

PROFESSIONAL SALESMANSHIP

Chapter 3 Sales Ethics

Lecturer: Dr. Michaella DeLeon Castillo

Philippines

LEARNING OUTCOMES

After completing this module, you should be able to:

- Understand the importance of sales ethics.
- Discuss three important areas of unethical behavior.
- Explain how important the Image of Salespeople

LEARNING OUTCOMES

After completing this module, you should be able to:

- Explain the importance Sales Behaviors
- Discuss the American Association's of Code of Ethics
- Discuss areas of Unethical Behavior

SALES ETHICS

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

Code of Ethics Members of the American Marketing Association (AMA) are committed to ethical professional conduct. They have joined together in subscribing to this Code of Ethics embracing the following topics.

Responsibilities of the Marketer

- decisions,
- recommendations
- and actions function to identify, serve, and satisfy all relevant publics:
 - customers
 - organizations
 - society

Honesty and Fairness

1. Being honest
2. Conflict of interest
3. Establishing equitable fee schedules

Rights and Duties of Parties in the Marketing Exchange Process

- Safe and fit
- Not deceptive.
- Adjustment and/or redress of grievances

Organizational Relationships

- Apply confidentiality and anonymity
- Meet their obligations and responsibilities
- Avoid taking the work of others
- Avoid manipulation to take advantage

What Types of Sales Behaviors Are Unethical?

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

1. Show concern for own interest, not 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

What Types of Sales Behaviors Are Unethical?

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

5. Sell products/services that people don't need
6. Give answers when they don't really know answers
7. Pose as market researcher when doing phone sales
8. Sell dangerous or hazardous products

What Types of Sales Behaviors Are Unethical?

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

9. Withhold information

10. Exaggerate benefits of product

11. Lie about availability to make sale

12. Lie to competitors

13. Falsify product testimonials

Image of Salespeople

- SMEI has developed a 20-to 30-hour certification process
- Broadway productions

Deceptive Practices

Buyers have been known to be turned off by all salespeople because a few are **unscrupulous** and are even **scam artists**.

SMEI Certified Professional Salesperson Code of Ethics

As an SCPS I pledge to the following individuals and parties:

- I. With respect to The Customer, I will

- II. With respect to The Company and other parties whom I represent, I will

SMEI Certified Professional Salesperson Code of Ethics

As an SCPS I pledge to the following individuals and parties:

- III. With respect to The Competition, regarding those organizations and individuals that I compete with in the marketplace, I will

- IV. With respect to The Community and society which provide me with my livelihood, I will

I AM COMMITTED

- ✓ letter and spirit of this code
- ✓ failure to consistently act

Illegal Activities

- Misusing company assets
- Bribes
- Basis of the bargain

Non-Customer-Oriented Behavior

- Emphasize trust-building behaviors
- short-term goals

How Are Companies Dealing with Sales Ethics?

EXHIBIT 2.8 Areas of Unethical Behavior

Deceptive Practices

Deceive
Hustle
Scam
Exaggerate
Withhold bluff

Illegal Activities

Defraud
Con
Misuse company assets

Non-Customer-Oriented Behavior

Pushy
Hard sell
Fast talking
High pressure

*source: Ingram, et.al. (2008) Professional Selling
A trust-based Approach 4th edition. pp 50*

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.

Legal Reminders

For salespeople:

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.

Legal Reminders

For salespeople:

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.

For the sales organization:

3. Carefully screen any independent sales agents used by the organization.
4. With technical products and services make sure the sales presentation fully explains the capabilities and dangers of products and service.

DEVELOPING PROFESSIONAL SELLING KNOWLEDGE

1. What is the essence of trust for a salesperson?
2. If trust means different things to different buyers, how is a salesperson to determine what trust means for each buyer?

DEVELOPING PROFESSIONAL SELLING KNOWLEDGE

3. Why is trust important to a salesperson?
4. How might a salesperson go about earning trust?
5. What does it mean for a salesperson to have a customer orientation?

DEVELOPING PROFESSIONAL SELLING KNOWLEDGE

6. How would you rank the five trust-builders in order of importance?
7. Explain why expertise is such an important relationship builder.
8. How do knowledge bases help build trust and relationships?
9. Do you think certain knowledge bases are more important than others? Why?
10. What are the three areas of unethical behavior? Discuss each.

SUMMARY

- Understand the importance of sales ethics.
- Discuss three important areas of unethical behavior.
- Explain how important the Image of Salespeople

SUMMARY

- Explain the importance of trust.
- Discuss the distinguishing characteristics of trust-based selling.
- Discuss how to earn trust.

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The End