

# **CHAPTER I**

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#### **1.1 Background of the Study**

Larson (1986:4) says that today more than ever before in human history, persuasion pervades the everyday life of each of us. Even in the world of marketing, brand loyalty or price competitiveness no longer can be relied on to sell a product. Instead, the marketer must convince the customer that the product will add excitement to life, that it will make the customer more successful, sexier, or more secure. We know that customers do not buy a product that is incompatible with their beliefs and attitudes. They will not buy unless they believe that by buying, they will reach one or more specific goals. That is why a salesperson who makes it clear becomes an important part of what customers buy. In this case, the salesperson should explain all of a product's benefits and uses in a complete presentation. Here, persuasion in the context of communication is occurring. In other words, salespeople who engage in personal selling use persuasive power to sell a product.

Life insurance company is a company whose business is to receive payments and pay compensation for death. It is a business concerning with financial service besides bank which gives protection to the family standard of living. According to a report published by Insurance Council of Indonesia (1995:16), it is stated that until 1994 there are 51 life insurance companies in Indonesia. One of them is LIPPO LIFE. In compliance with the development of life insurance companies, many of them are competing for a market share by launching several new products. Like others, LIPPO LIFE also launches several new products which are set to the society needs. Realizing that many products have been launched by LIPPO LIFE, the salesperson should be able to explain all of the products'

benefits in a complete presentation. In other words, persuasion should be involved in selling.

As a matter of fact, in expanding the business, LIPPO LIFE gets some obstacles that is also experienced by the other life insurance companies. It is because Indonesian people are not 'insurance-minded' - meaning that they do not have any intention to take insurance. Many people think that taking an insurance can cause bad luck. They also think that taking an insurance means wasting a lot of money on something that is not important. In other words, Indonesian people still have a negative thinking about insurance. Therefore, in order that the prospects adopt the new ideas - meaning that they become interested in taking insurance, the salesperson should use persuasion to achieve personal selling.

Due to the fact that persuasion is very important for salesperson to achieve personal selling - in this case to influence the prospects in taking insurance and there has been no persuasion research done at the English Department of Widya Mandala Catholic University, the writer decides to do a research on persuasion and write a thesis entitled : **A STUDY ON THE PERSUASIVE LANGUAGE USED BY A SALES REPRESENTATIVE OF LIPPO LIFE.**

## **1.2 Statement of the Problems**

Closely related to the background of the study, the problems investigated are formulated as follows :

1. Why is persuasion very important in insurance business communication?
2. How does the insurance sales representative persuade the prospects in order that they take insurance ?

## **1.3 Objective of the Study**

In line with the statement of the problems, the purposes of this study are :

1. To describe the reason why persuasion is very important in insurance business communication.
2. To describe how the insurance sales representative persuades the prospects in order that they take insurance.

#### **1.4 Significance of the Study**

This study is expected to give some contribution to the students of English Department who work in marketing field after they graduate, especially about how to influence the customers' attitudes toward the product so that they are interested in buying it.

This study is also expected to give some contribution to the sales representative of LIPPO LIFE about how to improve the selling quantity and quality through persuasion.

#### **1.5 Theoretical Framework**

This study is based on the theory of Persuasion, Sociolinguistics, Marketing, and Public Speaking.

Little John and Jabusch (1987:2) state that persuasion is today the keynote of public decision making in our society. A long history of research demonstrates that people do not suddenly adopt new ideas. Rather, innovations, be the new ways of thinking, new beliefs or new practices, come to be accepted through persuasive communication.

According to Holmes (1992:286), language serves many functions. There are a number of ways of categorizing the functions of speech. One of them is persuasive utterances which function to persuade. It is also defined as a communication process, involving both verbal and nonverbal messages that attempt to reinforce or change listener's attitudes, beliefs, values, or behaviour.

Strong as quoted by Wendel and Gorman (1988:205) formulated **AIDA** (Attention, Interest, Desire, and Action) model for tracing the movement of the prospect's mind through the phases of buying readiness.

Aristotle as quoted by Brillhart et al (1992:296) was the first to write that persuasion was effected by a combination of three types of appeals; they are personal appeal (ethos), logical appeal (logos), and motivational appeal (pathos).

### **1.6 Limitation of the Study**

Realizing how broad the discussion of persuasion could be, the writer limits to the study in several ways :

1. The subject under the study is Mr. Wahyudi - a sales representative of LIPPO LIFE. He is chosen under the assumption that he has relatively mastered the persuasive strategies in insurance business communication.
2. The area is focused on the persuasive verbal communication in a formal situation.

### **1.7 Definition of Key Terms**

To avoid misinterpretation, it is important to define the following key terms :

#### **1. Persuasion**

According to Seiler (1992:312) persuasion means a communication process, involving both verbal and nonverbal messages, that attempts to reinforce or change listener's attitudes, beliefs, values, or behavior.

#### **2. Sales Representative**

According to Business English Dictionary (1988:267), sales representative is a person employed to sell goods or services; especially the corps of salesmen and saleswomen of a particular business concern.

### 3. Lippo Life

Lippo Life is a life insurance company where the writer takes the subject. It is a company whose business is to receive payments and pay compensation for death. A report from Insurance Council of Indonesia (life sector) states that Lippo Life, established on January 1, 1984, is the biggest insurance company in Indonesia with Rp 250 billion total asset.

### 4. Prospect

According to Business English Dictionary (1988:235), a prospect is a potential buyer or target customer.

## 1.8 Organization of the Study

This thesis consists of five chapters. The first chapter is the Introduction. It gives the readers some explanation about the background, statement of the problems, the objectives of the study, the significance of the study, the limitation of the study, theoretical framework, definition of the key terms, and organization of the study.

The second chapter reviews some literature related to the study under report. It discusses the theories used in the study, namely sociolinguistics, marketing, and public speaking.

The third chapter is about research methodology. It discusses the nature of the study, the subject, the research instruments, the procedures of collecting the data, and the procedures of analyzing the data.

The fourth chapter is about the data analysis, the findings, and the discussion.

The final chapter of this thesis presents the conclusion and some suggestions concerning the topic under study.