

Building Trust Through Ethical Sales Behavior

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Effective selling requires more than an ability to communicate a product's features or benefits. Sales representatives must also develop quality relationships with their customers. Regardless of a company's reputation, customers choose to do business with people they trust. Sales representatives have to earn that trust by behaving ethically and conveying a commitment to the customers' needs.

What You Need to Know

Is there a formal code of ethical conduct for sales representatives?

There is no single code of conduct for sales representatives, although individual companies may produce guidelines for their own sales teams. There are, however, generally accepted standards of behavior relating to representation of products, accuracy of information and advice, and selling techniques that provide a framework for ethical behavior. The key test of ethical behavior is whether a customer or prospect trusts a sales representative enough to buy. That may have a stronger effect on behavior than any formal code of conduct.

What to Do

Build Trust and Credibility

To continue to win repeat business, create high-quality referrals, and build larger, more profitable sales, your sales representatives cannot rely on the occasional one-time purchaser. They need to build a group of customers who trust them as credible suppliers. Trust and credibility mean possessing and displaying a belief in your company, your products, and the way you do business. They mean having a thorough knowledge of your products and their applications and showing a willingness to gain a full understanding of customers' problems and needs. Trust and credibility take time to build, but the investment is worthwhile for long-term sales success.

Present Full and Clear Information

Customers want to be confident that sales representatives know what they are talking about, and they want to be sure they can rely on the information. Information that turns out to be wrong can raise doubts in the customer's mind and destroy any trust and credibility. If sales representatives do not have the information a customer wants, they should be honest enough to admit it, let the customer

know, and offer to find out. Sometimes it is possible to get the information by phone or e-mail during the meeting but, if not, the representative should give the customer a date and time when he or she will provide the information.

Make Competitive Comparisons Fairly

Making competitive comparisons is an integral and important part of the sales process. However, criticizing the competition unfairly can be seen as unethical. Although sales representatives should believe in the quality and superiority of their own products, it pays to be honest about competitive products.

Give Honest Advice

Customers should also be able to trust the advice and recommendations they are given. If a sales representative believes that your product or service is not the right solution for the customer's problem, he or she should say so and not try to get a sale at all costs. Giving a customer false or prejudiced information can quickly destroy trust. It can be difficult for a sales representative to lose a sale, but when a customer knows the representative is willing to sacrifice an immediate sale to maintain integrity, that strengthens your reputation and the future relationship.

Understand Customers' Needs and Expectations

The key to providing accurate information and advice is to understand the customer's needs and expectations. Preliminary research can provide some clues, but it can be far more useful to ask customers. Those needs and expectations can go beyond product information and advice. Customers may expect to be kept fully informed by e-mail, or to be contacted if a problem arises. They may expect delivery on a specific date, customized training, or other support services. It is the sales representative's responsibility to be fully aware of these requirements. However, what is not ethical is to claim that a cold sales call is "customer research." The so-called "customer survey" is a technique for engaging a prospect and is misleading if the sales representative does not disclose the real purpose of the call. Techniques like the survey or the claim to be returning a message are simply ways to overcome initial sales resistance.

Deal Honestly with Problems

A major concern for sales representatives is dealing with problems. This could be a quality issue, an unforeseen rise in costs, delays in delivery, or change of specification. In some cases, representatives hope that any problem will resolve itself before it is too late, and the customer will never notice the difference. The more likely outcome is that the problem will become more serious because the representative did not communicate with the customer. The sales representative should give customers as much warning as possible so that they can make alternative arrangements, if necessary. The dilemma for the sales representative is the possibility of losing the sale if the problem is serious, but the representative has to weigh that against losing the trust and respect of the customer.

Accept Responsibility for Problems

It can be tempting for sales representatives to blame someone else if a problem arises, telling “white lies” to avoid embarrassing situations. For example, if a delivery is late, it would be easy to blame the freight company when the real reason was that the representative had given the wrong delivery date or failed to place the order in time. If the customer finds out the truth, that can quickly destroy trust.

Follow Up Commitments

As well as accepting responsibility, sales representatives should recognize the importance of following up commitments, for example, failing to send something that was promised, not returning phone calls, or being consistently late for appointments. Although these may be minor issues, they demonstrate a lack of real commitment to the customer’s business.

Avoid the “Sale at All Costs” Approach

It can be very tempting for sales representatives to encourage customers to buy more than they normally do during a special promotion, particularly if the team’s bonuses depend on reaching certain targets. This can be regarded as unethical behavior, particularly if it distorts sales performance for the rest of the period. Customers may also act adversely, particularly if they felt under pressure to buy the additional quantities. The same situation can arise if a sales representative encourages a customer to buy a product that may not be suitable. The ethical approach is to consider the effect of decisions like that on the company, the customer, and the representative’s own integrity.

Deal Honestly with Objections

One of the most difficult tasks is dealing with customers' objections. If, for example a customer asks about a specific feature, the sales representative could answer by saying the product does not have the feature and, instead, emphasize all the other features and benefits the product does have. That is an honest answer. However, answering that the specific feature is unimportant to the performance of the product is an unethical approach. There is a further consideration. If the sales representative feels that the customer could benefit from a product that was superior to the one you offer, is it unethical not to inform the customer? Commentators believe that it is not the responsibility of the representative to educate the customer. They are paid by your company to sell your products, not to provide objective advice.

Create a Culture for Ethical Selling

Part of the problem in selling lies with the increasing complexity of products and the intensifying competition among sellers. This makes it harder for customers to understand what they want or need and easier for an aggressive sales representative to mislead them. It is also important to recognize the pressure on short-term success at all costs. In an environment like this, the emphasis is on representatives who achieve good sales wins within a short time period, rather than on consistently good performers who spend as much time serving customers as they do making sales. It is essential to create a corporate culture that fosters ethical selling. This means clearly defining what is acceptable. As part of that process, the emphasis should be on:

- building customer relationships, rather than focusing on individual transactions;
- simplifying product information so the buyer can understand it;
- training sales representatives so that they can succeed without resorting to deception.

What to Avoid

You Avoid the Ethical Decisions

Sales representatives should always do what is best for the customer, because people like to do business with representatives they can trust, and who give them the very best advice, service, and products. However, when it comes to the difficult decisions such as risking the loss of a sale by being honest or making excuses for late delivery, sales representatives may avoid making the ethical decision unless they have no choice but to do so.

Where to Learn More

Book:

Morgen, Sharon Drew. *Selling with Integrity: Reinventing Sales through Collaboration, Respect, and Serving*. Berrett-Koehler, 1997.

Web Sites:

Highprobselling.com: www.highprobselling.com

integrity-sales-leadership.com: www.integrity-sales-leadership.com/index.html

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