CLIENT-SALESPERSON RELATIONSHIP IN THE INSURANCE COMPANY: ESTABLISHING THE ATTITUDE HELD

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Abstract: It was envisaged that the study would identify clearly service attributes that contribute to attitude enhancement and depletion. This would then signal areas that needed improvement. The results provided evidence that the salespeople were not keen in providing after sales service, quality of advice and analysing clients needs properly. Although it would appear most customers prefer long-term relationships with their salespeople, the authors found evidence of lack of interest in long-term relationship maintenance with clients despite its well-recognised significant importance.

INTRODUCTION

Although relationship marketing has a strong theoretical base in industrial and channel marketing (e.g. Doney and Cannon 1997) a systematic research on relationship marketing in a consumer environment particularly the insurance industry is lacking (Beatty *et al.* 1996). Yet several authors (e.g. Christy *et al* 1996; Moeti, 2002) agree with Dwyer *et al* (1987) who note that relational bonds create benefits in business as well as in consumer environments, life insurance included.

Lynch and Mackay (1985) consider life insurance as a service, which is very abstract and complex in the sense that it focuses on future benefits that are difficult to prove and the prospective buyer uses the salesperson's promises to judge the benefits. When making a decision to buy a policy, Johnston-O'Connor et al. (1984) point out that prospective buyers rarely consult more than one salesperson to compare the costs and the benefits of the proposed policy. This would appear to suggest that prospective buyers wholly trust a salesperson's recommendation of the suitability of a policy and its benefits (Crosby and Stephens 1987).

Despite the well-recognised significance of trust building in consumer relationships, Gabarrino and Johnson (1999) note that there are few studies (e.g Morgan and Hunt 1994; Tax, et.al 1998) that have examined service providers' behaviors and practices that contribute to attitude enhancement and or depletion. The authors state that most studies have focused their attention on the consequences of perceived trust for outcomes such as loyalty, expectations and satisfaction. This is despite the existing evidence, which shows that trust matters for critical relational outcomes. This supports the views held by Gabarrino and Johnson (1999), who point out that there are some fundamental gaps in the understanding of factors that build or deplete consumer trust which in the context of insurance may result in favourable (positive) or unfavourable (negative) attitudes.

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PROBLEM STATEMENT

Casual observations show people in Botswana to have a negative attitude towards the insurance industry in general. This believe, though unconfirmed, creates a problem for decision makers in this industry and leaves very little to serve as a point of reference when making such decisions. The common belief and assumption that the attitudes held are negative influences the way in which salespeople handle clients and/or potential clients, it influences the way ex-policy holders view the industry, it also influences the relationship between the insurer the salespeople and clients be they existing or ex-clients. Resulting marketing strategies, financial and budgeting strategies as well as company specific decisions are usually based on these assumptions and hence the need to ascertain the true attitudes held. It is hoped that the true attitudes held will provide a point of reference for all decisions made regarding the relationship between the parties.

Such perceptions are compounded by the fact that transactions in the insurance market differs with what may be termed the normal way of doing business. In the insurance sector, the client does not receive the benefits immediately as in the case of a direct exchange sale, as a result there is often a temptation of salespeople to exaggerate the benefits so as to convince the prospective customers to buy. This has potential implications because it has direct bearing in satisfaction levels as the customer uses the promises to judge the benefits. If upon judging those benefits, the perception held is negative, this tends to form unfavorable attitudes towards not just that one salesperson, but also the insurance industry as a whole.

Secondly, the underlying factors/attributes of the service that influences policyholders to cancel the policy or existing policyholders to develop negative attitudes towards the insurance is not known. This study investigates attitudes based on several attributes comprised within the service. It would appear salespeople are not committed in building long term relationships with their clients, which is one of the attributes of importance comprised within the service.

With this in mind, the objective of this paper is two fold: to provide empirical evidence for the impact of developing long-term relationships with clients in the insurance industry. This effect has been examined extensively in the industrial market (e.g Ford; 1990; Hakansson and Snehota 1995; Doney and Cannon 1997), but to the best of our knowledge, it has not been included as a topic of empirical investigation in the insurance industry. Secondly, to the best of our knowledge there is hardly any systematic empirical investigation that has been published that examines client-salesperson relationship in the insurance industry using Multi-attribute attitude model. This research is one of the first empirical studies designed to assess customer satisfaction using Fishbein Multi-attribute model. The model states that consumers' belief (b) that the object or service has certain attributes (i), and the evaluation (e) results in an attitude toward an object (A_0). That is:

$$A_o = \sum_{i=1}^{n} b_i e_i$$

The beliefs (b) consumers hold about the type of relationship they have with their salesperson and how they evaluate (e) those beliefs based on certain attributes (i), they identify in the relationship will facilitate the measurement of their overall attitudes (A_0) as a result of the relationship.

There are a several reasons why the study uses the multi-attribute model in the context of customer satisfaction with insurance products and services. First, the study considered Gardial *et al.* (1994) and Mittal *et al's* (1998) point of view. They argue that in the evaluation of a product or service, customers are more likely to assess their satisfaction with a product at an attribute level rather than at the product level. Second, Gardial et al. (1994) observe that multi-attribute model unlike satisfaction models will make it possible to observe situations in which a customer experiences mixed feelings towards an product or service. Mitall et al (1998) holds the view that it is possible for a customer to be dissatisfied with one attribute of a product and be satisfied with other attributes of the same product. Their views are hypothesised to apply in the case of insurance products or services. For example, a customer may be highly satisfied with his/her relationship with a salesperson, which is one attribute of a service and be highly dissatisfied with the quality of advice offered by the salesperson. According to Gardial et al. (1994) and Mittal et al (1998) these aspects of a product may not be easily modelled using overall satisfaction models such as expectancy-disconfirmation model; instead they posit multi-attribute model may be appropriate. Third, Hanson (1992) and Wittink and Bayer (1994) observe that managers make

decisions at the attribute level instead of product level, thus using multi-attribute model allows the researchers a higher level of specificity on the attributes that need improvement. Parasuraman an *et al* (1988) share their views in respect to measuring service quality. Parasuraman *et al* (1988) have shown that customers evaluate service quality on a limited set of attributes or dimensions: reliability, responsiveness, assurance, empathy and tangibles. According to Parasuraman *et al* (1988) measuring various attributes of a service provides a better understanding of overall measure of a construct, e.g service quality and satisfaction in the context of this study. Given the above mentioned reasons, we propose using multi-attribute model to empirically understand customer satisfaction and the attitudes held by clients, former clients as well as salespeople towards the insurance. By clearly understanding the underlying attributes of importance that influence policyholder's attitudes, only then can it be established if the attitudes are negative, positive or just neutral. The understanding of this phenomenon is important to both academicians and practitioners alike as the study will endeavour to clear the myth as its commonly shared among people (negative attitude towards the insurance) given the often so called "scams or rip offs" that the industry is known for.

CONCEPTUAL CLARIFICATION AND LITERATURE REVIEW

Few concepts need to be clarified to understand this paper. Conceptually, service quality and customer satisfaction can be considered to be attitudes. Bolton and drew (1991) have considered service quality as a

form of attitude related but not equivalent to satisfaction. Different authors (e.g Hill 1998; Kotler 2000) define satisfaction in different ways. In this paper we adopt that of Kotler. Kotler (2000, p.36) defines customer satisfaction as "a person's feelings of pleasure of disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations". Our approach to addressing customer satisfaction with insurance product or services is different from those of other researchers (e.g Westbrook, 1981; Spreng et al, 1996; Moeti 2002). In this paper we consider customer attitudes. In view of this, we define the term attitude to fully appreciate this paper. Kiesler et al (1969, p. 4) have defined attitude as 'a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object. A closer examination of the definition reveals three features. The notion that attitude is learned, that it predisposes action, and that such actions are consistently favourable or unfavourable towards the object. These features provide multiple interpretations of the term attitude.

Fishbein and Ajzen (1975) point out that attitudes are being formed by the aggregation of underlying beliefs and evaluations. Beliefs according to Fishbein and Ajzen (1975, p.131) 'refer to a person's subjective probability judgements concerning some discriminable aspect of his world; they deal with the person's understanding of himself and his environment.' These personal judgements (beliefs) provide the basis for the formation of an attitude towards an insurance product or service.

Rockeach (1968, p.126) posits that a "person's social behaviour must always be mediated by at least two types of attitudes; one activated by the object and the other by the situation." Therefore, according to Rockeach (1968) a general understanding of the customer's dynamic behaviour is driven by the mechanism of "attitude stimulation", either in positive or negative circumstances. Following on Rockeach's observation, Fishbein and Ajzen (1975) evaluated a person's attitude and viewed it as a two-direction construct of feelings, favourableness and unfavourableness toward an object or a situation. In light of the above, we conceptualise overall customer satisfaction as the summated evaluative attitude based on customer perceptions of performance during and after sale service contact mode.

In this paper we propose that there are factors affecting the formation of attitudes that are worth looking at. These include:
1. The relationship between salespeople and the customer
2. The role of the salesperson

These are discussed below:

The Relationship Between the Sales person and the Customer

Johnston-O'Connor *et al.* (1984); Crosby and Stephens (1987) observe that the insurance services are sold by salespeople, on whom the prospective buyers depend on to recommend a policy. This would suggest the outcome of the advice would determine the resulting attitude. The Swiss Re Life's (1997) research report customers favour the concept of impartial advice even though many do not fully understand the distinction between ties and independent advice. Casual observation show that the life insurance sector in

Botswana has not been in the forefront of providing high standards of customer service, in particular, the quality of the advice of the salespeople has been suspect. According to the Swiss Re Life's Key (1997) report, the average salesperson does not look after customers effectively. According to the report, the practice of replacing one policy with another -'churning, or twisting' still operates at a disturbingly high level.

Despite the well-recognized importance of building long-term relationship, it appears salespeople worldwide do not consider building long-term relationships with clients as important, which in the context of insurance could be achieved by staying in regular contact with the clients. This is evidenced in the LIMRA (1996) and Swiss (1997) report. The research found out that customers complained about salespersons' failure to keep in touch with them after selling a policy. Anderson and Narus (1991) and Garbarino and Johnson (1999) have proposed that organisations should analyze the position of their customers on a continuum of transactional or relational exchanges. The authors argue that both transactional and relational marketing can be pursued at the same time because not all customers want the same working relationship.

Kalwani and Narayandas (1995) investigated the difference between supplier firms in long-term relationship with those that use transactional approach. They found out that, supplier firms in long-term relationships are able to achieve a high level of sales growth compared to those that use transactional to servicing customers. Furthermore they found that supplier firms in long-term relationship achieved higher profitability by differentially

reducing they discretionary expenses such as selling and administrative overhead costs to a greater extent than their counterparts. Holland (1992) who expresses the view that the formation of a relationship minimizes the transaction costs also share this view. It is well known that the time and effort required gaining a new customer is much more than is required to keep an existing one. Blodgett et al (1995) and Gummesson (1994) state that it costs five times as much to gain a new customer, than to it does to retain an existing one. It becomes clear that insurances may not make profit on a simple transaction mandate. In view this, maintaining a long-term relationship has strong economies of scope.

From the Swiss (1997) research it would appear most insurance customers prefer long-term relationship with their salespersons. The report revealed that if salespeople were to stay in regular contact with the customer it will make it possible to uncover needs that the client would not consciously have disclosed to someone with whom he did not have a personal relationship. The report further suggests that it is also likely that the client might not have acknowledged some of those needs to him/herself, but a skilled salesperson in regular contact could draw this overtime.

The Role of the Salesperson

The role of the salesperson also is of interest to the study as it determines the resulting attitude. By knowing what is expected from salespersons, it might be easier to judge from their practices if they have an influence on the attitudes that result from encounters with clients. Their role is presented in figure 1.

Researching and identifying potential markets, establishing the manner in which those markets can mot effectively be accessed, and identifying a sales approach that will be successful in appealing to the potential purchaser.

↓

Identifying and locating potential prospects within the chosen market place.

↓

Making contact with those prospects, selling the concept of the service on offer, thereby gaining appointments.

Establishing credibility with the potential client.

↓

Re-establishing and consolidating the interest established when the appointment was made in the need for life insurance, savings, or retirement planning.

↓

Analysing the clients' financial position, and highlighting needs which could be addressed from within the available product portfolio.

↓

Devising product based solutions to financial needs, which the client acknowledges.

↓

Presenting those solutions to the client in an attractive, relevant, accurate and (in many countries fully compliant manner.

↓

Explaining technical details of the products and answering questions about the benefits, the way in which those benefits will be delivered, and their implications for the client's personal affairs (e.g tax inheritance)

↓

Convincing the client of the need to buy-of the appropriateness and attractiveness of the financial package being presented.

↓

Completing all the necessary paper work to successfully apply for the sale and ensure that the sale is properly recorded in personal and company files.

↓

Handling client queries relating to the administration of premiums and benefits.

↓

Maintaining regular contact with the client in order to provide a continuous review of their financial needs and provision

Figure 1: *The different steps involved in the selling process: Adopted from Swiss Re Life Guide (1997)*

Figure 1 stipulates the normal route taken by salespeople when engaging in a sale. Its relevance is of great importance as deterrence from it is usually followed by a series of bad choices on the part of salespeople, resulting in mixed and usually unpleasant emotions on the part of clients. In other words, these steps are the fine lines between winning clients' trust over, which translates into positive attitudes, and pushing them away, which translates into negative attitudes.

RESEARCH METHOD

Instrument Design and Data Collection

The research data was collected through the use of questionnaires. Because the attributes of importance have already been identified, through a pilot study, the data required was not too broad. In view of this, the questionnaires were highly structured, undisguised and using Likert-type scales, incorporating minimal fill in questions to consolidate data to be used. This approach provided comparable responses that will allow coding and easier data analysis.

Three questionnaires that were slightly different but the same in composition of core questions were developed designed to address the three groups involved with insurance; 1) existing policyholders, 2) ex-policy holders and 3) salespeople. The questionnaires were divided into two sections. Section two was common to the three groups. It had questions seeking to establish the background information of the respondents to make inferences during data analysis as well as in the conclusion part of the research. Section one (of the existing policyholders) consists of questions designed

to establish the data required for attitude measurement and value assessment. That of the ex-policy holders consists of questions designed to illicit data that will not only establish the post purchase attitudes of ex-policy holders, but also the reasons that might have influenced them to cancel the policies. Section one addressing salespeople consist of the questions, which were also designed to assess their whole experience during a sales presentation and what happens thereafter.

The sample consists of 50 existing policyholders, 50 ex-policyholders and 50 salespersons. Salespeople and ex-policy holders were randomly chosen from the Botswana Life Insurance client database and the existing policy- holders were chosen at random as they come to the company's client relations offices in Gaborone. This statistical area was selected because of ease of accessibility and financial constraints.

Salespersons were personally contacted at their offices and were requested to fill out the questionnaires. The researcher interviewed existing policyholders as they visited the client relations' offices at Botswana Life Insurance Limited (BLIL) headquarters and in the main mall office. Ex-policyholders were interviewed over the telephone. The number of salespersons belonging to a particular agency/broker interviewed was more concentrated on the well-established companies, with offices in Gaborone and has shown stability over the past five years. This is consistent with the expectation/assumption that selected policyholders and those who have cancelled in the selected area, might have come in contact with one of their agents or heard of the agency/broker as opposed to

the one-man agencies. This might have biased the responses.

DATA ANALYSIS

The data obtained from respondents were coded and fitted into the Multi-attribute-model.

$$A_o = \sum_{i=1}^{n} b_i e_i$$

In the evaluation of a service, the customer's overall attitude (A_0) toward that service is taken as the aggregation of his/her beliefs (*b*) about its attributes (*i*) as well as an evaluation (*e*) of the importance of that attribute in providing the needed benefits. An example is given in appendix 1 to conceptualized how a customer might evaluate the service encounter with the salesperson on such attributes as after-sales-service, benefits offered, quality of advice, consumer's level of participation, the extent to which his/her needs are analyzed, information provided and salesperson's credibility

RESEARCH FINDINGS

Table 1, 2 and 3 in Appendix 3 present service attributes overall attitudes of the three groups under investigation. The analysis of selected responses outside the attitude measurements determinants is presented in Appendix 4.

The analysis is subdivided into sections. The study first considers the salespeople's attitude followed by the existing policyholders then ex-policy holders. The results are presented below:

Salespeople

From the evaluation of the responses, the results in Table 1 show that the overall attitude of the 50 salespeople is 36.87%. According to the coding, this represents a positive attitude. Appendix 4 shows that 38% of the respondents had very positive attitude towards the relationship they have with their clients, 48% had positive attitude, 2% are neutral while only 1% reported a very negative attitude towards the relationship they had with their clients. Majority of sales people who claim to have very positive attitude towards the relationship with their clients happen to be those who have a once off and short-term relationship with their client. These represent 42.05% and 33.94% respectively. A small number (9.45%) report to have a long-term (over one-year) relationship with their clients.

Looking at the age distribution of the salespeople, 39.5% of the salespeople are aged between 21-34, majority of them, 47.4% are aged between 35-44, 5% are between 45-55 while 7.9% are above 55.

Existing Policyholders

Table 2 reveals existing policyholders to have an overall attitude of 27.42%, denoting a positive attitude from existing policyholders. Of the 50 interviewed, 32% report to have very positive attitude towards their relationships with salespeople and insurance, 52% were just positive, 14% held negative attitudes while 2% held very negative attitudes. Table 2 shows the areas of biggest concern to be related to after sales service and failure to analyze clients' needs properly. The attitude held by these customers on these attributes are very negative compared to the attitude they hold on attributes like benefits offered by the service (8.25) and information provided by sales people (4.82).

Concerning the level of satisfaction in general, Appendix 4 shows 14% of the existing policy holders reporting to have been very satisfied with their first encounter with the salesperson, 62% were satisfied, 12% were neutral, 8% were dissatisfied while 4% were very dissatisfied. Despite the high satisfaction rate reported by these customers, it is disappointing to note that the salesperson failed to stay in contact with the clients. Of the 50 respondents interviewed, 40% reported the relationship they have/had with their salesperson as a once off relationship, 28% reported a short-term relationship, 16% considered their relationship to be medium term and another 16% considered the relationship as long-term. The results showing lack of long-term relationship are high.

Ex-Policyholders

An overall positive attitude of 3.34% was reported from the 50 ex-policy holders interviewed. The results are presented in Table 3. Of the ex-policy holders interviewed, 6% held very positive attitudes towards salespeople and insurance as a whole, 48% held just positive, 44% held negative attitudes while 2% held very negative attitudes towards the relationship they had with salespeople in insurance. As with existing policyholders, the areas that appeared to have been of concern to ex-policy holders centered on after sales service, quality of advice offered and failure to analyze clients needs. The attitude of these attributes are -2.74, -0.34 and -0.21 respectively, denoting that they were very negative.

Majority of these clients about 40% cancelled their policies due to financial problems, 36% attributed their cancellations to poor service, 12% cancelled because they believed they had chosen a wrong policy, 8% cancelled due to influence from other salespeople i.e. churning, 4% cancelled for various reasons other than the ones stated above.

Discussions and Conclusions

One of the objectives of the research was to explore how salespeople can improve satisfaction levels among clients, and one way to achieve such an objective is through the establishment of medium to long-term relationships with the client. Yet, data analysis shows that salespeople do not rate long-term relationships as a priority. Few salespeople (9.45%) reported to have a long-term relationship with their clients compared to those who reported a once off (33.94%) and short-term relationship (40%). Even data analysis of the clients shows that most clients (40%) have/had once-off relationship with salespeople, and another 28% reported short-term relationship, where as 16% reported long-term relationship. The figures for long-term relations are very low compared to short-term relations. Judging from these figures, clients desire long term relationships while salespeople do not consider these long-term relationships as important. The results of this study are consistent with the Swiss (1997) research.

Because of the differences of opinion, the mismatch, results in the development of negative attitudes among clients towards insurance because they are not getting what they desire (i.e. they are dissatisfied). Therefore, in an effort to improve satisfaction levels and establish favourable attitudes with

clients, salespeople would be wise to thrive to do away with once-off visits and instead improve their long-term relations with clients. Researchers like Kalwani and Narayandas (1995) writing from manufacturing, Moeti (2002), Moeti and Othata (2004) from banking have noted long-term relationships as capable of creating benefits in business markets. Consumer markets such as life insurance is no exception.

The multi-attribute model allowed us to have a picture of the attributes that needed improvement. Using the model the study shed light into why policyholders cancel their policies. The results clearly show that the ex-policy holders appreciated the benefits offered by the policies they chose, however, there were certain attributes of the service, which contributed to customers experiencing mixed feelings towards the insurance products/services. The results support Mittal et al's (1998) findings. Who found out that it is possible for a customer to be dissatisfied with one attribute of a product and be dissatisfied with others of the same product. The results demonstrate that Botswana Life Insurance should endeavour to make an improvement on all the attributes listed paying particular attention to (in their order of importance) after-sales service, clients' needs analysis, the quality of advice given to clients which appear to be of concern to both ex-policy holders and existing policy holders.

Although the data analysis clearly indicates the majority of respondents, (48% of salespeople, 52% of existing and 48% of ex-policy holders interviewed) hold a positive attitude towards insurance (36.87%, 27.42% and 3.34% respectively), none of the attitudes measured is very positive. Special attention

should be paid to the 36.87% recorded for salespeople which is considered to be a small figure that could give the impression that they do not take their job as seriously as they should. As was previously highlighted in the literature review, the number of people willing and able to remain full time salespeople is declining, that is; most of the salespeople treat the job as a stepping-stone to their future plans, hence the low positive attitudes.

The 3.34% reported by ex-policyholders falls within 'positive' but to a certain extent moves closer to negative. This could be due to the fact that initially they considered their policy to be important and would seem strange if they displayed a wholly negative attitude. i.e. the respondents are somewhat displaying ego-defensive behaviour, that is; a totally negative attitude towards insurance would mean they were not smart enough to notice it was not the right thing to do.

It should also be noted that 44% of the ex-policy holders held negative attitudes towards the relationship they had with salespeople. Such attitudes could have been developed due to one or more of the following aspects; poor service, financial problems, churning or other reasons beyond those stated above.

Limitations of the Study

This study is subject to several limitations. It is not appropriate for this study to make a claim that the findings are generilizabile. Criticism can be directed at this study because it is based on a small sample. The results considered a small sample in the database and used a regional sampling plan for salespeople i.e. sampling randomly from a list of

salespersons of companies based in Gaborone and interviewed existing policy holders who visited Gaborone offices only, even though some might have come from what is considered the greater Gaborone This might have biased the response in an unspecified manner.

Nevertheless, the study was able to identify attributes that contribute to attitude enhancement or depletion. It is the researchers' view that some benefits may occur from validating these findings on a larger scale.

One other area for further research is the replication of this study in other African countries and also in the European Union. This will provide insights relative to the impact of culture on the evaluation of insurance services.

Third, the authors recognize that the hypothesized model does not include depositional and extraneous variables such as reference groups influence, that are likely to influence or moderate the specified attitude. One such deposition that is worthy of pursuit in further research involves individual sensitivity to trust judgments. For some people, a high level of trust may be needed to consummate an exchange, but others may not regard relational trust as highly important.

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Appendix 1: *Example of a Multi-attribute-attitude-toward-object model for a service*

Scales used to measure beliefs (bi) about each attribute:
For each pair of descriptions listed below, check the point on the continuum that most describes your opinion of your service encounter with an insurance salesperson:

The information provided Was enough	+2	+1	0	-1	-2	the information provided was not enough
The quality of advice Offered was excellent	+2	+1	0	-1	-2	the quality of advice offered was poor
The sales person provides/d after-sale-service	+2	+1	0	-1	-2	does/did not provide after sale-service
Benefits offered Were/are good	+2	+1	0	-1	-2	benefits offered are not good
The salesperson has /had credibility	+2	+1	0	-1	-2	has/had no credibility
The client is allowed to Participate in the presentations	+2	1	0	-1	-2	not allowed to participate

Scale used to measure the evaluative component (e,)
For each item below, check the point on the continuum that describes how important it is to you that the encounter and the salesperson has these characteristics:

Enough information provided Important	7	6	5	4	3	2	1	Unimportant
Advice is of excellent quality Important	7	6	5	4	3	2	1	Unimportant
Provides after sale service Important	7	6	5	4	3	2	1	Unimportant
Offers good benefits Important	7	6	5	4	3	2	1	Unimportant
Salespersons has credibility Important	7	6	5	4	3	2	1	Unimportant
Allows customer participation Important	7	6	5	4	3	2	1	Unimportant

Sample Calculation

Attribute	Belief about the encounter	Evaluation of importance of attribute for encounter	bi * ei
Information provided	....	....	
Quality advice offered	....	....	
After sale service offered	....	....	
Benefits offered	....	....	
Salespersons credibility	....	....	
Customer participation	....	....	
Overall attitude			

For each of the n attributes, the consumer evaluates the strength of his/her belief (b_i) that the service encounter with the salesperson can deliver the attributes he/she is seeking. The consumer evaluates whether the salesperson gives good quality advice, for example. Then, the consumer weights his/her beliefs when aggregating them. Each attribute is evaluated (e_i) for its importance or relevance to the consumer in determining his or her overall attitude toward service encounters in insurance. We would be able to judge whether good credibility is more important than after sale service.

APPENDIX 2: *Scaling and Coding*

For the purpose of our research, on the continuum,
-2 represents 'very dissatisfied'
-1 represents 'dissatisfied'
0 represents 'indifferent'
1 represents 'satisfied'
2 represents 'very dissatisfied'

In order to evaluate the responses concerning attributes that measure attitudes, the maximum range realised was +98 and minimum -98; where +98 represents very positive attitudes while -98 represent very negative attitudes held towards insurance.
e.g.   -98 to -49 represents 'very negative overall attitude'
        -48 to -1 represents 'negative overall attitude'
        0 represents 'indifferent'
        +1 to +49 represents 'positive attitude'
        +50 to +98 represents 'very positive overall attitude'

APPENDIX 3

Table 1: *Salesperson 's Attitude*

ATTRIBUTE	Total (n)	Belief	Importance	$b * e$
Benefits offered	50	1.1	4.34	0.43
Information provided	50	1.24	4.68	5.80
Clients' needs analysis	50	0.94	3.82	3.59
Clients' level of participation	50	0.76	3.80	2.89
Salesperson credibility	50	1.4	4.58	6.41
After sales service.	50	1.16	4.40	5.10
Quality of advice offered	50	1.64	5.06	8.29
Total	**50**		**36.87**	

Table 2: *Ex-policy holders' attitude*

ATTRIBUTE	Total	Belief	Importance	*b * e*
Benefits offered	50	0.46	6.6	3.04
Information provided	50	0.3	6.12	1.84
Clients needs analysis	50	-0.04	5.34	-0.21
Clients' level of participation	50	0.02	5.02	0.10
Salesperson credibility	50	0.32	5.18	1.66
After sales service.	50	-0.5	5.48	-2.74
Quality of advice offered	50	-0.06	5.6	-0.34
Total	**50**		**27.42**	

Table 3: *Existing policy holders' attitude*

ATTRIBUTE	Total	Belief	Importance	*b * e*
Benefits offered	50	1.34	6.16	8.25
Information provided	50	0.82	5.88	4.82
Clients needs analysis	50	0.56	8.26	2.95
Clients' level of participation	50	0.72	5.04	3.63
Salesperson credibility	50	0.72	5.46	3.13
After sales service.	50	0.08	5.22	0.42
Quality of advice offered	50	0.76	4.5	3.42
Total	**50**		**3.35**	

APPENDIX 4

* Analysis of the responses received from some of the questions outside the attitude measurement determinants.
* Note that the results are reported in percentages (shown in bold numbering).
* The total number of each section is 50

Existing Policy Holders

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
Service Encounter	7	31	6	4	2
	14.0%	62.0%	12.0%	8.0%	4.0%

	Much better	better than expected	as expected	worse than	much worse
Expectations	7	9	30	0	4
	14.0%	18.0%	60.0%	0.0%	8.0%

	Once-off	shortterm	medium term	Long term
Relationship term	20	14	8	8
	40.0%	28.0%	16.0%	16.0%

	Very positive	positive	Neutral	Negative	Very negative
Individual attitudes	16	26	0	7	1
	32.0%	52.0%	0.0%	14.0%	2.0%

Salespeople

	Once-off	shorttrem	medium term	longterm	never
Relationship term	21	17	7	5	0
	42.0%	34.0%	14.0%	10.0%	0.0%

	Very pos.	positive	neutral	negative	very neg.
Individual attitudes	19	24	1	0	6
	38.0%	48.0%	2.0%	0.0%	12.0%

Ex-Policyholders

	Financial	Poor service	Wrong policy	Churning	other
Reasons for cancelling	16	15	5	3	2
	32.0%	30.0%	10.0%	6.0%	4.0%

	Very positive	positive	neutral	negative	very neg.
Individual attitudes	3	24	0	22	1
	6.0%	48.0%	0.0%	44.0%	2.0%