc., 1969), pp. 3-15.

also assumed that the desired change in the persuadee is predetermined by the persuader at some point before the persuasive act takes place. Therefore, persuasion is a goal directed activity with the means to that end residing in the persuadee. It is the persuader's task to discover those means and to manipulate them to his ends. The persuadee, then, holds the attitudes and motives that the salesman must utilize in his selling.

Some close parallels are found between the definition offered above and the definition of persuasion found in the training materials of the life insurance company used in this study. The Prudential Training Program defines the salesman's task as one of not merely selling a product but selling in terms of how that product will satisfy "one or more basic human wants." In order to accomplish this objective, the training materials point out that the agent must show the prospective buyer the relationship between insurance and "the satisfaction of his (the buyer's) human wants." This is accomplished, according to the training materials, by the effective use of words that make the prospect aware "that insurance can satisfy his human wants."⁶

It should be noted that the training materials base their approach on basic human wants or, as noted in the first definition, men's attitudes and motives. When the agent is urged to show the relationship between insurance and motives he is being urged to manipulate the prospect's motives and insurance so the two are compatible. The means of that manipulation is the use of words or symbols.

Based on this analysis of a definition of persuasion and what the training materials say about the salesman's job, the conclusion is that the

⁶The Prudential Insurance Company of America, Motivation and Salesmanship, The Prudential Training Program (New York: 1966), p. 3.

salesman's task is persuasion. In accomplishing that task the agent must discover the attitudes and motives of his client.

The Factor of Audience Adaptation

While successful persuasion depends on a number of factors, such as persuader effort, the persuader's command of the symbols useful in manipulating persuadees, and a preconceived persuasive goal, the key factor seems to be the persuader's ability to discover and utilize the attitudes and motives of the persuadee. In other words, the persuader must have the ability to adapt his persuasive intent to the persuadee's frame of reference. That is what is meant when the training materials suggested that the agent show the prospect the relationship between insurance and human wants, specifically, the human wants of the prospect.

This last point needs to be stressed. Life insurance agents generally sell their product to a wide variety of individuals, seldom do they sell to groups of people. Each individual prospect, it would seem, would have to be approached as a person with a particular set of attitudes and motives or human wants that the agent must utilize in persuading the prospect to buy insurance. While most people would probably be interested in guaranteeing their future financial security, each individual probably has particular, individual needs that the agent must consider. For example, a man with ten children may have different needs than a man with two children when it comes time to help each child finance an education. Or a man familiar with the high costs of funerals will have a different attitude than a man unfamiliar with funeral costs when it comes time to decide how much money is necessary to provide for burial expenses through life insurance. And men probably differ on the question of how much income a wife should be expected to provide before they have children and afterwards. It would seem that a

successful life insurance agent would demonstrate the ability to adapt to each of his individual prospects. Conversely, the less successful agent would show less adaptation to the prospect during the sales presentation.

Review of the Literature

Field Research

The conclusion reached by the SAA's 1969 Summer Conference on Research and Action was that there is an immediate need to implement field research studies in order to arrive at a methodology suitable to speech-communication research.⁷ In other words, there is a dearth of information relative to field research of the nature undertaken in this study.

Research in Persuasive Adaptation

Although there has been a good deal of research dealing with audience analysis, there is a dearth of research relative to specific adaptation techniques in a persuasive situation. Two sources of information that deal with audience analysis and speaker adaptation are Hollingworth's The Psychology of the Audience⁸ and Clevinger's Audience Analysis.⁹ The former is a review of experimental research on audience behavior conducted prior to 1935. The latter text is devoted to audiences and how knowledge of audience attributes can be adapted to the persuader's communication.

Of most value to this study was Holtzman's book The Psychology of

⁷Thomas Pace, "Report of Workshop F--Field Studies" In Proceedings of the Speech Association of America Summer Conference V ed. by James E. Roever, Minneapolis, Minnesota. (Miscographed.) p. 37.

⁸Harry L. Hollingworth, The Psychology of the Audience (New York: American Book Co., 1935).

⁹Theodore Clevenger, Jr., Audience Analysis (New York: The Bobbs-Merrill Co., 1966).

Speakers' Audiences.¹⁰ Although it does not deal specifically with adaptation in persuasive speaking, the general principles outlined there were easily applied to the persuasive sales presentations. He provided a concise and cogent explanation of audience induction and the need for a common premise between persuader and persuadee.

Persuasion Research in Sales

Speech-communication scholars have not produced any wealth of research relative to the kind of persuasion that takes place in a selling situation. A review of the speech-communication journals failed to produce a single article dealing with persuasion in sales. It was found that two theses and one dissertation have been written about sales work. The first thesis reviewed was titled "Some Major Contributions of Speech and Dramatic Art to Selling."¹¹ This thesis proved to be of little practical value to this study. It dealt with cataloging the value of courses in speech and dramatic arts to sales personnel. The major conclusion of the study was that speech courses ranked high in the preferences of salesmen.

The second thesis was "A Critical Incident Study of Communication Factors Which Make for Success or Failure in Personal Selling."¹² This thesis dealt with broad communication factors and did not reveal any relevant information concerning the specific persuasive situations that would be encountered in this study.

The dissertation was titled "An Analysis of Selected Oral Communi-

¹⁰Paul D. Holtzman, The Psychology of Speakers' Audiences (Glenview, Illinois: Scott, Foresman and Company, 1970).

¹¹Ronald V. Stone, "Some Major Contributions of Speech and Dramatic Art to Selling" (unpublished MA thesis, Brigham Young University, 1960).

¹²Warren A. Wandling, "A Critical Incident Study of Communication Factors Which Make for Success or Failure in Personal Selling" (unpublished MA thesis, University of Kansas, 1960).

cation Attributes of Direct-Selling Representatives as Related to Their Sales Effectiveness."¹³ This study dealt with sales representatives in the field and was conducted through the use of written questionnaires. This study concluded, in part, that successful and less successful representatives used several of the techniques illustrated in the company's literature. The implication was that sales techniques can be consciously used by the salesman but that their use does not guarantee that the sales representative will be more successful. Evidently there are other, less tangible factors involved. One of those factors may be the degree of adaptation of sales techniques to the prospective buyer.

A review of the available literature indicated that there was no research directly related to the proposed study. It was determined that audience analysis and audience adaptation had been the subject of some research but that specific application of persuasive techniques to a particular persuadee had not been considered.

The Specific Methodology

Preliminary Steps

Once the decision was made to study the persuasive adaptation of two life insurance salesmen, the next step was to secure the assistance of an insurance company. Because the writer had had experience with the Prudential Insurance Company as a policy-holder, he contacted their Midwest office and received a reply from the local district manager. The district manager offered to provide any assistance with the study that was required. He requested, however, that any materials used in the study be returned to the Prudential and that the names of the salesmen would not be revealed.

¹³Ralph Wayne Pace, "An Analysis of Selected Oral Communication Attributes of Direct-Selling Representatives as Related to Their Sales Effectiveness" (unpublished Ph.D. dissertation, Purdue University, 1960).

The writer agreed to those requests.

The Prudential was selected as the company to work with because it has a wide reputation as a responsible insurance firm. In addition, it was known that the Prudential had a large sales staff in the immediate vicinity of the writer. Last of all, it was known that the Prudential had an extensive training program that each of its salesmen completed. This would assure that the salesmen selected for the study would have essentially the same training in the principles of life insurance and in the company's sales techniques.

Having received the assistance of the Prudential, the next step in the study was an analysis of four persuasion texts to determine those persuasive techniques and devices advocated (and prescribed) by speech-communication writers. The four texts selected for the study were Oliver's The Psychology of Persuasive Speech, Brembeck and Howell's Persuasion: A Means of Social Control, Bettinghaus' Persuasive Communication, and Cronkhite's Persuasion: Speech and Behavioral Change.¹⁴ This analysis resulted in the determination of eight different persuasive factors that were felt to be important: (1) the factor of attention, (2) the factor of suggestion, (3) the factor of identification, (4) the factor of evidence, (5) the factor of emotion, (6) the factor of language, (7) the factor of delivery, and (8) the factor of organization.

Once these eight persuasive factors were determined a study was made of the training materials of the Prudential to find the degree of correlation between the persuasive techniques and devices advocated by the persuasion texts and the Prudential. The correlation was found to be significant enough to warrant using all eight of the persuasive

¹⁴See supra, p. 3, n. 5.

factors.¹⁵

With the completion of this preliminary study, the next step was to select the salesmen. It was decided that two salesmen would be used for the study since this would allow for an in-depth analysis of their sales presentations. While it was recognized that this limited sample would necessarily restrict the reliability of any conclusions drawn from the study, it was determined that the sales situation could be more easily controlled than if a larger sample was used. In this way, both men could be studied at approximately the same time with the same prospective buyer in identical sales situations.

In consultation with the Prudential's district manager, two successful salesmen were selected. Success was determined by three criteria. First, both men had been with the Prudential approximately the same length of time, one for five years and the other for three. Secondly, both had exhibited the ability to sell life insurance. The first was the top salesman in the district and the second had been promoted to a staff manager's position because of his success. Thirdly, the district manager judged both agents to be successful in their jobs. His expert, subjective evaluation as manager was used in determining which of the two would be classed more successful. In his opinion, Salesman A was the more successful of the two.¹⁶ This is the salesman who had been with the company three years and was the top salesman in the district.

¹⁵The results of this study are reported in Richard Shoen, "A Comparative Study of the Persuasive Techniques Found in Four Persuasion Texts and the Life Insurance Training Materials of the Prudential Insurance Company" (unpublished independent study, Eastern Illinois University, 1970).

¹⁶In compliance with the district manager's request, both salesmen will be given letter designations to maintain their anonymity. Salesman A is designated the more successful of the two. Salesman B was judged by the district manager to be successful, but to a lesser degree than A.

Median Steps

Both salesmen were then contacted by the district manager and asked to contact the writer, who would act as the client. This step was taken in order to further insure that the client variables would be controlled.

The salesmen called the client and established appointments with him to present The Prudential Dollar Guide.¹⁷ This is a sales presentation which serves as the basis for Prudential life insurance sales. It begins by discussing the insurance needs of most men in terms of various funds. The first is a last expense fund for burial expenses. The second is called a guaranteed monthly income designed to provide the deceased's wife and children with money to live on. The third is an emergency fund to meet financial crises resulting from needed home repairs, automobile repairs, prolonged illnesses, etc. A mortgage or rent fund is the fourth and is established to cover the need for a house to live in if the husband and/or father should die. An education fund is to cover the educational expenses once children enter college or other training. The sixth fund exists to provide money for retirement. Then The Dollar Guide closes with a discussion of the need for disability income in case of prolonged sickness or injury to the breadwinner of the family.

Having discussed these needs in general, the agent then discusses the particular needs of his client. Having established these, he then proposes a plan of insurance that will meet those needs. Essentially, that is the manner in which the agents approach the client using The Prudential Dollar

¹⁷The Prudential Insurance Company of America, The Dollar Guide, The Prudential Training Program (New York: 1966). The reader should note the distinction between the training material for the Dollar Guide presentation, the Dollar Guide presentation book and the Dollar Guide form of sales presentation. This note refers to the training material for the Dollar Guide presentation. The Dollar Guide presentation book contains visual aid material. The Dollar Guide presentation is a standard format used by Prudential agents.

Guide.

Salesman A presented his sales presentation on Monday, February 2, 1970. Salesman B presented his sales presentation on Wednesday, February 11, 1970. Permission had been received from the district manager to record both presentations on a hidden tape recorder. From these recordings, transcripts were prepared which served as the form for analysis.

Final Step

Each of the transcripts was analyzed to determine whether or not the salesmen demonstrated each of the eight persuasive factors discovered in the persuasion texts and in the training materials. Then they were analyzed again to determine whether or not each of the salesmen adapted to the listener and occasion. From this last analysis the major conclusions of this study were drawn.

Overview of Study

Chapter II consists of a summary of the eight persuasive factors as found in the persuasion texts, the life insurance training materials, and the sales presentations. Chapter III consists of a discussion of audience adaptation, distinctions to be drawn between one-to-one and one-to-many persuasive situations, various methods of audience analysis, and a detailed description of the persuasive situation including the agents, the client, and the setting. Chapter IV presents the analysis of the sales presentations to determine the degree of audience adaptation demonstrated by each of the agents. Chapter V consists of a summary of the study, the conclusions arrived at as a result of the study, and implications for further study.

CHAPTER II

EIGHT PERSUASION FACTORS

In Chapter I persuasion was considered to be a process of controlling symbols in order to manipulate a man's attitudes and motives to achieve some preconceived change. It was further recognized that persuasion takes place within the persuadee as a result of that manipulation. The means used by the persuader revolved around the use of the word "symbols." In the context of this study, those symbols are interpreted as the various techniques and devices available to the persuader. Although it is possible to list numerous techniques that a persuader might use, it will be more profitable to consider them in homogeneous groups. Each of these groups will be referred to as persuasive factors and the eight factors were enumerated in Chapter I.

In this chapter, each of those persuasive factors will be considered in more detail and their use in the life insurance training materials and in the sales presentations will be noted. This is not intended to be an exhaustive analysis of each of the eight factors but, rather, an overview intended to suggest the extent to which each of the factors is employed by life insurance agents.

The Factor of Attention

Oliver recognized the factor of attention as it affects persuasion. Before persuasion can take place the audience must attend to the propositions being communicated by the speaker. And it is "the chief task of the

persuasive speaker to serve as a 'selector' of his audience's attention."¹ Brembeck and Howell emphasized the need for attention when they stated that without it "persuasion is impossible, for attention is the first step in the persuasion process."²

This factor of attention was also recognized by the life insurance training materials. The first step in the sales interview is to "set the stage and take control."³ The prospect expects the insurance agent to talk about insurance so his attention is already primed. Most emphasis in the training materials is with respect to eliminating factors which may inhibit or distract the attention of the client.

Another aspect of attention which the training materials mention is the attentiveness of the salesman. This is the reverse situation of that mentioned above and has to do with creating a good impression of the salesman in the mind of the client. The important factors here are that the salesman takes care not to injure the prospect's ego by failing to listen and, also, giving the prospect a chance to express himself in order for the agent to determine what motivates him.⁴ Thus attention on the part of the agent can aid effective persuasion.

Both agents demonstrated the use of various techniques to get and maintain the client's attention during the sales presentations. For example, both used concrete terms and words to clearly delineate ideas. When talking about the need to establish a last expense fund, both salesmen spelled out exactly what kind of expenses one could expect in case of a

¹Oliver, Persuasive Speech, p. 117.

²Brembeck and Howell, Persuasion, p. 263.

³The Prudential, The Dollar Guide, p. 11.

⁴The Prudential, Motivation and Salesmanship, p. 7.

death. They mentioned expenses for a casket, the funeral home and vault as part of their presentation. They were also prepared with a specific, concrete figure that would be needed for last expenses. (A-8, B-4)⁵

Another technique designed to attract the attention of the client was the use of the vital, that is, that which is close to the persuadee. Each of the agents talked of such vital matters as the client's health and well-being, his family, his wife, and his plans for a secure financial future.

At the outset of each sales presentation, the agents used what might be termed a "book talk." This consisted of a presentation book with text and pictures that outlined the various insurance needs of most men. The agents' procedure in using this book was to read the text to the client while the client followed along or looked at the pictures. During this portion of the sales presentation, attention was maintained by the use of the visual photographs.

The technique of repetition was also used by the salesman to keep the client's attention. Consider the following example from Salesman B's presentation.

Most men want to provide a last expense fund. . . . And most men like to provide an emergency fund. . . . And most men like to provide a mortgage or rent fund. . . . Then most men like to provide an education fund. . . . And most men like to provide a retirement fund. . . . And most men like to provide a disability fund. (B-3)

Other attention-getting techniques employed by the agents were vocal and visual variety, the use of conflict, and the use of proximity. Visual

⁵The letter-number combinations following the references to the sales presentations refer to the transcripts of the sales presentations found in the Appendix. The letter indicates which salesman it is, the number represents the section of the transcript in which the reference will be found.

variety was a key factor in the "book talk" which was illustrated with full-color pictures of family scenes. Conflict between future financial hardship and financial security for the client was evident throughout the sales representations. Proximity implies the use of material familiar to the client. During both presentations the agents talked of the client's experiences, his financial status, and his family.

The Factor of Identification

The process of identification refers to what has long been called establishing "common-ground" between persuader and persuadee. Kenneth Burke in A Rhetoric of Motives, quoted by Oliver, notes: "You persuade a man only in so far as you can talk his language by speech, gesture, tonality, order, image, attitude, idea, identifying your ways with his."⁶ (Italics Oliver's). Identification consists of finding and making clear "the commonality, the similarity, the overlapping, the basic union of the point of view" of the persuader and the persuadee.⁷ To do this, differences existing between the persuader and his auditor must be minimized and areas of agreement emphasized. "Genuine common bonds based sincerely on common interests, emotions or beliefs, are strong and would appear to be ethical means of persuasion."⁸

The identification of common interests, emotions, and beliefs would seem to be the key to the employment of this factor in persuasion. Identification becomes the art of careful audience analysis coupled with the ability to incorporate into the persuasive presentation those interests, emotions, and beliefs which will impress the auditor with the fact that the persuader is "my kind of man." The life insurance training materials

⁶Oliver, Persuasive Speech, pp.167-168. ⁷Ibid., p. 180.

⁸Brembeck and Howell, Persuasion, p. 176.

recognize this factor but do not tell the agent about the principle of identification. Rather, the training materials imply their recognition of this principle through various illustrations and examples.

Recall, for instance, the repetitive device used by Salesman B. Saying that "most men" believe in the need for these various funds the salesman is capable of identifying common interests and beliefs on the part of his client and other men who have purchased insurance, including the agent.

Both agents established common interests with the client. Both, for example, talked about the weather outside. Each was interested in the client's original home and made reference to the area. Salesman A talked about relatives near the client's home. Salesman B talked about a friend who had moved close to the client's home and of travelling through the area on a vacation. (A-1, B-1) Salesman A also identified himself as a graduate of the school attended by the client. (A-2) In addition, Salesman A proved to have had experience as a teacher, again identifying with the client, who was also a teacher. (A-3)

Common emotions were also evidenced throughout the sales presentations. Love of family was one that appeared constantly. Fear of an uncertain future and the need to provide security against that fear was another.

The Factor of Suggestion

The process of suggestion is a short-cut to a desired conclusion. By using suggestion, the persuader circumvents logical analysis and inhibits critical restraint. Brembeck and Howell quote Leonard Doob for a definition of suggestion. ". . . Suggestion," says Doob, "results from the manipulation of stimulus-situations in such a way that, through the consequent arousal of pre-existing, related attitudes there occurs

within the mental field a new integration which would not have occurred under different stimulus situations."⁹ And Oliver, quoting McDougall, adds another dimension to the meaning of suggestion when he notes it is "a process of communication resulting in the acceptance with conviction of the communicated proposition independently of the subject's appreciation of any logically adequate ground for its acceptance."¹⁰ Suggestion means acceptance without analysis--not judgment--but immediate acceptance.

Neither Cronkhite nor Bettinghaus treat the factor of suggestion in their texts. The life insurance training materials did not discuss suggestion explicitly but did illustrate various methods of suggestion.

A form of ideometer suggestion illustrated in the training materials and used by the agents is found in the phrase "The future belongs to those who prepare for it." (A-5, B-2)¹¹ Psychologically, the acceptance of this idea prepares the prospective buyer to follow along with the rest of the presentation. It is the way to get prepared for the future. In fact, this idea is the basis on which the insurance agent must sell his product. Life insurance is future oriented. Life insurance exists in the event something will happen. To be prepared for death (and other emergencies) becomes preparing for the future. With this idea firmly planted in the mind of the client, the agent can proceed to plan his client's future insurance needs.

A second form of suggestion, prestige suggestion, was used by Salesman A when he noted that he (1) represented the largest insurance firm in the country and (2) was the top salesman in his district the preceding year. (A-5) Salesman B made no specific attempt to use this form of suggestion during his sales presentation.

⁹Ibid., p. 166. ¹⁰Oliver, Persuasive Speech, p. 141.

¹¹The Prudential, The Dollar Guide, p. 12.

Auto-suggestion is a matter of helping the individual persuadee direct his own thought and action and is the third type of suggestion illustrated by the training materials and used by the agents. It is this form of suggestion that is at the heart of the approach used by both agents. The life insurance training materials point out that the agent's approach must be "designed to help the prospect sell himself. People balk at being 'sold' but readily buy what they have decided they really need and want." It is the agent's job to lead "people to admit to insurance needs and wants and to try to meet them."¹²

This form of suggestion pervades the transcripts of the sales presentations of both agents. In each instance the client is asked how much money he feels he will need to cover such things as last expenses, a guaranteed monthly income, an emergency fund, etc. The client admits the need for some or all of these funds and then submits (with the agent's assistance) a figure he feels will meet the need. On the surface all that the agent does is determine the sum total of all the funds and then suggest a solution to the problem in the form of a life insurance plan. In short, the sales program is made to appear as a cooperative rather than a competitive venture.

The persuasion texts emphasized the importance of suggestion in a persuasive situation. In fact, at one point it was noted that "much, if not most, persuasion employs forms and methods which operate according to the laws of suggestion."¹³ The training materials and the transcripts of the sales presentations indicate that the insurance company feels this factor is also important.

¹²Ibid., p. 4.

¹³Brembeck and Howell, Persuasion, p. 165.

The Factor of Evidence

Broadly speaking, evidence is found in persuasive presentations to provide a basis for "truth" or rational justification.¹⁴ While there are various ways of defining this term, Oliver's definition will suffice. Evidence, says Oliver, "may be defined as all facts, that, in the opinion of the audience have relevance in affecting judgment on the topic under consideration."¹⁵ The key word in this definition is the term "facts." Facts, again following Oliver, may be statistics, testimony, personal experience and/or negative evidence, the lack of facts.¹⁶

The life insurance training materials point out the value of personal experience and make extensive use of this technique. The training materials urge the agent to tell the client a story of what "life insurance can do or has done for someone else."

The story may be from your actual experience or from stories based on some other Agent's experience. . . . The good human-interest story you tell should tie in as closely as possible with the prospect's situation.¹⁷

Both Salesman A and Salesman B made use of personal experience during their sales presentations. Salesman A, for example, related his experiences with his wife and children when talking about the need for an emergency fund.

Once you get children you have emergencies. . . . I've got three and I know. They're certain to arise, take my word for it. (A-6)

A more vivid personal experience was related to the client by Salesman B. This involved an incident with a young girl who wanted to buy

¹⁴Oliver, Persuasive Speech, pp. 202-204.

¹⁵Ibid., p. 208. ¹⁶Ibid., pp. 209-217.

¹⁷The Prudential Insurance Company of America, The Sales Process, The Prudential Training Program (New York: 1966), p.9.

insurance but the girl's mother was not in favor. The girl and the agent convinced the mother that insurance would be a good idea and they initiated a contract. The next morning the girl's mother called the agent to tell him that her daughter had been killed the previous night in an automobile accident and would not need the insurance. The agent told the woman that the contract had been signed and that she would receive the benefits from the policy regardless of how long it had been in force. (B-14) This personal experience was related to the client's decision to wait a few days before making a commitment to the insurance program outlined for him by the agent.

In addition to the use of personal experience, both agents made use of statistics. This mode of evidence was used to determine the amount of insurance needed by the client, the cost of the insurance, and the value of the insurance to the client when he reached age sixty-five. (A-8,9,10,11,21; B-4,5,13)

The Factor of Emotion

Emotion has always been considered an essential aspect of persuasion. Rhetoricians from Aristotle and Cicero to the present have felt the need to devote at least part of their efforts to describing, prescribing and predicting the effects appeals to emotions or affective states will have on persuasion. Because psychologists have yet to unlock the mysteries of the way man's mind operates, a definitive discussion of the role of emotion in persuasion is not yet available. In fact, Cronkhite reports in his text that little attention has been paid by the researchers to the appeals that persuaders can make in a persuasive presentation.¹⁸ This has resulted in

¹⁸Cronkhite, Persuasion, p. 185.

a dearth of information regarding the relative effectiveness of various emotional appeals.

Defining the term "emotion" is no easy task. Various authors see emotion as various things. Oliver presents this definition of emotion.

Emotion is the affective or 'feeling' response we make to any situation. Our minds say, 'It means such and such.' Our emotions say, 'It means such and such to us.' The operation of the mind is discriminative, but an emotional response is total; it involves the whole body. . . . Emotion may be defined objectively as a state of bodily tension accompanied by an intellectual concept of what the tension means.¹⁹

Emotion becomes a personal thing with the persuadee. It is his internal affective state that is of concern to the persuader. And the easiest way to approach an analysis of emotion is through the nine different affective states psychologists have identified: freedom, helpfulness, new experience, power and influence, recognition, response, security, and workmanship.²⁰

The appeal to freedom is implicit in the training materials and in the sales presentations when the client's "freedom" from future financial worry is provided through insurance. This is especially true in the discussions about retirement income provided through life insurance. Salesman B says, for example, "We think of retirement as a time to do. If you are going (to have the freedom) to travel or do anything after you retire, it will cost you more than what it would (while working and earning)." (E-6)

The appeal to helpfulness depends on the salesman's ability to show the client that he is working for the welfare of others. As might be expected, this appeal is built in to much of the sales talk given by each of the agents. In fact, in the "book talk" present by each salesman,

¹⁹Oliver, Persuasive Speech, p. 251. ²⁰Ibid., pp. 254-255.

they said, ". . .The present and future well-being of (your) family depends on income dollars" provided by the "man of the family." (A-6, E-3) It is clear from the outset of the sales presentations that the welfare of the client's family is central to the need for life insurance.

Salesman A appealed to the client's need for new experiences when he told the client of a "new" type of insurance policy that had just recently been inaugurated by the company. (A-20)

There is a strong suggestion of the appeal to the need for response from others in the agents' attempts to suggest that the client's wife and future children will think well of him for establishing life insurance to cover their needs should the client die. Both salesmen made frequent mention of the client's feelings for his family and that those feelings would be reciprocated were his family well-cared for. (A-6, E-2)

The appeal to security is evident in the insurance sales presentations when the agents talk of various guarantees that life insurance provides. For example, life insurance will "guarantee them (the client's family) the necessities of life." (A-6, E-2) Or the client can provide a guaranteed "monthly income" for his wife and children through life insurance. (A-6, E-3) And life insurance policies guarantee that the client will receive a certain amount of money when he reaches age sixty-five. (E-13)

The life insurance agents made use of the factor of emotion during their sales presentations. The factors used most often by the agents were appeals to response from family and security.

The Factor of Language

In the definition of persuasion in Chapter I, the phrase the conscious effort to control symbols pointed to the persuader's task of finding the means to effect the persuadee's attitudes and beliefs. Perhaps the most

easily recognized but most difficult to evaluate in terms of effectiveness are the symbols called language. Language itself can be an effective persuasive device. Oliver, for example, cited Churchill's use of the words "blood, toil, tears and sweat" as having a "persuasive effect simply through the language used."²¹ The question is, what is it that makes language persuasive?

Cronkhite, reporting the research that has been conducted in this area, suggests that language intensity has something to do with persuasion. Language intensity is defined as "the quality of language which indicates the degree to which the speaker's attitude toward a concept deviates from neutrality."²² The studies which have been conducted to test whether or not language intensity has an effect on persuadees seem to indicate that language of low intensity has more powerful persuasive effect than language of high intensity.²³ Perhaps this is analogous to the high pressure (high intensity) sales talks that used to be popular but have now fallen into disuse, replaced by the low pressure (low intensity) sales presentations of today.

Bettinghaus approached the subject of language by noting that "one of the problems facing the persuasive speaker . . . is the extent to which he ought to use words that may elicit highly affective responses from his audience."²⁴ He continued by pointing out that the technique used most frequently to stir intense reaction on the part of the audience was highly connotative language. Metaphor is the mode he offered as being the most useful for such purposes.²⁵

²¹Ibid., p. 266.

²²Cronkhite, Persuasion, p. 208.

²³Ibid., p. 209.

²⁴Bettinghaus, Persuasive Communication, p. 139.

²⁵Ibid., p. 140.

Brembeck and Howell took a similar approach to the question of language but expanded on the modes available to the persuader. They pointed to slanted words and figures of speech as the sources of connotative, emotive language. Slanting consists of "selecting descriptive methods to encourage acceptance or rejection."²⁶ Such language is usually characterized by a large number of adjectives. The figures of speech they suggested as being effective were personification, simile, hyperbole, and understatement. The persuader can also evince affective responses from persuadees by using euphemisms which are more "socially acceptable than their synonyms."²⁷ Using, for example, "pass away" rather than die.

It is apparent from this discussion of what the persuasion texts say about language that there is need for more research in this area. Yet it seems clear that what is normally called connotative language is agreed to be the persuader's mainstay.

An analysis of the life insurance training materials did not reveal that agents are given instruction in the kind of language to use during a sales presentation. The only advice given by the training material was a warning to the agent to avoid being "schoolteacherish."

In terms of knowledge, you are much more informed on insurance than are your prospects. It's easy to fall into the self-made trap of lecturing and educating, or creating a reaction by your prospect that you're a boring know-it-all who's 'talking down' to him. Instead you should always bend over backwards to be straightforward, to cover all important points as simply as possible, and avoid giving the appearance of showing off your superior knowledge. Doing so will be a tremendous plus-factor in your sales presentation.²⁸

As far as the emotive content of the sales presentation, the life insurance training materials gave very little evidence as to exactly

²⁶Brembeck and Howell, Persuasion, p. 152. ²⁷Ibid., pp. 155-157.

²⁸The Prudential, Motivation and Salesmanship, p. 8.

what is to be said by the agent. Most of the presentation is left up to him.

Perhaps the most "intense" language used in the sales presentations is to be found in that portion of the interview called the "book talk."

Both agents used the following:

The present and future well-being of his family depends on income dollars. . . . But income can be stopped by death, old age or disability. Money problems should not be added to a family's personal sorrow. . . . One of the greatest gifts a father can leave his family is an income that will take care of everyday living expenses. . . . A family always needs a place they can call home. (A-6, B-3)

While it is very difficult to judge the connotative value of such words and phrases as are underlined above, a tentative judgment would be that the client could well be motivated emotionally by such thoughts. Family well-being, for example, can mean a great many things to different people but it would be generally agreed that it is a significant factor in the lives of most men. The phrase that indicates that a father can leave his family a great gift when he dies has emotional, connotative value.

Aside from the book talk, neither agent demonstrated the use of highly "intense" language. For the most part, the language used by them would be called of low "intensity." Neither made use of much figurative language although Salesman A did say at one point that he didn't want to paint a "real black picture" of the client's financial future. (A-17) Salesman B used the metaphor of backing "the hearse up to the door" to describe what many people felt life insurance agents tried to do during sales presentations. (B-7)

Both agents also demonstrated the use of euphemisms at various times during the sales presentations. Generally, they used synonyms for words like "death" and "burial" when they could. Salesman A talked of

the wife's responsibility to "put your husband away" or of "something" happening to the client. (A-8,9)

The use of connotative language seemed to be limited to the beginning of the sales presentation. After the agents had established the client's need for insurance they seemed, at least to the writer, to concentrate on selling the cost of insurance rather than the need for it. The language used toward the end of the presentations seemed straightforward and dealt with concrete things like face values of various policies, premium amounts and other figures.

The Factor of Delivery

Delivery, as it affects persuasion, is discussed by three of the four persuasion texts but none of the authors give very explicit direction to the persuader.

Brembeck and Howell suggest that the persuader would do well to consider vocal and bodily elements of delivery. Vocally, the persuader should aim for intelligibility through precise articulation and vocal quality pleasing to the listener. The persuader should also try to achieve vocal flexibility in terms of loudness, pitch, rate and quality.²⁹ Beyond this general advice, apparently intended for the public speaker, the individual persuader is on his own.

Bodily action should be animated and coordinated but natural. Their final bit of advice is that "there is no correct pattern for bodily action."³⁰ So again the persuader is left with suggestions which are not very specific.

Oliver says that the most important thing a persuader can do is to

²⁹Brembeck and Howell, Persuasion, pp. 381-382. ³⁰Ibid., pp. 382-383.

"reflect a carefully predetermined relationship between himself and the audience."³¹ That relationship is to be determined by the persuader. Then Oliver repeats much of what Frembeck and Howell said with as little practical advice to the speaker.

Cronkhite suggests that the speaker is "well-advised to be sincere or avoid a personal appearance" before the persuadee.³² The available research which he summarizes seems to indicate that the audience can detect through facial and vocal cues whether or not the speaker is really being sincere in his persuasive efforts. So the only advice to the persuader from this source is to avoid being insincere in any persuasive situation. That means, perhaps, that sincerity will lead to the kind of delivery one ought to assume in a persuasive presentation.

The life insurance training materials are a little more specific than the persuasion texts when it comes to giving advice to the agent. The agent is instructed to speak pleasantly, to speak loud enough to be heard, and to be understood without sounding superior or indifferent. Moreover, the agent is advised to look the prospect straight in the eyes to foster a feeling of friendship and honesty. Last of all, the agent is told that if he is to be accepted, he must be acceptable.³³

During the sales presentations it was observed that both salesmen seemed to be relaxed and that their bodily movement seemed natural. No distracting gestures on their part were noted. It was determined that both men sounded conversational and exhibited vocal variety. Finally, the client concluded at the close of each sales presentation that both salesmen seemed to be sincere in their efforts to plan an insurance program that

³¹Oliver, Persuasive Speech, p. 374. ³²Cronkhite, Persuasion, p. 210.

³³The Prudential, Motivation and Salesmanship, pp. 5-9.

would fit his needs.

The Factor of Organization

Bettinghaus maintains in his text that organization is essential in a persuasive presentation. The other authors would be in agreement with him on this point. But none of the authors are inclined to suggest any one method of organization or even to suggest the reason for this apparent need for organization. So the assumption is accepted that persuasive presentations should be organized.

Bettinghaus proposes one principle on which the persuader might rely when organizing a persuasive presentation. That principle is familiarity. As Bettinghaus explains it, "receivers expect sources to use certain relatively familiar patterns of organization."³⁴ He then notes seven different patterns that he feels most people would recognize, at least subconsciously. The patterns he mentions are space order, time order, deductive order, inductive order, psychological order based on Monroe's Motivated Sequence, problem-solution order, and causal order. Each of these patterns is briefly explained and then Bettinghaus concludes with this: "However, there is no information about the relative effectiveness of one arrangement over another. In the absence of such data, it must be assumed that any of these patterns will be familiar enough to an audience so that expectations will not be disturbed."³⁵

Brembeck and Howell concentrate on outlining six different patterns for persuasive presentations but conclude by noting that adaptation based on analysis of the persuadee, the occasion, the topic and the persuader is the best guide as to the type of organization pattern to use.³⁶

³⁴Bettinghaus, Persuasive Communication, p. 148. ³⁵Ibid., p. 151.

³⁶Brembeck and Howell, Persuasion, p. 359.

Cronkhite does not dwell on specific patterns for persuasive presentations but rather summarizes what he has learned from reviewing the available research dealing with the effects of message organization. His conclusion is that "most audiences respond most favorably to a message in which the persuader does not state his purpose in the introduction, but rather uses that introduction to emphasize areas of agreement between himself and his audience—and then uses the conclusion to make an appeal for specific action."³⁷ Oliver echoes much this same thing when he writes that the first principle in organizing a persuasive message is to start where the auditors are and then lead them to where the persuader wants them to be.³⁸

One concludes from this that persuasive presentations should be organized in a pattern familiar to the audience. Secondly, the persuasive message should be so organized so as to start where the audience is by establishing common-ground and then proceeding to the conclusion and the acceptance of the persuader's proposition.

What do the life insurance training materials suggest? The pattern recommended by the training materials "begins by discussing the problems, not of the prospect, but of 'most' people. Then it fixes the problem specifically on the prospect. Next, it demonstrates that insurance is the best solution for the problem and proceeds to motivate the prospect to buy."³⁹

The training materials recognize the need for an organizational pattern of some kind. The pattern recommended begins by talking about the

³⁷Cronkhite, Persuasion, p. 195.

³⁸Oliver, Persuasive Speech, p. 337.

³⁹The Prudential, The Dollar Guide, p. 4.

needs of most people and working deductively to the individual prospect. So the pattern starts where the textbook authors recommend, with establishing the auditor's position. The deductive pattern, according to Bettinghaus, is familiar to most people.

Once the problem is established for the client, the prospective buyer must then be shown how insurance can solve his difficulties. Here a shift is seen in the type of organization pattern, from deductive to problem-solution. This is another pattern suggested by Bettinghaus.

Next, the training materials suggest that the agent motivate the client to buy insurance. This is the action step or the final step in the persuasive process as suggested by Cronkhite and Oliver.

It seems fairly clear that the life insurance training materials demonstrate the principles of organization described by the persuasion texts. In fact, at various stages of the sales process, most of the organizational patterns recommended by the persuasion texts are used either in part or in whole.

An analysis of the sales presentations indicates that each of the agents follows the same pattern as that recommended by the training materials. Overall, the agents seemed to employ the five step Monroe's Motivated Sequence: attention, need, satisfaction, visualization, and action.⁴⁰

Neither salesman had difficulty gaining the client's attention because of the one-to-one situation. Then both presented the need step in which the insurance needs of most men and then of the client were discussed. The satisfaction step consisted of presenting the client with an insurance plan that would meet his needs. The visualization step of both agents was

⁴⁰Alan H. Monroe, Principles and Types of Speech (5th ed.; Chicago: Scott, Foresman and Company, 1962), p. 287.

weak in that neither attempted to "picture" for the client the advantages of buying a particular insurance plan. Both salesmen did mention that the insurance would be worth so much at age sixty-five but the benefits of the program were never clearly spelled out. (A-22, B-13) In each instance the action step consisted of an attempt to get the client to initiate an insurance policy.

Two conclusions are apparent from the discussions of organization in the persuasion texts. They are that (1) organization patterns that can be recognized by the persuadee are necessary and (2) that persuasive presentations should be organized to lead the persuadee from where he is to where the persuader would like him to be. The insurance training materials reflect agreement with these two principles and the agents demonstrated both principles in the sales presentations.

Conclusion

This analysis of the eight persuasive factors indicates that the persuasion texts and the training materials agree as to what makes for successful persuasion. It was also determined that those factors not explicitly discussed by the training materials were illustrated there or were employed by the two salesmen during their sales presentations.

Having established the fact that the insurance agents used the eight persuasive factors outlined above, it is necessary to discuss audience adaptation and determine to what extent each of the persuasive factors was adapted to the client and the persuasive situation.

CHAPTER III

AUDIENCE ADAPTATION

Having determined that both agents demonstrated the use of the eight persuasive factors, it now remains to discover to what extent each adapted those factors to a particular client and persuasive setting. This chapter is concerned with defining what is meant by audience adaptation. This will include a discussion of the distinctions made between an audience of many listeners, as in most public speaking, and an audience of one listener, as in the sales presentations. Then the modes of audience analysis available to the persuader will be discussed followed by a description of the sales setting, including the agents, the client and the physical setting. Using the information contained in this chapter, Chapter IV presents an analysis of the adaptation demonstrated by each of the agents.

Audience Adaptation Defined

Audience adaptation is the process of utilizing the persuader's discoveries of the persuadee's experiences, knowledge and beliefs to answer the question "How do I induce the listener to alter his perceptions so that he will understand, feel, believe, and act as I have become convinced he should because, thereby, he or we will benefit."¹ (Italics in the original).

Audience adaptation first requires that the persuader discover all he can about the persuadee's experiences, knowledge and beliefs. This can be accomplished by two primary means. By careful observation of non-verbal

¹Holtzman, Speakers' Audiences, p. 14.

messages the persuader can learn about the persuadee. Most obviously, a great deal can be learned about an auditor by noting what he says, that is, his verbal behavior. Both of these modes of analysis will be discussed more fully later on in this chapter.

Once the persuader has discovered what he can about the persuadee, it becomes incumbent upon him to make use of those discoveries in the persuasive communication. And it is in the process of using those discoveries that audience adaptation finally takes place.

Now consider more fully what is meant by the auditor's experiences, knowledge and beliefs and how a persuader can adapt to them.² Experience refers to the sense impressions recorded by the listener of internal and external events in his world. Each individual has had experiences of one sort or another; they are occurring constantly. The essential factor in audience adaptation is that the persuader must use those experiences both he and the persuadee have in common to suggest favorable new experiences, knowledge or beliefs. What is also important to recall is that no two people draw from the same experiential background. The oft cited instance of five versions of the same accident from five "eye-witnesses" serves to illustrate the point. Or consider that a participant in a riot will experience different sense impressions than would someone standing on the sidewalk watching. Neither of these experiences would match the sense impressions of someone watching a video tape replay of the same riot from his living room a thousand miles from the scene of the incident. What is important to the persuader is that each of these people has experienced the riot, but in different ways. The information the persuader should

²For a unified approach to these definitions, the discussion presented by Holtzman, Speakers' Audiences, pp. 83-92 will serve as the primary source.

attempt to get is how the individual experienced a given situation.

To relate this more directly to the sales presentations of the life insurance agents, one would surmise that the prospective client who had experienced the recent loss of a close relative or friend would have different impressions of death than someone who had not. Or one who had been disabled by sickness or injury would have experienced different financial crises than one who had not. And men with children are probably more experienced in knowing the types of emergencies that children present than is a man who has had little or nothing to do with children. Therefore, the agent would be expected to adapt his presentation of the need for a last expense fund, a guaranteed income fund or an emergency fund to the circumstances and experiences of the individual client.

"Knowledge" to use Holtzman's terms, "is what we learn from experience, including what we learn from others or, more accurately, what we learn from our experiences of others' experiences." In other words, what we "know," regardless of the truth of the matter, is our body of knowledge. And much of what we learn is the result of others' learning or experiences. This learning of others is communicated to listeners and becomes the framework for new knowledge.

The process of adapting to listener knowledge is summarized in the familiar advice of "begin where the hearer is." If a persuader is to make the attempt to introduce new knowledge to the persuadee, the persuader must use what is already known as a "springboard" to lead to what is new. Recall that this was one of the aspects of persuasive organization discussed in Chapter II. The key idea is that listeners want to hear of new concepts as they relate to what is already understood.

One example of the way this method could be used in the life insurance

sales presentations would be to explain the operation of a term insurance policy as analogous to car insurance. Perhaps the client drives a car and has dealt with automobile insurance to cover possible accidents. He knows that he pays a premium once every six months and in exchange for that premium he gets insurance coverage. He also knows unless he has an accident he will not get a return on his premium payments; they do not accumulate nor do they draw interest while in the hands of the company. Term insurance works much the same way. Premiums are paid at regular intervals. In return, the insurance company guarantees that if the client dies, a certain amount of money will be available. As with the automobile insurance, the client's premiums do not accumulate and he does not get a return on his investment unless he dies. Although this is a rather simplified illustration, it does show how an insurance agent could adapt new knowledge to the client's existing knowledge.

Belief is also defined as concepts or inferences held to be true by the listener. The possessor of a belief is prepared to defend those concepts as true whether they are or not. In other words, the person is committed to the "truth" of a particular bit of data. Holtzman perceives the relationship between experiences, knowledge and beliefs as follows: "Experiences lead through learning to knowledge or understanding; and, in turn, knowledge leads, when challenged, to establishment of beliefs."

For example, the federal Constitution gives the President the power of Commander-in-Chief of the forces of the United States. This knowledge may lead one to the belief that the President can then order the troops at his discretion. When a Presidential order is challenged, one is prompted to defend the knowledge that the President has sole command of the armed forces and the belief becomes solidified regardless of the contrary arguments. The belief may undergo some modification to the extent that the

President is limited in some ways by other elements of the Constitution, namely, that Congress has the reserved right to declare war. Then, perhaps, the knowledge that the United States is governed by a Constitution becomes the focus of the belief and if something is found or determined to be un-constitutional it cannot be believed or enforced. It is not always easy to see the relationship or the clear-cut boundaries between knowledge and belief. The first seems to blend into the second and the second seems to be modified in some cases by additional knowledge.

The essential relationship seems to be between the values held by the listener and the beliefs that are supported by those values. If the listener values rule by document (Constitution) rather than rule by force (perhaps a dictatorship), then he will probably find belief in those things constitutional easier than otherwise. In other words, the motivational base for beliefs is probably more important than the knowledge that led to specific beliefs. Therefore, the basic values held by men of a particular race, region or religion are those things that the persuader should discover because it is through those values that the persuadee sifts the persuader's message to determine whether or not it will be of benefit. Value must be offered the persuadee in a persuasive transaction or the persuadee will not change.³

The life insurance agent must determine those basic values which his client holds and the beliefs that are based on those values. Perhaps many men value security for themselves and their families. The belief that money is one way to provide that security (buying a home, food, clothing, medicine, etc.) might be one of the underlying beliefs that the agent could use. As shall be seen, the life insurance agents in this study make this

³For further support of this point see Oliver, Persuasive Speech, p. 264.

belief a central part of their presentations.

The persuadee's experiences, knowledge and beliefs make up the core of discoveries that the persuader must make. One other element of the persuasive pair should be noted, the necessity for a common premise.

Within the value system of speaker and listener there must be shared desires which both can contribute to the communication transaction and from which listeners may move in accordance with the intent of the speaker. Any of these values can provide what may be called a common premise.⁴ (Original italics)

The common premise becomes the starting point for change. In the life insurance sales presentations the common premise is stated early in the "book talk"; "The future belongs to those who prepare for it."⁵ It is that initial basis of agreement between persuader and persuadee that allows for persuasion to take place, if all other factors work for the persuader.

Agent Training in Audience Adaptation

The life insurance training materials do not explicitly mention audience adaptation as part of the agent's training program. Through specific points of advice to the agent, however, audience adaptation is suggested to be an important aspect of the sales process.

The most significant use of audience adaptation outlined by the training materials takes place during the sales process at the time that the agent focuses the client's attention on his individual insurance needs. Prior to that point in the presentation, the agent is advised to concentrate on the insurance needs of "most men." This step is designed to suggest to the client that "other people have the same general problem (need for insurance) and are doing something about it. . . ." With the client's mind conditioned to recognize his insurance needs, the agent then

⁴Holtzman, Speakers' Audiences, p. 103.

⁵The Prudential, The Dollar Guide, p. 12.

proceeds from that general problem "to a discussion of it as it applies directly to him (the client)."⁶

The adaptation that takes place during this portion of the sales presentation amounts to applying each of insurance needs of most men to the individual case of the client. The agent is told ahead of time, in the training materials, to be prepared to modify each of these needs to suit the individual circumstances of the client.⁷

Another indication that the training materials urge the agent to adapt to the sales situation is that much of what the agent says during a sales interview is left up to him. It is true that the training materials spell out at some length the steps to be taken by the agent and the necessity for following the established pattern closely.⁸ And it is true that the training materials provide a good many examples of what the agent may say during the sales process. But a significant point is that the agent is free to use his own devices as he proceeds through the presentation. In fact, the training materials suggest that as the agent gains experience he will probably find his own best method, allowing him to adapt the persuasive presentation even more to his own needs and desires.⁹

The agent is also prompted by the training materials to be cognizant of non-verbal cues from the client and to adapt to those cues. This is mentioned in relation to the necessity for the agent to place himself so that he can see the client and his wife, if she is present.

It allows you to intercept signals in the form of smiles or warning frowns, between Mr. and Mrs. Prospect. These signals

⁶The Prudential, The Sales Process, p. 5.

⁷The Prudential, The Dollar Guide, p. 21. ⁸Ibid., p. 12.

⁹The Prudential, The Sales Process, p. 4.

are very important to you in determining your sales strategy.¹⁰

It is evident that the sales training materials suggest that the agent be prepared to adapt to the client's specific insurance needs during the sales presentation. The training materials also allow the agent enough freedom within the structured sales process to promote agent adaptation to the particular circumstances of a particular sales presentation. And specific mention is made of the importance of non-verbal cues to the agent's sales strategy. Audience adaptation, then, does seem to be included in the life insurance training materials as an integral part of the agent's preparation for sales work.

Audience adaptation is the process of the persuader's discovering and utilizing the client's experiences, knowledge and beliefs in order to influence a change. Audience adaptation also necessitates the discovery of a common premise upon which the persuader can build his case using what he has learned of the persuadee. It seems at this point that one could say that persuadees expect persuaders to relate whatever they have to say to the auditor's specific circumstances. People want to know how a particular idea or proposal is going to affect them, not someone else. It seems that this is most easily accomplished by adapting to the listener.

The Audience

Traditionally, research in speech-communication has dealt with a speaker/persuader addressing a large group of listeners. Indeed, the persuasion texts used in the identification of the eight persuasive factors focused on persuasion before large groups. Holtzman's text also used the large group as the basis for discussing audience adaptation. This study, however, deals not with a large group of listeners but with one listener.

¹⁰The Prudential, The Dollar Guide, p. 11.

Rather than a one-to-many persuasive situation, the sales presentations represent a one-to-one persuasive situation. At this point it is necessary to draw some distinctions between the one-to-many and the one-to-one communication setting.

Past research has indicated that listeners in a large group are affected not only by the speaker but also by the other listeners. This research has been adequately reported and summarized in other sources and need not be repeated here.¹¹ What is more germane to this study is the difference between the large audience and the audience of one. Unfortunately, little research has been conducted to determine what those differences are. It is interesting to note that the writers of the persuasion texts did not make the distinction between persuasion in a mass audience and persuasion in a one-to-one situation. They frequently interspersed examples of public speakers with examples of our salesman selling one man on the fine points of an automobile to illustrate their persuasive principles.¹² Indeed, it was found in Chapter II that the persuasive techniques and devices prescribed for use in a public speaking situation were found in a presentation specifically prepared for one or two listeners (providing the client's wife was present during the sales presentation). This may indicate that most people, whether in large groups or alone, are susceptible to the same persuasive influences. Certainly qualifications have to be made in some instances of audience adaptation that rely on the proximity of others or on the attitudes of the group to sway persuadees but, generally, it has been assumed that what works for many may very well work for one.

¹¹See especially Hollingworth, The Psychology of the Audience and Arthur R. Cohen, Attitude Change and Social Influence (New York: Basic Books, Inc., 1964).

¹²See Oliver, Persuasive Speech, p. 83 and Brembeck and Howell, Persuasion, pp. 85, 105, and 169 for examples.

Until further research explores more fully the distinctions between persuasion in large groups and persuasion in a one-to-one situation, the best that can be offered are some probable differences. Perhaps the best way to make these distinctions clear is to use the analogy or comparison of mass communication with face-to-face communication and then extend that comparison to one-to-one communication.

Westley and MacLean make two distinctions between mass communication and face-to-face communication. First, they note that face-to-face communication involves more sense modalities. That is, more of the communicator's sense operations (hearing, seeing, feeling, smelling, etc.) function in face-to-face communication than in mass communication. Secondly, they point out that, because more sense modalities are used, more immediate feedback is possible.¹³

Now consider an application of these distinctions to one-to-many persuasive situations and the one-to-one situation. The persuader addressing a large audience has limited means by which to "read" his audience. He can hear and see only large portions of the group at one time or he can concentrate on a few individuals to provide feedback. In the first case he gets a generalized view of his audience that may obliterate more specific factors, such as the man sleeping in the tenth row. In the second case he gets only specific cues from individuals which may not be indicative of the entire group's reaction to him. When the speaker spies the sleeping man he may raise his voice to awaken him but then the audience at large is distracted by this seemingly uncalled for increase in volume. In addition, in a one-to-many situation the speaker is generally not able to get verbal feedback

¹³Bruce H. Westley and Malcolm S. MacLean, Jr., "A Conceptual Model for Communications Research" in Interpersonal Communications: Survey and Studies ed. by Dean Barnlund (New York: Houghton Mifflin Co., 1968), p.46.

from the group unless a question and answer period follows his presentation and by that time it is probably too late to adapt more carefully to the audience.

The persuader conversing with only one auditor has a more limited target for his attention and is able to read more carefully the feedback provided his message. He has only one face to concentrate on and usually there is the provision for verbal feedback at any time during the presentation. The persuader's sense modalities can provide more information simply because of the proximity of the persuader and persuadee.

The speaker before a large group can generally respond that the group was receptive or not receptive to his message. They were either friendly or not friendly to him. They applaud or they do not applaud. But the speaker in a private interpersonal interaction is bombarded with information of a more specific, refined variety. Indeed, researchers have found that an incredible amount of data is generated in just a few moments of casual conversation. The amount of communication that takes place at the verbal and non-verbal levels during a one-to-one communication transaction is difficult to measure because of all the factors involved. An example of the complexity of such a situation is found in the book The First Five Minutes which analyses the verbal and non-verbal cues in the opening moments of a conversation between a therapist and his patient.¹⁴ It would seem justifiable to suggest that the same would be true in a sales situation with a life insurance agent and one client.

Essentially, the one-to-one persuasive situation allows more communication to take place as more sense modalities of both persuader and

¹⁴Robert E. Pittinger, Charles F. Hockett and John J. Danehy, The First Five Minutes: A Sample of Microscopic Interview Analysis (Ithaca, New York: Paul Martineau, 1960).

persuadee come in to play and, this in turn, provides more feedback to each. In terms of audience adaptation the persuader has at his disposal, because of improved feedback, more information about the persuadee to utilize during the persuasive situation.

It seems as if these conclusions about one-to-one communications in no way negate the use of any one persuasive technique or any one factor in the analysis of the persuader's audience. Rather, it indicates that audience analysis in a one-to-one situation is more crucial because of the narrowness of the persuasive target. One may get by with generalizing about a large audience's age, calling them under thirty, but such a generalisation might be disastrous in a one-to-one communication where age was a crucial factor.

Until further research reveals more accurate distinctions between one-to-many and one-to-one communication situations, it seems possible to support at least two. One-to-one communication allows for the use of more sense modalities on the part of persuader and persuadee and, therefore, increased feedback is possible. This increased feedback facilitates and necessitates improved audience adaptation in comparison with one-to-many communication situations.

Modes of Auditor Analysis

Thus far it has been determined that audience analysis consists of the persuader's determining the persuadee's experiences, knowledge and beliefs. It was also determined that the one-to-one communication situation allows for improved communication in order to determine more precisely the persuadee's circumstances. This section deals with the two modes of communication available to the persuader by which he can determine the persuadee's experiences, knowledge and beliefs: verbal and non-verbal

communication.¹⁵

Verbal communication is generally regarded as the use of language, words, to communicate information. In addition to the individual words, grammar and syntax play a significant role in verbal communication. As was indicated above, this type of communication is fostered in the one-to-one communication situation because the persuadee is allowed to verbally communicate with the persuader.

Non-verbal communication is a larger, if not more complex mode. Non-verbal cues are "supplied through vocal characteristics--changes in volume, voice quality, inflectional patterns, rate of speech--as well as through physical actions--changes in muscular tonus, gait, gestures, (and) facial expressions. . . ."¹⁶ Other non-verbal factors that facilitate communication between people are things like the distance speaker and listener maintain between each other, the clothes they wear, and their physical positions relative to one another. While verbal codes are suited to the communication of information, "the non-verbal code appears better adapted for conveying emotional states and for generating interpersonal rapport."¹⁷

Just as the one-to-one communication fosters increased verbal communication between persuader and persuadee, so does it tend to improve non-verbal communication. Because of the close proximity of two people in conversation, they are more able to detect non-verbal cues.

The salient verbal and non-verbal elements in the sales presentations will be mentioned during the analysis of the presentations in order to

¹⁵For an extensive discussion of verbal and non-verbal communication see the editor's introduction to the section on "Nonverbal Interaction" in Interpersonal Communication: Survey and Studies ed. by Dean Barnlund (New York: Houghton Mifflin Company, 1968), pp. 511-542.

¹⁶Ibid., p. 525. ¹⁷Ibid., p. 526.

provide a clear context for their application. The same will be done in describing the setting for the sales presentations.

The Persuasive Situation

The context in which the sales presentations were made will be described beginning with the physical setting and then describing the client and the client's impressions of each of the agents.

The Physical Setting

The setting for both sales presentations was the client's apartment. On each occasion care was taken to be certain that identical furnishings were in the room. The apartment was carpeted and the walls were painted in soft shades of green to blend with the floor. The furniture in the room consisted of a sofa and matching chair with a round table in close proximity. There was a bookshelf with a selection of reference works and fiction.

Care was taken to eliminate any obvious odors from the apartment and the temperature was set at a comfortable seventy-two degrees. An ashtray and pipe were plainly visible on the table in front of the sofa indicating that the client smoked.

The tape recorder was started before the agents arrived at the apartment and the microphone and machine hidden from view.

The effects of the room in which the interviews took place are difficult to measure but if the room could be considered to be pleasant then one might conclude, on the basis of research conducted by Maslow and Mintz, that the salesman would perceive the client to be in a state of "well-being."¹⁸

¹⁸Abraham H. Maslow and Norbert L. Mintz, "The Effects of Esthetic Surroundings" in Interpersonal Communication: Survey and Studies ed. by Dean Barnlund (New York: Houghton Mifflin Company, 1968), pp. 543-550.

The sofa and matching armchair served as seating for the agents and the client for both sales presentations. Both agents sat on the sofa and the client sat diagonally from them on the armchair. The distance between the client and both agents was approximately three to five feet during the length of both interviews. According to observations reported by Hall, that distance would promote casual conversation conducive to talking about personal matters and conveying non-personal information.¹⁹ The round table was used in both instances for the agents' sales material. In this seating arrangement the client and the agents could easily see each other and the sales material. On the basis of research conducted by Sommer which dealt with the effect of seating arrangements on conversation and cooperation between two people, the seating arrangement during both interviews could be said to be conducive to both conversation and cooperation between client and agent.²⁰

This description of the physical setting for the sales presentations seems to indicate that it was conducive to interaction on the part of agents and the client and that it reflected the client's state-of-being.

The Client

Only the client's personal appearance will be discussed as other non-verbal factors will be noted during the analyses of the sales presentations in Chapter IV.

Although the research in the area of personal appearance appears to be inconclusive, Aiken has suggested that "economy of dress" reveals a person to be "responsible, conscientious, alert, efficient, precise, and

¹⁹Edward T. Hall, The Silent Language (Greenwich, Conn.: Fawcett Publications, Inc., 1959), pp. 163-164.

²⁰Robert Sommer, "Further Studies of Small Group Ecology" in Interpersonal Communication: Survey and Studies ed. by Dean Barnlund (New York: Houghton Mifflin Company, 1968), pp. 558-568.

controlled."²¹ Unfortunately this research dealt with apparel worn by women and may not apply to males. Be that as it may, the client was dressed in slacks, a white shirt, and sweater for both of the sales presentations. His appearance would probably be better labelled "casual" than "economical." The client also wore glasses during both of the interviews. Thornton has presented some research evidence indicating that glasses produce judgments of intelligence and industriousness on the part of research subjects viewing persons with spectacles.²²

The Agents

The client's initial impression of the agents was favorable. Both men were dressed in dark business suits with white shirts and ties. They were neatly groomed and well-mannered, waiting for the client to ask them to be seated. Both salesmen arrived at precisely the appointed time and greeted the client in a friendly manner, introducing themselves by name.

Summary

Audience adaptation has been defined as the persuader's attempts to relate his persuasive message to the persuadee's experiences, knowledge and beliefs. The need for a common premise was also noted as essential to audience adaptation.

Distinctions were drawn between communication situations involving one speaker and a large audience and the one-to-one setting. It was determined that the one-to-one setting allowed for the use of more sense modalities than did the one-to-many setting, thus providing improved

²¹Lewis R. Aiken, "The Relationships of Dress to Selected Measures of Personality in Undergraduate Women," Journal of Social Psychology, 1963, pp. 119-128.

²²George Thornton, "The Effect of Wearing Glasses Upon Judgments of Personality Traits of Persons Seen Briefly," Journal of Applied Psychology, 1944, pp. 203-207.

feedback.

Two modes of audience analysis were briefly defined. They were verbal and non-verbal.

Finally, a brief description of the sales setting was presented based on various non-verbal attributes. The bulk of this information was reserved, however, for inclusion in the analyses of the sales presentation when it could be presented in the persuasive context.

CHAPTER IV

ANALYSIS OF SALES PRESENTATIONS

Introduction

Each of the sales presentations will be analyzed to determine to what degree each of the agents adapted particular persuasive factors to the client's experience, knowledge and beliefs. In order to do this, examples of each of the factors appearing in the presentation will be noted and an explanation offered as to how the agent adapted to the client.

When deemed necessary, the exact language used by the agent will be noted. If the persuasive factor appeared during the presentation of the book talk, the language contained in the agent's visual aid will appear in upper case. This will make the distinction between the "book's" language and the agent's more easily identifiable.

As has been noted previously, the letter-number indices, (i.e., A-1, B-1) refer to index markers appearing in the margins of each of the sales presentation transcripts. These transcripts are included in the Appendix if the reader wishes to refer to them.

Along with the transcripts, the original audio recordings of the sales presentations were used in this analysis. Although used primarily in the discussion of each agent's delivery, their use is noted in the text when necessary.

Analysis of Sales Presentation A

Salesman A began his presentation by establishing common-ground with the client. The factor of identification was apparent in the agent-client discussion of (1) the weather, (2) the client's home town, and (3) the

client's school. It was determined that the agent was familiar with the region of the country the client was from and that both attended the same college. (A-1)

Further agent-client identification took place when the client learned that the agent had formerly been a school teacher, the same profession the client had been in for a number of years. (A-2)

With the end of this conversation, the agent began to lead the client into the sales presentation. The factor of suggestion was employed by the agent when he told the client he was the top salesman in his district the previous year. The prestige attached to that position indicated to the client that Salesman A was a capable insurance agent. (A-3) This prestige was enhanced when the agent explained that his philosophy was to keep the client's interests and needs foremost in his work. In the agent's words, "I find out what a guy really wants, what his needs are and then I try to fill his needs with insurance to the best of his income." (A-3) This client-centered approach appealed to the client's belief that an insurance agent should serve as a counsellor in establishing an insurance program rather than as a salesman whose only interest was making a sale.

Agent interest in the client was further demonstrated when the agent offered to file a form with the Social Security Administration to assist the client in checking the accuracy of his account. (A-3)

Then the agent proceeded to introduce a tape recording which he had on a small portable machine. He said, "It brings in some third party influence" which impressed the client because he was familiar with the possible influence of prestige authorities in a persuasive situation. That the agent would use such a device and call it by what the client thought was a sophisticated term further enhanced his prestige.

The authority was introduced as Earl Nightingale, a name unfamiliar

to the client. The agent noted that he was an "orator, . . . lecturer, . . . and a very good motivator." (A-3) Because the client was a speech teacher, the use of these terms furthered agent-client identification.

Then the salesman started the tape recorder. Initially, the quality of the recording was very poor and incomprehensible. This prompted the agent to try to remedy the situation by adjusting the volume and tone. However, as the audio tape of the presentation indicates, that did not materially affect the understandability of the tape. For the fifteen minutes that the tape played, the client was unable to understand enough of it to be able to recall after the presentation what it was about, let alone any specific ideas presented in it. The agent made no attempt to determine whether or not the client could understand what Nightingale was saying. These two factors, the poor quality tape and the agent's failure to consider the client's confusion, had an adverse effect on the client. (A-4)

At the conclusion of the tape, the agent made no attempt to relate what he had played to the sales situation. Instead, he immediately began to fill out the form to be sent to the Social Security Administration for the client. In doing so the agent was able to determine the client's age and the age of his wife. At the same time he asked the client if there were any children "yet." The client answered no, recognizing the implication that the agent had suggested that there would be children at some future time. (A-5)

Having completed the forms for the social security check, the agent began the sales presentation. First, he did a "little bit of bragging." (A-5) He referred to the size of the Prudential Insurance Company and noted that he represented the largest company in the business. The client had been aware of the fact that the Prudential was a big company but

unaware that it was the largest. This served to again enhance the agent's Prestige as a representative of a prestigious organization.

Then the agent began what has been termed the "book talk." This portion of the sales presentation consisted of the agent reading from the text of a presentation book. Along with the text were pictures which illustrated the ideas. Essentially, the book talk is a general overview of the insurance needs of "most men." And the photographs serve to emphasize those needs. When the agent turns to the page outlining the need for a last expense fund the client's eye is directed toward a full-color photograph of a woman paying bills from a checkbook while her two children play around her. Conspicuously absent, perhaps because of the text which talks of "personal sorrow" at the loss of husband and father, is a male figure.

The text that accompanies the photographs begins by suggesting the Prudential motto: "THE FUTURE BELONGS TO THOSE WHO PREPARE FOR IT." This basic premise runs throughout the sales presentation and is central to the agent's selling. The client agreed with that statement and, therefore, it became the common premise upon which the agent and the client could focus. It will be recalled that the establishment of a common premise was a key factor in Holtzman's explanation of audience adaptation.

What might be termed a working premise, in contrast to the general nature of the first premise, was pointed out by the agent. He suggested that "FOR MOST MEN, INSURANCE DOLLARS ARE THE MOST SATISFACTORY DOLLARS AVAILABLE FOR THEIR FAMILIES' WELFARE WHEN THEIR EARNING POWER IS CUT OFF BY DEATH, OLD AGE OR DISABILITY." (A-5) He continued by stating the Prudential's belief that each individual is a better judge of what his insurance needs are than anyone else. (A-6) Although the client had reservations about insurance being the "most" satisfactory way of providing financial security, he agreed fully with the belief that he was

more able to decide what his needs were than anyone else. Identification through common beliefs is evidenced here.

With the common premise established the agent proceeded to present the various insurance needs that "most men" have. The first was a last expense fund which was explained as a fund for burial expenses "and such."

(A-6) The client reacted adversely to the language used by the agent because "and such" seemed to be a catch phrase used to cover a lack of more precise terms.

The second fund was the guaranteed monthly income. At this point the salesman left the text of the book and alluded to the previous discussion between himself and the client about social security. He noted, "Social security is not enough to get by on when a person is used to a certain standard of living." (A-6) This repetition of the subject of social security assisted the agent through the factor of attention.

Next he outlined the need for an emergency fund. He suggested that the client would not likely have emergencies until children were added to his family. (A-6) It will be recalled that the agent had previously established the fact that the client had no children but expected them in the future. This appears to be adaptation to the client's knowledge and beliefs.

The agent testified to the fact that children are the subject of most family emergencies as he had three of his own. (A-6) Because of his personal experience (factor of evidence) the client accepted his observation that children and emergencies go together.

The mortgage or rent fund provided money for housing in the event the breadwinner of the family died. In explaining this fund, the agent adapted to the fact that the client was living in an apartment by explaining that this fund was calculated on the basis of the monthly rent figure

paid by the client. (A-6)

The agent's explanation of the fourth fund, the education fund, began with the statement from the presentation book, "TODAY, A SOUND EDUCATION IS ESSENTIAL TO SUCCESS." He followed that up by saying, "And I think you are very aware of this." (A-7) The agent adapted to the client's position as a college graduate, assuming that the client believed in the need for an education.

Money for retirement was the subject of the next insurance need. The agent attempted to adapt his explanation of this fund to the client by noting, "You will have an income . . . from, you know, group pensions or, if you're going to be working for a school, you'll have a state pensions (sic) . . ." (A-7) The adaptation is in line with the client's belief that the possibility of retiring as a teacher was good. The persuasive factor used by the agent was suggestion.

The last fund discussed by the agent was a disability fund in case of prolonged sickness or injury that would disable the client for an extended period of time. While the agent explained that this fund was of primary importance to those who relied mainly on their physical rather than mental power, he said, ". . . this could be important for you, if you . . . (were) laid up for six months . . . without income." (A-7) The client's previous experience with the lack of money and the knowledge that six months without an income would make for uncomfortable living were appealed to in the agent's suggestion.

By the end of the "book talk" the agent had made use of the factors of attention, identification, suggestion, and evidence and had adapted each of these to the client's experiences, knowledge and beliefs. In addition, a common premise had been established from which the persuader could continue to build his case.

As has been explained, the book talk attempts to establish in the client's mind the fact that many men are faced with insurance needs. By the end of the book talk, the client should be prepared to discuss his individual insurance needs with the agent. This is the next step in the sales presentation. The procedure followed by Salesman A was to review each of the insurance funds and to secure for/from the client a figure indicative of his particular needs.

The agent asked the client how much money would be needed to cover his last expenses. The client made no reply because the agent continued by saying that unless there had been a recent death in the family the client would be unaware of what funerals cost. Since this was the client's case the agent suggested a figure (\$2,500) to cover last expenses. The agent supported that figure by noting that he had checked with a funeral home to determine what funerals cost and, secondly, from his personal experience in handling a number of recent insurance claims. (A-8)

Here the agent adapted to the client's lack of experience and knowledge by directly suggesting a figure. He also made use of the factor of evidence in supporting that suggestion.

During this same discussion the agent made use of the factor of identification by referring to higher funeral costs in large cities like Chicago and, "up around Minnesota, the Twin Cities." (A-8) Because the client was from Minnesota and near the Twin Cities (as had been established in the opening conversation between the two) the agent made use of a familiar large city.

The agent adapted his discussion of the emergency fund by noting that the client need not be concerned with this insurance need until he had children to support. (A-8)

The agent emphasized preparation for the future (repetition of the

common premise) during his explanation of the need for an education fund. Other than that he made no attempt to relate this insurance directly to the client's circumstances. This is explainable because of the fact that the client had no children and the education fund is designed for children.

(A-8)

The agent and the client agreed on a figure of \$2,000 per year for a college education, amounting to \$8,000 for a four year term. This was in keeping with the client's knowledge of the amount of money needed based on his personal experience with two different colleges. (A-9,10)

A mortgage or rent fund was the next item covered by the agent. He assumed that because the client was living in an apartment he did not own a home and was renting. Then he suggested that the client would probably buy a home once he got settled. This coincided with the client's belief that he would, at some future time, buy a home. But for the time, the agent suggested that the client simply make allowances for rent. The client agreed to that suggestion. The agent arrived at a figure of \$23,000 for this fund. The agent noted a look of surprise on the face of the client at the mention of that figure and responded with "Doesn't that stagger (you)? You don't realize this until you stop and really think what you pay."

(A-10) Thus the agent demonstrated his ability to adapt to non-verbal cues from the client.

In addition, the figure for rent was arrived at by computing the client's present housing costs for a twenty-year period. The agent adapted to the client's circumstances to provide statistics (factor of evidence) supporting the need for a rent fund.

At this point the agent also made an emotional appeal by noting that if the client should die, \$20,000 would provide adequate security to his wife and children by providing them with a house. (A-10) The client

believed this provision of life insurance to be one of the major assets of owning a policy.

The next fund consisted of the guaranteed monthly income for the client's wife. The agent asked the client how much this monthly figure should be but the client responded by saying he didn't know. The agent took the opportunity to suggest a figure of \$250. The client felt that that would probably not be enough and the agent suggested \$300. The client agreed that figure would be better and the agent followed by saying, "Well, this is probably more realistic." (A-11) There seems to be some evidence that the agent adapted to the client's beliefs regarding this monthly figure and complimented the client by noting it was a realistic figure.

The agent referred again to the client's not having any children as the reason for not increasing this fund even more. But then he added "now, if you got (sic) one on the way, or something, then I go ahead and program this in." (A-11) The client responded by saying that he and his wife expected to have a child within the next year and that prompted the agent to double the guaranteed monthly income.

This brought to a close the second step of the sales presentation, establishment of the client's individual insurance needs. During this portion of the presentation the agent relied heavily on the factor of suggestion in proposing specific amounts for each of the different insurance funds. In each case the client agreed with the suggestions of the agent. There is evidence that this was prompted by the agent's ability to adapt these suggested sums of money to the client's circumstances, experience, and knowledge. The client's belief that he was the best judge of his insurance needs was met in that the agent continually let the client make the final decision as to how much money should be relegated to each fund. Thus there seemed to be an effort on the part of the agent to adapt to the

client during this phase of the sales presentation.

With the client's insurance needs determined, the next step in the sales presentation was the determination of the client's assets. This included information about present life insurance policies, social security and retirement information, and savings. This information was supplied by the client. Having determined both needs and assets, the agent determined that the client would need about \$130,000 worth of life insurance to cover all of the funds. (A-15) The agent then outlined three alternatives that would provide that coverage; permanent insurance, term insurance, and a combination plan including a base policy of permanent insurance with a term rider. He explained that permanent insurance would "give you 100 per cent return on your money plus a big savings; . . . you would more than double your money between now and age sixty-five." (A-15) Term insurance was explained to be "most costly overall" but it "guarantees your insurability." (A16) This last phrase means that as long as the client had term insurance in force the company would guarantee him the right to convert the term into permanent insurance regardless of the client's physical condition. But, the program recommended by the agent to the client, because of his age, was the combination permanent and term insurance.

Because of his age, the client would realize a profit on the investment in the permanent insurance at sixty-five and the term insurance would guarantee him the right to convert it to permanent insurance when the need arose. (A-16) This coincided with the client's belief that the most economical and practical way to buy insurance in his case, meaning limited money to spend on insurance, was the combination approach.

The agent correctly assumed that the client's wife worked but added:
 . . . with children she may not be able to work. . . . You would

be the primary breadwinner and you would want to have your wife and children to lead a normal life, as well as they could without you. (A-17)

The agent's use of the factors of suggestion and emotion in this instance coincided with the client's belief that he had an obligation to provide some assistance to his wife if he should die. In addition, the client believed that his wife should not have to work as long as there were small children in the house.

Returning to the discussion of the combination insurance plan, the agent said, "I doubt that you could afford \$130,000 of permanent insurance." (A-17) This prompted the client to ask how much the premium was for that amount of insurance. The agent computed the figures and said it would run around \$1,900 per year. The client's response was that he understood why the agent said that. (A-17) The agent demonstrated the ability to judge the financial condition of the client. But the question might be asked, if the agent could judge this why did he bring it up? All he could hope to accomplish would be to find that the client could afford that much permanent insurance. But if he trusted his judgment, all he could hope to do would be to show the client something beyond his reach, financially.

It may have been better had the agent not brought the matter up but rather used his judgment to steer the client toward the combination policy that he could afford. It seems that that tactic would have better demonstrated the agent's ability to adapt to the financial means of the client.

Perhaps the agent sensed that the client was not pleased with the way the insurance program had been started because he suggested that the client consider a lower figure for insurance needs. In fact, the agent said, "to be truthful," most people did not buy insurance to cover their total needs. (A-18) The client agreed that lowering the figure would be

a good idea. Therefore, the agent suggested that a more "balanced" figure for the client would be \$80,000 or \$90,000 worth of insurance. This move on the part of the agent increased the client's confidence in that he demonstrated by being "truthful" about how much people usually cover that his concern was for adapting an insurance program to the client rather than selling the largest policy he could. In the last analysis, however, the largest policy is the one the client can afford and that may be the reason why most people do not cover all of the insurance needs.

Nevertheless, the agent's move to reduce the amount of insurance (direct suggestion) resulted in the client's improved satisfaction with the way the agent was programming his insurance needs. There seems to have been some adaptation on the part of the agent to the client's ability to afford a somewhat lower premium on a lower amount of insurance.

Thus far in the presentation the agent's use of the factor of organization seemed to be leading the client to the desired conclusion, the establishment of insurance needs and a policy to cover those needs. Modifications in both needs and in the insurance plan seemed to be made without losing sight of that goal. At this point, however, the agent confused the client. Instead of using the agreed upon figure of \$80,000, the agent explained that the client could get a \$30,000 permanent policy with a \$100,000 term rider. (A-19) The client could not understand why the agent returned to that larger figure. To complicate the client's confusion, the agent then turned from that large figure to say that \$80,000 would be a better figure to use. (A-20)

The client had been under the impression that they had agreed to use the lower figure. The agent's failure to organize his presentation around that agreement impressed the client negatively. Failing to adapt to that mutual agreement caused the client to become confused and, in turn, think

that the agent was confused also.

Having decided to use the \$80,000 figure, the agent then suggested to the client an insurance program consisting of a \$50,000 permanent policy with a \$30,000 term rider. The agent's primary selling point for the large permanent policy was that it accumulated a cash value at a fast rate. This he attempted to illustrate by referring to the client's experience with a previously purchased \$10,000 policy. The smaller policy had been in force for about five years. The agent explained that the large policy would provide about the same cash value at the end of one year as the small one had accumulated in five. (A-21)

The factor of evidence, consisting of statistics and personal experience, was adapted to the client's knowledge of his previous policy. This seems to be a good example of the process of proceeding from the persuadee's fund of knowledge to present new information. As was pointed out in the previous chapter, that is the essence of audience adaptation to listener knowledge.

Additional support for the policy was suggested by the agent in the form of statistics. At the client's present age, he would pay premiums amounting to about \$30,000 for the policy. At sixty-five the policy would pay the client about \$65,000. "In effect," the agent said, "you could double your money." (A-22) This appealed to the client's belief that doubling one's investment was always appreciated.

Then the agent cited the cost of the \$50,000 as amounting to \$745 per year. This prompted the client to say that, with his present insurance, he would be paying "almost a thousand dollars a year" for insurance. The client then told the agent that his position paid a salary of \$8,500 per year. He concluded by noting, "To me, that seems like a lot of money to pay for life insurance." (A-22,23)

Here is a clear indication to the agent that the client had reservations about spending that much money for insurance. The agent countered this belief of the client's by noting three advantages if the client would buy this policy at the present time. First, the client was young enough to enjoy lower premium rates. Secondly, the client was in good health (strictly an assumption on the part of the agent because the client's health had never been discussed--all the agent knew was what he could observe) and that guaranteed him insurability. The implication was that the client might not be in good health later on. Thirdly, the agent suggested that the client wouldn't be spending the premium payments. Rather, he would be paying himself. As the agent stated it, "Because it's yours. Whenever you die you're going to benefit from it." (A-23)

The client agreed that these were advantages to buying the insurance but did not negate the belief that one-eighth of his salary was too much to spend for two insurance policies.

Then the agent suggested that because of the fast rate of accumulation, the client could benefit from the cash loan value even before the policy matured. He explained that the client could borrow against the cash loan value of the policy at 5 per cent interest. He compared this with the 7 per cent interest rates at the banks. He then illustrated this advantage by telling the client of a staff manager for the Prudential who had such a policy and used it to finance a new car every few years. (A-24)

Again, the client agreed that this was an advantage to buying the policy but redirected the agent's attention to the problem of fitting \$1,000 worth of insurance into his budget.

During this portion of the sales presentation the agent made use of the factors of identification (agreement on advantages of buying the policy), suggestion (buying now would be more economical because of lower premium

rates), evidence (statistics, personal experience, testimony from staff manager), emotion (note third advantage). But in doing so he placed himself directly opposed to the client's belief that the policy was too expensive. While the client agreed that the agent's reasons were advantageous, the agent's arguments had not led the client from his objection.

Evidently the agent recognized the strength of the client's belief about how much money he should spend on insurance because he asked the client ". . .about what would you want to put away?" The client responded with 5 to 10 per cent of his income. The client believed that that should cover the cost of life insurance, health insurance, and automobile insurance. The agent agreed with the client that 10 per cent was a good figure to use. But he disagreed with the client's including automobile insurance in the same category with life and health insurance. He said that he did not like the way the car insurance companies had gotten the state to pass a law requiring drivers to be insured. (A-25)

When the agent voiced his disagreement with the client's belief about what should be covered by his 10 per cent figure, the client felt that the agent might have a legitimate point of view to consider. But when the agent apparently tried to explain his reason for not including auto insurance as the fact that the state required drivers to buy it, the client rejected his belief. The client could perceive no relationship between the requirement to buy auto insurance and including it or not including it in his 10 per cent budget figure. In fact, it should be noted that the client disagreed with the agent about making automobile insurance a requirement. But he did not mention this to the agent. Instead, the client took the lead and brought the agent back to the discussion of the budget.

Then the agent explained his reasons for not including automobile

insurance with life and health. First, he noted that auto insurance increased and decreased with the relative value of the car. Secondly, he suggested that automobile insurance varies in cost from place to place. The client agreed that this was so. (A-25) But the client still saw no connection between these reasons and the agent's belief that auto insurance should not be included in the budget with life and health insurance.

To the client the agent had gotten off the track of the sales presentation and was talking about things that were not of crucial importance to the sales interview. The client felt that the agent had lost sight of the important question, the client's budget. In addition, it should be noted that the agent made no attempt to relate his reasons to the client's situation. In other words, the client had not been persuaded.

The agent then agreed that the client had a pretty "good rule of thumb" with the 10 per cent figure as long as the client excluded automobile insurance. At this point, the client agreed with the agent's observations in order to proceed with planning the insurance. But the agent again proceeded to discuss automobiles and automobile insurance. At this point the client was feeling upset that the agent refused to stick to the subject at hand. The client felt that the agent was ignoring his willingness to "see it the agent's way."

Two observations need to be made at this point. It seems apparent that the client had a high regard for keeping the sales presentation focused on what he considered to be the critical factor, his budget. When the agent persisted in talking about something the client did not agree with or when the client could see no relationship between it and his budget, he became upset. Perhaps it is safe to say that at this point the agent's inability to keep the organizational pattern of his sales presentation focused on what the client felt to be important was detrimental to his

selling. Adapting to the client's belief that automobile insurance should be included in the budget for insurance purposes might have been a better method for the agent to employ. This is especially true when considering that the agent's reasons for not including automobile insurance do not seem to be firmly based on reason but based on his dislike for the state and fluctuations in cost. The first has no bearing at all. The second could be said to be true for health insurance and yet he was willing to include that.

Once again the client brought the agent back to the problem of how much money the client should invest in insurance. Together, they arrived at the figure of \$850 per year. The client was already spending \$575 per year for insurance so \$275 was what was left for a new insurance plan.

(A-27)

Then the agent suggested that the client consider a permanent insurance policy of \$20,000. He quoted the client a premium of \$314 per year. Immediately, the client wondered why the agent would suggest a premium above the amount they had just agreed was the most the client could afford. There seemed to be a lack of adaptation of the factor of suggestion to the client's belief.

Then the agent lowered the amount of the permanent policy to \$14,000 and suggested a \$66,000 term rider. Together, these policies would have cost the client \$397 per year. The client again noted that the agent had exceeded the limit they had mutually agreed upon. (A-28) Again there seemed to be a lack of adaptation on the part of the agent.

This series of unacceptable proposals prompted the client to ask the agent about the possible purchase of term insurance, without the permanent base policy. The agent responded by saying that that was probably the best approach considering the client needs and budget. He added that term

insurance would give the client "coverage right now. That important thing, the coverage. Right now. Because your income hasn't caught up with what you're worth." (A-29)

At this point the agent seemed to recognize a critical factor in the client's situation. The client had a large insurance need but not enough income to provide complete coverage. This had been noted by him previously, but only now does it seem that he is willing to adapt to that conclusion.

The agent proposed a term policy of \$80,000 with a premium of \$360 per year. The client responded by saying, "That still sounds like a lot."

(A-30) The agent suggested lowering the amount of insurance but pointed out that this would reduce the client's protection. The client responded by saying that his wife had a good education and would be capable of supporting herself. The agent agreed but qualified that by noting that with small children she would be hampered in being both mother and breadwinner. (A-30)

Notice should be taken here of the agent's use of what has been traditionally described as the "Yes-But" technique. It allowed him to agree with the client's belief but in a modified form. Comparing this form of objection with the agent's disagreement about the automobile insurance leads to the conclusion that this method takes into consideration the client's position first and then offers disagreement. The former method used by the agent put the persuader and persuadee in direct confrontation with one another. Chances are the "Yes-But" technique that adapts to the persuadee more closely, is more persuasive.¹

It should also be noted that the client agreed with the agent's belief that children would hamper her role as breadwinner. Principally because the client believed his wife should be in the home to care for

¹Oliver, Persuasive Speech, p. 182 and The Prudential, The Sales Process, p. 9.

any small children rather than out working. This identification of common beliefs strengthened the agent's argument.

Finding that an \$80,000 term policy was too expensive the agent computed the cost of a \$30,000 policy and found that the cost was \$145 per year, well below the maximum set by the client. Then the agent calculated the cost of a \$50,000 policy and arrived at the figure of \$235, again below the maximum. (A-31) At this point the agent seems to be carefully adapting his suggested policy to the client's budget figure.

After learning that it was relatively simple to convert term insurance to permanent, the client said, "Well, that sounds more . . . reasonable." The agent picked up the cue that the client was satisfied and immediately assumed the client's consent to buy the policy by directly suggesting "Why don't we just fill that out for you then." (A-32)

The client wished to talk the matter over with his wife before making a commitment. The agent agreed to that and offered to prepare the relevant information in an understandable form so the client could explain the plan to his wife. Then the agent again attempted to get the client committed to the plan by having him sign what the agent called "part one" of the application form in order to fulfill some requirement that was not explained to the client. Again the client deferred. The agent suggested that this would not commit the client to buying the policy. The client felt that the agent was too persistent in his urging and assumed that the client would buy the insurance.

The agent then offered to return to the client's home to talk with the client's wife about the plan. A time was arranged when the agent would call to determine whether or not the client had decided to buy the insurance. With that, the agent left.

Summary

During the initial stages of the sales presentation the client was satisfied with the agent's performance. This satisfaction declined when the client felt that the agent was more concerned with selling the largest possible policy rather than a policy that would fit the client's budget.

It is evident from this analysis that Salesman A made use of both verbal and non-verbal cues to determine the client's experiences, knowledge, and beliefs. It is also evident that the agent made use of this knowledge in adapting most of the eight persuasive factors to the client.

The adaptation of the factors of attention, identification, suggestion, emotion, and evidence were pointed out in the analysis. Special attention will be paid to the adaptation of the factors of language, delivery and organization here.

As for the factor of language, it should be noted that the client was aware of the agent's failure, on a number of occasions, to use what the client felt was appropriate grammar. Here are some examples taken from the transcript:

It's mailed direct to you . . . (A-4)
 And has went up considerably. (A-8)
 Each year it would keep decreasing down . . . (A-19)

While certain non-fluencies might well be expected during any sales presentation because of the rapid flow of ideas, such apparent grammatical errors draw attention to themselves and detract from the persuadee's image of the persuader. At least this was the case in this study.

In Chapter II it was noted that the use of figures of speech was considered to be an effective persuasive technique. There is no indication that Salesman A made an attempt to adapt figures of speech to the client during this sales presentation. The connotative language he used was almost entirely confined to the initial portion of the sales presentation

and there is no indication that he attempted to adapt this to the client.

The delivery of the agent, as noted during the interview and as recorded on the tape, could be regarded as conversational in nature. His rate of speech varied from time to time providing contrast and interest. The give and take between the client and the agent prompted the agent to use gestures to emphasize certain ideas. Generally, there was nothing in the agent's delivery that distracted the client. His delivery was lively and easily understood.

The factor of organization played an important role during this sales presentation. Or, perhaps it would be more accurate to say that faulty organization played an important role in this interview. As was noted in the analysis, the client felt that the agent lost sight of the objective of the interview at various times. The agent had a tendency to go off on tangents. When talking about the need for an education fund, for example, the agent said:

I've been quoting people around \$2,000 a year. Just roughly, now some could probably use more. I got by on a lot less when I was going to school. But this would be--in the instance you have a little girl who grows up and goes to college--now a girl can't find a job quite as easy, easily, as a boy can. At least in my experience. I think the girls might get a job as sales clerk, and maybe, secretary to the university, or something, but there's quite a few more in competition. Where boys can get out and work at nights in filling stations and things like this if they want to. (A-9)

The client felt that the comments about girls and boys working when they go to school, at least as explained by the agent, had very little to do with why he recommended an education fund of \$2,000. Other instances of such "digressions" can be found in the transcript.

It seemed to the client that the agent was more convincing when he refrained from long explanations of certain items in the sales presentation and attempted to focus more closely on the primary ideas he was presenting

about the client's needs and the insurance to fill those needs.

It is apparent that the most effective use of delivery and organization that a persuader can use is to meet the expectations of the persuadee. And this can probably best be interpreted as not distracting the persuadee from the persuasive message by unexpected vocal or bodily manipulations and digressions from the objective of the message.

Analysis of Sales Presentation B

Salesman B began his sales presentation by establishing common-ground with the client. The two talked briefly of the weather and their impressions of the client's home state.

The agent asked the client about the school he was attending and his class. Then he proceeded to prepare his materials for the presentation of the book talk.

Salesman B followed the same format as Salesman A. The opening statements in the book talk were read to the client and his agreement with them was established. When the agent reached the portion of the book talk that states the belief that each man knows his insurance needs and is the best judge of them, the agent stopped and said:

What they are saying here is what you want your own family to have. What we are saying here is that you are the best judge of what your family should have, and it's kind of ridiculous to say that they need \$1,000 a month when you know they could get by on less but they don't need more. (B-2)

The factor of attention through repetition and vital interest is employed here. This restatement of the book talk's belief by the agent also impressed the client with the fact that the agent was stating his personal belief that the client was the best one to judge his insurance needs. This correspondence of beliefs between the client and the agent enhanced the prestige of the agent.

Then the agent presented the remainder of the book talk without additional elaboration or adaptation to the client. He covered the last expense fund, the guaranteed monthly income, the emergency fund where he did make a reference to the possibility of "sickness or leaky roof," the mortgage or rent fund where he said it was bad if something happened to the father and the family had to find a different home, the education fund, the retirement fund, and the disability fund. (B-3)

Having completed the book talk, the agent turned to a consideration of the client's individual insurance needs. He cited a survey conducted by Northwestern University which concluded that most "people's last expenses amount to about \$2,500." Then he asked the client, "Now, in your case, would that be too much or not enough?" The client said he was unfamiliar with the costs of funerals and that there was no reason why the figure should be higher. The agent recorded \$2,500 on his worksheet. (B-2,3) Here the agent made use of the factors of suggestion and evidence (authority).

The agent approached the need for a guaranteed monthly income by asking the client if he had any children. The client said no and the agent asked, ". . . what will be the minimum amount that your wife could survive on should something happen to you?" The client answered with \$300 and the agent recorded that figure. He then added that the client would have to review that figure with the addition of any children. (B-4)

The emergency fund was explained by the agent as being necessary to cover unexpected expenses like leaky roofs, blowouts on the car or other major auto repairs. Anywhere from one-half to one year's income was considered sufficient and he asked what the client's income was. The client said \$10,000 and the agent moved on to the mortgage or rent fund. (B-4)

Although the client had never had a leaky roof to repair, or a major auto expense that was not covered by insurance, the agent assumed that the client needed this fund. There seemed to be little adaptation to the client's experiences, knowledge or beliefs to this point.

The agent assumed that the client rented his apartment and did not own his own home yet. He then suggested that "a lot of young men set it up and call it their rent fund." The suggestion here is that the client, as a young man, would do well to follow their lead. The agent assumed the client's consent to that suggestion and offered a sum of \$30,000 to cover the need. The client agreed and the agent recorded the figure. (B-4,5)

The clearest example of the agent's adapting to the client occurred during the discussion of the education fund. "It's like yourself. A sound education is essential to success." The suggestion was that the client was a success and that he realized the importance of education in attaining that success. Adaptation to client experiences, knowledge and beliefs seemed apparent in the use of the factor of suggestion. (B-5)

Then the agent asked how much of a fund the client would like to establish and added that it was a difficult question for the client because he did not know how many children he would have in the future. The agent suggested \$4,000 to \$10,000 was necessary for a four year college course and the client chose the lower figure. The agent recorded that figure and reminded the client that he would have to have his insurance program reviewed with each new child. (B-5)

Noting that both the client and himself were a long way from retirement, the agent asked what kind of an income the client thought he would like to have when he did retire. The client said he would like to retire with what he was making at the time. Then he added that retirement wouldn't take as much money as before. The agent disagreed with that

belief, noting that retirement was a time to do things one had always wanted to do. In addition, even retired people had to eat and pay taxes. The client had not considered retirement from that point of view and it seemed to make sense to him. The agent suggested a figure of \$10,000 for retirement and said it could be adjusted in the future to fit the client's plans. (B-5,6)

Here there seemed to be some adaptation to the uncertain future of the client, providing for change in the insurance program. But this adaptation is built in to the insurance company's policy of reviewing insurance programs at regular intervals. This policy had been pointed out by the salesman before this point.

The last fund considered by the client and the agent was the disability fund. Again, the agent asked the client what he thought he would need to "get by on" if he were unable to work. The client believed that expenses would rise if he were disabled. The agent agreed with that belief. The client then said a figure of \$1,000 per month would probably be necessary to cover additional medical expenses in addition to regular living expenses. The agent recorded that figure. (B-6)

Here there is evidence of the agent's adapting to the client's belief that disabilities raise the cost of living for a family. Evidently, the thought that health and hospital insurance would meet some of this increased cost did not occur to either the client or the agent. Or, if it did, neither made an attempt to suggest that a lower figure might well meet the needs of the client in case of disability.

Before concluding the section on determining the client's insurance needs, the agent asked if the client's wife worked. The client said yes and noted that if an emergency arose, his wife could easily find work. The agent noted that this was true if there were no children. Then he

added, "When there are children it's important, I'm sure you realize, that they have the mother home." (B-7) This corresponded with the beliefs of the client and the factor of identification.

Then the agent began to review the figures that he and the client had arrived at during the preceding period. He asked, "We set up \$2,500 for last expenses. Is there any way we could possibly reduce that or should we add to it?" The client agreed that it should remain at that figure. Then the agent asked about the \$10,000 emergency fund. The client thought that should probably be reduced if it was for leaky roofs and that "kind of thing." The agent replied that he wanted what the client would consider a reasonable, "adequate picture" of his needs. The client thought half that figure would be better. Then they reviewed the education fund and decided that it would remain at \$4,000 subject to revision in the future. The guaranteed monthly income fund remained at \$300 and the mortgage and rent fund was set at \$30,000. (B-7,8)

Then they reviewed the disability fund and the retirement fund and concluded that those figures should remain the same. It is interesting to note that when it came to reviewing the disability fund, the agent did not ask the client if he thought it should be raised or lowered but said, ". . . we figured that you would need at least \$1,000 a month income and I think that that is a reasonable figure because it's like you say, there would be added doctor bills, etc." (B-8) Even if the client thought that that figure should have been reduced, the likelihood of such a change is doubtful after being told that it was reasonable.

This review period is suggested by the training materials as a means of "proving" to the client that he is the best judge of his insurance needs.²

²The Prudential, The Dollar Guide, p. 21.

As has been noted previously, this portion of the sales presentation requires that the agent accept the client's view of what his insurance needs are. Therefore, it would not be appropriate to call this adaptation to the client. It is important to note that the review of the client's insurance needs would probably act to solidify those needs in his mind and provide the agent with a reliable goal toward which to adapt an insurance program.

Having arrived at the client's insurance needs, the agent then asked if there would be any reason why the client couldn't go ahead with an insurance plan that met those needs if it fit the client's budget. The client responded by shaking his head no. The agent then asked the client if he could save \$100 a month without putting a "strain on the budget and without having to do without taking his wife to the show." The client responded with "Oh, yes, I think so." (B-8)

The client felt that the agent was demonstrating his concern for the client's welfare by asking how much money the client could afford to spend on insurance. Doing this before determining the exact nature of the insurance program gave the agent the necessary guidelines to follow. In this way he could be sure of suggesting a plan adapted to the client's knowledge of how much he could afford to spend. It should also be noted that by getting the client's commitment to (1) an insurance plan that would fit his budget and (2) a set figure within the budget, the agent had a psychological advantage. The client could not refuse without admitting that he had made an error in deciding how much he could afford to spend.

The agent then provided another opportunity for the client to review his insurance needs by asking which of the funds would be most important to cover if the whole package could not be included for \$100

per month. The agent asked the client to list the funds in order of importance. Then the agent gave the client a folder dealing with social security benefits while he arrived at the insurance program. (E-9)

Here there is evidence that the agent anticipated the possibility that the client's budget would not allow for full coverage of all the needs. This would allow the agent to more carefully adapt his insurance proposal to the client's most pressing needs.

Before the agent turned to his figures, he noted the client's assets. This included information regarding life insurance, social security, pension or retirement plans, and savings. He also asked about health and disability insurance the client might have had. (E-9,10,11) With that information he turned to his books and about five minutes later was ready with a proposed plan for the client.

The agent reviewed the client's insurance needs and suggested that the client would need a permanent insurance policy to cover \$11,500 and a term policy to cover about \$84,000. (E-10,11) Then the agent reviewed the client's assets. He pointed out that social security could not be included in the client's assets until he had children or until his wife reached age sixty-two. He then noted the client's \$10,000 insurance policy and his savings account. (E-12)

The agent suggested the client consider covering his insurance needs with a program of permanent and term insurance. Specifically, the agent suggested a permanent policy of \$30,000 and a term rider for \$54,000. This would cost the client \$63.66 per month. Then he added that though he agreed with the client that a disability plan for \$1,000 was reasonable, he could only insure 75 per cent of the client's income. That meant that he could provide a disability plan to pay the client \$750 per month at a cost of \$26 per month. The total premium for this insurance program

"would run \$89.66, which is less than what you said you might be able to save." (E-12) It was obvious that the client was pleased with the program. His response was, "Ninety dollars a month for all that, huh?" (E-12)

The client then asked about the insurance policies and the agent described the gain the client would make by age sixty-five. How the agent took the various elements of the client's background into consideration is evident from the following passage which deserves to be repeated here.

So at age sixty-five your contract . . . would have a cash value of \$51,792 which could provide you \$362.54 a month for life at retirement time. This would not come up to your \$10,000 that you want but I'm sure that you'll work somewhere where you will have a retirement plan and also you'll have social security, something coming out of that. But there is no way of looking ahead to tell you exactly what it will be, because you worked half and half in Minnesota for three years. That might not even qualify you to be permanently insured under social security, so at a later date when you are working under social security and are fully qualified then you can use part of that for your retirement. Also, a pension plan wherever you work. In today's market it's hard to go anywhere without finding a pension plan. It's almost a necessity anymore to acquire good people. (E-13)

This explanation of the insurance program seemed to the client to be an honest attempt on the part of the agent to point out the benefits and the limitations of the plan. In the client's eyes, the agent was not attempting to "put anything over" on an unsuspecting prospect. Instead, the client felt that the agent was making an attempt to realistically assess the client's preparation for the financial future, and this is interpreted as in keeping with the premise: "The future belongs to those who prepare for it."

There is evidence in this passage that the agent was attempting to adapt to the client's belief that the retirement program was of lowest priority on the list of funds. In addition, the agent tried to indicate that there were other additional sources of income in the client's future

that would more than offset the lack of a retirement fund at the present time.

The client then asked the agent to explain how the disability plan worked. This he did. The client then asked again how much the program would cost and the agent repeated the figure of \$89.66. The agent took this as a cue that the client was interested in buying the insurance package and suggested he fill out an application for the insurance. The client deferred taking this step until he had had a chance to talk it over with his wife.

The agent responded by noting that the client may have become disabled before the company had a chance to issue the policy if he hesitated at this point. The agent then related an instance of just such an occurrence. The client, however, did not believe that he would become disabled before he had a chance to talk the proposal over with his wife. (E-15)

The agent and the client then made arrangements to meet again and the client and the agent expressed their appreciation to one another. In doing so the client mentioned that he felt buying life insurance was "just like buying car insurance. You may not use it, hope that you don't but you need it." (E-15)

This prompted the agent to respond by noting that buying car insurance does not guarantee a return for the money invested. If one never had an accident he would never collect on the insurance. Life insurance, he noted, provided an instant estate in the event of the death of the policyholder and a good return on the investment if the client lived to the policy's date of maturity. Then the agent described the advantages between life insurance and savings accounts and the client remarked that he agreed with the agent's point of view. Then they discussed the relative merits of mutual funds and agreed that a life insurance program should be a

pre-requisite to investing in the stock market. (E-16,17)

It seemed apparent that during this time the client and the agent found themselves in agreement on the issues surrounding the relative merits of life insurance, savings accounts and stocks. This discussion provided further means of identification between agent and client.

Before the agent left, he invited the client to consider a future in life insurance sales and left an application form with the client to look over. The agent confirmed the meeting time they had agreed to and parted. But just before this he said something that indicated his attitude toward life insurance sales. "It is a rewarding career if you like doing things for people. I've always enjoyed it." (B-18)

Summary

The impression left with the client after the agent had departed was that Salesman B had approached the sales presentation in a very businesslike manner. The agent seemed aware of the fact that he had a job to do and he stuck with it until he finished it. The fact that Salesman B did not get sidetracked to other issues seems to support that observation. Throughout the presentation the client felt that the agent was concerned with finding the "right" policy and, in contrast to Salesman A, not attempting to find the largest policy. Because of this attitude, the client felt that if he were to purchase a policy, it would be purchased from Salesman B.

At this point it is necessary to return to the purpose of the analysis and determine the adaptation of the eight persuasive factors to the client. While the agent was able to gain and maintain the client's attention through the use of a number of specific techniques mentioned in Chapter II, there seemed to be little specific adaptation to the client.

Attention was assisted by the use of the techniques of vitality, proximity, and repetition.

The effective adaptation of suggestion to the client's experiences and beliefs is seen in the agent's presentation of the recommended insurance program to the client. Recall that agent B had determined what the client's insurance needs were, determined the priority of those needs in the client's mind, and determined what the client knew he was willing to pay for insurance. With that knowledge in mind, the agent proposed an insurance program adapted to the client's desires. In fact, in the client's mind, this was the strongest aspect of the sales presentation, the fact that the agent had proposed a program that met his needs and was within his budget.

As was noted in the analysis, agent B identified with the client's beliefs regarding life insurance. In addition, common interests and experiences were found to play a part in the introduction to the sales presentation but there was little in the way of evidence to suggest that the agent went back to that knowledge during the sales presentation itself. One instance was during the presentation of the need for an education fund and the agent emphasized the point that the client understood the need for an education, probably referring to the client's educational background as preparation for the future.

The agent used the factor of evidence when he referred to the survey of funeral costs reported by Northwestern University, a prestigious school in the eyes of the client. Aside from that instance, most of the evidence in the sales presentation revolved around the personal experience of the client and the agent. During the discussion of the amount of insurance the client thought he should have the agent continually asked for the client's opinion. And in each case, the agent accepted what the client

thought was the appropriate amount for each of the funds. Of course, the agent made suggestions as to what the client might consider for a rent fund but that suggestion fit the client's belief of what it should have been. The only time the agent disagreed with the client about a specific figure was the instance when the agent could not guarantee more than 75 per cent of the client's income for a disability pay plan. Other than that the agent adapted to the client's beliefs as to what kind of protection he needed.

In the client's mind this technique was in keeping with the statement made during the book talk, that most men have a better idea of what their needs are than does the agent. The agent illustrated for the client that he believed that statement by his actions during the sales presentation. So the inductive reasoning that supported the final insurance plan presented to the client was supplied by the client and not by the agent.

The factor of emotion through appeals to freedom and security was adapted to the client. Recall that the agent said that retirement was a time to do things rather than sit at home and look out a window. The client believed this to be an accurate statement of how he felt retirement should be planned. But it is difficult to point out how the agent would have known this about the client because there was not mention of what the client expected retirement to be like. The technique of presumption seems evident in this case.

The appeal to security was adapted to the client's situation when the agent noted that the client's wife would not be able to work if there were small children in the home. To provide the children with a mother required that the client invest in life insurance. The security of a home and money required for living expenses was also part of the insurance program. The adaptation here is to the client's belief that one should make arrangements to provide these things in the event of death. In addition, the

client believed that his wife should be in the home as long as there were small children.

As with Salesman A, Salesman B made limited use of connotative language outside the book talk. There were few figures of speech used and none were found to be specially adapted to the client. The agent's grammar did draw attention to itself at times. For example, when talking about the emergency fund the agent said, "An emergency fund is a fund that when things come up, for example, when you are a home owner and a leaky roofs or a blow-out on your car. . ." and the client noticed the error. Other than this the agent's language seemed conventional and not adapted to the client in any special manner.

An analysis of the audio recording of Salesman B's presentation indicated that he was prone to using less variety of pitch and rate than Salesman A. But his delivery would probably be categorized as conversational indicating that he avoided monotonous vocal or gestural activity.

It was noted above that the client felt that the strongest aspect of the agent's presentation was his organization. Salesman B impressed the client with his carefully controlled presentation that did not involve the distracting side comments found in Salesman A's presentation. This agent kept on the subject of insurance and the client all through the presentation. In addition, it has already been noted that the client appreciated the agent's going through the insurance needs a number of times to reaffirm the client's judgments about each. And when the agent got to the period where a specific insurance program was to be presented, the agent had it outlined for the client and it did not require modification before it was acceptable. This is in contrast to Salesman A's problem during the last stage of his sales presentation where he had to constantly revise and rework the insurance program to suit the client's

needs and budget. Therefore, the factor of organization added more to the agent's persuasive presentation in this last interview than it did in the first.

It should be pointed out here that the training materials suggest the agent follow the procedure used by Salesman B. Salesman A deviated from the procedure by (1) not reviewing the client's needs and (2) not taking the time to work out the insurance program while the client sat by.

Summary

This chapter has been concerned with an analysis of two sales presentations to determine the audience adaptation demonstrated by two successful life insurance salesmen. This was accomplished by utilizing eight persuasive factors found in four traditional persuasion texts, the life insurance training materials, and in the sales presentations themselves. An attempt was made to indicate how each example of the persuasion factors were related to a specific client's experiences, knowledge, and beliefs. The results and conclusions derived from this analysis are presented in Chapter V.

CHAPTER V

SUMMARY, CONCLUSIONS, IMPLICATIONS

Summary

The focus of this study was the hypothesis that successful life insurance salesmen demonstrate a higher degree of adaptation of traditional persuasive techniques to the listener and occasion than less successful life insurance salesmen. In order to test the hypothesis, a field study of two Prudential life insurance agents was conducted. On the basis of representative criteria (i.e., sales record, length of service, manager's recommendation) one was termed more successful and the other less successful.

Eight persuasive factors were determined to be significant in persuasive presentations. They were the factors of attention, suggestion, identification, evidence, emotion, language, organization, and delivery. The term "audience adaptation" was defined and applied to these eight persuasive factors as they appeared in the sales presentations of both life insurance agents.

Conclusions

This study indicated that the more successful salesman (Salesman A) did demonstrate a higher degree of adaptation to the client than did the less successful salesman (Salesman B). Salesman A made more reference to the client's experiences, knowledge, and beliefs than did Salesman B. But it should be noted that both salesmen did adapt to the client. And Salesman B was the agent the client felt he would buy insurance from rather than Salesman A. This was attributed to the fact that the less successful

salesman showed less tendency to go off on tangents and followed the suggested sales pattern of the training materials more closely. The less successful salesman also impressed the client as being more cooperative and less coercive than did the more successful salesman.

A second conclusion arrived at as a result of this study is that the techniques advocated by the persuasion theorists are applicable, with some modification, to persuasion in a one-to-one sales situation. While persuasion is generally studied by speech-communication scholars in the context of large audiences, this study indicated that one-to-one persuasive situations offer a context in which the traditional persuasion factors may be analyzed. A valid study of the one-to-one situation should take into consideration significant distinctions between persuasion before large groups and one auditor. Different expectations concerning effective delivery, language, and organization in one-to-one situations is essential. Recognizing that the persuader and the persuadee have more verbal and non-verbal interaction in the one-to-one situation implies other distinctions to be made. But the fact remains that the traditional persuasive techniques advocated by the persuasion theorists for the public speaker worked well for the persuader in this study concerned with one persuadee. This conclusion is supported by the high correlation between the persuasive techniques advocated by the theorists and the persuasive techniques found in the sales presentations.

These conclusions are limited by the scope of this study. Because of the limitations of studying two sales presentations presented to the same client, these conclusions are tentative and subject to further research before they can be generalized to the field of life insurance sales or persuasion as a whole. But in the context of this study, these are the supportable conclusions:

1. More successful salesmen demonstrate a higher degree of audience adaptation than do less successful salesmen.
2. Those salesmen who follow the recommended sales pattern will be less prone to digress from the persuasive goal, meeting the needs of the general buyer.
3. There is a high degree of correlation between the persuasive factors suggested by persuasion texts and the persuasive factors found in the training materials of the Prudential Insurance Company and those employed by agents of the Prudential.

Implications for Future Research

Because of the findings of this research, there is a need to determine more accurately the role of audience adaptation in persuasion and the specific effects such adaptation has on the persuadee. As was noted, the client felt that if he were to buy insurance he would prefer to purchase a policy from the agent who spent less time digressing from the established sales pattern. This may indicate that audience adaptation in the sense of meeting a persuadee's expectations of the persuader is just as important as audience adaptation in the sense of references to the persuadee's experiences, knowledge, and beliefs. The relationship between these two elements of the persuasive situation need to be more carefully defined and isolated in laboratory experiments and tested in the field.

More research is also needed in the area of the eight persuasive factors used in this study. Much that is written about organization, delivery, and language is largely based on subjective recommendations of the theorists. More needs to be discovered about the effects of different types of organization on the persuasive situation. And this research needs to be extended beyond the question of whether strong arguments should be placed first or last in a persuasive speech. Beighley argued that "It is obvious that there is much unknown about the functioning of organization in both comprehension and persuasion. This area should be a most profitable

one for future research."¹ This statement followed a report of research that indicated that there was no statistical difference in the ability to recall information presented in organized and disorganized speeches.

Research in the areas of language and delivery and their influence in persuasion has not yielded any systematic understanding of how these factors affect the persuadee although some attempts in both areas have suggested new avenues of research.² Each of these factors need to be closely analyzed to justify the importance placed upon them by persuasion theorists.

Secondly, more research needs to be undertaken by speech-communication scholars to determine the nature and importance of audience adaptation in persuasive communication. The theories of audience adaptation cited by the textbook writers need to be examined in detail, in laboratory and field experiments, to provide more concrete evidence as to what audience adaptation is in practice and how it affects the success of the persuader. Groundwork has already been started in this area but expanded efforts are needed to determine a functional definition of audience adaptation in practice.

A third area for future research rests in the area of non-verbal communication.. Anderson and Clevenger have suggested that "Such non-content stimuli as dress, voice, and manner apparently affect the attitude of the audience toward the speaker, but these factors may not be related to persuasiveness on a given occasion."³ Research is needed to determine when such non-verbal factors do influence persuasion. More importantly, there

¹K. C. Beighley, "An Experimental Study of the Effect of Three Speech Variables on Listener Comprehension," Speech Monographs, XXI (June, 1954), 248.

²John W. Bowers, "The Influence of Delivery on Attitudes Toward Concepts and Speakers," Speech Monographs, XXXII (June, 1965), 154-158.

³Kenneth Anderson and Theodore Clevenger, Jr., "A Summary of Experimental Research in Ethos," Speech Monographs, XXX (June, 1963), 78.

is a need to know how such factors affect the outcome of a persuader's effort.

Speech-communication scholars also need to study more closely the nature of the one-to-one communication/persuasion situation in order to draw more valid distinctions between large audiences and audiences of one. As was suggested in Chapter III, this is a complicated matter and will require careful analysis to provide fruitful results. However, there is now research to use as the basis for further studies. One approach that may prove to be of value would be a repetition of the type of study conducted here. Field research with other salesmen would provide a ready source of subjects for the study of one-to-one communication/persuasion situations.

Last of all, there is a need for more field research to establish viable methodologies for use by speech-communication scholars. As was suggested by the 1969 SAA Summer Conference: ". . . intensive study should be initiated into the creation of methodological designs, both quantitative and nonquantitative, which are applicable to the task of handling data within a framework of limited controls."⁴

Studying various persuasion elements in the field, testing them further in the laboratory, and re-testing them in the field will provide that breadth of knowledge needed to arrive at cogent, practical solutions to the many problems still facing the persuader.

⁴Pace, "Workshop F," p. 37.

APPENDIX

APPENDIX A

Sales Presentation A¹

A-1 Agent: Mr. Shoen? (Agent's name.)
Client: Greetings. Come on in.
Agent: Nice to meet you.
Client: How are you?
Agent: Fine, fine.
Client: Good, good. May I take your coat?
Agent: I didn't know how cool it was going to be out today. It's supposed to get cooler but it's nice today.
Client: Boy, I tell you, it's just beautiful outside.
Agent: I like that. It's good to have fifty degree weather.
Client: Darn right it is. Have a seat, have a seat. This is just great. I'm not used to it being so nice.
Agent: No.
Client: Because we're from Minnesota and we're used to more snow this time of the year and this is just different from anything we've experienced before. But it's just great, just great.
Agent: I like it. I don't mind snow. Getting a little tired of it now, ready for good weather to start. I hope that we get our bad weather over with in winter and have another spring. Seems like the last few years we've had not a real good spring. It's been kind of cold and unfavorable. What part of Minnesota are you from?
Client: From the east-central part. North of the Twin Cities, around St. Cloud, in that area.

¹The transcripts for both Salesman A and Salesman B have not been edited, retaining as many non-fluencies as were recorded to approximate true speech patterns. The agents' names are not recorded here to maintain their anonymity. Words not understood by listening to the audio tape have been clearly noted in the text of the transcripts by this figure: (____).

Agent: I've got some relatives up around Tomahawk, Wisconsin. They are always talking about the snow there, of course. I mean, travel in the wintertime is by snow-mobile, usually.

Client: There are lots of places up there that rely on snow-mobiles and all kinds of other gadgets. Cars with, those vehicles with the big tires. You know, the balloon things, go over anything. Sometimes, snow-mobiles and that sort of thing save lives. Doctors have used them and everything else. So, you have to make do when you have problems like that.

A-2 Agent: That's right. I was reading an article, it was in a newspaper, when that big storm hit out on the East Coast, New York, out there, they were running, the Civil Defense was running rescue missions on snow-mobiles and sleds and things like that. They had even to bring some in, transport 'em in, flew 'em in by airplane so they could use them. Something new that they had never used before.

Client: Snow-mobiles haven't been around too long. I know they started manufacturing them in Minnesota about six or seven years ago, well, maybe longer ago than that now, but, ah, it's just a boom. There are snow-mobile dealerships all over the countryside up there.

Agent: We're beginning to get some. We've got about three of them in (Agent's home town) right now.

Client: Is that right?

Agent: Uh huh. Are you going to school here, are you, Dick?

Client: Well, I'm a graduate student and a faculty member, so I'm caught right in the middle. I'm completing work on my masters degree in speech.

Agent: I just brought my wife next door. You know Don S.?

Client: No, I don't.

Agent: He's on the faculty here, I don't know in what capacity. He used to teach at (Agent's home town) while I was teaching there. He was on the faculty, so my wife, I knew it was pretty close in this vicinity, so I just brought here along to let her visit. It's her cousin, that's why.

Client: Oh, I see. I hope to finish up this spring and have already located a position for next year. That's why I wanted to talk to you. I talked to Mr. Henneberry (district manager) and I said I'd like to talk to a good salesman. He said okay.

A-3 Agent: Since I was number one in the district last year, in the Decatur district, he called me and said that you wanted to

talk to me and, 'course I didn't know what the situation was or anything. But the reason--I base my success on the reason--I do programming. In other words, I program a person's insurance. I pride myself in not just trying to sell a policy. I find out what a guy really wants, what his needs are and then I'll try to fill his needs with insurance to the best of his income. And that's how I base my approach. I do a little bit in the way of service. Like if you've worked at a job where you paid in social security I always make it a point to have a person check on their savings account in Baltimore, Maryland. Most people aren't aware of it, and occasionally there is a slip-up where the money is being credited to the wrong account number, and something you should check up on periodically. Now, being a teacher--working--you don't have this, as such, because, well now, in some states you do, as I understand.

Client: I believe back in Minnesota we did.

Agent: Yes.

Client: They took out--part of it went to social security and the other part went to the state retirement system.

Agent: Right. Now in Illinois, as I understand it, you have the, with the teaching--now I don't know about the college faculty--high school faculty, they don't pay into social security. They pay straight into the Illinois Teacher's Retirement.

Client: I'm not sure how it works over here.

Agent: I'm not either.

Client: I don't know.

Agent: I assume that it's probably just like everywhere else. You go straight through the state. They have their own retirement program. But this is how I base my approach.

I've got a recording on the tape recorder here. Sometimes I use it, sometimes I don't. It's more of an inspirational thing. It brings in some third party influence. Earl Nightingale, I don't know, maybe you've heard him talk. He's an orator of sorts, a lecturer. And a very good motivator. He's got a little story about a money machine that he talks about. Which I use sometimes. And this usually sets up what I--trying to do. It takes about fifteen minutes.

Client: Okay.

A-4 Agent: While it's running I'll get my other things out.

(At this point the agent started the tape recorder. The

quality of the tape was extremely poor and he made a few tone and volume adjustments at the outset. These adjustments did not improve the quality of the recording and the client was unable to understand more than mere bits and pieces of it. During this time the agent was occupied with papers and books in his briefcase. At the conclusion of the tape, he again turned his attention to the client.)

Agent: I use this fellow to sort of preview what I want to talk to the person about. The first thing I do is go back and work out this social security thing. I need--what we do is take your account number, your social security number, your date of birth, name, address, sign it, and then--oh, in about six weeks the social security bureau or division will send you back a letter and it will have your earnings listed each year up through--this is my own personal one--I've done this several times. Course, I was teaching for awhile and mine isn't as high as a lot of 'em are that I check on. But it comes direct to you. I don't have any way of checking it or anything. It's mailed direct to you, so that's a personal thing.

Client: Okay.

Agent: But, let's see. I need you date of birth and your account number.

Client: The account number is 473-48-6097.

Agent: And your birth date?

Client: Is October 5, 1944.

Agent: And that's Richard?

Client: Uh huh.

Agent: You go by Richard or Dick or both?

Client: Anything.

Agent: You have middle name?

Client: Mostly Dick.

Agent: You have a middle initial?

Client: L.

A-5 Agent: Is that on your social security card? It should be put down here the way it is on your social security card.

Client: Yes.

Agent: Richard L. And that's S-

Client: H-O-E-N.

Agent: And this is 1534 Third Street. Do you know the zip code?

Client: 61920.

Agent: Okay. Sign your name as you usually write it.

Client: Okay.

Agent: And what is your wife's birth date? And her name?

Client: Well, let's see. Her birth date is June 12, 1944. And her name is Norma.

Agent: No children yet?

Client: Not yet.

Agent: Okay. Now to—are you interested in this programming?

Client: Yes, very much so.

Agent: Okay. Let's see. Get organized here a little bit. Mine always looks different than everybody else's. Everybody always keeps their's so nice and tidy when mine—I use mine—it's getting beat up and everything. But, first of all, I will do a little bit of bragging. Ah, working for Prudential, I represent the number one company in life insurance. This is in 1966, this came out, and since then we have grown considerably more. Nineteen-sixty-six we had 23 billion dollars worth of assets, and that's what they tax the company on, base the company's size on. Which we, we're proud of that because we've just passed Metropolitan. And since then we've grown. I have to brag about that, first thing I always do. But, and that's all you hear about: The company being great and all that. Prudential's motto is THE FUTURE BELONGS TO THOSE WHO PREPARE FOR IT. And FOR MOST MEN, INSURANCE DOLLARS ARE THE MOST SATISFACTORY DOLLARS AVAILABLE FOR THEIR FAMILIES' WELFARE WHEN THEIR EARNING POWER IS CUT OFF BY DEATH, OLD AGE OR DISABILITY.²

A-6

THE PRUDENTIAL INSURANCE COMPANY BELIEVES THAT EACH INDIVIDUAL HIMSELF IS IN A BETTER POSITION THAN ANYONE ELSE TO JUDGE HOW MANY OF THESE INSURANCE DOLLARS HIS FAMILY WILL NEED TO GUARANTEE THEM THE NECESSITIES OF LIFE. IF YOU SHARE THIS BELIEF, THE PRUDENTIAL DOLLAR GUIDE WILL BE MORE THAN USEFUL. YOU WILL FIND THE NEXT FEW PAGES HELPFUL IN DETER-

²The portion of the transcript in UPPER CASE was read directly from the agent's presentation book.

MINING HOW MANY INSURANCE DOLLARS YOUR FAMILY WILL NEED.

ALTHOUGH THEIR INSURANCE OBJECTIVES DIFFER, MOST MEN AGREE THAT THEIR FAMILIES' SECURITY DEPENDS ON INCOME. A MAN'S STANDARD OF LIVING DEPENDS ON HIS EARNING POWER. HIS PLANS FOR THE FUTURE REQUIRE A STEADY INCOME. IN SHORT, THE PRESENT AND FUTURE WELL-BEING OF HIS FAMILY DEPENDS ON INCOME DOLLARS. MOST MEN PROVIDE THESE INCOME DOLLARS AS LONG AS THEY CAN, BUT INCOME CAN BE STOPPED BY DEATH, OLD AGE OR DISABILITY.

MONEY PROBLEMS SHOULD NOT BE ADDED TO A FAMILY'S PERSONAL SORROW and everyone will have a LAST EXPENSE FUND. Burial expenses and such.

ONE OF THE GREATEST GIFTS A FATHER CAN LEAVE HIS FAMILY IS AN INCOME THAT WILL TAKE CARE OF EVERYDAY LIVING EXPENSES. And this would be in the way of a GUARANTEED MONTHLY INCOME. Social security is not enough to get by on whenever a person is used to a certain standard of living. Usually it's a pretty big drop down to social security.

EMERGENCY FUND. You won't have these for awhile, until you get children. Once you get children you have emergencies. You might have some now, but they're not like when you have children. I've got three and I know. They're certain to arise, take my word for it.

Client: All right.

Agent: MORTGAGE OR RENT. A FAMILY ALWAYS NEEDS A PLACE THEY CAN CALL HOME. Now, in this, I've go along with, a lot of people I talk to are still renting, and I just say well, let's take the rent you would pay over the next twenty years and set that aside as a lump sum. Because that could, in effect, buy a house for a widow or something like this. And this is the way I usually program this. Whether you live in an apartment or a home, there has to be a place that they can call home. And this I always program from this angle.

Client: Uh huh.

A-? Agent: AN EDUCATION FUND. TODAY, A SOUND EDUCATION IS ESSENTIAL TO SUCCESS. And I think you are very aware of this. Being one of the few in the Decatur district that have been to college, and I worked my way through Eastern here, I went into teaching and I was just not satisfied with the money I had invested in an education to be a teacher. Now, I enjoyed teaching, I really enjoyed it. But, monetarily wise I was just forced out of it. I had to hunt something that was better for me. And that's why I wound up with Prudential. But this education fund, and it's going to be more and more each year, I just read the cost of enrolling at the University of Illinois went up \$400 a year or something like this.

Client: Yea.

Agent: RETIREMENT FUND. THE KEY TO A HAPPY RETIREMENT IS AN INCOME YOU CANNOT OUTLIVE. You will have an income coming from, you know, group pension or if you're going to be working for a school, you'll have a state pension, usually. Usually, people like to add to this because this usually isn't enough. And, through life insurance is a good way to do it.

DISABILITY. A PROLONGED SICKNESS OR INJURY CAN CUT OFF YOUR INCOME. With an education that isn't quite as critical. A lot of jobs a college graduate will hold will have a year where they will let you work partially, you know, even if you're flat on your back you can still do a little bit of work.

Client: Uh huh.

Agent: Mainly for people who depend upon their physical power rather than their mental powers. This is more important for them. However, this could be important for you, if you, you know, be laid up for six months or seven months without income, your income would be cut off. With those in mind, I've got this sheet here and I'll just go right down the sheet and find out just what your objectives are.

And what is your age now, Richard?

Client: Twenty-five.

Agent: And your wife's age is?

Client: Twenty-three.

A-8 Agent: Okay. Now, for last expenses. What do you think it would cost you in the way of last expenses for--I usually conduct this interview with the husband and wife and I ask the wife, "What would it take to put your husband away?" Usually, unless they've had a recent death in the family or some relative or some friend, they're not too aware of what this costs. And has went up considerably. So, being a realist, I went to a funeral home and I was over there and I had 'em bill me out a death certificate. Ah, funeral expense and everything like this. And this one is out of date by about two years. And it was around \$1,232. Now that's just for the funeral home, the casket and the vault. That's not counting cemetery, monument and any last expenses that might be incurred. And I usually talk in terms of \$2,500 to \$3,000. If you're in a large urban area, it will cost you more, course, like a metropolitan area like Chicago, up around Minnesota, the Twin Cities up there, it would cost you more probably, than it would in a rural area. I don't know exactly what they run out of state. I know what they run in state. But it will be somewhere around--between two and three thousand dollars. I

know that myself. They charge you, let's see, you get \$26 tax put on you for dying.

Client: You can't get away from that, can you?

Agent: Can't get away from that regardless of what you do. But I usually estimate around \$2,500.

Client: Okay. I'll have to take your word for that.

Agent: Well, I've handled several claims in the past three months now and most of them run right around \$2,000. Some run more, some run less. The average is right around \$2,000 on the last six claims I've seen. So, this would allow a little extra for the future. Things continue to rise. Now, on the emergency fund, which I showed you, ah, you don't have children, you will be expecting this at some time. Ah, I usually don't even touch on it unless the person wants to because on this type of basis I like to get back at least every other year and go over your program with you. And, now I won't if you move out of state but a Prudential agent should call on you and go over your program. Ah, we have new children, ah, change jobs, something like this. And just bring it up to date because it can change, you, ah, your insurance is very flexible. I have people who save in different ways. You might want to take some from, maybe, one of the funds and set for a different fund, you know.

Client: Uh huh.

A-9 Agent: It can be worked around, I usually, then, don't put too much down for emergency fund, but what they usually agree to is about half a year's salary. You know, if you, costs you a lot. Now, this would be a fund, something did happen to you, this would be set in a lump sum. Your wife would have this to draw out of any time she needed it. Any time any emergency, say, an emergency could be anything. Maybe a big car repair bill or something like this. Course you need a car. This would be an emergency. Rather than cut down on her expenses through living or borrowing money to pay for it, she can just draw this out and then if after the children were raised, ah, through school, she can take this lump sum and take a guaranteed monthly income right along. For the future, in other words, save for the future on an education fund.

Client: Yea.

Agent: And, I've been quoting people around \$2,000 a year. Just roughly, now some could probably use more. I got by on a lot less when I was going to school. But this would be, ah, in the instance you have a little girl who grows up and goes to college--now a girl can't find a job quite as easy, easily, as a boy can. At least in my experience. I think the girls

might get a job as sales clerk and maybe, secretary to the university, or something, but there's quite a few more in competition. Where the boys can get out and work at nights in filling stations and things like this if they want to. Various things. So, I usually put down about \$2,000 a year, and figure four years. And, then, I guess, from all indications, have to go five years now.

Client: It's getting to that point.

Agent: Yes. And they're talking a junior college for two years and three years. I think it may be good. This junior college, I was a little opposed to at first but I think it would be good because I think it would bring the training up, sort of a go-between between the high school and university.

Client: Uh huh.

Agent: Because, I know a lot of college freshmen fail simply because they can't make that transition from high school where you're forced to study to studying on your own. And I think that a junior college, just a year I think, helps a lot.

Client: Right. I agree with that.

A-10 Agent: But, um, I usually then figure around \$8,000. I just figure on the one child. That you would have any time in the future, start saving for it now.

Client: Okay.

Agent: So, then that would give you a fixed needs of around \$10,500. \$2,500 for last expense, and \$8,00 for education. Now this would change. Now we'll go to the mortgage-balance or rent. Now, living in an apartment I assume that you're renting.

Client: Uh huh.

Agent: Ah, one of these days you'll probably buy when you get settled, when you finish school. But, for the present we just take--I just put twenty years down and what you're paying monthly in rent.

Client: Well, we're paying--now does that include utilities and all that kind of stuff, too?

Agent: Ah, no, I just usually take the rent because. . .

Client: The rent?

Agent: Yes, because, now some people do include some of the utilities but I just usually, unless you wanted to, I just put the rent, that's all.

Client: Okay. Well, our rent is \$130 a month.

Agent: Uh huh. Okay. That would run you around \$23,000. \$125 for twenty years would be \$22,680, add another five and that would be roughly around \$23,000. What you would pay. Doesn't that stagger. You don't realize this until you stop and really think what you pay. And, if something would happen to you, and then, of course, your wife would have enough money, she could buy a house for the children for around \$20,000.

Client: Uh huh.

Agent: Where she can put cash on the line she can get quite a bit better house than someone having to go through a loan. Now, a monthly income. What would your wife have to have—now she's twenty-three now so she would have to go until she's sixty. For the next thirty-seven years, what could your wife live on per month? Now she doesn't have to pay rent, the house is clear. This is just personal, utilities, things like that she would need. Nothing in the luxury line, just bare necessities.

A-11 Client: Oh, I don't know. I suppose she'd want. . .

Agent: \$250 a month?

Client: Oh, I suppose she could but with car expenses, just taking into consideration what it takes now, and we're just kind of living--not the bare necessities--but, I would say at least \$250 a month or, perhaps, more.

Agent: \$300?

Client: Probably, I would say closer to \$300 a month.

Agent: Okay. Well, this is probably more realistic. It depends a lot on how well she can manage money. Ah, and, if she's like my wife, she'll drive ten miles to save three cents on groceries. Make about four different stops at four different grocery stores. No, I about climb the wall. For thirty-seven years. \$81,081. Now don't be frightened by these figures. Now, since you don't have any children, we sort of leave this next one blank because this would be an additional critical period income time. Due to the fact that this would be the time when you have children. And, the first twenty years they figure twenty years, the first twenty years of a child's life, this is a critical period for you. If something happens to you then she has another mouth to feed. And she has no job, then you have to provide for that income. You do receive something from social security and your teacher's retirement, whatever it would be. Ah, they do have some additional, it's usually not enough. But I usually don't put anything down for that due to the fact

that not until you have children--now if you got one on the way, or something, then I go ahead and program this in.

Client: Yea. We're going to have a child next year.

Agent: Okay. Well, I'll just go ahead and program one in for twenty years then.

Client: All right.

Agent: Now, I usually, in talking about this, your wife would have to have an additional amount over that \$300 for the first twenty years. In other words, with the baby there's all types of expenses, you can't believe. Ah, but baby clothes is a big expense. And, as they grow children's clothes are really as expensive or more expensive than my clothes are. You just can't find a sale on children's clothes like you can on adult's clothes.

Client: Uh huh.

A-12 Agent: I usually try to either double or pretty close to double the income for that twenty year period.

Client: Double what my income is now?

Agent: No. Double this \$300.

Client: Oh, okay.

Agent: Okay, \$600 a year. So that would be \$300 a month additional. She'll receive \$600 a month for the first twenty years. Then it would drop down to \$300. This would be, ah, now that's the amount of total fixed and decreasing needs that you would need to do this for them. That's \$69,027.

Client: Um. That's a lot of money.

Agent: That sure is. You don't realize it but this is over a period of years. Now we've got your liabilities, and take into account your assets. And at present, assets we don't consider, automobiles and things like that as an asset because it is a decreasing value thing.

Client: Uh huh.

Agent: We have to take things that we can guarantee figures on. So, we'll start off with your present life insurance.

Client: Okay, I have a \$10,000 policy with Prudential.

Agent: \$10,000 with Prudential.

Client: Yup. And, ah, that's it. Now we also have a policy on

Norma. I believe it's a \$5,000 policy.

Agent: Well, you'd only be able to figure on yours.

Client: Okay.

Agent: So, now, do you have any insurance with the school?

Client: No.

Agent: Now, your social security equivalent, ah, this is going to be low on you because if you haven't worked and paid in, you know, a lot of income, this would be very low. It'd be hard to calculate anything on this until you get this back.

Client: Uh huh.

A-13 Agent: Ah, I could show you what they usually--they want an (____) on a child. Here's where, sometimes the people who work for the government or for, like a teacher, they're at a disadvantage because, the longer--if they're with the teaching profession or with the government ten years or more, then their benefit in case they die is more to the widow than social security. But any time under ten years it's not as good as social security. It's that ten year period that we have to allow for. But, for example, ah, your wife would be under twenty-nine and if you'd paid in the maximum to social security, then the widow and the youngest child would receive \$51,342 over monthly, in other words that would be stretched out over a twenty year period. Plus, there would be an additional \$6,936 for an education benefit.

Client: Uh huh.

Agent: If they qualified.

Client: Now that's if . . .

Agent: If you'd been working and making \$600 a month, paying that into social security, and then . . .

Client: Paying \$600 a month?

Agent: No, paying on \$600 a month . . .

Client: Oh, I see.

Agent: That you earn. In other words, paying the social security on that \$600. Which would amount to, oh, maybe, about \$30 a month.

Client: Oh, I see. I see. And I would have to do that for ten years?

Agent: Well, no. This would, ah, this would just be from social security, ah, you see you start working on social security and you did this for four years, and that would be sufficient to give you the maximum--you could declare the maximum or your widow could declare the maximum.

Client: Uh, um.

A-14 Agent: But, ah, right now I don't know, you know, how long you've worked jobs with social security.

Client: Well, it was only three years while I was teaching high school.

Agent: Mm, hum.

Client: And then, ah, . . .

Agent: Well, I really would suggest part of that would just cut that down and make it a straight, oh, just roughly, around \$20,000. You haven't, since you quit teaching high school, you haven't been paying into social security?

Client: I don't believe so. I don't believe they take out any social security over here.

Agent: No, I don't believe they do.

Client: No. And, ah, I know that I was not, let's see, I would have to be making \$7,200 a year...

Agent: Right.

Client: See, and I haven't--even after the third year--I wasn't making \$7,200.

Agent: Uh huh.

Client: So, I didn't get to that maximum. In fact, it was more like-- I started at \$5,000 and then it went to \$5,700 and then it went to \$6,700.

Agent: Well, let's see here. We might make a couple of (____) based on the top pay.

Client: Uh huh.

Agent: I'm always finding that my book is based on the top. It's based on \$650, average monthly earnings. Well, why don't we just go ahead and since you have been working over here I know they take out some for your retirement. We'll calculate this at, ah, about half of what they do on here. And it'll come pretty close.

Client: All right.

Agent: Uh, not exactly, but it will have come pretty close. I'll just calculate on half. Ah, do you have any veterans' pension or anything.

Client: No.

A-15 Agent: Any other assets? Stocks? Bonds?

Client: Savings account.

Agent: Ah, over a thousand dollars?

Client: Yea.

Agent: Okay, we'll put it in then.

Client: \$2,500.

Agent: Okay. That's good. Most people can't save that much. Every time I get mine up like that, I get mine up and my wife sees something she wants. There was a new washing machine. . .

Roughly, then, this is what you need in the way of insurance, right now. Since you are, at this time now, you know, so to speak. . .

Client: Uh huh.

Agent: You really haven't got your teeth into a full-time job, you're still going to school. So the picture looks a little more bleak for you, of course, due to the fact that, ah, this figure here could be larger, could be a little bit more.

Client: Uh huh.

Agent: Of course, some of these up here could be larger, too, as you go along.

Client: Yea.

Agent: Now, you--it would require \$130,000 worth of life insurance to cover that. There's no use in saying that would put you back a lot of money. So, what I do--there are different ways I could show you this. And that would be to show you--I would round this off to 131,000, well, I would round it off to 130,000. Show you here. Now there would be three ways you could cover this. You could buy it--\$130,000 of permanent insurance, one policy, as such. It would give you 100 per cent return on your money plus a big savings. In other words, you would more than double your money between

now and age sixty-five.

Client: Uh huh.

A-16 Agent: The economy factor which, this would be the minimum amount of cash put out, would be just term insurance. A decreasing term policy for that amount. And this would be the least in premium but it would be the most costly overall because you wait until you convert it. You would have conversion privilege later on, make this permanent. When your income gets better. And this guarantees your insurability. In effect, this is what this is good for.

Client: Uh huh.

Agent: But, ah, it does cost you in the long run. It's like car insurance, when it gets down here at the end of the term period it's gone. And that's it. You've had coverage and protection but there's no savings. Now there is a slight savings with Prudential, due to the fact that our term policies are participating, also. In other words, you get dividends back off a those.

And then we have the combination, which at your age, you would have a 100 per cent--you would have a 100 per cent plus, ah, what you put into it in premiums. In other words, you'd more than get back what you paid in premiums at age sixty-five. But what it is, it's a base policy with a term rider, to cover the term period. In other words, like your mortgage here and this monthly income here for the children, this could be with a twenty-five year term rider or a twenty year term rider. You do have to have the base policy to take care of this.

Client: Uh huh.

Agent: Now, ah, this also gives you, ah, a base policy and a chance to convert some of this term insurance at a later date when your income's better and you want to set up an endowment or an annuity. If you get into the right type of work, you might be able to, ah, qualify for one of these tax sheltered annuities which is good if you're going to be connected with a school.

Client: Uh huh.

Agent: It's real good for a, ah, retirement plan, ah, after they've got the children raised. I don't recommend before the children are raised because they need the protection. After the children are grown, of course, you've got this set income that you've been spending on children. This is the time because you get taxed more, and you can take it right off the top of your 1040. In other words, say you're making, ah, \$20,000, you can put \$2,000 in a tax sheltered annuity, and

only pay taxes on \$18,000 which can sometimes put down an income tax bracket. That savings helps pay that \$2,000 a year. This I recommend after the children are grown, through school. . .

Client: Uh huh.

A-17 Agent: Because right now your major need is protection, some type for you. I assume your wife is working, too?

Client: Yes.

Agent: So with children she may not be able to work. And, ah, you would be the primary breadwinner and you would want to have your wife and children to lead a normal life, as well as they could without you. I, not painting a real black picture for you, but one never knows. Life is an uncertainty, that's the best we can hope for. You know you never know when you walk out that door you might--something might fall on you--you never know.

Client: Yea.

Agent: This combination would be in terms of--it would be around \$22,000 of permanent insurance with the remainder, would be 108,000 in a term contract. Now, I'm just guessing, I don't know what your income is or anything, but I doubt that you could afford \$130,000 of permanent insurance.

Client: How much would it be?

Agent: Well, let's see, you're twenty-five? At age twenty-five--now I would show you, I'll show you a better premium rate back here on this one. You would be better off qualified for one like this. It builds up cash value a lot faster. It's called Professional Fifty, the minimum contract is \$50,000. It's a, it's a real good contract we just came out with. You want this annually?

Client: Uh huh.

Agent: Okay. And, it would be--It would be right around \$1,900.

Client: That would be the annual premium?

Agent: Uh huh. That's right.

Client: I see what you mean by not being able to afford that.

A-18 Agent: \$1,900. Now, the term premium would be less. Ah, I was looking here. 50,000 of this would run fourteen. . . that would be more like nineteen thousand. That's not right either, that can't be right because it's 14.71 per thousand. 50,000. That's about right because 50,000 runs 745 and 1900

would be right, would be--. Look at this other premium here--. For an entire year--. This is the best premium we have on this. Now this one here--. Let me figure this 130,000. I'll show you the figures on this 130,000 term here. I do write quite a bit of term insurance for people. In fact, I write, well, I write a lot of straight term insurance. In other words, ten years. Term insurance for ten years. In other words, what it does, I'll write, like on this \$130,000 of ten year term insurance the premium would be lower than the whole life. It ends in ten years. But it does give you the option, of after you get out of school and start working, you can convert any portion of this you want to permanent insurance at that time. And it's worthwhile to do.

Client: Uh huh.

Agent: See, what it does, it does give you the whole program. Now, you might not be wanting to cover the whole program, as such. Most people, to be truthful, do not cover the whole program. Now yours is higher due to the fact that your social security is down so much. And this will change in a few years, you know. And it will be more in balance where this figure, rather than being 130,000, gonna be down around 80,000, 80 to 90,000.

Client: Uh huh.

Agent: And this is why this picture is so large, at 130,000. Now, I would call this is what you could get by for around 80,000. With what you have. Now, you can do this on a permanent and term basis, which is the way I usually, ah, show a person. Ah, let's see, that'd only run 489.70 for a 130,000. . .

Client: \$489 a year?

Agent: Uh huh. For a thirty year decreasing term. In other words, the first year you'd have 130,000 worth of coverage. The next year it would drop down some.

Client: Uh huh.

A-19 Agent: Each year it would keep decreasing down so at the end of thirty years it is gone.

Client: Uh huh.

Agent: Now the only savings you'd have are what the dividends are. Now, the one thing that would do it, let you have the coverage and guarantee you conversion privileges. . .

Client: Uh huh.

Agent: And let you convert anytime during that thirty years.

Client: Uh huh.

Agent: Ah, the remaining amount, they guarantee 80 per cent of the remaining amount. The first five years, they'll guarantee a 100 per cent of, in other words, you can convert the full amount. Any amount you want. And then the one I usually talk to people to, and--this would be this one down here. Now, just trying to round this off, ah, would be, we have a set rule. We can only write so much term rider over a permanent policy. And figuring even figures, a round off like this, it's still uneven figures cause they come in round tens--so, what I would probably suggest would be a \$30,000 permanent here with a 100,000 term rider. For twenty years, as such, out here--this would carry on out here to give you values at age sixty-five--this would end in twenty years--such.

Client: Uh huh.

Agent: And I can show you figures that will be between this price and this price. This one will fall. This one will give you a good retirement benefit because of the permanent insurance.

Client: Is that in addition to what I already have?

Agent: Yes. See, on this plan here you need 160,000--169,000. . .

Client: Uh huh.

Agent: Your assets, which includes your present insurance, and we have that social security benefit, right now it's about the only way you could do it. And then your savings account which gave you a total of 38,171. . . .

Client: Uh huh.

Agent: Subtract your liabilities. Looks like a balance sheet. And this is the remainder and I rounded off to 130,000. And I, I mentioned before, you could get by for less than this 130,000 because, once you start working, this is gonna change within a year when you're working full-time.

Client: Uh huh.

A-20 Agent: Cause that first year--you start figuring that up and that figure here would probably jump up to 50,000.

Client: Uh huh.

Agent: Which would change it around to where you'd only need about 80,000.

Client: Well, maybe it would be better to figure on that then. On the eighty rather than. . .

Agent: Okay.

Client: The 130.

Agent: Well this--now would, ah, we've got this new contract, this \$50,000 contract that I was showing you. And that runs, well I figured here, runs you \$745 a year. That's a \$50,000 permanent contract. It builds cash value the first year. Right away.

Client: Uh huh.

Agent: And, it accumulated the dividends, since you are putting quite a bit of premium away, it accumulates the dividends pretty fast. It would do you as much good over, you know, a three period because it's going to accumulate so fast. As the complete picture, however, the complete picture would be to write \$80,000 worth of insurance on you.

Client: Uh huh.

Agent: However, you want the large permanent contract to start with, with a term rider to finish out the amount, which, ah, this for example, ah, you'd, ah, I would, ah, show you a picture like this. For twenty years here, this would cover it. And then your, ah, base policy, which would be this new contract with Prudential just came out in with, as of January, in fact, and then we'll figure this on \$80,000 then you can break it down differently, if you want it.

A-21

I'm looking--it's more of a savings like this and you said you've got money in a savings. This could be just like a savings. It will accumulate at about four and eight-tenths per cent, is what Prudential is paying now on new dividends which is pretty close to bank rates, especially on these large contracts. And this one accumulates much faster than the ten thousand contract you have now.

Client: Yea, it's taken a long time for that. . .

Agent: Yes.

Client: Ten thousand dollar contract to come to anything.

Agent: Yes, it will.

Client: Now it's something like \$300.

Agent: Well, this one will be worth pretty close to \$200 the first year. It comes right back in cash value the first year on this.

Client: Uh huh.

Agent: But, ah, this here I figured out once was 745, the base policy would run 745 and the term rider would run \$75.

Client: That's per year?

Agent: Yes, uh huh. That would be \$820 per year. And that would give you \$80,000 worth of insurance. It would give you 50,000 permanent, 30,000 twenty year decreasing term rider to take care of the mortgage. Later on you could convert that term rider, if you wanted.

Client: Now this is, this one like, I pay on that, I pay \$745 a year until I'm sixty-five. Right?

Agent: Right. Ah, it's, ah, what it is, I'll show you this. This is what we call our Professional Fifty and it's for professional people. In other words, we can't go out and write it on someone who works at a hazardous job. In other words, it's strictly for professional people.

Client: Uh huh.

Agent: People like yourself, myself, doctors, lawyers, things like this.

Client: Uh huh.

A-22 Agent: And it appeals to 'em. The company feels that they're a real good risk, as such. Now you would pay into this, ah, about \$30,000 between now and age sixty-five. Roughly, I'm just rounding figures off. It's 651.10 times fifty, so it'd be right close to \$30,000, just a little over. And at that time you'd get a return of 1,395. Around \$65,000 at age sixty-five.

Client: At age sixty-five, the thing would be worth how much?

Agent: Around \$65,000.

Client: So it's worth more than \$50,000 at age sixty-five.

Agent: Right. That is, if you cash it in at sixty-five you could get \$65,000. By letting the dividends accumulate.

Client: Uh huh.

Agent: That way you could double your money.

Client: Now, what would be the advantage of buying something like this now rather than—. You see what I'm thinking about is \$820 and I don't know what the premiums are on my present policy, they're about, oh, \$175--80 a year. It's

forty-eight something a quarter. I'm paying that one on a quarterly basis.

Agent: You took it out a couple of years ago?

Client: Well, it's more than that now. It's about five years old.

Agent: Five years old?

Client: Yea.

Agent: Ah, you should, ah, approximately \$170.

Client: Yea. So, that means that then it's almost a thousand dollars a year.

Agent: Um, mmh.

Client: And, ah, for example, next year I'm signing, or have accepted a position which will pay me \$8,500. That seems like a lot of money, a large percentage of my salary, going to insurance. Life insurance. That would be, that's like, what, about one-eighth.

A-23 Agent: One-eighth.

Client: To me, that seems like. . .

Agent: A lot.

Client: A lot of money to pay for life insurance.

Agent: Uh huh. Right. Ah, well the thing that I point out to people is, one advantage of doing it now is that you're only twenty-five. Each year you wait, costs more. The second advantage, and possibly the most important is, that you're in pretty good health right now which would make you insurable. And the third advantage, is that, for a--on a contract like this, really, you say, well, I'm spending it. Really you're paying yourself. Because it's yours. Whenever you die, you're going to benefit from it. Or your family will if you die. But if you outlive it. . . .

Client: Uh huh.

Agent: You will benefit. And starting at age twenty-five, a periodic sum over the years will give you this large (____) at age sixty-five--a nice nest egg you could do whatever you wanted at that time. In fact, you could get it before that.

Client: Could get what before that?

Agent: Ah, the money from the contract before that. You can

borrow against it at any time. Just like--anything about borrowing, I don't know if you're familiar with this but it builds up cash value, this is cash loan value.

Client: Yea.

Agent: You can borrow against your life insurance policy. For 5 per cent simple interest.

Client: That's better than you can do at the banks.

Agent: A lot better because you're paying it right, well, they say 7 per cent, but it's compounded interest, which amounts to, over a three year period, you're paying over 20 per cent.

Client: Uh huh.

A-24 Agent: That's why, ah, my staff manager, he's got a life insurance policy he took out and this is his car policy, he called it. Every time he wants a new car, he borrows enough against it to buy a new car for cash and he pays his loan off against his life insurance policy at 5 per cent simple interest on the unpaid balance. And he just makes monthly payments back into his insurance policy. Takes care of that car for him. And, he doesn't even have to do it if he doesn't want to. All he has to do is pay interest on the loan.

Client: Uh huh.

Agent: That's, ah, it makes it real nice. It's, ah, like you say, it is a lot of money to put out, first thing.

Client: Uh huh.

Agent: Now... .

Client: I can see if someone was making, you know, \$20,000 a year... .

Agent: Right.

Client: To spend one-twentieth of your salary, 5 per cent of your income, your gross income, on life insurance. But, one-eighth is, it just seems like a lot of. . .

Agent: Right.

Client: A big chunk of your salary to be sticking away.

Agent: Now, let's look at it from a different--about what would you want to put away? We'll talk on an \$80,000 basis, as an amount that you would probably need.

Client: Well, I kind of think, I don't know, maybe I am unrealistic about this but I've always thought somewhere between 5 and 10

per cent of your income. . . .

Agent: Uh huh.

Client: Which would go to life insurance.

Agent: Uh huh.

A-25 Client: Now, I've usually used the 10 per cent figure in terms of budgeting for life insurance, car insurance, health insurance, that kind of thing.

Agent: Uh huh.

Client: Just as kind of a budget thing. Now maybe that's unrealistic, I don't know.

Agent: That would be roughly \$850.

Client: Yea, all together.

Agent: Okay.

Client: That's figuring \$150 for car insurance, about \$200 a year for health insurance, so that leaves \$350 a year for life insurance. And I'm already paying \$175 a year. So that leaves what? About another \$175.

Agent: Okay. Well, I think possibly where you should have a little more than 10 per cent due to the fact that you are using your car insurance. I agree that the health insurance and life insurance, the car insurance which you carry--and I am very bitter against the auto insurance companies because they've got the state making you carry insurance. In other words, it's a state law. You've gotta carry insurance. You carry insurance on somebody you don't even know, you don't even care for, you have no insurable interest whatsoever.

Client: Yea.

Agent: But yet you have to carry full coverage to protect that clown who may be a drunken driver or anything else.

Client: Yea, that's right.

Agent: And, ah, the state has got this so that you have to do it. Ah.

Client: Now, you would not consider that part of my insurance program?

Agent: Well, not auto insurance, as such, I don't. Due to the fact that this changes very rapidly, due to age of the car,

type of car.

Client: Yea, well, that's true.

A-26 Agent: The area you live in. In other words, the rural areas, you get a cheaper rate than the urban areas. And this is such a changeable thing that I usually don't put car insurance in. Now, a lot of people do. Like yourself. And, I think you have a pretty good rule of thumb. I think that maybe you ought to raise it just a little bit more.

Client: Well, what would, what would you say is the average percentage that a person—if you were budgeting, ah, somebody's budget.

Agent: Uh huh.

Client: My budget. How much, what percentage of my income would you advise setting aside for insurance. Life insurance, not car insurance.

Agent: Uh huh. I would say roughly 10 per cent. For just health insurance and life insurance. As such. And then your car insurance. Like I said, this, this would be over and above that 10 per cent. But it would be a fluctuating type thing.

Client: Yea.

Agent: Due, it depends upon the coverage on your car. If you got a new car, of course, you're gonna carry full coverage.

Client: Yea.

Agent: Ah, after three years you just as well drop the full coverage and just carry PL and PE on the other guy. Because you'll never get out of it what it's costing you to put into it.

Client: Uh huh.

Agent: And that's my way of figuring. I usually take full coverage out on a car for a year and by then, 'course, last two cars I bought weren't new cars. I hate to take that thousand dollar beatin', you know, just by setting in it and driving it off the lot, it's a thousand dollars less right there.

Client: Yea.

Agent: And I let somebody else take that beatin' and I buy one a year old.

Client: Um, mm.

A-27 Agent: And I carry full coverage on it for the year, until I get it paid for, fairly well paid for. And then I drop it down to just coverage on the other person. I feel I can save myself money in the long run, if I wreck it on my own, I'm just out, so I'm out.

Client: Okay. So if we're considering 10 per cent then and I'm going on . . .

Agent: Uh huh.

Client: Now . . .

Agent: See, that would be your, your, your hospital insurance then would be . . .

Client: It's about \$200 a month, a . . .

Agent: A year?

Client: A year.

Agent: Okay. Now this may increase also. It depends upon where you work, the type of group plan that you might get into. Some employers pay the biggest majority of it. This again, to, --. Every time you change jobs and everything, you need to sit down and re-budget and re-evaluate everything 'cause this is something to be taken into consideration.

Client: Uh huh.

Agent: So, right now, which we're talking about, right now, is \$200, and you're paying \$175. Ah, you're also paying, ah, what for your wife's?

Client: Well, let's see. Her's is only about \$100. A year.

Agent: That's \$575. And we're talking about 850. Ah, that leaves about \$275. Let's see what we can do. Let's see . . .

Client: Would it be . . .

Agent: Let me do a little figuring first. I think with the Mod Three, we've come pretty close to the first. Came pretty close here, to the first one. Age twenty-five . . . Let's see, 10,000 would be 152. Ten, twenty thousand would be . . . It would be 314.20 just for twenty thousand of permanent insurance. That's for the first three years. They give you a discount, after three years it would go up. To, ah, 350. \$350 after the first three years, you would figure a 10 per cent discount. Now this particular contract--which is probably the one you have right now, I think,--

Client: Uh huh. I believe it is.

- A-28 Agent: It's modified premium for the first three years, and then it will increase.
- Client: Yea.
- Agent: It's really our best contract for a small policy. I'm not talking about a small policy, anything under 50,000, which, in one policy . . .
- Client: Uh huh.
- Agent: Now. That would run you 314.20. That would just take care of the twenty thousand permanent. Ah, the reason I went twenty thousand permanent, I've gotta have a number that will divide into . . . It has to be 14,000 and, ah, ah, 14 times 15.21 (The agent is figuring the premium) 212.94. Now we have term insurance. \$25 per ten thousand on term insurance. Then you would have to have sixty-six times twenty-five. That'd be another 165. What would you think of 397.94? That would give you a \$14,000 base policy and \$66,000 in twenty year decreasing term rider, would give you the \$80,000 we're talking in terms of.
- Client: Uh huh.
- Agent: That's, ah, that's the lowest I can break it down with the term and permanent. Of course, you know, savings through years, it would go up about twenty dollars.
- Client: Yea, uh huh.
- Agent: On the permanent plan, I mean, of course, by then you'll be making more than 8500. Your other expense can build right along with it.
- Client: Yea.
- Agent: You never know. But it would be 397.94.
- Client: That would make it, let's see, \$400 . . . that'd be . . . still almost a \$1,000.
- Agent: Right. You add 400 on to that. Be 975.
- Client: Gosh, that still seems like a lot of money.
- A-29 Agent: Of course, see I, with that also then you're paying your wife's insurance on that too.
- Client: Yea.
- Agent: Which, a lot of people, they don't consider that. I think you should because it's for insurance out of your pocket-book, as such.

Client: And if, especially if she isn't working, which she won't be next year.

Agent: Uh, mm.

Client: Ah, with both of us working it makes a lot of difference.

Agent: Yes it does. Makes a big difference.

Client: Because our combined salaries were so much more than they will be next year with one of us working.

Agent: This is what happened to me. I was going to school and working, and my wife was working and I started teaching and she quit.

Client: Uh huh.

Agent: And I really fell flat on my face.

Client: What are the possibilities of just a term policy?

Agent: Okay.

Client: With the conversion privilege?

Agent: Right.

Client: After a year or so, so I can do better.

Agent: Ah, what I would recommend in that case is that you, you would consider this ten year term policy that I was talking about.

Client: Yea.

Agent: In other words, it gives you ten years with which to convert some to permanent. But it does give you the coverage right now. That important thing, the coverage. Right now. Because your income hasn't caught up with what you're worth.

Client: Uh huh.

A-30 Agent: It'll take a few years to do this. And, then, you can start converting this. And probably, maybe, you know, after next year you might be able to convert just, maybe, ten thousand of it to a permanent plan. But at least . . .

Client: Yea.

Agent: You'd have the coverage. And the company guarantee that you can buy this, regardless of your health. All you have to do is fill out a form and sign your name. 8.25, 4.50 for the first three years and 5.46 after that. They also give you

a three year discount. Around 10 per cent.

Client: Uh huh.

Agent: Ah, that would be times eighty. That would still run you \$360. \$80,000 term policy. That would be for the first three years.

Client: That still sounds like a lot.

Agent: So, would you like to cut that 80,000 down some more? It would leave more of a problem, you'd just compensate, if you cut it down. More in one of these areas.

Client: Of course, one factor that, perhaps, is that my wife is always capable of finding a job.

Agent: Right.

Client: Because of her education.

Agent: Right, now this, this is so and we didn't take that into-- I, well--after the first few years here you do have a problem because she will have the small child, as such . . .

Client: Uh huh.

Agent: Make it a little harder. Of course, it can be done. But still, I think, the mother-child relationship suffers because of it.

Client: Uh huh.

Agent: As such, ah, after this, if she is healthy, she could make that much, you know, easy.

Client: Yea.

A-31 Agent: And that'd be all . . . And this amount could be cut down by, you know, . . . you can cut that down to \$30,000 probably.

Client: How much would a \$30,000 term policy with that conversion thing cost me.

Agent: Okay. Let's see . . . 12 . . . about \$135.

Client: Per year?

Agent: \$145 per year.

Client: \$145 per year. And that gives me the opportunity to convert. . . .

Agent: Up to 30,000.

Client: Up to 30,000, into what?

Agent: Permanent insurance.

Client: That I would pay on until I was sixty-five.

Agent: Or, an endowment retirement plan. Ah, I was going to see what, see what . . . how much problem did we have at 8 per cent? \$275 was it?

Client: Uh huh.

Agent: See what fifty would show you here. That's \$235.

Client: That's about, year, that would be closer to, to that figure that we . . .

Agent: We got 275 and counting this will go up in three years, it will go up to, ah, get the right figure--it'd go up to \$273. In three years. That would be just about what you . . .

Client: Now, when can you convert this? Is there a specified time that you have to do that, like every, on the anniversary, or . . .

Agent: No. See, whenever you can afford it. In other words, I've got one that I wrote last, in December, I wrote it in December, and I'm goin' in in February to convert it. I wrote Don 60 or 70,000 on term like this, and he's thirty-five years old. And I'm goin' in in February because he gets a, ah, a bonus in February. And he's goin' to pay an annual premium, take a chunk of that bonus and pay an annual premium on it, a permanent policy. He will have one of these bonuses every year in February and, ah, he's goin' to convert, ah, 10,000 of it and reduce the term insurance by 10,000.

Client: Now, can you do that?

A-32 Agent: Yes, uh huh. In other words, say I write you this 50,000 next year, you say, "Well, I can save another \$170." You convert ten thousand of that. That would reduce your term insurance to forty thousand and you'll have, countin' the ten thousand you have now, you'd have twenty thousand of permanent.

Client: And that would reduce the premium on the term insurance?

Agent: Uh huh. By \$45. So you'd be back the \$45 here. You'd take that \$45 to put on a permanent plan which you subtracted to, it's only going to cost you about \$120.

Client: Uh huh. Well, that sounds more . . .

Agent: Okay.

Client: More reasonable.

Agent: Why don't we just fill that out for you then.

Client: Well, let me talk to my wife.

Agent: Okay.

Client: Let me, let me, ah, talk this over with her. Leave all this, leave the figures, and all this here.

Agent: Okay.

Client: And then, ah, can I call you tomorrow?

Agent: Yea. Ah, now you will have to take a physical on this. The company requires you to take a physical.

Client: Okay.

Agent: And, I don't, I'm not familiar with the doctors here in town that are eligible with Prudential, for the physical. However, ah, I can find out and I'll leave you my card, phone number and if you think you're pretty well interested, what I could do, I could fill out an application and just fill out part one on you and hold it, get you to sign it, and hold it and then if you are interested you could call me, if that's what you want. Or if you want me to come . . .

Client: Let me talk to my wife first.

Agent: Okay.

Client: Then, I'll, I promise you I'll call you tomorrow.

A-33 Agent: Okay.

Client: And, then we can, because I think, that sounds like a, the kind of thing I would be more interested in . . .

Agent: Okay.

Client: At this point.

Agent: Fine. Ah, let me show you this. I'll show you this. I'll just show a base policy here of \$50,000 and this is ten year term which would, gives you, buys you, protection, and such.

Client: Uh huh.

Agent: And I quoted you a premium of two hundred and, \$235.

Client: All right, real fine.

Agent: Now this, I guess you can decipher that all out.

Client: Yea. And, I think I can remember enough of that to, ah, explain it to Norma.

Agent: I was going to say, I'll make ya a copy here that you can understand. Well, I'll leave this copy here showing you this on, I'll just write down what it is. It's a \$50,000 ten year term, ah, (long period of silence here as agent writes down the essentials of the program). Okay, ah, now the reason I mentioned that if you want to, if you think you are pretty interested in it, I'll just get the information on part one because I have to have your signature on it. There's no obligation to you. If you decide against it, just call me and tell me, and I'll just throw it away. And if you are interested, then I'll, I will already have gotten it filled out. I can go ahead and submit it to the office, find out about the doctor down here which you can go to, ah, it would just save a little more delay. That way, if that would be all right with you.

Client: Well, like I said, I think that I'd just as soon wait until . . .

Agent: Okay.

Client: With all of that until I have a chance to talk this over with Norma.

A-34 Agent: Okay. Fine.

Client: If you'll give me your card and telephone number.

Agent: Yea.

Client: I'll be sure to call you tomorrow. And if you'll give me a time, that, ah, I can call you, why . . .

Agent: Let's see. Tomorrow is Thursday? I will be in Mattoon tomorrow. I have to go to, I've got to take an NASD exam in Mattoon, at the Prudential office in Mattoon tomorrow.

Client: Uh huh.

Agent: And, ah, I could stop by here tomorrow, and, . . .

Client: What? Well, let's see. I have class tomorrow evening.

Agent: You'll have a class.

Client: From six-thirty to ten.

Agent: From six-thirty to ten. Well, this would be before six-thirty.

Client: And I have a class that goes until six, from four to six. From four to six and from six-thirty to ten tomorrow.

Agent: Well, I will be home. I'm going to be in Arcola tomorrow morning, we're going to do some studying together. Ah, why don't I just call you. Ah, will you be here around noon?

Client: Well, uh huh.

Agent: I'll call you around noon.

Client: All right.

Agent: And find out then. I'll just call from Arcola. And I'll call you. And then if you're interested I can just come on down here. I'll come on across and fill this out. That way I can find out--I have to be there around one o'clock. So, I'll probably call you some time after ten o'clock.

Client: Okay. Do you have my office phone?

A-35 Agent: Yes.

Client: So, umm, I think the best bet would be to call me at my office . . .

Agent: Okay.

Client: Tomorrow because I have to be there all morning tomorrow morning.

Agent: Okay. Fine.

Client: Okay.

Agent: And, I'll give you one of my cards.

Client: Okay. Very fine. That's a rather unique card.

Agent: Well, those are. They give those to you qualify for the conference. And since I'm qualified for conference every year, the company . . .

Client: Very good.

Agent: I give those out rather than the ones that the company furnishes. I, if I call on someone and they're not at home I usually leave one of the other cards.

Client: Uh huh.

Agent: The ones I hand out to clients, personally, are usually those.

Client: Uh huh.

Agent: Prestige factor, I guess.

Client: Ahhh, you can always use a little of that.

Agent: Yes, that always is, ah, good in this business. But I'll take care of this for you . . .

Client: All right.

Agent: It'll probably be six weeks before you get anything back on that. (Reference to social security check).

Client: Okay.

A-36 Agent: Some of them come through pretty fast and others do not. It just depends what, the time they reach the office and how fast, how busy, you know.

Client: Yea.

Agent: But I know that they've probably would like to know my name because I send a lot of these in. I know in one week I must have sent twenty-five or thirty in. They like to do this or not, I don't know, but it's a service that's for the people and it's legal.

Client: It's our money . . .

Agent: Right, right.

Client: And we have the right to know.

Agent: That's right.

Client: Let me get your coat.

Agent: Okay. Probably don't need it unless it's getting cooler outside. You never know.

Client: It still looks like that spring weather.

Agent: I'm ready for it though. Well, Dick, it's been nice talking to you and, ah, . . .

Client: Same here.

Agent: I'll call you tomorrow and if you have any questions or if you and your wife want to sit down together and hash it out, and you want me down here to answer any questions, I'd be

glad to come back down and talk it over with both of you.

Client: All right. Are you going to be home this evening, by any chance?

Agent: Ah, let's see, this is . . . Yes, I'll be, I will be home this evening . . .

Client: If I were to call your wife and you weren't there, leave a message to call me back.

Agent: Yes, she will be home.

Ah, I've got one appointment and, ah, I should be there between five and six this evening.

Client: All right.

A-37 Agent: Well, I'll be there. I'll be there this afternoon because I'll be doing some studying, working on my account. And I'll be there from five to six and I'll probably be back in around nine-thirty, ten o'clock. So, but I'm up until midnight, so feel free to call at anytime.

Client: I just may give you a call then.

Agent: Okay.

Client: This afternoon or tonight.

Agent: Okay, Dick.

Client: Thanks so much for coming down here, I really appreciate it.

Agent: Well, I do enjoy talking to people, I like to be of service to people, help them in any way I can.

Client: Good.

Agent: Bye.

Client: I'll be in touch.

Sales Presentation B

B-1 Client: Good morning. Come on in.

Agent: (Agent's name) from Prudential.

Client: Glad to meet you.

Agent: Thank you.

Client: It still looks kind of nasty out there, doesn't it?

Agent: It's a little slick from Mattoon.

Client: Can I take your coat? They tell me this is the sleet belt down here and I guess that it's kind of bad at times.

Agent: This is one of the worst winters we have had for some time.

Client: Is that right? Why don't you have a seat right here.

Agent: Where were you originally from, Dick?

Client: St. Cloud, Minnesota.

Agent: I have a friend, Dick C., who lives at St. Paul. He works for, I'm not sure of the name of the company but it's a refrigeration company.

Client: I think Minnesota is a beautiful state but it does get a little colder and it does get a lot more snow than down here. We were back home at Christmas time and the amount of snow back there is just amazing for no more than four hundred or five hundred miles difference.

Agent: I know in Minnesota in the summertime it's quite pretty there.

Client: Uh huh.

Agent: The drive that I remember was coming into Duluth from the west at night and you could see all the lights and its pretty sights. I think we took route 2 and from there across the top of Michigan and went through Iron Sides through the forests and trees. It was beautiful.

Client: It sure is. One of the best things is that we were about forty miles or so from Brainerd which is all woods, lakes, and trees. It's all beautiful country and you are close enough to the Twin Cities, Minneapolis and St. Paul, so that you can go down and have all the entertainment and social activities that you could want. We have really enjoyed living there. We lived in a small town...

B-2 Agent: They've got a real good football team up there.

Client: The Vikings did all right for themselves.

Agent: Are you a senior this year?

Client: I am a graduate student. I am in the process of completing my master's degree in speech and will be done in May and will be leaving then for a teaching job next year. That's one of the reasons I wanted to talk to someone to make sure my insurance was in order. Then Mr. Henneberry said he would send someone over to talk to me, so here we are.

Agent: Is your wife here?

Client: No, she isn't. She's working.

Agent: Could we use your kitchen table?

Client: We could use this if this would be all right.

Agent: This would be fine.

Client: I will move it a little closer for you.

Agent: Jerry's (Mr. Henneberry) a real nice fellow. He took over our district as District Manager just a year ago.

Client: Uh huh.

Agent: So far he has been tops. Can't ask for any better management than what we have.

Client: That's good.

Agent: Our approach to life insurance is probably a little different than most. Actually, we believe that Prudential believes THE FUTURE BELONGS TO THOSE WHO PREPARE FOR IT. Can you see that all right? FOR MOST MEN, INSURANCE DOLLARS ARE THE MOST SATISFACTORY DOLLARS AVAILABLE FOR THEIR FAMILIES' WELFARE WHEN THEIR EARNING POWER IS CUT OFF BY DEATH, OLD AGE OR DISABILITY. And if any one of those things happened to us, I'm sure you would agree, our earning power would be cut off. THE PRUDENTIAL INSURANCE COMPANY BELIEVES THAT EACH INDIVIDUAL HIMSELF

IS IN A BETTER POSITION THAN ANYONE ELSE TO JUDGE HOW MANY OF THESE INSURANCE DOLLARS HIS FAMILY WILL NEED TO GUARANTEE THEM THE NECESSITIES OF LIFE. What they are saying here is what you want your own family to have. What we are saying here is that you are the best judge of what your family should have, and it's kind of ridiculous to say that they need \$1,000 a month when you know they could get by on less but they don't need more.

E-3

IF YOU SHARE THIS BELIEF, THE PRUDENTIAL DOLLAR GUIDE WILL BE MORE THAN USEFUL. YOU WILL FIND THE NEXT FEW PAGES HELPFUL IN DETERMINING HOW MANY INSURANCE DOLLARS YOUR FAMILY WILL NEED. ALTHOUGH THEIR INSURANCE OBJECTIVES DIFFER, MOST MEN AGREE THAT THEIR FAMILIES' SECURITY DEPENDS ON INCOME.

THE STANDARD OF LIVING DEPENDS ON EARNING POWER. HIS PLANS FOR THE FUTURE REQUIRE A STEADY INCOME. IN SHORT, THE PRESENT AND FUTURE WELL-BEING OF HIS FAMILY DEPENDS ON INCOME DOLLARS. And MOST MEN PROVIDE THESE INCOME DOLLARS AS LONG AS THEY CAN. BUT INCOME CAN BE STOPPED BY DEATH, OLD AGE, OR DISABILITY.

Most men want to provide a LAST EXPENSE FUND. MONEY PROBLEMS SHOULD NOT BE ADDED TO A FAMILY'S PERSONAL SORROW when a father dies. And most men like to provide their family with a GUARANTEED MONTHLY INCOME. ONE OF THE GREATEST GIFTS A FATHER CAN LEAVE HIS FAMILY IS AN INCOME THAT WILL TAKE CARE OF EVERYDAY LIVING EXPENSES.

And most men like to provide an EMERGENCY FUND. And WHEN INCOME IS STOPPED BY DEATH, old age, disability, or what have you, EMERGENCIES ARE CERTAIN TO ARISE. There's always times of sickness or leaky roof or something of that nature.

And most men like to provide a MORTGAGE OR RENT fund. A FAMILY ALWAYS NEEDS A PLACE that THEY CAN CALL HOME, especially when there is small children and something happens to the father. It's bad enough, but if they have to find a different home than the one that they want, why, it is bad.

Then most men like to provide an EDUCATION FUND and I am sure you would agree that TODAY, A SOUND EDUCATION IS ESSENTIAL TO SUCCESS regardless of what field you go in to.

And most men like to provide a RETIREMENT FUND. THE KEY TO A HAPPY RETIREMENT IS AN INCOME YOU CANNOT OUTLIVE.

And most men like to provide a DISABILITY fund. A PROLONGED SICKNESS OR INJURY CAN CUT OFF YOUR INCOME.

As we have been going through discussing the need of most men, we normally think maybe what your own needs might be. And this gives you an opportunity to determine what those might be. The first need that most people have is a last expense fund. And the last expense fund is money to pay up all the odd bills you have: funeral bills, doctor bills. According to a survey run by Northwestern University, we have found that most people's last expenses amount to about \$2,500. Now in your case, would that be too much or not enough?

Client: I don't know. I don't know how much expenses run, what funerals cost or anything like that.

B-4 Agent: Would there be any reason, here, in this area, general area -- We find that it usually amounts to \$1,500 or \$2,000, and then plus any last expenses, refrigerator bills such as you might want to have paid off. Is there any reason why yours would be higher than \$2,500?

Client: No, I don't think so.

Agent: Okay. Then we come to the guaranteed monthly income. Do you have any children?

Client: No, we don't.

Agent: You are planning for the future so what will be the minimum amount that your wife could survive on should something happen to you?

Client: I would imagine she would have to have about \$300 a month, which would be about the minimum I think that she could get by on.

Agent: The minimum now if children come along. Now one thing to keep in mind about the dollar guide is that is is a picture only of what your assets and needs are today. When you do have children, then you need to have another dollar guide because you'll need more money to raise your children on than your wife needs to get by by herself. So \$300 then we would set that figure as the minimum. Then an emergency fund. I don't know whether you own your own home yet or not. An emergency fund is a fund that when things come up. For example, when you are a home owner and a leaky roofs or a blowout on your car or something goes wrong with the car and there is not enough money out of current living expenses to pull it out and fix these things. So it's a fund that the family can fall back on. And we've found that anywhere from one half to one year's income is a sufficient for an emergency fund. In your case, what would that be?

Client: Well, my yearly income would be about \$10,000 a year.

Agent: Then we come to the mortgage or rent fund. Of course, by not being a home-owner yet, you would not have need for a mortgage fund, but a lot of young men set it up and call it their rent fund. Then should something happen to you, there is money there to rent a home. Or, if she wishes, she can have it all in one lump sum to buy a home without having to pay rent. It would be free and clear. In today's market, any home that you buy is going to run between \$20,000 and \$30,000. Also, homes that you rent from \$150 to \$250, depending on the location. Would you want to set up some kind of mortgage or rent fund?

Client: That makes sense.

E-5 Agent: Do you think in your mind--would \$20,000 to \$30,000 be sufficient?

Client: Oh, I should think so, yes.

Agent: Then of course, today, with educational fund when children come along. It's like yourself. A sound education is essential to success. Too many of us wait until it's too late to set up a fund for a child. Education today, without scholarships, run anywhere from six to ten thousand dollars for a four year course, and more. And to try to pay that out of current income when they are growing. We usually find that we have smaller members of the family which take about all the educational funds that we can provide. It's the same dollars that you set aside for mortgage fund, can be helpful in sending the children to college. How much of the educational fund would you like to set aside? I know that this will be a hard question because you don't know how many children you are going to have. This is why I say, as you have children, you need to have your Dollar Guide reviewed because your picture would change as time goes on.

Client: How much I would think a person would need? At least \$1,000 a year for a child. I suppose \$4,000 would be a start.

Agent: Okay. \$4,000. Then, of course, the retirement fund. Both you and I are a long way from retiring.

Client: I hope so.

Agent: This is something that neither one of us can predict the exact dollar amount we need for retirement, because of the inflation, but the same dollars that you are using for your last expense fund, emergency fund, and family income if your program is right, can be going toward building retirement fund for you. I don't know if you've thought anything about it but what kind of an income would you like to have when you retire?

Client: Well, I suppose about what I would be making. That would be nice. I suppose a person doesn't have nearly as many expenses after you retire.

B-6 Agent: Your expenses after you retire are very little bit less than what they were during your working years even though your home is paid for normally by that time. We think of retirement as a time for doing. If you are going to travel or do anything after you retire, it will cost you more than what it would. So for retirement, we should have at least as much income as we're making when we retire because you will still need clothes, food, depending on the state you are in, whether you have a homestead exemption or not, for your home. So I think that about--being a picture of right now, what it would be if you wanted to retire on the same income, I think it would be reasonable to set it at \$10,000. As the years go by, you raise it or lower it according to how your plans are working out.

Client: All right.

Agent: Then if sickness or accident should strike, how much of a monthly income would you yourself need to get by on? If you were disabled.

Client: Well, it would probably take more than what it would normally have for doctor bills and that kind of stuff.

Agent: Yes, expenses would be greater while you are laid up than they were while you were working because of doctor bills, drugs, anesthetics are things you have to have.

Client: So, it would still be about \$1,000 a month that a person would have to have.

Agent: You indicated that your wife would have to have \$300 a month. How long would you want that to run for her? Her entire lifetime, until the children are raised, until what age?

Client: I suppose for about twenty years or so.

Agent: How old is your wife:

Client: Twenty-three.

Agent: Is she going to teach also?

Client: No, she is at present working at the library. She has a pretty good education so she could always find a job or something to help out the situation a little bit.

E-7 Agent: This is true as long as there are no children. When there are children, it's important, I'm sure as you realize, that

they have the mother home. And then too, the same accident that might take you out of the picture might render her unable to work. So you have to provide a base. Everybody says that we, I don't like the term, but they say "back the hearse up to the door." But this is a part of life, and if you are going to plan a financial future, you have to look at all sides of it. If we don't plan she have a guaranteed income, then we're falling down in that area. Now, as I said, this is a picture of your today's actual needs and what you are going to have to have and want your family to have. We set up \$2,500 for last expenses. Is there any way we could possibly reduce that or should we add to it?

Client: Well, again, if that's what it costs, you know more about that than I do.

Agent: I think that would probably be minimum. That's the average for this area so I think probably you're right about that. Then on the emergency fund, we've said \$10,000. Here again, this is an estimate but do you think we should leave that the same, or should that be reduced?

Client: I don't know. It seems like a lot of money just for emergencies, you, for leaky roofs and that kind of thing.

Agent: We want a reasonable picture and we want it to be in your judgment an adequate picture of the way you want it. What would you think would be a more reasonable figure for us?

Client: I would say about half of that, if it's just for emergencies.

Agent: Then on education for today--a sound education is essential to success. Would there be--we set aside \$4,000 there. Would you want to lower that any?

Client: No. If anything it should probably be more than that.

Agent: This, of course, is an area, I'm sure, if you had children right now, this is an area you probably would raise. I think you are wise in setting up--most families have children--so if you set it up now and you have a little one, and something happens at least there's something there and you don't get a chance to take care of it. I think you--it would be wise to keep that that way.

B-8

On a guaranteed month income, you want your wife to have about \$300 a month for a period of twenty years. Do you think that that is an adequate amount or should it be lower or higher?

Client: I think that would be an adequate amount. As long as she has earning power, that would be enough.

Agent: Now the mortgage or rent fund. You said \$20,000 to \$30,000.

It would probably be closer to \$30,000. And do you feel that that figure is too much?

Client: No, not at all. Not for the cost of buying a house nowadays.

Agent: Well, this is true buying in Charleston. You get a home a family can grow in, it's going to cost at least that amount. Retirement fee. A happy retirement is an income that you cannot outlive. As we already discussed, you want to set home and look out the window, you can get by on less, if you don't we figured that you would need to have about the same income. Would you want to leave that as is?

Client: I think so.

Agent: And on disability, we figured that you would need at least \$1,000 a month income and I think that that is a reasonable figure because it's like you say, there would be added doctor bills, etc. If you could provide all of these things for your family within the budget would there be any reason why that you couldn't go ahead with it? Set up a plan for this type of security. Now if we can do it at a price that would fit into your budget. . . .

Client: No.

Agent: To set up something like this, could you save \$100 a month?

Client: A \$100 a month?

Agent: Now, I'm talking. . .

Client: Yes.

Agent: I'm talking about a figure that month in and month out you can save without putting a strain on the budget and without having to do without taking the wife to the show.

Client: Oh, yes, I think so.

B-9 Agent: Now, if the \$100 a month won't provide this, of all these, which do you feel would be the most important to your family if you couldn't provide any of the others at all? Which would be most important?

Client: Well, I would think the last expense fund would be first. And then the mortgage or rent fund would be the next most important. And then I suppose the income would be considered a third most important, and then they all come at about the same place. Those three I would say are the most important.

Agent: Then the first three you need to consider. I would think

probably rather than the three here maybe disability for yourself might come in fourth or even possibly first depending on what kind of a guarantee or disability pay you have where you work. An emergency fund would be five and education six and retirement fund we would make that last.

Client: Uh huh.

Agent: Now, let's figure it. It will take me just a minute here to figure this and see what might be done on it. I don't know if you have ever worked under social security or not, but if you have these are some ideas and such that they have on social security and if you want to look that over, why, it will take just a few minutes here to figure this. First of all for now I need a little more confidential information and what you give me would remain confidential. What is your full name?

Client: Richard L. Shoen. S-H-O-E-N.

Agent: What is your date of birth?

Client: 10-5-44.

Agent: And your phone number?

Client: Is 345-6379.

Agent: And right now, you don't have a business address?

Client: Well, if you want to call the school over there my business address, well, it's just Coleman Hall, Speech Department.

B-10 Agent: And you have a phone over there?

Client: Yes. 581-5226.

Agent: And what is your actual position?

Client: I'm what they call--let me think now--an assistant instructor.

Agent: And your wife's first name?

Client: Is Norma.

Agent: And her date of birth?

Client: Is--let me see--June 12, 1946.

Agent: And the present life insurance that she has?

Client: I believe there is a \$5,000 policy that her parents set up for her.

Agent: And have you worked under social security?

Client: I have for the last three years but only half. Back in Minnesota they have a retirement plan in the school system set up where you pay half to social security and half to the state retirement fund so you have a balanced kind of thing in each one.

Agent: And are you a veteran of military service?

Client: No.

Agent: Do you have any type of retirement or pension plan now?

Client: No, except we have a life insurance policy.

Agent: Do you have any kind of savings of life insurance, savings bonds, or large bank account?

Client: Savings account.

Agent: Would it be large enough to help offset some of the needs that you have?

Client: \$2,500.

Agent: Okay, fine. And right now you have a disability pay plan to provide if you are off work from sickness or injury?

Client: No.

B-11 Agent: And do you have any hospital or physical plan?

Client: Right, through the school.

Agent: That's through Eastern?

Client: Right.

Agent: They have a good one there. Now on your life insurance, who do you have your life insurance with?

Client: I have a \$10,000 policy with Prudential.

Agent: Do you know what type of plan that is?

Client: It's one I pay on until I'm sixty-five.

Agent: Paid up at sixty-five. It is permanent life insurance?

Client: What does that mean?

Agent: It means there are no terms involved. It's actual and it stays at \$10,000.

Client: Right.

Agent: And is your wife beneficiary in that?

Client: Yes.

(At this point the agent turns to his figures and about five minutes is consumed while he arrives at a plan of insurance.)

Agent: Now I'd like to show you a little bit how we arrived at this. For your last expenses, number one, is \$2,500. Emergency fund was for \$5,000 and your education fund would be for \$4,000. Now these are what we call fixed needs or they don't decrease any, they stay the same over the years. So, your total of permanent insurance that you would need, the minimum would be \$11,500.

Client: Uh huh.

Agent: Then for setting up a mortgage or rent fund, ah, \$30,000. Then to provide your wife \$300 a month for twenty years, it would take \$54,446. So your total of fixed and decreasing needs is \$95,946. And at this time it's a pretty staggering amount. But you are worth a little bit, too.

E-12

So your total would be \$95,000, depending on the time of things and your work a little bit, too. Your life insurance, right now you have a \$10,000 policy and we actually couldn't use social security now to provide any income because until you have children, your wife won't get any until she is age sixty-two. Once there's children, then they are entitled to the income and that's why this needs to be revamped each time you have a child.

Client: Uh huh.

Agent: Your savings account of \$2,500 gives total assets of \$12,500. So deducting your assets from your liabilities, you need \$83,446 to provide the minimum that your family would need.

Client: That's insurance? \$83,000 worth of insurance?

Agent: That's the amount that would be needed because you have no social security, any other assets. And what I would recommend would be to go partial term and part permanent which you could buy a base policy of \$30,000 with a \$54,000 decreasing term rider, which would run \$63.66 monthly. The disability pay plan, now I can't, even though I agree with you that \$1,000 is the minimum that you need,

seventy-five percent of your income is the most that we insure.

Client: Uh huh.

Agent: And we can provide you with \$750 a month for \$26 a month and this would be a twenty year family security plan. If you became disabled right now, we would pay you \$750 a month for twenty years. This would be in effect until the end of the twentieth year. Then it drops down to where it is a two year plan from then on and gets you through the critical period of raising the family. The total premium to supply you with all of those needs would run \$89.66, which is less than what you said you might be able to save.

Client: \$90 a month for all that, huh? Now what kind of insurance is this?

Agent: This is \$30,000 of life, paid up at sixty-five. It's permanent insurance.

Client: That is like what I have now?

B-13 Agent: Yes. It will become paid at age sixty-five and will also provide you with some retirement. At retirement age on your life insurance you can figure at your age, you will get back about forty percent more of what you paid into it as a retirement fund.

Client: So what would it be worth then, when I was sixty-five?

Agent: Let me show you. We always suggest that you leave your dividends accumulate. At your age, twenty-five, you would pay in \$735 per thousand and you would get back \$1,595 per thousand which would give you \$860 per thousand more than what you paid in. So the \$1,595--it would be worth \$47,850 at age sixty-five. Your term rider would also pay you back some cash, but you would not break even on that, so it isn't a money-making thing on your term rider, but it would provide you with a little additional cash. The dividends on this, on term, are not guaranteed. We have always paid them. Any dividends are not guaranteed. We've always paid them. I'm just giving you an example of what they might be if things go currently the way they think that they will. There could be another \$3,942 in dividends off of your term rider. So at age sixty-five, your contract as such would have a cash value of \$51,792 which could provide you \$362.54 a month for life at retirement time. This would not come up to your \$10,000 that you want, but I'm sure that you'll work somewhere where you will have a retirement plan, and also you'll have social security, something coming out of that. But there is no way of

looking ahead to tell you exactly what it will be because you worked half and half in Minnesota for three years. That might not even qualify you to be permanently insured under social security, so at a later date when you are working under social security and are fully qualified, then you can use part of that for your retirement. Also, a pension plan wherever you work. In today's market, it's almost a necessity anymore to acquire good people. In order to set this up . . .

Client: Now, what's this?

B-14 Agent: This is your disability pay. This is the heart that would pay you a monthly income for so long as you were disabled. If you became sick and can't work, then we would pay you an income of \$750 a month for one year, from your policy date. If twenty years is the normal growing period of your children, normally that's the time that they're home, so we could be providing \$750 a month for twenty year period. An then at age forty-three, then thereafter, your plan becomes a two year plan. If you became disabled after that we would pay you \$750 a month for two years.

Client: And that costs me how much? Complete, the whole works.

Agent: Forty-six dollars per month. What we would have to do is fill out an application and we would have to have you examined by one of our company doctors. And if it was acceptable it would be in force, if not, they would give you your money back. They don't charge you anything unless they issue a contract.

Client: Well, I tell you what. Can I wait and talk this over with my wife and have you come back?

Agent: Yes. The only one danger in waiting is if you should become disabled we might not be able to get it for you.

Client: You think I'll become disabled in one day?

Agent: I have no idea. It has happened. A young girl—I talked to her one night about nine o'clock. She wanted to buy a small policy from me, just \$2,000. Her mother didn't want her to have it. She told her mother she could pay for it herself, so her mother let her buy it. The next morning at 6:30, her mother called me and told me not to send the application in because her daughter had been killed the night before in a car accident. I went ahead and sent it in because she was covered from the time the application was written. You would be covered at any time. The same as you would be covered from the time you went in to get your exam 'til (_____).

Client: Then this girl's mother got the \$2,000?

Agent: Yes. That's the only time that has happened and it can happen. Had I not talked her mother into buying it she would have been without any money. That was the only insurance she had.

Client: Well, I think I do want to talk this over with my wife before I do anything else, and what I will do is talk this over with her at noon if you just leave this with me.

B-15 Agent: Yes. You can call or if you like, I will be glad to take this and draw a little more of a graph for you so that you can tell exactly what it looks like and get a picture and figure out the exact retirement benefits that you have and such and bring it back and go over it with both of you and your wife so if she has any questions I'll be able to answer them for her. Would that be all right with you?

Client: That will be fine. That will be tremendous.

Agent: When would be a good time to talk with you?

Client: She has a shower thing tonight so tonight wouldn't be a good time.

Agent: Is she normally busy during the daytime?

Client: She works from 8:00 to 5:00.

Agent: Would Wednesday night at 7:00 be all right or would Thursday night be better.

Client: Thursday night's out. I have a class. Wednesday night would be all right.

Agent: Okay. I'll drop back Wednesday night and if she has any questions, I will talk to her then.

Client: All right, real good. Real fine.

Agent: I appreciate your giving me the opportunity to go over it with you.

Client: I appreciate your coming over. This is something that is always just a little befuddled me but I think I understand the necessity for it, you know, and it's something that has to be done. It's just like buying car insurance. You may not use it, hope that you don't, but you need it.

B-16 Agent: The big difference between buying life insurance and car insurance is you pay three or four hundred dollars a year for car insurance and really don't complain about it that much. We have to have it so there's no point in complaining

about it. But if you take car insurance your entire lifetime--nothing ever happens, if you have no accidents you won't get a penny of that back. And your life insurance, if you make one payment and something happens to you, you create an estate, you immediately create an \$84,000 estate. If you live to age sixty-five, which the chances are you will, you'll get all your money back plus a nice profit. Now, granted, you can take \$80 a month and put it in the bank somewhere and at sixty-five you would come out a little better than the interest rates and such that they have. But if you put one penny of it into the bank and something happens, they'll give your wife the \$80 instead of the \$84,000, which has happened before. That's the difference between insurance and the savings bank. You need both to balance it.

Client: That's how I've always felt about it. Again, I know so little about this but it always seemed to me it was smart to have a certain amount in savings and then to have a certain amount in life insurance. And then, perhaps, and this we haven't done yet, but it seems to me perhaps some small investments or mutual funds, or something like that where you could speculate a little bit perhaps so hope for a faster or larger return in terms of cash value. That has always seemed to me to make lots of sense to kind of spread out everything to do a little better somewhere else.

Agent: I am also a licensed representative for mutual funds. Prudential has their own, including variable annuities, which we have. But one of the first things that I recommend is a fella have a good life insurance program and then go into the mutual funds. Mutual funds are good, I have some of them myself. But the only problem with mutual funds are if you've been following the stock market lately or reading the newspapers, they're all on a downward trend. And if something happens and you are depending on those for your family's needs, if something happens to you at a time when they were down, there's no money there for them to live on whereas insurance is guaranteed. And over a period of forty years, you'll make money on stocks and bonds, that's been their history in the past. They go down but then they go back up. So I think any good stock market broker would tell you to have a good base life insurance program first and then invest in the stock market. I sell both but I recommend--it makes no difference to me, commission wise, which way you go. We go on premium dollars so I always recommend the life insurance first. I had it first and then I bought my mutual funds. So I can't very well recommend that somebody else go the other way.

B-17

Client: Do you have a card, Bob, that I could have in case I want to call you between now and Wednesday evening?

Agent: Yes, I have one here. In fact I'm going to leave this with

you. Maybe you are a little bit unsettled on what type of work you want to do. I don't know if it might interest you or not but Prudential is always looking for men in a field where there are good opportunities. You quoted your income at \$10,000 a year—it isn't unusual for a first year man to make more money than that. If you think that you might like to get into a field such as Prudential, I'd be glad to tell you what we have to offer, what we expect of you and what you can expect from us.

Client: Mr. Henneberry has mentioned this to me and I don't know, I'm just very undecided about what I want to do. I already have a job for next year. I like teaching school a great deal. I like working with young people and helping them learn things. But, I don't know what I want to do yet, I really don't.

Agent: I'll put my name and phone number on here. This is an application and if you want to fill it out fine, any information you put on here is confidential. Leave this application with us and it is put on file. A year from now, if you should decide that you would like a job, you would have your application in for a year. When they should call you, you tell them I'm just not interested at this time and they will re-file your application. People are hired on the basis of qualifications and application. But, here, look it over and see what type of questions are on it.

Client: All right, I will do that.

Agent: If some time you feel you might like to try it. I'd be happy to have you over at the office.

Client: Okay, fine. I'll get your hat and coat here.

Agent: Okay.

B-18 Client: I don't want to keep you. I imagine you're busy.

Agent: I enjoy this. It is a rewarding career if you like doing things for people. I've always enjoyed it. I think, probably, if you like what you're doing, it's mighty nice to go to work.

Client: Oh, absolutely. You have to enjoy what you're doing, otherwise you're lost.

Agent: I'll be back Wednesday at seven o'clock.

Client: Thanks so much for stopping by.

Agent: It's been real nice talking to you. Bye.

Client: Bye.

BIBLIOGRAPHY

BIBLIOGRAPHY

Persuasion Texts

- Bettinghaus, Erwin P. Persuasive Communication. New York: Holt, Rinehart and Winston, Inc., 1968.
- Brembeck, Winston I. and Howell, William S. Persuasion: A Means of Social Control. Englewood Cliffs, N. J.: Prentice-Hall, Inc., 1952.
- Cronkrite, Gary. Persuasion: Speech and Behavioral Change. New York: The Bobbs-Merrill Company, Inc., 1969.
- Oliver, Robert T. The Psychology of Persuasive Speech. 2nd ed. New York: David McKay Company, Inc., 1968.

Training Material

- The Prudential Insurance Company of America. Motivation and Salesmanship. The Prudential Training Program. New York: 1966.
- _____. The Dollar Guide. The Prudential Training Program. New York: 1966.
- _____. The Miracle of Life Insurance. The Prudential Training Program. New York: 1966.
- _____. The Sales Process. The Prudential Training Program. New York: 1966.

Other Sources

Books

- Barnlund, Dean C., ed. Interpersonal Communication: Survey and Studies. Boston: Houghton Mifflin Company, 1968.
- Clevenger, Theodore, Jr. Audience Analysis. New York: The Bobbs-Merrill Company, Inc., 1966.
- Cohen, Arthur R. Attitude Change and Social Influence. New York: Basic Books, Inc., 1964.
- Hall, Edward T. The Silent Language. Greenwich, Conn.: Fawcett Publications, Inc., 1959.

- Hollingsworth, Barry Levi. The Psychology of the Audience. New York: The American Book Company, 1935.
- Holtzman, Paul D. The Psychology of Speakers' Audiences. Glenview, Ill.: Scott, Foresman and Company, 1970.
- Kibler, Robert J. and Barker, Larry L., eds. Conceptual Frontiers in Speech-Communication: Report of the New Orleans Conference on Research and Instructional Development. New York: The Speech Association of America, 1969.
- Pittenger, Robert E.; Hockett, Charles F.; and Danehy, John J. The First Five Minutes: A Sample of Microscopic Interview Analysis. Ithaca, New York: Paul Martineau, 1960.
- The Insurance Almanac. New York: The Weekly Underwriter, 1969.

Articles

- Aiken, Lewis R. "The Relationships of Dress to Selected Measures of Personality in Undergraduate Women." Journal of Social Psychology, (1963), 119-128.
- Anderson, Kenneth and Clevenger, Theodore, Jr. "A Summary of Experimental Research in Ethos." Speech Monographs, XXX (June, 1963), 78.
- Reighley, K. C. "An Experimental Study of the Effect of Three Speech Variables on Listener Comprehension." Speech Monographs, XXI (June, 1954), 248.
- Bowers, John W. "The Influence of Delivery on Attitudes Toward Concepts and Speakers." Speech Monographs, XXXII (June, 1965), 154.
- Maslow, Abraham and Mintz, Norbert L. "Effects of Esthetic Surroundings: I. Initial Effects of Three Esthetic Conditions upon Perceiving 'Energy' and 'Well-being' in Faces." Journal of Psychology, (1956), 247.
- Soamer, Robert. "Further Studies of Small Group Ecology." Interpersonal Communication: Survey and Studies. Edited by Dean C. Barnlund. Boston: Houghton Mifflin Company, 1968. 558-568.
- Thornton, George. "The Effect of Wearing Glasses Upon Judgments of Personality Traits of Persons Seen Briefly." Journal of Applied Psychology, (1944), 203-207.
- Westley, Bruce H. and MacLean, Malcolm S. Jr. "A Conceptual Model for Communications Research." Interpersonal Communication: Survey and Studies. Edited by Dean C. Barnlund. Boston: Houghton Mifflin Company, 1968. 45-54.

Unpublished Material

- Pace, Ralph Wayne. "An Analysis of Selected Oral Communication Attributes of Direct-Selling Representatives as Related to Their Sales Effectiveness." Unpublished Ph.D. dissertation, Purdue University, 1960.
- Pace, Thomas. "Report of Workshop F: Field Studies." Proceedings of the Speech Association of America Summer Conference V. Edited by James E. Roever. Minneapolis, Minnesota, 1969. (Mimeographed.) 36-41.
- Sanders, Keith and Pace, Thomas. "The 'Natural Experiment' as a Research Methodology for the Study of Speech-Communication." Proceedings of the Speech Association of America Summer Conference V. Edited by James E. Roever. Minneapolis, Minnesota, 1969. (Mimeographed.) 80-87.
- Shoen, Richard L. "A Comparative Study of the Persuasive Techniques Found in Four Persuasion Texts and the Life Insurance Training Materials of the Prudential Insurance Company." Unpublished independent study, Eastern Illinois University, 1970.
- Stone, Ronald V. "Some Major Contributions of Speech and Dramatic Art to Selling." Unpublished MA thesis, Brigham Young University, 1960.
- Wandling, Warren A. "A Critical Incident Study of Communication Factors Which Make for Success or Failure in Personal Selling." Unpublished MA thesis, University of Kansas, 1960.