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Chapter Two — Building Trust and Sales Ethics

Exercises

1. **What is the essence of trust for a salesperson?**

   Students' answers will vary. The answers should include some description of the buyer relying on the salesperson's words or actions in situations where such reliance involves risk to the buyer.

2. **If trust means different things to different buyers, how is a salesperson to determine what trust means for each buyer?**

   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.

3. **Why is trust important to a salesperson?**

   Today's customers are more sophisticated, more informed (or at least have access to more information), and more aware of traditional manipulative "sales tactics." In addition, buying organizations are interested in taking advantage of efficiencies associated with using a smaller number of suppliers. Salespeople who understand these characteristics know that the stereotypical type of selling (e.g., manipulative, pushy, aggressive) is ineffective and that building mutually beneficial relationships with their customers is the only way to compete in the new millennium. Trust is important to a salesperson because it is essential for building these long-term relationships.

4. **How might a salesperson go about earning trust?**

   Students' answers will vary, but they should include discussion of the basic building blocks of trust, including expertise, dependability, candour, customer orientation, and compatibility/likeability.

5. **What does it mean for a salesperson to have a customer orientation?**

   Customer orientation means the salesperson is as concerned about their customers' interest as his or her own. It means truly understanding the customer's situation and then presenting fair and balanced solutions addressing the customers' needs. In other words, it means "looking out" for the customer. This requires salespeople to be honest, candid, and fair when dealing with the customer.

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6. How would you rank the five trust builders in order of importance?

Students' answers will vary, but should include each of the five components (expertise, dependability, customer-orientation, candour, compatibility).

7. Explain why expertise is such an important relationship builder.

Expertise is a very important trust builder because it gives the salesperson credibility and is associated with several of the other trust builders. Credibility affords the salesperson a degree of the buyer's trust prior to the salesperson actually earning it. Expertise may help the salesperson earn the buyer's trust through the other trust builders. For example, salespeople with greater expertise are more likely to have greater competence and/or make more significant contributions.

8. How do knowledge bases help build trust and relationships?

Knowledge bases help build trust and relationships because they empower the salesperson to use the trust-building variable more effectively. For example, as salespeople gain more product knowledge, they are better able to demonstrate expertise and customer orientation (by more precise matching of solutions to needs) and make a stronger contribution.

9. Do you think certain knowledge bases are more important than others? Why?

Students' answer will vary but should include appropriate rationale based on the chapter content. Knowledge bases viewed as more important may vary depending upon the buyer-seller relationship and the type of selling situation.

10. What are the three areas of unethical behaviour? Discuss each.

The three areas of unethical behaviour are deceptive practices, illegal activities, and noncustomer-oriented behaviour. Deceptive practices refer to any attempt by the salesperson to mislead or otherwise deceive the buyer. For example, a salesperson may exaggerate a product's benefits knowing that the buyer's decision will be based on (or that the buyer is relying on) those exaggerations. Illegal activities refer to a variety of activities in which the salesperson knowingly breaks the law. For example, it is illegal for a salesperson to pad an expense reimbursement report. Noncustomer-oriented behaviour refers to actions taken by the salesperson that 1) are in conflict with the buyer's interests, and 2) are done so when other options are available that are more customer-oriented.

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Video Exercises

1. **Which area of unethical behaviour does Mark want Lisa to engage in?**

   Mark wants Lisa to share with him information about how much one of his competitors paid for its security system software. If Lisa were to share that information, she would be engaging in noncustomer-oriented behaviour.

2. **Discuss how Lisa's answer can institute trust in her relationship with Mark as well as avoid her engaging in unethical behaviour.**

   Lisa's avoidance of breaching the confidentiality she shares with her other customer serves to ensure Mark that she can be trusted with his company's information. It is important to note that while sharing such information may seem useful in the short run (i.e., help get a sale), it is unlikely that prospective clients would ever truly trust a salesperson who does so. In fact, the buyer could have been testing the salesperson's integrity, and may not really be concerned about the information.

Chapter 2 Case

Discussion Questions

1. **What are the ethical issues involved in this situation?**

2. **If you were Kelly Myers, do you think Janet Williams intended for you to see the competitive bids? What would you have done, given this situation? Why?**

   Students' answers will vary, but each should demonstrate the student's understanding of how to build trust through the various components. Here's an example.

   Customer Orientation: It should be highlighted that Kelly did not demonstrate customer-oriented behaviour and that although her actions may have achieved that sale this one time, she may experience short-term gain, yet long-term pain.

   Kelly breached the confidentiality she shared with Janet and it is unlikely that Janet would ever truly trust Kelly in the future. If Janet did do this with intention, she may have been testing Kelly's integrity.

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Chapter 2 Continuing Case

Questions

1. **What would you recommend Brenda do to handle the challenges she faces?**

   Students' answers will vary but should focus on trust-building activities. In particular, Brenda needs to build her knowledge base, including knowledge of her industry, company, products, services, prices, markets, customers, competitors, and technology. Doing so will give her confidence and improve her credibility within her territory.

2. **Brenda appears to have an advantage with her products and services. Develop a plan for Brenda to build trust in NCC with prospective customers.**

   Again, students' answers will vary. However, the plans students develop should include a heavy reliance on activities designed to demonstrate competence, dependability, and customer orientation.

3. **What do you recommend Brenda do to compete effectively against competitors that have a long and successful track record?**

   First, Brenda needs to engage in activities designed to develop a sense of compatibility with her customers. This will help her gain access and build trust. In addition, Brenda needs to become an expert in her industry and market, knowing exactly how her products compare with those of her competitors. Using this information, Brenda needs to look for opportunities arising based on her product's (and company's) competitive advantages, and/or her customers' dissatisfaction with their copier providers.

4. **How should Brenda go about handling the rumour mill?**

   Because the text contains no specific recommendations or guidelines for this sort of situation, students' answers will vary. However, the recommendations should centre on strategies for correcting the misinformation and building trust. Recommendations should not include any behaviour that may be considered unethical, like making disparaging statements regarding the competitors.

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Chapter Two — Building Trust and Sales Ethics

Learning Objectives

2-1 Explain what trust is, explain why it is important, and understand how to earn trust.

2-2 Know how knowledge bases help build trust and relationships.

2-3 Understand the importance of sales ethics and its legal implications.

Chapter Outline

Introduction 31
2-1 What Is Trust?-32
Why Is Trust Important?-34
How to Earn Trust-34

2-2 Knowledge Bases Help Build Trust and Relationships-38
Industry and Company Knowledge-38
Product Knowledge-40
Service-40
Promotion and Price-41
Market and Customer Knowledge-41
Competitor Knowledge-42
Technology Knowledge-43

2-3 Sales Ethics and Legal Implications-44
Image of Salespeople and Sales Executives-45
Deceptive Practices-45
Noncustomer-Oriented Behaviour-45
Legal Implications-45
How Are Companies Dealing with Sales Ethics?-49

Chapter 2 Case-51
Chapter 2 Role Play-52

Exercises

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?**

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?**

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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 behaviour? Discuss each.**

Group Activity

Ask students to think about their experiences with salespeople. Have them write down a short list of things that salespeople have done that built trust, and a short list of things salespeople have done that have damaged trust. Next, divide the class into small groups and have them discuss and combine their lists. Ask each group to present its list.

The purpose of this exercise is help students better understand trust-building and trust-damaging behaviours through shared experiences. Try to get students to share stories and identify how the behaviours described in those stories match one or more of the five components of trust.

Experiential Exercises

Building Relationships after the Sale

Objective: Your students will discover the importance of follow-up activities in building relationships.

Time Required: 10 to 15 minutes, or longer if working in groups.

Teaching Tip: Have students work in small groups to develop answers to the questions. Then let each group present its answers to the rest of the class.

Not many years ago, salespeople often thought that their jobs were complete once the order was signed. Today, for a business to survive, repeat business is critical. A greater emphasis has been placed on the follow-up stage of the selling process. Continued building of the relationship should be your goal well after the sale.

1. **Show appreciation after the sale. How might you accomplish this?**

2. **Monitor delivery and installation. Why is this important?**

3. **Learn the names of the switchboard operator, receptionists, office manager, users of the product, etc. How might you accomplish this and why is it important?**

Video Exercises

Building Trust and Sales Ethics

Scene 1A, Meet the Eager Beaver, run time 2:42 minutes

Professional salespeople will face a number of situations that will require that they make ethical choices throughout their careers. Sales people will relate with a multitude of people who are competitors and may want to use this relationship to gain information, an ethical dilemma that Lisa faces.

Mark – Manager for Player One
Lisa – Sales Rep for Alpha Tech – Security system provider trying to earn the customer away from Goodman
Jim – Sales Rep for Goodman – Current provider of security system

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Ask your students:

1. **Which area of unethical behaviour does Mark want Lisa to engage in?**

2. **Discuss how Lisa's answer can institute trust in her relationship with Mark as well as avoid her engaging in unethical behaviour.**

Chapter 2 Case

Cabot Business Stationery

Background

Kelly Myers has spent the past three months trying to gather all the information she needs to submit a bid on an order that is very important to her company. Bids are due tomorrow and the decision will be made within a week. She has made a great impression on the purchasing agent, Janet Williams, and she has just ended a conversation with her sales manager who believes Kelly needs to make one more call on Williams to see if she can find out any additional information that might help her prepare the bid. Kelly's boss specifically wants to know who the other bidders are.

Current Situation

Later that day, Kelly visited with Janet Williams. During the course of the conversation with Williams, Kelly asked who the other bidders were. Williams beat around the bush for a while, but she did not reveal the other bidders. She did mention the other bids were in and pulled the folder out of the filing cabinet where they were kept. Janet opened the file and looked over the bids in front of Kelly.

There was a knock on the door and Janet's boss asked if he could see her for a minute and she walked down the hall with her boss. Kelly realized all the bids were left out in front of her. There was a summary sheet of all of the bids on top and she could easily see all the bids. When Williams returned she returned the folder to the file and the two made some small talk and ended their conversation.

Kelly returned to her office and completed her bid and turned it in to Janet Williams the next morning. Kelly knew her bid would be the lowest by $500.00. One week later Kelly learned she won the bid.

Discussion Questions

1. **What are the ethical issues involved in this situation?**

2. **If you were Kelly Myers, do you think Janet Williams intended for you to see the competitive bids? What would you have done, given this situation? Why?**

Chapter 2 Role Play

Reef Uniform Company

Case Background

Reef Uniform Company (RUC) specializes in providing uniforms to hotels and restaurants. RUC is a new company from Australia trying to break into the Canadian market. They have had trouble breaking into larger accounts (Marriott, Delta, Sheraton) because, as a new company, they don't have name recognition in Canada.

As the account exec in the area, you have been working on a new Sheraton hotel with over 5,000 rooms and 500 employees. You recently submitted a proposal and the buyer, Anthony Norman, has told you he is leaning your way with the order. He also told you that this order must come off without a hitch as his hide is on the line if things go wrong. You know there could be a problem down the road as one of your unions has been negotiating a contract that is about to expire. The last time this contract came up, there was a strike and orders were backlogged for weeks. The

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hotel has many customized uniforms and has to have these for their grand opening in three months. What is your obligation to the hotel having this information? This order will make your year and probably send you on a trip to Rome for exceeding quota.

Role Play

Location—Anthony Normans Office; *Action*—Role play a sales call with Anthony Norman, addressing the issues in the case.

Chapter 2 Continuing Case

Because the National Copier Company (NCC) has only been in business for five years, Brenda Smith is concerned that most of her competitors are older than she is. The prospective customers she has been calling on state they know they can count on her competitors because they have a long track record. As NCC expands into new markets, some of her prospects are not familiar with her company. One prospective customer, who works for one of the most prestigious and largest medical offices (30 doctors) in the area, told her he has been buying copiers from the same company for over 25 years. He also told her his sales representative for the company has been calling on him for over seven years, and he knows when he calls on his copier supplier for advice he can count on him for a solid recommendation. Brenda realizes these are going to be tough accounts to crack.

Brenda does have an advantage due to the high quality of NCC products. In a recent trade publication, NCC's copiers tied for first in the industry on ratings of copier quality and dependability. NCC was also given a high rating for service. Brenda has had this information for two weeks now and has brought it up in conversations with her prospective customers without much success. To make matters worse, one of her competitors must have started rumours about NCC. In the past month, she has heard the following rumours:

- "NCC is going out of business because of financial troubles."
- "NCC has missed several delivery deadlines with customers."
- "NCC's copiers have a software glitch that cannot be corrected."
- "NCC has cut its service staff."

Brenda knows these rumours are not true, but prospects might believe the rumours. At a recent sales meeting, Brenda's manager suggested that their competitors must be getting nervous about NCC's success, causing them to start such vicious rumours.

Brenda is sitting at her desk trying to figure out what to do next and she is not exactly sure how to proceed.

Questions

1. **What would you recommend Brenda do to handle the challenges she faces?**

2. **Brenda appears to have an advantage with her products and services. Develop a plan for Brenda to build trust in NCC with prospective customers.**

3. **What do you recommend Brenda do to compete effectively against competitors that have a long and successful track record?**

4. **How should Brenda go about handling the rumour mill?**

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