

## CHAPTER 2: BUILDING TRUST AND SALES ETHICS

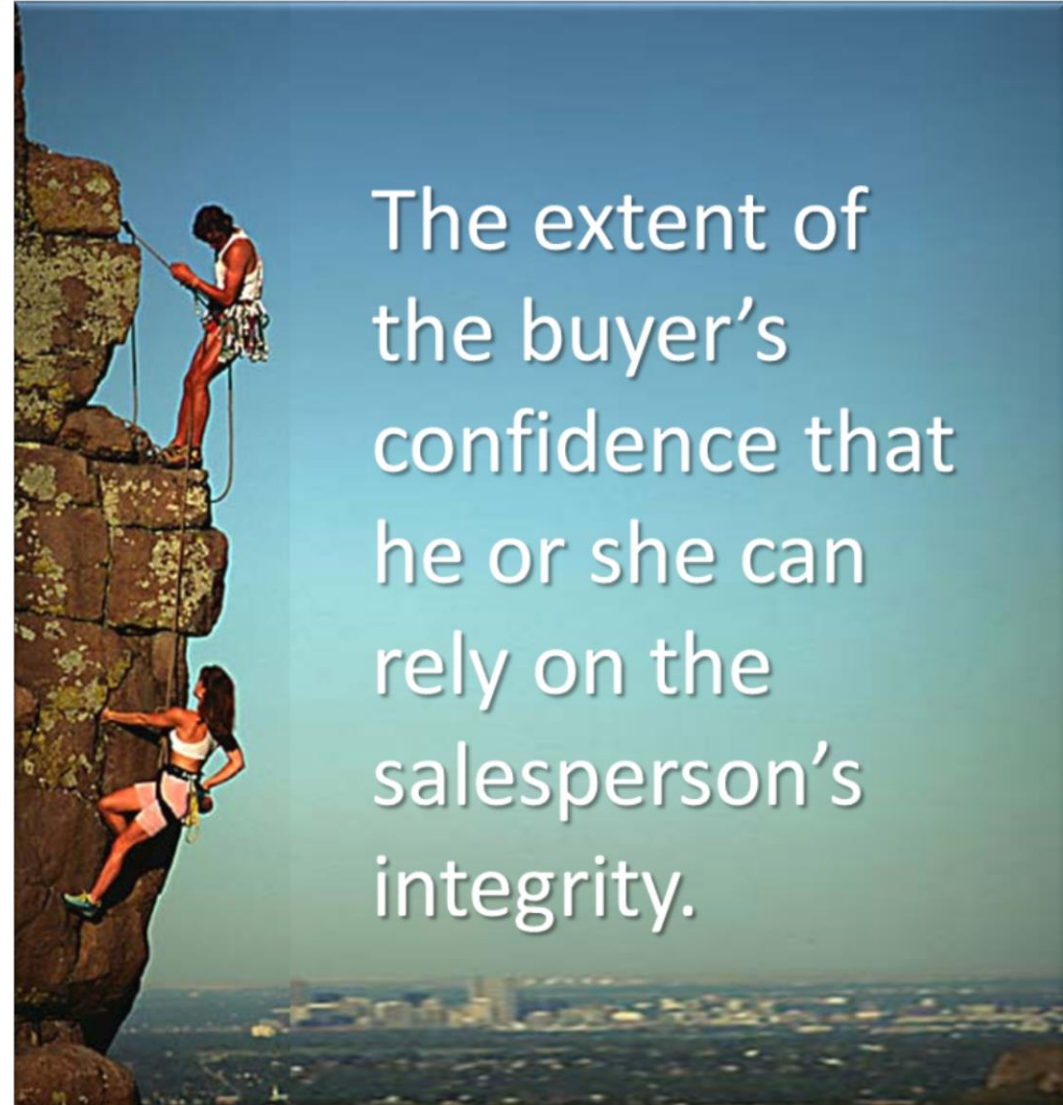


## LEARNING OBJECTIVES

After completing this chapter, you should be able to explain and understand:

1. what trust is.
2. why trust is important.
3. how to earn trust.
4. knowledge bases help build trust and relationships.
5. sales ethics.

## WHAT IS TRUST?



The extent of  
the buyer's  
confidence that  
he or she can  
rely on the  
salesperson's  
integrity.

# INTEGRITY

*noun*

**1. the quality of being honest and having strong moral principles; moral uprightness.**

"he is known to be a man of integrity"

synonyms: honesty, probity, rectitude, honor, good character, principle(s), ethics, morals, righteousness, morality, virtue, decency, fairness, scrupulousness, sincerity, truthfulness, trustworthiness

"I never doubted his integrity"

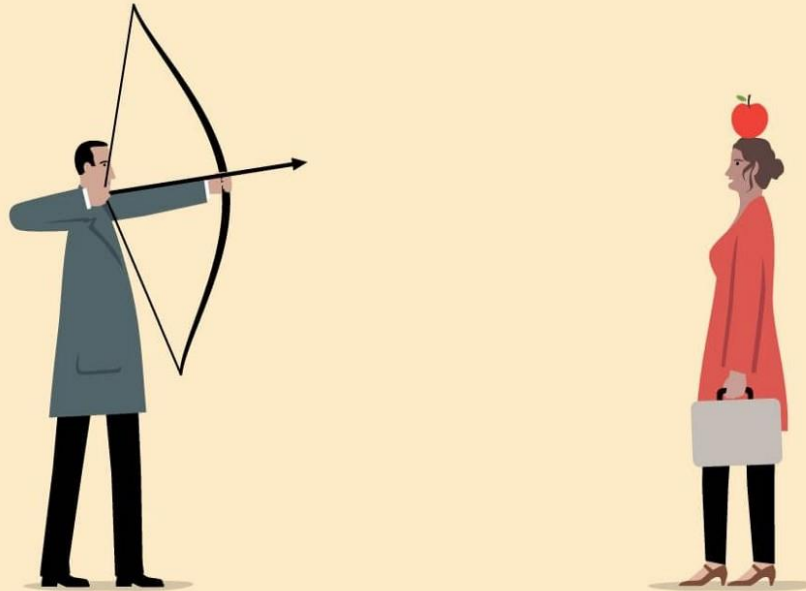
**2. the state of being whole and undivided.**

"upholding territorial integrity and national sovereignty"

synonyms: unity, unification, coherence, cohesion, togetherness, solidarity

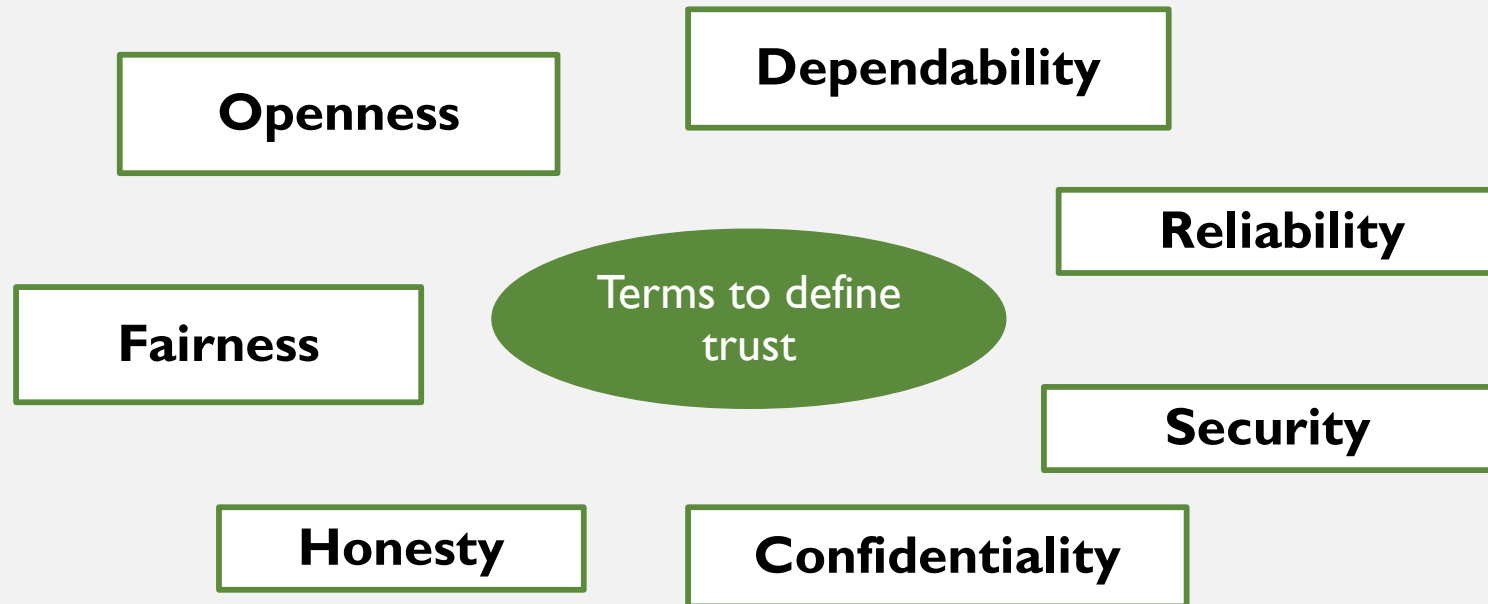
"the integrity of the federation"

WHAT IS THE  
ESSENCE OF  
TRUST FOR A  
SALESPERSON?



## BUYERS DEFINE TRUST AS:

Extent of the buyers' confidence that allows them to rely on the salesperson's integrity



It is the salesperson's job through questioning to determine what trust attributes are critical to relationship building for a specific buyer.

# TRUST

## Openness

- Completely free from concealment: exposed to general view or knowledge

## Honesty

- Fairness and straightforwardness of conduct

## Confidentiality

- The state of being entrusted with information from a buyer that cannot be shared

## Security

- The quality of being free from danger

## Reliability

- Consistency of a salesperson over time to do what is right

## Fairness

- Impartiality and honesty

## Dependability

- The quality of being able to be counted on or relied upon

## TRUST MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE

- If trust means different things to different buyers, how is a salesperson to determine what trust means for each buyer?
  - *How do you rank the list for yourself?*
- The salesperson must determine what trust means for each buyer by **asking questions**, **listening** to the responses, and making general **observations**.
- This is the only way the salesperson will be able to learn what trust attributes are critical to relationship-building for a specific buyer.





## WHY IS TRUST IMPORTANT?

**A fundamental competitive strategy** of a growing number of organizations is to build long-term mutually beneficial relationships with their customers.

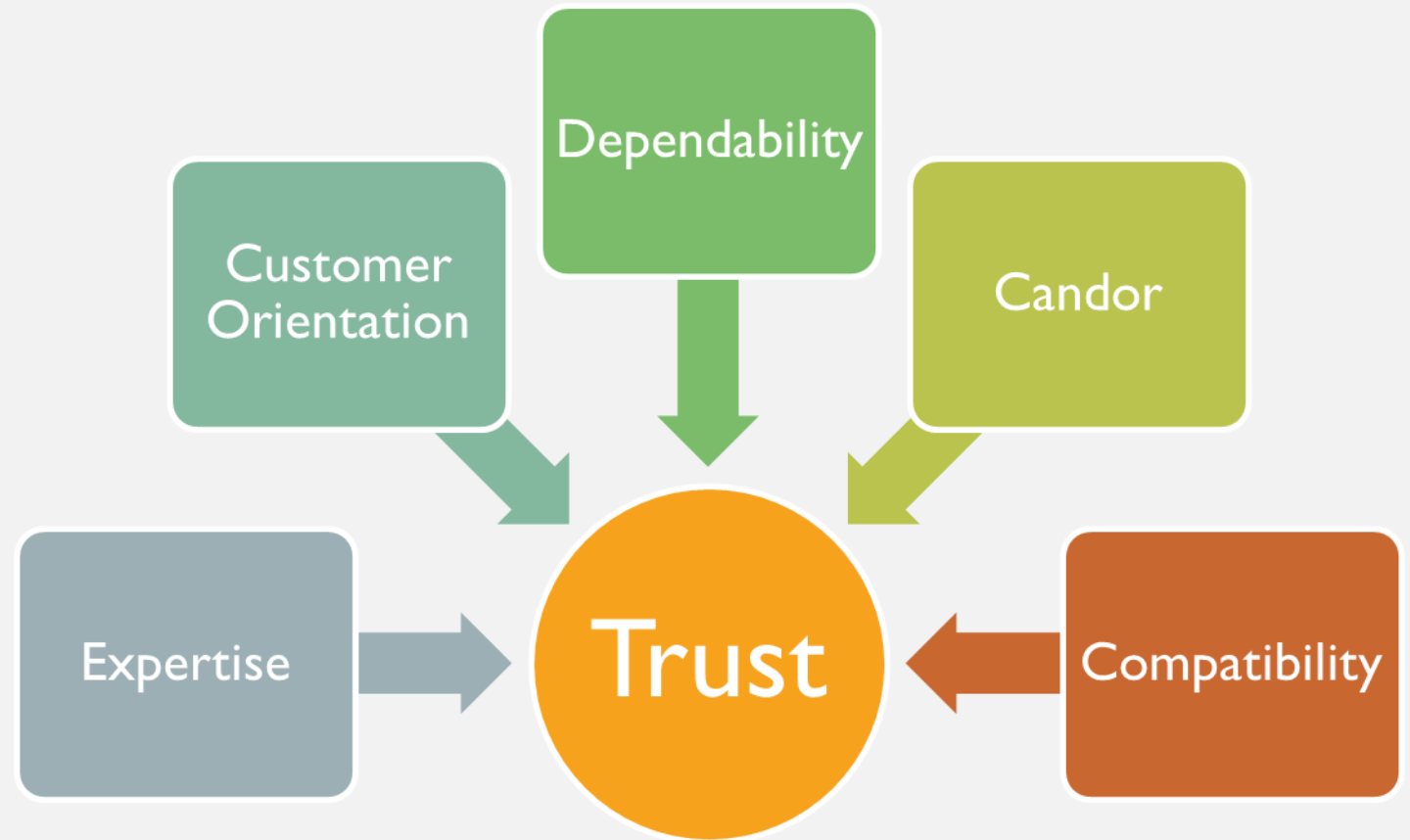
The ability of those organizations' salespeople to earn their customers' trust is essential to the success of that strategy.



# TRUST BUILDERS

Trust answers the questions:

- Do you know what you are talking about? – **competence; expertise**
- Will you recommend what is best for me? – **customer orientation**
- Are you truthful? – **honesty, candor**
- Can you and your company back up your promises? – **dependability**
- Do I like you and believe what you are saying? – **compatibility**



**Expertise:** Does the salesperson know what he or she needs to know? Does the salesperson and his or her company have the ability and resources to get the job done right?

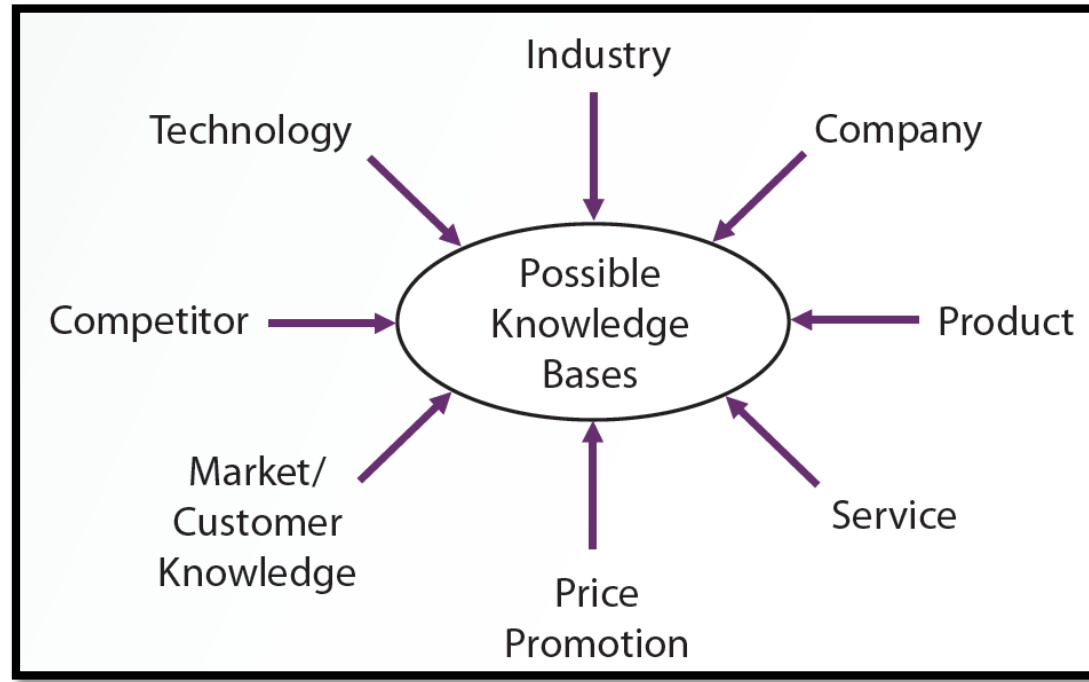
**Dependability:** Can I rely on the salesperson? Does the salesperson keep promises?

**Candor:** Is the salesperson honest in his or her spoken word? Is the salesperson's presentation fair and balanced?

**Customer Orientation:** Does the salesperson truly care about the partnership? Will the salesperson go to bat for the customer (e.g., wrong order, late delivery)?

**Compatibility:** Will the buyer like doing business with the salesperson? Will the buyer like doing business with the salesperson's company?

**QUESTIONS THAT SALESPEOPLE NEED TO ANSWER  
SATISFACTORILY TO GAIN A BUYER'S TRUST**



Buyers have certain expectations of the salesperson and the knowledge that he or she brings to the table.

**KNOWLEDGE BASES HELP BUILD  
TRUST AND RELATIONSHIPS**

# COMPANY KNOWLEDGE

- Knowledge Need: understand their company's culture, mission, goals, policies, and procedures.
- Benefit: ability to effectively and accurately represent the company when interacting (e.g., negotiating) with its prospective and current customers.

*"To bring inspiration and innovation to every athlete\* in the world."*



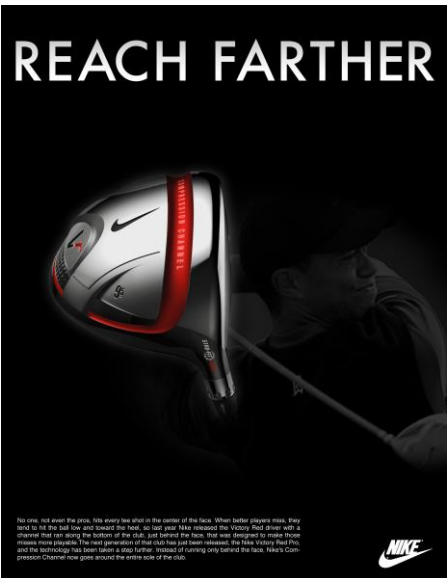
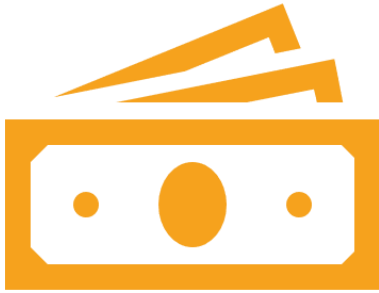
Knowledge Need: a thorough understanding of their product offerings and the various sources of value they provide

Benefit: be perceived (by the customer) as experts and capable of accurately matching solutions to the needs of the customer



## PRODUCT KNOWLEDGE





## PROMOTION AND PRICE KNOWLEDGE

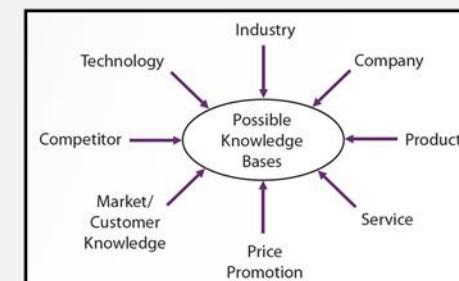
Knowledge Need: understand the details of, and how to manage, promotional programs and the pricing policies of their products

Benefit: ability to 1) facilitate their customers' participation in promotional programs and 2) effectively negotiate terms



# MARKET AND CUSTOMER KNOWLEDGE

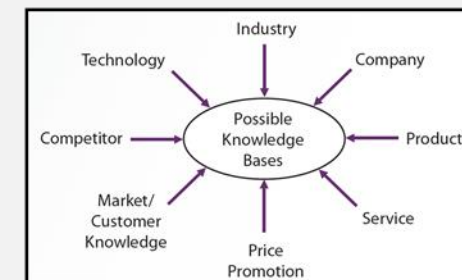
- Knowledge Needs: understand the markets they serve and their customers, including needs, personalities, and communication styles.
- Benefit: ability to 1) develop and implement effective selling strategies, and 2) clearly communicate relevant solutions.





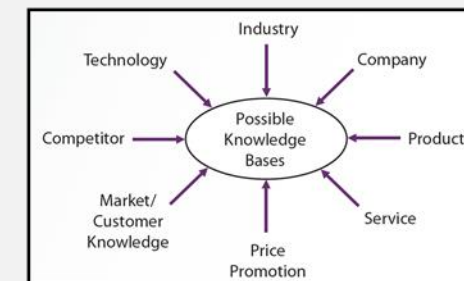
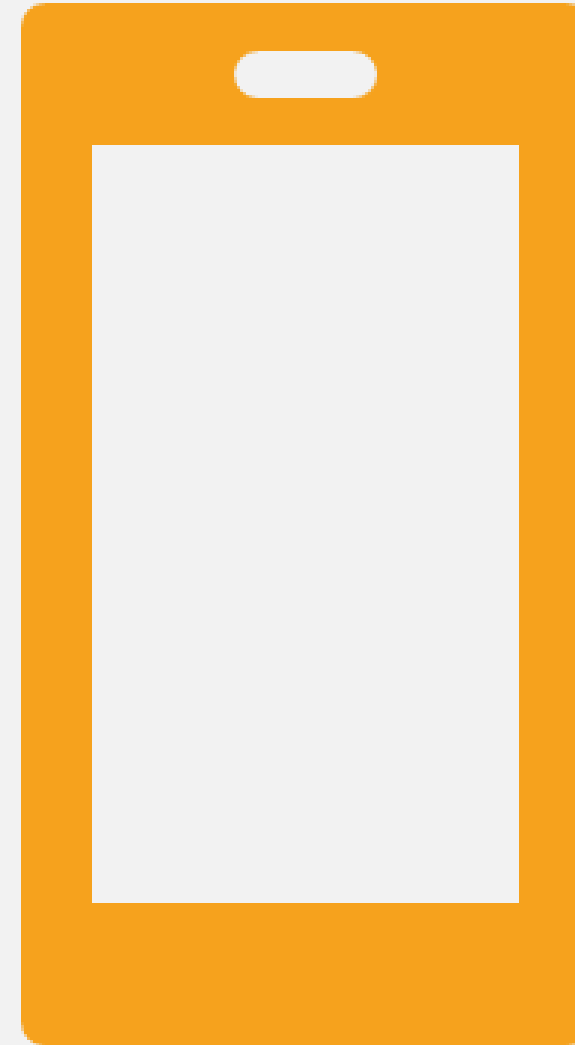
# COMPETITOR KNOWLEDGE

- Knowledge Need: their competitors and respective market offers and how they are perceived in the market.
- Benefit: to position their products against those of their competitors'.



# TECHNOLOGY KNOWLEDGE

- Knowledge Need: understand how utilize sales technology hardware and software (e.g., internet, CRM, laptops, smart phones)
- Benefit: to leverage technology to me more competitive and to work smarter not harder



Technology	Bridge
World Wide Web	Price updates can be placed on the Web for customers to access. New product information can be made available to customers and prospects.
E-mail	Buyer and salesperson can communicate virtually 24 hours a day. Mass communications can be sent out to all customers and prospects.
Facsimile	Non-electronic documents can be transmitted 24 hours a day. Fax on demand.
Cell phones	Buyer and seller have immediate access to each other.
Voice mail	Salesperson and buyer can leave messages for each other and save time and effort.

## USING TECHNOLOGY TO BUILD BRIDGES TO CUSTOMERS

Dimension	Potential Superiority
1. Delivery	Can our company demonstrate speed? Deliver more often?
2. Inventory	Can we meet the demands of our customers at all times?
3. Training	Do we offer training? At our site? At our customer's?
4. Field maintenance	Do we go to the field to fix our products? Do our customers have to bring their equipment to us to fix?
5. Credit and financial consideration	Do we grant credit? Do we help finance?
6. Installation	Do we send a team to your site for start-up?
7. Guarantees and warranties	What are our guarantees? How long? What do we cover?
8. Others	Do we offer anything unique that our competition does not?

## SERVICE SUPERIORITY



# BUILDING AND (RE) BUILDING TRUST



## TOPICS COVERED DURING INITIAL SALES TRAINING PROGRAMS

Industry history

Company history  
and policies

Product and  
market  
information

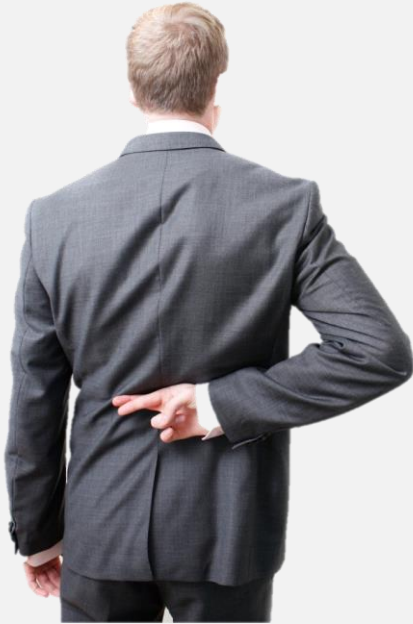
Competitive  
knowledge

Selling techniques

How to initiate,  
develop, and  
enhance customer  
relationships

ETHICS

# ETHICS



Ethics refers to right and wrong conduct of individuals and institutions of which they are a part.



## **WHAT TYPE OF SALES BEHAVIORS ARE UNETHICAL?**

According to a survey of 327 customers, salespeople are acting unethically if they:

1. Shows concern for their own interest, not the clients'.
2. Pass the blame for something they did wrong.
3. Take advantage of the poor or uneducated.
4. Accept favors from customers so the seller feels obliged to bend policies.
5. Sell products/services that people do not need.
6. Give answers when they do not really know if they are correct or not.
7. Pose as market researcher when doing phone sales.
8. Sell dangerous or hazardous products.
9. Withhold information.
10. Exaggerate benefits of product.
11. Lie about availability to make sale.
12. Lie about competitors.
13. Falsify product testimonials.

# ADVICE FOR SALESPEOPLE

## EXHIBIT 2.8

### Legal Reminders

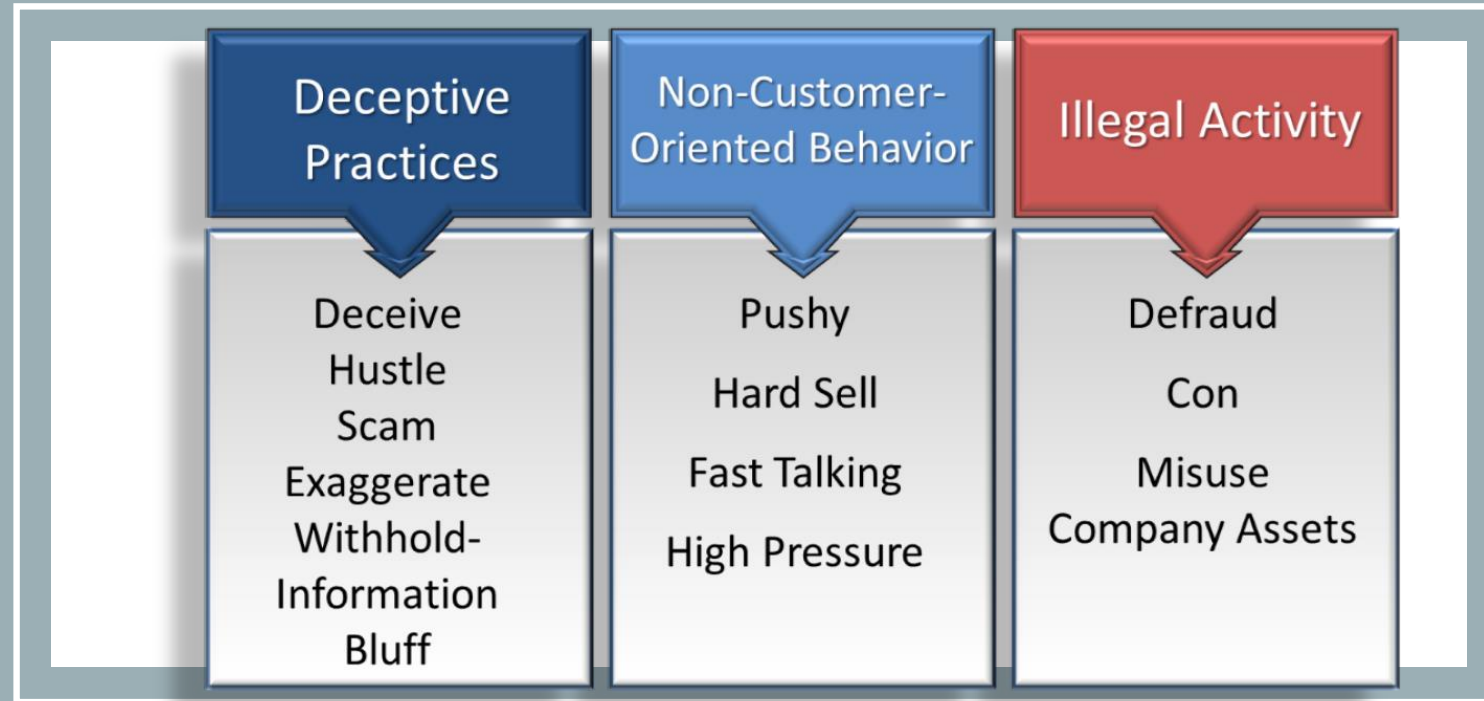
#### For salespeople:

1. Use factual data rather than general statements of praise during the sales presentation. Avoid misrepresentation.
2. Thoroughly educate customers before the sale on the product's specifications, capabilities, and limitations.
3. Do not overstep authority, as the salesperson's actions can be binding to the selling firm.
4. Avoid discussing these topics with competitors: prices, profit margins, discounts, terms of sale, bids or intent to bid, sales territories or markets to be served, rejection or termination of customers.
5. Do not use one product as bait for selling another product.
6. Do not try to force the customer to buy only from your organization.
7. Offer the same price and support to buyers who purchase under the same set of circumstances.
8. Do not tamper with a competitor's product.
9. Do not disparage a competitor's product without specific evidence of your contentions.
10. Avoid promises that will be difficult or impossible to honor.

#### For the sales organization:

1. Review sales presentations and claims for possible legal problems.
2. Make the salesforce aware of potential conflicts with the law.
3. Carefully screen any independent sales agents the organization uses.
4. With technical products and services make sure the sales presentation fully explains the capabilities and dangers of products and service.





## AREAS OF UNETHICAL BEHAVIOR