



GIVING VOICE TO VALUES ON
BUSINESS ETHICS AND CORPORATE
SOCIAL RESPONSIBILITY COLLECTION

Mary Gentile, *Editor*

Sales Ethics

*How To Sell
Effectively While
Doing The Right
Thing*

**Alice Alessandri
Alberto Aleo**



BUSINESS EXPERT PRESS

Sales Ethics

Sales Ethics

How To Sell Effectively While Doing The Right Thing

Alice Alessandri and Alberto Aleo



BUSINESS EXPERT PRESS

Sales Ethics: How To Sell Effectively While Doing The Right Thing

Copyright © Business Expert Press, LLC, 2015.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means—electronic, mechanical, photocopy, recording, or any other except for brief quotations, not to exceed 400 words, without the prior permission of the publisher.

First published in 2015 by
Business Expert Press, LLC
222 East 46th Street, New York, NY 10017
www.businessexpertpress.com

ISBN-13: 978-1-60649-926-9 (paperback)
ISBN-13: 978-1-60649-927-6 (e-book)

Business Expert Press Giving Voice to Values on Business Ethics and
Corporate Social Responsibility Collection

Collection ISSN: 2333-8806 (print)
Collection ISSN: 2333-8814 (electronic)

Cover and interior design by Exeter Premedia Services Private Ltd.,
Chennai, India

First edition: 2015

10 9 8 7 6 5 4 3 2 1

Printed in the United States of America.

Abstract

Do ethics pay? In an attempt to answer this question, the authors analyze the economic theories that might rehabilitate ethics in the world of sales and turn them into an effective tool for conducting negotiations. This book proposes a *bottom-up* approach that starts from an analysis of sales activities to build a business style that, if adopted by an entire organization, can make a difference, thus enhancing the company's success. Italian culture provides a backdrop to the book; the authors reinterpret the particular nature of the country's economic and social fabric and integrate this in an approach to business that can create authentic relationships, shared prosperity, and quality of life across other cultures.

Sale Ethics stimulates the development of a self-entrepreneurial mindset that is useful in any field, and provides a simple and effective method of capitalizing on your own talents while respecting others and at the same time garnering the rewards of ethical behavior.

Keywords

customer relationship, effectiveness, negotiation technique, reciprocity, Sales Ethics, sales strategy, trust, value, well-being

*Miracles are like stones:
They are all around us, offering us their beauty,
but no one recognizes their value.
We live in a world where miracles abound but
only those who have developed their perceptions
see them.
Without this sensitivity everything is banal,
we call each marvel chance
and walk through the world without having the key in our
pocket called gratitude.
Whenever an extraordinary event takes place
we consider it a natural phenomenon and feed on it like
parasites, giving nothing in return.
A miracle instead requires an exchange: I must ensure
whatever is given to me will bear fruit for others.
If we do not live united with each other we cannot capture
the wonder.*

—Alejandro Jodorowsky, *The Dance of Reality*

Contents

<i>Foreword</i>	xi
<i>Preface: The First Step</i>	xiii
<i>Acknowledgments</i>	xvii
<i>Introduction: How to Use This Book</i>	xix
Part I	1
Chapter 1 Why Read a Book on Sales Ethics?.....	3
Chapter 2 The Key Concepts in Sales Ethics.....	21
Chapter 3 The Economic Theories Underlying Sales Ethics.....	53
Part II	73
Chapter 4 Preparing for Negotiations.....	75
Chapter 5 The Phases of Sales Ethics.....	87
<i>Conclusions: The Second Step</i>	193
<i>FAQ: Our Answers to Your Questions</i>	197
<i>References</i>	205
<i>Bibliography</i>	207
<i>Index</i>	209

Foreword

I count myself extremely fortunate to have met Alice Alessandri and Alberto Aleo a few years ago. They were visiting the United States, on a personal learning journey, reaching out to the authors of works in the field of values-driven leadership and business ethics, which had been helpful to them. They had already launched their innovative training and leadership development programs for sales and marketing professionals in Italy, and they were looking for ways to share their unique perspective on this often underestimated and even maligned career path. They were keenly aware that if *business ethics* is often jokingly referred to as an oxymoron, the concept of *sales ethics* in particular was probably one of the primary reasons for this dubious distinction.

But having lived the contradictions, pressures, and perverse incentives of the world of sales and marketing, they were determined to find a way to reframe this career, to elevate it, and to identify an approach to this work that optimized the mutual benefits to the salesperson, the business for which he or she worked, prospective consumers, and the larger market system that relied upon marketing that could be sustainable and trusted.

In this unique and very practical book, Alessandri and Aleo have painted a picture of what is possible when sales persons see their role in a larger context; when they define their purpose more broadly than simply filling a short term quota; when they frame their contributions in ways that serve their own self-respect as well as their pocketbooks; and when they behave in a fashion that elevates the role of sales person to a profession.

As the creator of the “Giving Voice to Values” approach to values-driven leadership development, I am extremely gratified that Alessandri and Aleo have chosen to share their considerable experience in sales and sales training, as well as their deep personal commitment to ethical and personally satisfying business practices. The fundamental approach behind GVV—that is, asking not “What is right?” but rather “How can we get the right thing done, effectively, in business?”—is at the heart of this book

and I am proud to help make this wise and profoundly pragmatic set of lessons available to current and future business professionals around the world.

Mary C. Gentile, PhD
Creator/Director, Giving Voice to Values
www.MaryGentile.com

Preface

The First Step

What is essential is invisible to the eye.

—Antoine De Saint Exupéry, *The Little Prince*

By December 2011, my professional life had reached a turning point. Over the previous five years, I had changed jobs five times, working in some of the companies for just a few months before moving on in search of a “dream job” that would satisfy my aspirations at work, and possibly improve my family life as well. At that time, my overriding feeling was that in many ways this job was my last chance, if it didn’t work out on this occasion, I would have to seriously rethink my approach. I had been working as sales director for several months, and on paper, the position ticked all the right boxes: an organization with a very clear history and culture, a challenging role in the international arena, and a market whose dynamics and interests would have allowed me to exploit my diverse skills to the full. Yet, as I sat smoking in the garden of the venue chosen for the directors’ year-end meeting, I could feel that things were not right this time either. That night, as I looked out over the surrounding hills, I tried to sort out my sensations.

After starting the new job, I had spent time analyzing both the market and the competition in order to gather data I could later use to back up my operational decisions. My desire to gain a better understanding of the environment had been interpreted as excessive caution, and even as a lack of thrust. I was interested in exploring the boundaries of the world in which the company moved, investigating its strengths and weaknesses in order to grasp the dynamics of the market. Yet from the first week of work, certain colleagues had been pressing me for results—results that the company had failed to achieve in the last 10 years it had been in business. To avoid conflict I felt forced to suppress my values and to push ahead, even though this created an unacceptable level of stress for both my team and me from the moment I took up the position.

All the events of the previous day were running through my head as I sat there alone. I had spent almost 12 hours closeted with my working group to define sales targets for the coming year, and in the end, we had achieved our objective. The next day, we would have to present our results to the Board of Directors. We had shortened lead times, inflated numbers, and forced the results of a market analysis that evidenced a continuing economic recession that was clearly unable to sustain a hefty growth in turnover. The result was formally correct, and although it was pushing the limits, we believed it contained a logic that would render it acceptable. I was exhausted by the effort involved and had capitulated on many fronts, sacrificing not just a figure or an opinion, but something deeper that I was still unable to identify.

Despite all our hard work and endeavor, the following morning, when I made the presentation to the company's shareholders and directors, our business plan was ripped to pieces and I did not have the strength necessary to defend it; perhaps I was ready to throw in the towel. Someone suggested that to remedy the situation, we should be more aggressive with customers while cutting personnel and downsizing roles, thus abandoning any pretense of a medium- to long-term strategy. I sat passively in front of the president of the board while he lashed out with aggressive language and negative judgments, and with each word, my sense of detachment grew, like a boxer who is so punch-drunk as to feel no pain. While his barrage continued, my mind wandered to thoughts of my wife and to the teachers I had known, conjuring up the best moments of my career; it came back to me that in the past I had loved my job. That marked the turning point when I realized it was time to change and to adopt a completely new approach to my professional life.

Alberto

I was attempting to handle similar feelings in the same period. For over 10 years I had invested all my resources of time, money, energy, and enthusiasm in my marketing services agency and found myself, paradoxically, ever more involved in a world from which I felt increasingly distant as a person. A glance at the events of my past would help clarify how I'd got to this point. Looking back, I realize that my life has always developed in original and unexpected ways: At 19, I gave birth to my son Riccardo, and one month later, I finished high school. Then, five years down the road, I graduated from college with my

degree. The tumultuous and challenging events of my early youth initially forced me to adapt to circumstances as I found them, adjusting my behavior to suit my situation rather than planning my future.

I had set up my company without consciously weighing up all the consequences, rather I was buoyed up by my innate optimism and reacted against the unease I experienced in my first and only job as an employee. Once again, I was caught up in events, a scenario that would repeat itself when I was managing my company. I had convinced myself that it was both right and “inevitable” to act according to the demands of the market. So I forced myself to follow the rules of a world of which I disapproved deep down, certain that there was no way I could express my real style or give voice to my own values. I was not yet aware that my own input could help change the rules of the game.

My attitude swung erratically between the rampant aggression of a “career woman” and certain naive and clumsy reactions that clearly indicated a crisis that we would easily recognize today as a profound identity conflict between my professional role and my inner self; my behavior, in fact, revealed a restless soul that was not geared to certain dynamics.

With my 40th birthday looming on the horizon I was aware of a voice in my head whispering, “If not now, when?” Gradually, I realized that the path I was following and the environment I worked in were increasingly removed from the real me. I wanted something different for myself—I wanted to dedicate my energies to a profession that would enrich me in the broadest sense and not just guarantee money in the bank. I wanted to be myself, to express my skills and my professional expertise to the full, while also giving free rein to my other talents and my deeper passions. I was ready to make this change even though it meant breaking away from the people with whom I’d shared my working life till then. I was no longer willing to compromise.

What was to be the next step? I was convinced that there had to be a different way to work and that I could fulfil myself both as a professional and as a woman; I had faith in my own ideas and my skills and was further supported by the trust of my husband Alberto and my son Riccardo. I had not yet found my voice, but I knew I had a lot to say!

Alice

The idea for this book took form during this period, in the conversations we shared each day at home, as we discussed our lives and our work. Shortly afterwards, Alberto decided to turn down the board's business proposal and to resign from his job, and Alice liquidated her company. Several months later, we founded our consultancy and training agency together. This book explains our vision and our approach. It was our *first step* and we had no idea where it would lead.

Acknowledgments

There are hundreds of people who in various ways, either directly or indirectly, have contributed to the writing of this book. It would be impossible to name and thank them all, but we are bound to recognize our debt to Mary Gentile, author of the foreword and director of the program *Giving Voice to Values*, which has greatly informed our approach, who has generously aided us in publishing this book in the United States.

We wish to express our gratitude to Roberto Gavioli who followed us both along our path of personal growth, ensuring we gave free rein to our creativity and fulfilled our potential. Thanks also to Matteo Alvisi of the University of Bologna, Italy, Serena Calderoni, and Licia Piraccini who revised the drafts, and suggested useful changes and improvements. We thank Leigh Hafrey, MIT, for his help and hospitality, and Professor James Hoopes of Babson College in Boston for his advice and time.

A special thanks to our translator, Sarah Keating.

We must also thank the many agencies and training institutions that over the years have placed their trust in us, allowing us to undertake demanding work as trainers and accumulate much of the experience and case studies that we have condensed in this book.

Then there are the many friends who have contributed to this project with advice and ideas, and by boosting our confidence. Riccardo Silvi of the University of Bologna, who urged us to choose Boston as the venue for our research and kindly provided references and contacts. Alessandro Biraghi and his wife Gaia, friends since forever and the moral supporters of this project. Luca and Chiara Montaguti for their optimism and confidence in the future. Thanks to Riccardo, our son and an expert dreamer and master of courage. To our parents Felicia, Rosario, Anna Paola, and Bruno from whom we have inherited passion, tenacity, ambition, integrity, values, and a whole host of things that in one form or another have been woven into our writing; they deserve a huge hug—the success of this project belongs to you too!

Thanks also to the companies with which we have collaborated in the past and in the present for the support and the confidence shown in us. Our sincere appreciation to the staff of the communications agency 2mlab who manage our image: We couldn't work with anyone else but you! Thanks also to all the teachers and the students who over the years have enriched our knowledge and stimulated our talents. Lastly, we must say a huge thank you to our publishers in Italy and in the United States, and in particular, to our editors who have supported and followed our work through the various drafts with enthusiasm and professionalism.

We apologize in advance to all those whose names have not been mentioned; we promise to right the omission by thanking you in person.

We wish to stress that the concepts, the theories chosen, and the way in which they have been presented, as well as the illustration of the negotiation techniques, the adaptation of the operational models, the definitions, and in fact everything proposed in this book is the result of our research and personal opinions based on years of experience, reading, meetings, conversations, and even random ideas. The book makes no claim to scientific theories and where the theories of other authors are cited, they have been reinterpreted only to make the discussion smoother and clear. To understand fully the thoughts of these authors we encourage you to read their publications. Although the case studies are based on actual experiences, they have been reworked and embellished and are used fictitiously. Any resemblance to real persons, living or dead, is therefore purely coincidental.

Introduction

How to Use This Book

Everything that enables us to be truly competitive stems from the mind.

—Piero Angela, *A cosa serve la politica?*

All of us are engaged in selling something to someone. It may be ideas, designs, solutions, options, or even our skills and ourselves. Whether you are an architect, an insurer, a bank clerk sitting at the counter, a new employee intervening at a meeting, a candidate at an interview, or even a mom trying to get her son to eat his vegetables you are attempting a sale. Even an account clerk, who sits eight hours a day in an office checking the books, is *selling* something to someone! Are you trying to convince your boss to give you a raise or your wife to let you watch a football game on TV? Like everybody, every day in your life, you are engaged in exchanges with the aim of gaining an edge. In all exchanges, the relationships and the forms of communication they involve are invested with a purpose, and hence, an objective. Sometimes these objectives may be unclear even to ourselves. Although the aim may be hidden in your subconscious, you can be sure it exists. Occasionally, we have so many different aims that they end up conflicting with each other and when, for example, we find ourselves in a *sales* situation that targets conflicting outcomes we end up getting into such a tangle that all our efforts are wasted. Imagine you want to persuade your girlfriend to let you watch the game in peace, but at the same time, you want to avoid being labeled as a selfish male interested in nothing but sports—you could be facing a difficult *sale* before you even open negotiations.

The fact that there is a purpose to a given exchange does not necessarily imply that the exchange pits our interests against those of the other party. Generally, we have a negative view of anyone pursuing a goal in a relationship, assuming that this person is either selfish or manipulative. Yet why do we automatically think there must be a conflict of interests?

What if the other party is actually working in our interests and aims to benefit us more than herself or himself? Even if there is a hidden agenda to the exchange, it does not necessarily mean that the seller is trying to trick us. If we judged all exchanges that have an *ulterior motive* as negative, we would be forced to admit that we ourselves are rather shady characters, since—as mentioned earlier—everyone is selling something to someone else!

This book is for anyone who wants to develop awareness in his or her business interactions.

Sales professionals may find it slightly strange to hear a discussion on sales couched in the terms we will be using; they will have to abandon or *remold* some of the concepts by which they measure themselves every day and which many consider untouchable. In fact, as we advance through the pages of this book, concepts such as profit, product, and price will take on new and different meanings that we hope will be useful for your evolution.

Sales Ethics is a path of growth and self-learning that we developed through our experience, first as managers and entrepreneurs and later as consultants and trainers. It is based on theories and methodologies derived from our research at world-renowned universities and from the meetings with academics and experienced managers. We then went on to evaluate and test our approach through our daily practice in classroom and in companies.

Unlike most books dealing with selling, *Sales Ethics* does not promise any magic formula or shortcut solutions to achieve exceptional results. In all our years in business, we have never seen anyone who achieved success without committing to the development and exercise of his or her talents and expertise. Undoubtedly, many of the concepts presented in the book will not be new to you: in fact, our ambition is not to startle you with revolutionary ideas or break the mold at all costs. What we aim to do is to encourage you to reflect and develop your own awareness so you can go on to improve your work. If we manage to enhance even a single element in your approach to sales, then the book will have achieved its purpose; because we are sure that once you are started on your way, you will find the resources and motivation to progress further on your own.

Given that we wish to take a *soft* approach to development, avoiding sensationalist strategies, we would ask you to keep an open mind while reading. Eastern philosophy has provided us with an exceptionally beautiful image to illustrate the correct way to approach both listening and learning: an open hand. We can compare our mind to a clenched fist fiercely gripping its certainties, experience, and knowledge—this is very natural, because a firm grip allows us to exploit information acquired over time that guides us like a compass through our relationships and the events of our lives. Have you ever tried, however, to grasp something with a closed hand? It's impossible. The only way is to open your mind and let go a few of your certainties, safe in the conviction that you will either strengthen them or discover new ones. Remember that an unbending approach is deleterious to interpersonal relationships and, inevitably, for sales. A good salesperson should be curious and flexible, that is, be ready to listen and adapt to the situation. If you choose to accompany us on the journey of learning described in this book, you will be grasping the opportunity to demonstrate and develop your flexibility.

Two extreme images are used to illustrate the adeptness, or ineptitude, of a salesperson: On the one hand, we talk about someone being able to *sell ice to Eskimos*, while on the other hand, we say a person cannot *sell a life jacket to a drowning man*.

We like neither of these metaphors as they reduce the dynamics of our profession to a simple victory or defeat, an approach we consider outdated. Together we will discover that good salespeople do not sell customers something they do not require—such as ice to Eskimos—however highly developed their negotiating skills may be. We will also find out that a sales deal is a means of generating *shared value* and that this is the true purpose of the exchange. Surely, should you ever find yourself face to face with a drowning man, your first thought would not be to *sell* him a life jacket. Awareness, ability to listen, and respect for yourself and others, these are the themes we deal with in *Sales Ethics*.

The main objectives that we aim to achieve through this book are:

- To explain what ethics in business dealings means for us;
- To clarify how ethics can become a powerful sales tool;

- To present examples and applications that explain how to use these tools and clarify the concepts;
- To develop *abilities* and *skills* that will be useful to act in an ethical manner, thereby improving your sales performance; and
- To check the progress you have achieved through this learning process.

We have split the book into two parts: The first part enables you to grasp the basic principles and theories behind Sales Ethics, while the second presents the negotiating tools and their proper use and permits you to verify your results. *Sales Ethics* does actually involve a longer learning path, spanning both this book and a program of specific courses.

The book has five chapters preceded by a preface and an introduction and followed by the conclusions and FAQ. You can download the “Covenant of the Ethical Salesperson” free from the site www.passodue.com. This document completes the new approach to selling that you will develop while reading these pages.

Figure I.1 is a description of the chapters:

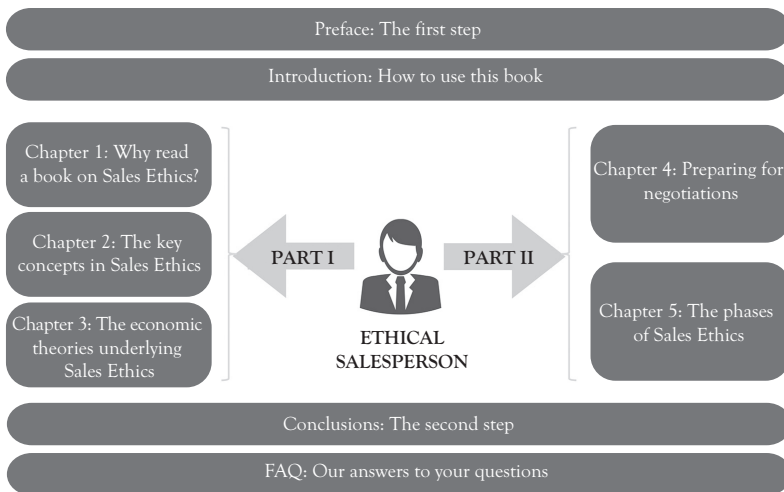


Figure I.1 Structure of the book

Chapter 1: Why Read a Book on Sales Ethics? We present the challenges that this book aims to tackle. What does a salesperson’s job entail nowadays? What is their role in society and how

can this role contribute to the economic changes taking place? We explain what we mean by Sales Ethics and how we think it may increase competitiveness in the current economic scenario. You will also discover why we went all the way to Boston to start writing our book.

Chapter 2: The Key Concepts in Sales Ethics. *Value, information asymmetries, externalities, and well-being* are some of the concepts with which you'll need to become familiar as an *ethical salesperson*. We will create a shared vocabulary that will enable you to follow as the discussion develops. At the end of the chapter, you will find exercises that will help you to internalize the concepts.

Chapter 3: The Economic Theories Underlying Sales Ethics. In this chapter, we will update you on some of the economic theories that are changing the customer–seller relationship and transforming negotiation techniques. By reading this chapter, you will acquire the *abilities* necessary to use the skills developed later in the text with greater effectiveness and awareness. The theories that we present have been simplified and reinterpreted to make them more accessible for use in the sales profession. If you wish to study them in greater depth, consult the relevant section in the bibliography. The chapter includes some thought-provoking exercises.

Chapter 4: Preparing for Negotiations. The chapter addresses the following questions: How does negotiation change when we use the principles presented in the previous chapters? What are the stages that an ethical salesperson should take into account in negotiations with the customer? Also, we introduce the tools you will need to apply Sales Ethics to your work.

Chapter 5: The Phases of Sales Ethics. This Chapter focuses on training your negotiation *skills* according to the principles of Sales Ethics. To aid your approach to this section, we have set out each phase in paragraphs as follows:

- a. **Description of the goal:** This will help you understand what topics the paragraph deals with, what the objectives are, and what you will learn.

- b. **Presentation of the ethical dilemmas:** At the beginning of each phase, we will see Renato tackling doubts and difficulties that could undermine the relationship with his customers as well as his own self-confidence. We will provide tips and strategies for dealing ethically with such issues throughout the negotiations.
- c. **Operational tools and examples:** We want to guide you through the development of *abilities* and *skills* related to the specific phase of sales presented in the paragraph. For each negotiating technique, we will refer to the economic theories that justify them, and learn how they combine with relational needs and daily practice to create a whole that generates well-being.
- d. **Exercises:** These provide practice that will enable you to consolidate the concepts you have learned as well as the techniques you will be using in your work every day. We will stimulate you to make small but meaningful changes that—we are sure—will improve your relations with customers.

Conclusions and FAQ. This is the genuine *happy ending* that concludes the path we have followed through the book, circling back to where it started, with our personal story. Read this chapter to find out what happened to us and the rewards we are reaping thanks to Sales Ethics. This section also provides a series of answers to the questions and concerns that may arise while reading the book.

Bibliography. A list of some of the books that inspired us while writing this book. You would be advised to read some of these if you desire a more in-depth knowledge of ethics and want to round off to your training.

You are of course free to jump chapters as you please; but to obtain the best results, we advise you, in the words of Lewis Carroll's King in *Alice in Wonderland*: "Begin at the beginning and go on until you come to the end."¹ There is a brief summary at the beginning of each chapter to help you find your way around more easily. We sincerely hope you enjoy the book.

¹ Carroll (1865).

PART I

CHAPTER 1

Why Read a Book on Sales Ethics?

Many—if not most—of us will abandon attempts to follow our values simply because we don't believe it is possible to do so.

—Mary Gentile, *Giving Voice to Values*

Why Read This Chapter?

We will explain what we mean by Sales Ethics and why we thought it necessary to write a book on the subject. As we reflect together on these themes, you can get a clearer picture of the context within which a salesperson operates today, the macro scenarios that form the backdrop to the market, and the main differences between the United States and Italy. Before going any further, we want to introduce Renato, a salesperson whose evolution will accompany us throughout the course of the book. His initial doubts prompt him to initiate a journey of change that will transform him into an ethical salesperson.

The Salesperson: A Changing Profession

It's daybreak in Milan and Renato would prefer to be spending the day at home even though the cramped space of his studio apartment is stifling. In fact, he'd enjoy a day in bed with a temperature, because even that would be better than another day at work.

*Renato is in his early 50s. He has been working for **Joy Motor** for years, but shortly, over a year ago, the decision came from above to transfer him to Milan. On paper it looked like promotion “you will be handling executive customers from our central offices” they told him. It took just a few days to discover the “catch.”*

Renato is a car salesman who had been working contentedly in a branch owned by the parent company, but far removed from the controls of the central office. The work was pleasant, he was producing results, and his bosses were indulgent; as long as sales were high all he had to do was show his face in the office once or twice a week and they were satisfied. At the annual sales meeting, Renato was the star: His superiors praised his achievements, and quoted him as an example to other less productive colleagues.

It had not been easy at the outset; he had wanted to go to college, perhaps a major in architecture, but there wasn't enough money and he wasn't that keen on knuckling down to study. Through a friend, he found a job as a sales clerk with a car dealer. Renato was shy and rather quiet at the time and his first outings with an experienced seller were quite a trauma. Customers asked him questions he was unable to answer, his bosses expected him to conclude sales but he didn't know how to go about it.

In Milan, he is now responsible to the executive customers of a large multinational in the sector, but he feels as though he's back in the early days when his work felt like an uphill slog and even getting out of bed was an effort, let alone making it to the end of the day.

Yesterday, for example, when his boss had asked him for a report on sales trends and forecasts, he couldn't get away with the type of answer that would have satisfied his former branch managers: "Shame I don't have a crystal ball!" spoken loudly and with a knowing look to his colleagues. Now his behavior is a source of embarrassment for the sales department. In addition, he has to go in every day and produce a list of appointments for his bosses as well as attending monthly meetings held mostly in English. Yet, strange as it may seem, these are not the biggest problems he has to face in his new position: What Renato really finds unbearable now is working with the customers. First, the boss he has now is not ready to give the nod if Renato decides to bring the price down—any discount has to be authorized and justified and even then is rarely granted—and to top it all he's facing tough competition from the Asian products that are flooding the market at bargain prices! Any lunches or expenses, a key part of his personal sales technique, are closely monitored.

The customers are different too. It's no longer enough to add on a couple of optional extras to close a deal, they want him to listen carefully while they

explain their needs and then guide them through their choice with suggestions and hard facts, as well as being on hand afterwards to clear up any problems.

Renato's smartphone never stops beeping, what with e-mails arriving at all times of the day and incoming calls from his boss or his customers; in fact, it hasn't stopped in the 12 months he's been here in Milan. He now hates his job, along with his colleagues who are in league with the company, his inflexible bosses, and the place in which he has to live. His deep dissatisfaction has repercussions on his mood, which in turn affects his relationships. From the shy boy he once was he had learnt how to smooth talk his customers, but now he struggles to find the right words. He seems sullen or bored when interacting, and sometimes even worse, he feels vulnerable and helpless when dealing with others. What's happening to him? How can he break free from this situation?

Renato's story may be common to many sales reps and other sales pros forced to deal with a profession that is changing, and that maybe they did not consciously choose, but rather *grew into*. Over the years, they have developed a sales technique that is no longer acceptable to their customers. They may still see their job as essentially based on experience and direct practice in the field, while managing sales strategies is the task of either sales directors or *those in the marketing department*. When suddenly asked to initiate a new regime of method and efficiency, they feel unprepared and their pride as sales veterans is wounded. These changed circumstances leave them feeling out of place and angry, they can no longer operate freely and in the only way they know; they feel they have lost the strengths that enabled them to win the tug of war with their customers! By contrast, many young marketing, management, or economics graduates see sales as an unprofessional stopgap, an expedient to use as a springboard to their real career. Indeed, universities in Europe very rarely discuss the act of selling and thus reinforce its relegation to a competence that you pick up in the field, rather than an actual profession to which you can accede after completing a specific learning program. Yet you need only browse any job listing to see that the majority of positions advertised are for salespeople, and many of these posts will remain unfilled because the generalized distrust of the sales profession combined with the lack of any specific curricular training make it difficult or unattractive for a young candidate to apply.

This situation has led to the reflections and the issues that this book will tackle:

- How is the sales profession changing?
- What new tools are required to remain competitive in the markets?
- Can sales be an actual profession with its own pool of skills and abilities and regulated by a code of ethics?

In addition, we will focus on:

- What is the real objective of a seller?
- What personal characteristics and skills must you develop to excel in your work?
- Can you be a good professional if you don't like what you do?

We aim to answer these and other important questions that the sales profession is facing today and to provide arguments to help Renato and colleagues like him to discover or rediscover their passion for sales, while at the same time obtaining results in a market that is changing *thanks* to the *crisis*.

Renato, and his colleagues, will accompany us through the chapters of this book with their personal experiences, providing case studies and topics for us to consider. They will evolve as we move forward and will achieve an awareness and transformation that we hope you will make your own.

What Is Sales Ethics?

Let us make one thing immediately clear: This book is not going to discuss cooperative societies, nonprofit organizations, or what insiders call the *civil economy*. We do not intend to discuss the means of achieving a more democratic company organization or of showing greater concern for employee well-being, nor indeed do we wish to encroach on areas regarding the social impact of companies and the assessment of their results

beyond the purpose of profit.¹ The concept of *down-shifting*, known as the strategy of slowing down and changing the basic concepts of capitalism, is equally beyond the scope of this book. As interesting as these fields may be, we wish to concentrate wholly on sales and on the relations between salespeople and their customers.

We believe that alongside the highly recommendable attempt to re-establish market logics by sensitizing them to social and humanitarian issues, we can also provide *ethical* tools that may improve our approach to customers, both in terms of efficiency and mutual well-being, while remaining within the paradigm of maximizing individual advantage that still informs our system.

The production of profit, and the idea of success linked to it, remains a potent motivation in many professional areas (and this will likely continue) and, above all, in the area of sales. If we were to shy away from the profit motive, many readers would lose interest in the topics covered by this book, and our attempts to encourage an ethical reform of the economic system would be undermined. On the other hand, the discussion of sales within a social cooperative, for example, would still be tricky because in the collective imagination business is inextricably linked to the idea of creating individual advantage by pursuing opportunistic behavior at the expense of the customer (or consumer). Sales and cooperation have yet to find a common ground. For this to come about, we need to first rehabilitate the figure of the salesperson, and to do this we must overcome the idea that there is necessarily a *conflict of interest* between salespeople and their customers.

This book intends to demonstrate just how outdated this idea of a *conflict of interest* actually is. By contrast we will provide evidence that the pursuit of ethical behavior will not only resolve conflict between the actors in the negotiations, but can also help to increase—in an absolute sense—the benefits that each will derive from the sales deal.

We discovered that it is possible to achieve significant success, thanks to ethics. Indeed, Adam Grant, professor at the Wharton School clearly

¹ For example the *stakeholder theory*.

argued this thesis and gave ample demonstration of the results in his interesting book *Give and Take*.² In this analysis, he clearly shows us, numbers in hand, that if you adopt a *giver* strategy based on respect and the creation of value for others, you are likely, on average, to obtain better results than those who adopt a *taker* behavior, focusing merely on obtaining personal benefit.

We will show that there are many other good reasons to write about ethics in sales. But before we go on to examine them, we need to explain in greater detail what we mean by *ethics applied to sales*.

If you look up the meaning of the word *ethics*, you'll see that it comes from the Greek word *ethos*, meaning *behavior* and *habit*. Ethics is concerned with the way we act and our deeply held values. Thus, it is very important when talking about ethics to remember that its meaning has a practical dimension, that is, ethics involves more than abstract philosophizing, it indicates that we must learn to act, and find tools, that allow us to assess the outcome of our actions. These tools and actions must be coherent with our identity. In judo, for example, there is a principle that defines the ethical goal of the discipline: *Sei Ryoku Zen'Yo*. This term could be translated roughly as *optimum energy use*. For the practitioners of judo, ethics are an operational tool to achieve better performance and greater efficiency and this approach is applied through constant training of the mind, body, and heart to adequately recognize and use the *energy carriers* involved in encounters with others. You too will learn to recognize the energy and the forces at work within a sales relationship and to use them to build value for all the actors involved. *Ukè* and *Tori* (the two opponents in a judo encounter) do not, in fact, face up to each other to decide who will win and who will be defeated, but to study together so that both may improve their abilities and skills.³

² Grant (2013).

³ The reference here is to traditional judo, an educational discipline that is very different from the sport that many of us will have seen during Olympic competitions. Traditional judo is not defined as a martial art but as an educational discipline whose aim is to acquire—using both your body and mind—principles that may be useful in life. In traditional judo, therefore, the combat is only a metaphor for learning.

Over time, the word *ethics* has actually taken on multiple meanings depending on the period and context of its use. For the purposes of this work, the most interesting are those linking it to the concept of *morality* and the *reciprocal nature*⁴ of actions.

When can we define a specific behavior as *moral* and an action *reciprocal*?

Generally, we define behavior as moral when it aims at the common good, and an action is described as reciprocal when there is a balance between what we give and what we take, between rights and obligations. It follows that ethics is very much concerned with the way we relate to others. Indeed, if we consider what we said earlier, it is not possible to act in an ethical manner without a relational exchange: Where would the reciprocity be otherwise and how could we pursue the common good?

Sales also inevitably involve an exchange between people. If we consider the essential meaning of the verb *sell*, we will find that it denotes the giving of something to someone in exchange for something else, in order to obtain an increase of well-being. Sales and ethics are thus two activities with a specific aim that both involve a relationship as their operational tool. If we look even closer, the end itself is also the same: both have as their goal the creation of well-being, though ethics focuses on *common* well-being and sales involves that of the individual. We will return to this apparent divergence of aims in Chapter 3 when we discuss the economic theory of strategic games. At this point, it's sufficient to appreciate how, by mixing the purposes underlying sales with those of ethics, we can obtain the four cardinal principles of Sales Ethics, which will guide negotiations and operational decisions in our work.

1. **The efficiency of the action:** Giving customers what they really need, while making the best use of resources and time and ensuring mutual satisfaction. Ethics, in our view, is linked inextricably to efficiency and the balance between giving and taking. Efficiency means finding a point of contact, or synergy, between the salesperson's goals, which we will refer to as the *seller value*, and those of our customer, which we will call *customer value*.

⁴ We will consider the concept of *reciprocity* in greater detail in Chapter 2.

2. **Customer value:** In any negotiation, it is essential to identify the customer's objectives and then work to build *value* for him or her. In the chapter dealing with key concepts, we will explore further what we mean by value (actually a wider concept than the simple sum of customers' material needs and wants), by giving a definition that combines both tangible and intangible aspects. Customers possess knowledge, information, and a culture from which they derive their style of communication and interpersonal relationships. It is necessary to understand and accept them because, as we will see, the way we relate to others contributes to creating value.
3. **Seller value:** If we fail to ensure our own *well-being*, we will not be able to build value for others. The premise that you cannot achieve success as a salesperson unless you are able to build value for yourself is fundamental to Sales Ethics, and you cannot build value if you are acting while burdened by a conflict between objectives and individual interests. You must enjoy what you do. Your first step to achieving ethical behavior therefore involves a reflection on what creates value for you both in tangible terms, that is, the remuneration deriving from the sale, and intangible terms, such as satisfaction and personal growth.
4. **Principle of the salesperson's ethical responsibility:** Quantum physics teaches us that the mere act of observing a system will change the system itself. Relationships are complex energy systems and any action we undertake, or even if we choose not to act, will generate consequences. We can do much to increase or decrease the value of an exchange in terms of well-being. Given that the way we act, communicate, and interact with a customer is a key element in the system, these elements will help to either create or destroy value for both actors.

In the following chapter, we will address many of the concepts introduced in the definition of the key principles. What we wish to emphasize for now is that an ethical approach to selling requires that you endeavor to create an exchange that brings value to yourself and to your customer. It also means acting to maintain a balanced ratio between the resources invested and the rewards gained, to respect what we could call the *ecology* of the trading system. We will continue to bear in mind these four

principles in the discussion of the different phases of Sales Ethics that follows later. Each action proposed aims to improve the efficiency of the negotiations, while creating customer value and generating well-being for all those involved in the trade-off. At the same time, we will focus on the various elements of the offer system than on salespeople control directly, thus emphasizing each seller's responsibilities.

The Current Economic Scenario

What led us to write a book entirely dedicated to Sales Ethics and why did we spend months in Boston to do it?

The answer lies in the profound changes currently underway in the economic scenario that from the point of view of Sales Ethics lead to a profound reinterpretation of the role of the sales professional.

The Recent Crisis in the Markets

What actually is it, and what caused it? So many folks have been asking these questions, and looking for the answers in all sorts of places. Despite divergent points of view, most people would agree that the market collapse was triggered by a *confidence crisis*, caused by a series of scandals and frauds, especially in the world of finance. The markets have taken a long time to regain lost ground and in many cases (as in Italy), their delay in responding has been astounding. How can we explain this? Our interpretation, as experts in business relationships, is that the crisis of confidence has instigated powerful demands for change. It is no coincidence that the markets that have recovered more quickly are those that reacted to this demand for change, by adapting their structures and their behavior. Rebuilding confidence means, in fact, changing the behavioral paradigm and resetting market relations. As far as commercial activity is concerned, it specifically means re-establishing—on ethical grounds—the relationship between sellers and customers.

For many years trust, reputation, and ethics were regarded as being marginal to classical economic theory, but when the crisis moved from the financial and industrial sector to the political and social arena, the crucial role of negative externalities generated by the behavior of many

economic agents became clear. In our opinion, if we want to set the markets back on course we must first reintroduce rules and behavior that put ethics and trust at the forefront of market laws, and restore their dignity as economic tools.

To clarify our outlook further, it could be useful to review how the last recession evolved.

When the Lehman Brothers' investment bank failed in 2008, there was an immediate reaction in the financial markets: Wall Street, soon followed by the stock markets of the world's major economies, burned billions of dollars decreeing the end of entire estates as well as the failure of credit institutes that until a few days previously had been considered robust. From the *virtual* economy of the stock markets, the tsunami soon hit the real economy, sweeping away industries and organizations and wiping millions out of jobs. These two phenomena—the financial crisis and the industrial crisis—have spread pretty much through all the world economies, though the intensity, speed, and effects have obviously varied. From that point on, however, the DNA of the crisis changed, generating a *specialist* virus that hit harder in countries whose *internal organs* had particular characteristics. The phenomenon became political as well, and was especially virulent in the countries whose institutions and representative bodies were weaker and increasingly disconnected from the electorate. Around the world, governments fell, parties disappeared, and elections were called hastily giving rise to political conditions that would have been previously unthinkable. However, the virus had not yet exhausted its mutations, so—after contaminating finance, industry, and now politics—it was preparing to attack civil society and its basic values. Revolutions and demonstrations are the visible effects of a deep social crisis that now informs our political and economic life. This social crisis, whose infectious agent lies within our own consciences, must be resolved quickly because this is the only way to resolve the other dimensions of the phenomenon and to avoid a vast domino effect. To remedy this interior crisis, it is necessary to smooth over the *conflicts of interest* that put us in separate camps and force us to compete opportunistically with the excuse of ensuring our economic *survival*. Equally, we must resolve an *identity crisis* that is created when we use a similar excuse to act without heeding to our personal values.

International Competition

Even before the recent recession, the western markets had been faced with aggressive new competition from countries like China and India where the cost of production could not, and cannot, be even closely compared to those of more developed economies. Low labor costs and huge production volumes have allowed businesses from these areas to offer very low prices on the international market, with products whose characteristics are continuously improving and very often have a similar quality to western products. In fact, entire industrial sectors in the West were caught unprepared and have been overwhelmed by price competition so aggressive and so sudden that they had neither the time nor the means to organize an effective response. In many economies, there was an immediate attempt to respond blow for blow, by dropping prices and offering terms that were more advantageous to customers. However, it soon became obvious that our Asian competitors would inevitably win a price-cutting war. Italy, which for many years had been competitive on international markets thanks to low inflation and wages at home, was particularly helpless as the single currency made it impossible to resort to devaluation policies and the influx of new competitors meant Italian products were no longer competitive.⁵ Companies that rely on a brand image linked to value aspects such as quality, prestige, and performance decided to play the card of differential value. The message to their customers was essentially, “we are more expensive but our product is far superior.” Many sectors are still backing this strategy, although the diminishing differences as regards features between western products and those produced elsewhere, means that with time this tactic is destined to fail.

So what strategy should we adopt?

We believe that this is where ethics comes in; we will therefore devote an entire chapter to understanding the mechanisms that can transform ethics into a powerful tool for sales and commercial differentiation.

⁵ A whole generation of our salespeople, who are used to bargaining with the price as their main weapon for convincing customers to buy, now find themselves at a loss when required to use other arguments. That is why it is crucial to re-establish the principles and basic techniques of sales.

To compete successfully, we need to work on these elements once again, making them central to our strategic approach to the market and hence to act along the lines of Sales Ethics.

The Peculiarity of the Italian Situation

The first article of the Italian Constitution states, “Italy is a Republic founded on work.” It is rare that constitutions make such a direct statement; unfortunately, an element that could have brought added value to the country has often been transformed into a pretext for suspending the logics governing the labor market.

Italy is in fact a Republic founded more on the *right to claim a job* regardless of your merits, skills, or commitment, rather than the *right to work*. This misinterpretation of the words of the founding fathers has led to a severance between jobs and ethics, as if our Constitution had solemnly enshrined that rights in the workplace come before obligations, ascribing a diminished role to the latter. The ethical rehabilitation of professions is therefore a challenge to which the fate of the Italian Republic is inextricably tied.

The U.S. Declaration of Independence speaks rather of the “right to pursuit of happiness,” thereby suggesting that happiness and not work is the purpose of human action. It also emphasizes the right to pursue happiness and not the right to obtain it. What we would like this book to make clear is that it is possible to achieve happiness through the practice of our profession. Working to derive more than just economic well-being from our work is a *right*, as well as a duty to our employers, our customers, our country, and ourselves. Moreover, the responsibility for exercising this right-duty is our own. In a society like ours that concentrates, above all, on finding new and more sophisticated ways to divide the *pie* of well-being, we must first attempt to be the ones who contribute to it by using our skills and expertise to create *value* before claiming it as our right.

Italy is also a country historically impervious to change. When the protagonist of Tomasi di Lampedusa’s novel *The Leopard* spoke the famous words “If we want things to stay as they are, things will have to change,”⁶

⁶ Di Lampedusa (1960).

he was stating something that Italians have known for a long time and with which they tend to collude: Power and social innovation are antithetical terms. How can a country like this react efficiently to a recession that hides a profound demand for change?

Furthermore, this demand for change was generated by a crisis of confidence in the markets, caused in turn by behavior that was at the least opportunistic and sometimes illegal, a type of behavior that seems endemic in Italy and which many Italians consider innate in the practice of certain roles and professions. The ethic of success and well-being would seem to be infected by this attitude: In our country, we tend to believe that if you want to get ahead of the pack you have to break the rules or at least adopt a predatory behavior. We are so convinced that this is the only way to get results that we ignore the example of other countries where things work differently. In commercial deals, this idea of outsmarting the other guy is particularly common and one of the main reasons why Italy has such a great need for ethics in business.

When we started attending college in Boston, there was widespread amazement that two Italians had traveled all the way to the States to study the issue of ethics in sales. What most people could not understand is why a society like ours—based on robust Catholic values, with strong family ties, and culturally accustomed to framing relations in the medium to long term—needed to *learn* to be ethical in a country where these social institutions are less powerful. When we talked it over with people in the United States, we realized that Italy has to tackle issues typical of societies with a strong Catholic culture, as previously discussed by Max Weber in his book *The Protestant Ethic and the Spirit of Capitalism*, that is, the need to rehabilitate the social role of personal success and the idea of wealth. The apparent dichotomy between prosperity and morality is fueled, on the one hand, by the misconduct of certain economic and political leaders, and on the other hand by an interpretation of the Christian message that proposes poverty as a symbol of honesty and moral conduct. We believe that we can achieve well-being while remaining model citizens and upstanding human beings. We are confident that Italy can face up to this challenge and defeat it and that by doing so our country will once again enrich the culture and education of other countries, as happened in the past. The family will once again be a force to foster our values so

we can go out, face the world, and fulfill our dreams, rather than being merely a *clan* that provides protection and favors to its members. Catholic morality will be the engine of ethical relationships, structured to last and to create value over time, not an excuse for inaction or worse, a defense people use to acquit themselves of responsibility.⁷

There is a famous photo taken by Robert Capa during the Allied landing in Sicily in World War II; it shows an old Sicilian peasant indicating the way to an American soldier who is kneeling to compensate for the two men's difference in stature. We would like this picture, then as now, to illustrate the role that awaits the Italian nation: To guide others along the right path even when they are larger and better equipped than we are, but still need assistance to achieve success and shared value. Let's not forget that the Italian lifestyle has traditionally combined home and professional commitments in a harmonious balance that ensures quality time spent with the family and at work, which may provide a model for other countries. Our desire is to contribute to Italy's exports by circulating a new conception of sales and relationships that will be exported alongside our excellence in design, fashion, and food.

The Evolution of the Sales Profession

Rightly or wrongly, for many years the salesperson's job was seen as based on experience and a talent for communication rather than requiring any acquired professional skills. In certain markets, such as the Italian one, both customers and colleagues in other departments have always viewed salespeople with suspicion. In the collective imagination, successful sales directors are people who have worked their way up from the bottom and built up their fortune by cleverly manipulating relationships to their own advantage. Supposedly, their professional competence is not based on management studies but rather on street savvy which has permitted these people to garner a wealth of useful tricks for exploiting any situation to

⁷ Corrado Augias (2012) in his book *Il Disagio della Libertà* (The discomfort of freedom) explains very clearly the mechanism of double standards typical of Italian society, whereby judgments of social and civil behavior are disconnected from an individual's moral behavior or the religion they profess.

their own ends. For years, companies have viewed their top performing salespeople with a mix of awe and respect. Although sales directors may have been aware of their representatives' unorthodox behavior, they preferred to turn a blind eye to the actions of any seller who assured a good volume of sales. Colleagues from other offices imagined sales to be cushy job in a department where you could entertain your customers at sumptuous lunches, drive luxury company cars, and take advantage of flexible working hours. Like any prejudice, this image of the salesperson does contain a grain of truth. For many years, folks started out careers in business by working as sales reps, often with an independent contractor's agreement and compensation based on commission. Frequently candidates were not required to have a particularly structured curriculum to get into sales. The selection process revolved around two fundamental questions: "Are you a good communicator?" and "Do you like to travel?" No universities offered specific courses designed for salespeople, and even if these had existed not many human resource managers would have considered these classes a requirement to sell. Through the years of economic boom, many salespeople made money by exploiting their experience and *savoir-faire*, thus fueling the idea that selling was more a knack than a true profession.

This way of thinking remained practically unchanged until recently when the downturn in the markets caused people to alter their approach. Dinners and luxury cars were no longer enough to finalize deals, and salespeople found themselves subject to enormous pressure to bring home results, while their flexible work contracts afforded no protection. Salespeople were no longer the envy of their fellow workers. Sales directors, in an effort to understand what was happening to markets in free fall, began demanding reports and analysis that their staff were not qualified to draft. The whole house of cards on which the sales profession was built seemed ready to collapse.

The time had come to adapt the role of the salesperson to the evolving commercial context, and to rehabilitate it in the eyes of the customer, the company, and society. To reinvest this role with professionalism, the *abilities* and talents already considered necessary are now considered insufficient without the professional *skills* currently required. The new salespeople will find that ethics provide a powerful tool to boost the efficiency and effectiveness of their work.

The Customer-Oriented Culture and Its Various Manifestations in Italy and the United States

We still have to explain why we went to Boston to start writing our book on Sales Ethics—there are in fact many reasons, but two predominate. Firstly, the United States has a strongly customer-oriented culture, which is at the heart of any serious sales activity, and practically all the country's educational institutions offer degrees in economics (Boston boasts of producing some world-leaders in this field) providing at least one course dealing with ethics.⁸ Harvard, MIT, Bentley University, and Babson College—to name just a few—have been carrying out research in this area for some time. We took the initiative, and went knocking on doors. True to American tradition, we were rewarded with the privilege of gaining access to some of the research that these institutions are carrying out on ethics in business.

Why do American universities attach such value to ethics?

The reason is that these institutions have learned one of the most important lessons to be culled from the crisis, that is, consumer confidence is the market's real driving force. It may be money that makes the world go round, but it is trust that drives people. And trust must firstly be built, and then carefully nurtured with thoughts and actions that are prepared through constant and tireless training of abilities and skills.

As our friend and English teacher Tom Madge explained to us, Anglo-Saxon culture distinguishes between *kind* and *polite*—two seemingly similar concepts. Being kind goes beyond being polite and implies a level of listening and sympathy that Italians sometimes take for granted, but which is not so readily available in other cultures. Hence, for international readers of our book, we want to present an approach to relationships that entails a greater richness and presupposes a more genuine interest in others. We want to discard the maxim of *easy come, easy go* which is often applied to relationships to signal the ease with which they may start and then finish, as this necessarily implies that they will end too swiftly to generate real value.

Another fundamental difference between Italian and American companies is that enterprises in our country are predominantly owned by the families that founded them. In companies like Barilla, Ferrari, or Armani,

⁸ *Business ethics*.

the founding entrepreneur or family members still play an important part in running the company and in interacting and communicating directly with employees. This leads to more personal and cohesive internal relationships that in turn lead to shared values, and a widespread sense of belonging and entrepreneurial culture. By encouraging the adoption of Sales Ethics in public companies as well, our goal is to spread this conception of work based on shared responsibility and closer relationships.

The tools created to enhance the *marketing experience* can no longer be limited to giving customers a foretaste of the consumer experience by, for instance, convincing them to try a product to verify that it is superior to another. Nowadays, customers need to be more deeply involved in the value system that the offer expresses, and to achieve this you need to build strong relationships with them, based on trust and listening. You must be able to explain to potential customers not only *what* you are selling and *how* but you must also be able to illustrate *why* this exchange can lead to shared well-being. We should therefore adopt a new way of working that focuses not only on the material aspects of the sale but also on the more intangible factors; we must, in fact, organize our marketing techniques according to a new *value-oriented* approach, the natural evolution of that customer-oriented approach with which you are probably familiar.

This book will allow us to share these insights with you, as well as a range of knowledge acquired during our months of research in Boston. Italian culture and perceptions are an inextricable part of our approach, which aims to provide you both with useful tools and a new grasp of sales that can change your perspective of the market and your relationships with customers and colleagues.

CHAPTER 2

The Key Concepts in Sales Ethics

Any sale involves multiple levels of achievement so you would have to parse the motives of both seller and purchaser, to arrive at a confirmation of happiness for either party.

—From our interview with Leigh Hafrey

Why Read This Chapter?

This chapter will first establish the key concepts of Sales Ethics that help you to fully understand and then implement the techniques of negotiation. These definitions will help you to reflect on your work, and will provide you with examples and suggestions to improve your efficiency. The discussion covers the following:

- Skills and abilities
- The product-service system or offer system
- The concept of value
- Sales
- Externalities and information asymmetries
- Reciprocity and cooperation
- Well-being and well-having
- The circle of trust

There are some useful exercises at the end of the chapter to apply these concepts in your work.

Skills and Abilities

For too long, selling was not considered a profession, so much so that there were no degree programs to prepare people for the practice of this activity, whereas all *true* professions require some sort of degree. You became a seller through a combination of talent, opportunity, and experience in the field. Hence, the image that we all associate with a salesperson is that of a strong personality with the gift of gab. Salespeople seem to be outsiders as regards rules and corporate hierarchy; in fact, though working for a company, they do not spend much time in the office, but in the car or in the field.

We can discuss the application of ethics to sales only if we consider it as an actual profession based on specific skills and abilities. Bearing in mind the definition we gave for ethics in sales, how can we answer the questions related to the efficiency of our commercial actions if it is not possible to identify a *method* of approach to the customer? How can we understand the amount of *value* created for us and for others without making the necessary *checks*? How can we balance our commercial action against the real needs of the client without having first conducted an *analysis*?

Analysis, methods, procedures, and checks are therefore at the heart of what we call the skills of the ethical salesperson.

Assumptions regarding the requisites for a career as a salesperson are now undergoing profound changes. Is a considerable dose of self-confidence and adeptness at communication still enough to determine the success of a salesperson? Are you really able to communicate and propose the most suitable product or service to your customers when you lack the ability to listen? Are there other colleagues whose work, directly or indirectly, influences your commercial success and are you able to work as a *team* with them?

We find the answers to these questions through constant, daily exercise aimed at developing your basic talents. By training in listening, empathic communication, and teamwork, Ethical Salespeople will develop the *abilities* needed to transform their profession.

We must also consider another often-overlooked aspect of the salesperson's job, that is, the role of interface between two seemingly incompatible worlds: the company's internal organization and the customer's needs. We could say that a good salesperson sells twice, first to customers (who will be encouraged to accept the solution that the company

has prepared for them) and secondly to the company itself, which will have to *digest* the demands of the customer. We commonly come across salespeople who complain of this role of interface, but the essence of our profession lies in our ability to enable customers and companies to communicate, and to aid both to create shared value! However, if we are in conflict or disagreement with our company, we will lack the necessary motivation and arguments to resolve the apparent *conflict of interest* that distances us from our customers.

By fusing skills and abilities, and including both in the scope of what we call the profession, we can overcome the *identity conflict*, the contrast between the professional and personal aspects of our lives that is created when our values as individuals contrast with what we feel *forced* to do as professionals. You cannot be a valid professional unless you are a valid person first, because what we bring to our work (behavior, ideals, and style in relationships) must necessarily be consistent with what we are. The barriers that we were taught to erect between our work and our *private life* are crumbling. The new sales professionals will not slip out of their salesperson identity at 6 p.m. to suddenly go back to being *human* for a night out with friends, but rather all the parts of *what you are* and *what you do* will fall naturally together. The fear that you are thus running the risk of your private sphere being swallowed up by your professional life is unfounded: If you love your job, and you do it with passion and feel it as an essential part of you, then it already coincides with the deeper you, and your mission as a human being. The dichotomy between professional relationships and personal relationships no longer makes sense. All our relationships involve us fully as human beings; the only thing that changes is the context in which they take place. Our soul, our essence, and our values never leave us, and if you are harboring an identity conflict, you will never be credible and effective in your dealings with the customer—this will undermine your motivation, your achievements and ultimately your confidence in yourself.

The Product-Service System or Offer System

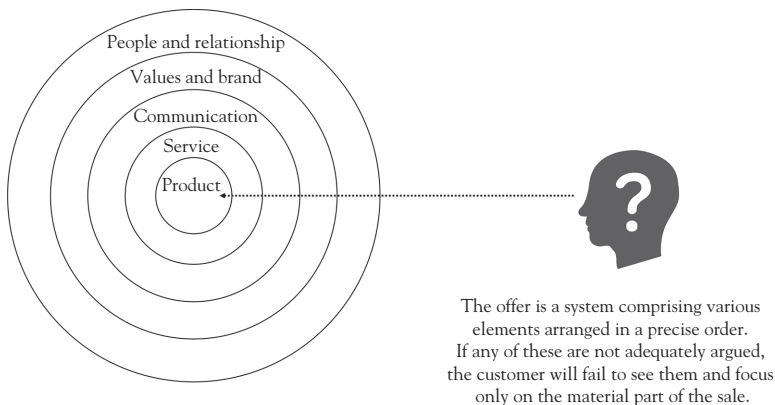
Many salespeople are accustomed to seeing the company's offer as a list of products and services, but are we sure we are only selling *material* or *tangible* items? The Sales Ethics approach is to broaden both our own focus and that of our customer to include alongside the description of *what we*

will do for him, information on *how* we will do it, and hence, *why* we do it. If we perform this exercise backwards going from *what* (the object of our sales) to *how* (the services and agreements that accompany it) and then get to the *why* (our values and goals), we will be able to identify better the components that make up our offer.

We will discover that aspects such as our image, style, ability to communicate, as well as our choices and ourselves as human beings may be much more important for our interlocutor than the list of the product's features. All these factors together define what we will call the product-service system, or the *offer system* (see Figure 2.1). If the product-service system is only partly developed, the customer will focus exclusively on material aspects and features such as the price.

The problem of providing only partial arguments plagues many of us sales professionals and occurs when we are not entirely aware of what we are offering, or worse, when we think we already know what will interest the customer. This approach shows that we neglect to present the arguments we assume the customer will disregard. Yet if you think about it, you cannot know in advance what will or will not interest a customer. During negotiations, it is important to devote time to analysis in order to fully understand who you are dealing with and what their needs are, so that you can present your offer by highlighting what is really important to them.

During training sessions if a seller comments "Our competitors sell exactly the same product, but at a lower price," we help them to reflect on



The offer is a system comprising various elements arranged in a precise order. If any of these are not adequately argued, the customer will fail to see them and focus only on the material part of the sale.

Figure 2.1 *Diagram of the offer system*

the fact that no two offer systems can be identical, although a salesperson may sometimes offer only partial or incomplete arguments, neglecting the differential element that can direct a customer's choice. There is one thing in particular that will always differentiate your offer system from that of another seller even when the products, services, and prices are apparently similar: You are one of the main elements of the offer you are making to the customer, you are the *feature* that, above all, will guide the customer's choice.¹

What customers are looking for is not perfection, but the truth of your arguments: They want to understand to what extent you believe in what you are presenting.

Voltaire said, "The best is the enemy of the good,"² indicating that our imperfections, our limits, and even our mistakes can hide a truth and richness that are valuable because they make us credible. So you can feel attractive with all your *flaws* and limitations, because these allow your customer to live a *real* experience and feel that the person in front of them is a human being and not someone programmed to play a part. You are the one guiding customers through the offer system and taking them beyond *what* you *materially* sell to the *how* and finally to *why* you are there. This is why your customer will choose you.

A few years ago, a company asked for our assistance in tackling an abnormal drop in sales that was limited to one particular area of the market. After analyzing their offer system and studying interactions with customers, we realized that the element being neglected in that specific area was human relations. The sales force and management working in that part of the market, in fact, were focusing too much on office activities (churning out estimates via e-mail, planning promotions, and drafting complex analysis reports) and were consequently devoting less time to

¹ Research by the Corporate Executive Board, the results of which are presented in the book *The Challenger Sale* by M. Dixon and B. Adamson (2011), highlighted the contribution to customer loyalty of the various components of the offer system: 19 percent brand, 19 percent products and service delivery, 9 percent value-to-price ratio, and 53 percent buying experience. The research is the result of studies made on many companies from different business sectors.

² Quoted in Quinones (2010).

The price–value ratio is directly proportional:
 The price is *supported* by the perceived value;
 thus the price level provides the customer with
 information on the corresponding quantity
 of value purchased.

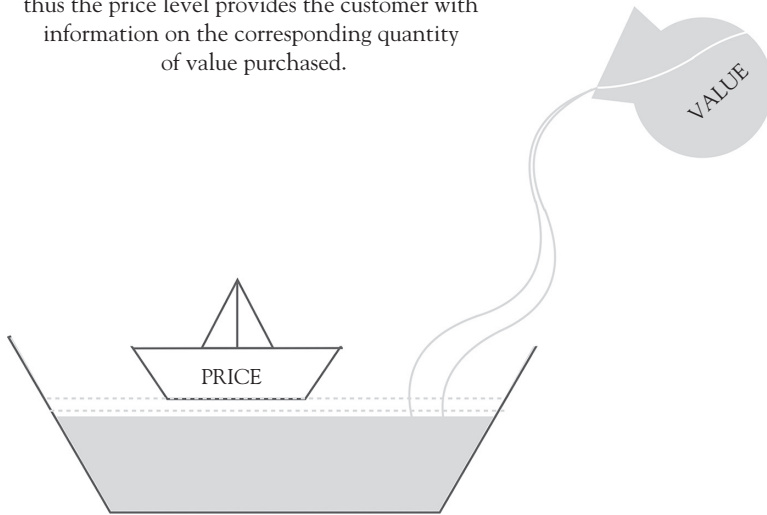


Figure 2.2 Price–value ratio

direct contact with customers, failing to visit them as required. A comparative analysis also revealed that the main reason why customers chose to buy the company’s products was in fact the ability of sellers there to establish empowering relationships. The solution was to shift the focus back on building a relationship with customers, by increasing the quantity and quality of sales visits. The sales and profit margins then rose.

It is also crucial to remember that you yourself are an integral part of the offer system when you present the price. We will discuss this in detail in Chapter 5, but for now, we want to reveal that price and perceived value are two related concepts in the mind of the customer (see following Figure 2.2). If you respond to a request for discount by lowering the price, your customer’s perceived value³ of the entire offer system (of which you are a part) will drop immediately.

³ We will further discuss *information asymmetries* shortly, and explain how their presence causes customers to focus predominantly on the price when judging the quality of what we are presenting. Information asymmetries are an essential element in the link between price and perceived value.

For all salespeople, the way in which an offer is presented is of the greatest importance if you are to align the value expressed in the proposal with the customer's expectations. By working on your communication and style in relationships and, above all, on yourself, you will be able to *redesign* your offer and organize your arguments to maximize their effectiveness.

The Concept of Value

As we mentioned earlier when we defined Sales Ethics, the generation of *value* is the ultimate goal. It is therefore fundamental to clarify what we mean by this term and to define what it represents for the two actors taking part in the exchange:

- Customer value (and the network to which he or she belongs)
- Seller value (and the organization for which he or she works)

Traditionally, we associate the former with *value for money*; within a commercial exchange the customer seeks to maximize his purchasing power,⁴ so the cheaper the price for the goods on offer, the greater the *customer value*. The basic idea is that customers have material needs that lead them to enter into negotiation; the lower the price paid to satisfy these needs, the higher the value that the negotiation will have created for them.

According to this view, the *seller value* is diametrically opposed as it is associated with economic profit.⁵ The higher the price that a seller can charge the customer, the greater the value that the sale will generate in terms of profit. Indeed, according to the traditional conception, the seller will always attempt to maximize the profit on a sale.

Are we sure that this vision is complete? Are price and profit the only elements that can create value in trade?

⁴ More precisely, economic theory defines the objective that the customers seek to maximize when they negotiate price as the *utility function*.

⁵ In line with the definition given in the preceding footnote, the maximization of profit is the seller's *utility function*.

Let us think this over together.

Let's say that I am one of Renato's (the sales rep we met at the beginning of the book) prospects and I want to buy a car. Before I make my purchase, I look into the models on the market. I find out which of the cars meet my specifications as regards my travel needs: engine power, spaciousness, fuel consumption, and so on. Once I have decided that a particular model meets my needs, I will want to know if it is reliable, if I can find spare parts and trustworthy service, or if its features will ensure comfortable and safe travel for me and my family. I will probably take into account the information supplied by the media and the reputation of the manufacturer when weighing these elements. The brand image will also enable me to assess the social impact of my purchase, as it will probably confirm or even elevate my status as owner of the vehicle. Once again, I can make these assessments by relying on objective data such as data sheets, test drives, comparative studies, and background knowledge. Will all this suffice for me to make my purchase? Are these the only features I need to consider to meet my needs fully? What am I really looking for when I buy a car? On the basis of past experience of consumption, what really counts and helps to generate value for me after the purchase?

The answer to these questions lies beyond the tangible aspects of a deal and highlights needs of which even the consumer is sometimes unaware, but that are no less important when making the final decision. It will be these intangibles, above all, that will create the customer's idea of *value* to which the price is linked.

Let's go back to my purchase of the car and assume that I have already chosen the brand, model, and optional extras, but I must still decide where to buy the car and with which salesperson I wish to deal. Considering that Joy Motor has a number of car dealers in my area and they are all offering the same price, how will I make this decision?

Any sale involves an exchange between people, and hence a relationship. We don't all have the same capacity for listening and communication. That slightly magical mechanism that we call *empathy*⁶ does not

⁶ Empathy is the ability to understand fully the state of mind of others without necessarily sharing it.

always spark and, above all, is not triggered automatically! Even when we are making a purchase, and perhaps above all, in this case, we want our interlocutor to listen to us, to recognize our needs, and accept them. Indeed, we want to be at the center of *our* salesperson's attention, and to feel that our relationship with this person will enable us to gain a greater understanding of the product and provide us with information that will guide us in our choice. The aim of this relationship is to increase our confidence in the decision we are making, which, in turn, can empower us, and perhaps, permit us to dream. This is the extra spark that will convince customers to buy: They need to find out what added *value* the salesperson, from whom they have chosen to make their purchase, will provide in terms of their relationship.

Customer value can be summed up as follows:

- A proper ratio between the price paid and the material needs
- The ability of the offer to meet intangible needs
- Knowledge and abilities acquired during the exchange
- Opportunity to recognize and share value systems
- Emotive energy derived from the relationship
- Security and pleasantness transmitted by the salesperson

We now come to what value means for the seller. This time, we will play the part of Renato, the salesperson. We want to sell a car and maximize our profits on the sale. Should we try to offer the most expensive model, with the most prestigious accessories, and struggle strenuously to give little or no discount to our customer, while maybe trying to close the deal as quickly as possible so we have time to start a hard sell with another customer?

Before answering this question, let us take a step back and ask ourselves what our goal as sellers is. A good salesperson should first expand his portfolio of customers, and then ensure that these customers remain loyal as long as possible. How do you get these results?

One of the most effective ways to find new customers is that they come of their own accord at the recommendation of friends or acquaintances or due to your reputation. Word-of-mouth recommendations are one of the most powerful weapons in marketing. There is only one way to

build customer loyalty and make sure that customers continue to choose your products, and that is *satisfaction*.

Let us return to the situation we were describing earlier. Thanks to our smooth talking and excellent negotiating skills, we have swiftly managed to convince the customer to buy a top-of-the-line, full option model despite the fact that he came in looking for a small car! Let us now take a look at the consequences of our behavior by asking the following questions:

- Did we listen to the customer in order to understand his real needs and respond with a suitable offer?
- Has the customer concluded the deal poorer or richer beyond purely material terms?
- When he reconsiders the exchange and when using his purchase will this customer return to buy from us again?
- Have we created a situation whereby this customer will recommend our product-service to other potential buyers?
- How did we feel from a human point of view after closing the deal?

These are some of the questions that we will have to analyze in order to understand what added value we have created for ourselves during the negotiation. Here is what goes to make up the *seller value*:

- Profit generated from a single sale;
- Profit that can be generated from other sales to the same customer;
- Profit that will be generated by referrals from customers;
- The value of customers as referees, that is, we can use their name with other customers;
- Information and knowledge gained through relations with customers; and
- Well-being and professional gratification deriving from creating value for the other person.

We want to dwell a moment on the last point so you can reflect on the fact that salespeople spend most of their professional life with their customers and often much more time than they have for themselves or to spend with family and friends. How much better will your days, and hence your work, be if you create an exchange of energy with your customers that positively stimulates your mood? An exchange that is rewarding at a human level also increases motivation, and as we know, motivation is a key factor to success. As psychologist Shawn Achor brilliantly demonstrated during his presentation at the TED event of May 2011, the equation *commitment = success = happiness* must be reversed to *happiness = commitment = success*.⁷

Finally, yet importantly, remember that the true wealth of salespeople, their life insurance, is their customers. The broader your portfolio of loyal business relationships, the more secure your professional future will be. Is it not worth investing a little more time in your customer than strictly trying to close the deal; especially, if this is an investment in your own future?

We also want to introduce a further consideration regarding value that we will later develop further. While it is true that every actor in the deal—both customer and seller—will still try to maximize their own value, the fact that we have expanded this concept beyond ideas of profit and price allows us to overcome the *conflict of interest* created by their reciprocal *utility functions*. When the seller gets a higher profit, the customer cannot get a lower price and vice versa. If we look at the customer value only as the maximization of his purchasing power and that for the seller only to profit maximization then we mistakenly consider the other person as an enemy, whose objectives are in conflict with ours. If your work is imbued with this misapprehension, then your negotiating capacity diminishes and you will fail to create strong relationships, as you are destroying the mutual trust between seller and customer.

⁷ TED is an international nonprofit organization that holds conferences around the world on various topics from the economy to the environment, with the aim of increasing global knowledge and sharing ideas. For more information visit www.ted.com

Comparing the components that make up customer value with those of the seller, you will discover that many of them correspond or are functional to each other.

For instance, if our customers consider it valuable to have a single interlocutor who will follow them as a guide (because this makes them feel more secure), we as sellers equally seek lasting relationships with customers who appreciate our professionalism as we find this gratifying! This process of overlap between our idea of value and that of the customer is very similar to what John Dovidio and Samuel Gaertner called “activation of a common identity”⁸ and that we could summarize in the ability to find and highlight the things we have in common with our customers. We must not forget that among the components that combine to generate value, there is also the act of negotiation itself, which is a source of satisfaction and personal gratification.⁹ You could almost say that you pocket part of your reward in advance!

Besides, thinking only in terms of profit not only generates a conflict of interest with the customer, but can also trigger an identity conflict in the seller. If while negotiating we forget that we also have to *nurture* our need for relationships, our personal values, and our need for gratification, sooner or later internal boycotting mechanisms will be triggered. In fact, if the goal that we have set for the sale is not in keeping with our inner principles, we unwittingly adopt behaviors that result in failure to sell; thus confirming to ourselves the validity of our principles, which a sale would instead invalidate.

This is what happens to those salespeople who, with undisguised satisfaction, justify themselves to their boss for their failures with phrases like “I told you it wouldn’t work” or “Of course I haven’t sold it, the product’s unsellable at that price.” If the conflict of interest destroys mutual trust, an identity conflict destroys self-confidence and motivation, which is precisely why it is so dangerous! (See Figure 2.3.)

⁸ Dovidio and Gaertner (2000).

⁹ Scientific research has shown that whenever we give or receive trust, our hypothalamus produces oxytocin, an antistress hormone that allows us to enhance our enjoyment of human relationships.

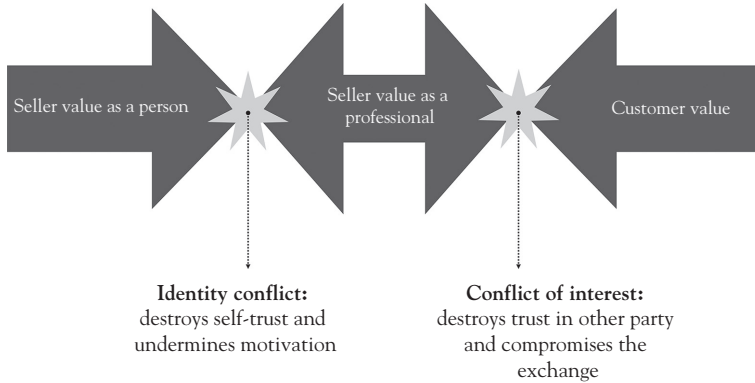


Figure 2.3 *Conflicts of interest and identity conflicts*

The first objective in Sales Ethics is therefore to investigate and identify in detail the components that comprise value for us and for the potential customer, find any points of contact and then work—in the most efficient manner possible—to increase both. In this way, we will act according to a logic of maximization that is in line with the rules of the market and does not generate conflict between the actors involved but rather helps to reduce them.¹⁰

Sales

It may seem strange that one of the concepts that needs to be clarified is *sales*, but we believe that the meaning of this term cannot be taken for granted even though this book is primarily addressed to experts.

In our view, a sale is an exchange that aims to create *value* for both parties involved. Hence, to define the meaning of the word sale we need to explain what we mean by *value* and, as we saw in the previous section, this goes beyond the simple idea of a profit for the company and the

¹⁰ Game theorists define *integrative bargaining* as negotiations that can produce a win-win situation, by contrast with *distributive bargaining* in which one side wins what the other loses. The former are also called *nonzero-sum games* and the latter *zero-sum games*. Thinking about value for the seller and for the customer, rather than focusing on price and profit, means moving from a system of *I win and you lose* to one where we can both win.

right price, or a lower price, for the buyer. But another myth that needs to be debunked is that the sale and the capitalization of its value or the *proceeds* that it generates are precisely defined moments in time and space. In an increasingly complex and dynamic market, the moment when the contract is closed rarely coincides with the stage when maximum value is generated. In fact, often the proceeds will be collected over a period of time and the degree to which our behavior is *ethical* during the negotiations will significantly affect the success of this delicate operation. Complaints and objections have a cost (in terms of effort, time, and money) that can significantly affect the profitability of our commercial action. To explain this concept, let's go back to our car salesman. From his point of view, his sale was perfect: he kept the price high, he convinced his client to purchase the most expensive product in the catalog, and he made the negotiations brief. Let us, however, ask a few questions:

- What happens when the time comes for the buyer to pay the first installment on the car?
- How will the buyer behave in dealings with the after-sales service if a technical problem crops up or when the car needs servicing?
- What assumptions will the buyer now have in any business interactions with the same salesperson and car dealer?

If we think of sales as a process that unfolds over space and time, and not just an event that begins and ends in a single moment and in a single place, we will realize that it is natural to ask these and other similar questions at an earlier stage. In fact, the generation of material value to the seller does not end with the signing of the purchase agreement but continues over time. If, in addition, we consider the intangible aspects of value, we know that some of these are generated before the sale. In the following, we illustrate three stages of the sale and the elements each of them can contribute to creating value for sellers:

Presale

Getting to know the customer

Information on the market

Sale

- Generation of revenue
- Personal gratification
- Achieving budget

Postsale

- Generating referrals
- Positive word of mouth
- Collecting proceeds
- Ease in handling complaints
- Further purchases

If we forget that our relationship with the customer does not end at the exact moment of the sale (especially when we are selling complex goods or services), we will generate costs that we will be forced to repay directly or indirectly. It also means losing out on potential future profit that might result from further purchases by the same customer or from new customer referrals. If we consider the sale as an ongoing process, we will manage the relationship with greater foresight, accepting that sometimes the customer cannot buy (or cannot buy from us) without compromising this relationship. Many companies have realized that the after-sales service is not only the most profitable part of the business, but also the most risky in terms of cost control. If the relationship has set off on the wrong foot, due to a poorly managed sale for example, then what should have been a profitable opportunity would turn out to be the opposite.

Considering the sale in this broader perspective, it is also evident that each sale involves a larger number of actors¹¹ as the company departments connected to customer management (administration and after-sales service to name just two) contribute to the generation of value. The role of a salesperson should involve guiding and coordinating these various functions; this is why we must improve our ability to interact with others and work effectively as part of a group.

¹¹ We will consider this in detail in Chapter 4 when discussing *internal clients*.

You may ask “What about sales on the Internet where payment is made immediately by credit card, is the sale still a process or just a single event?”

Once again, we consider it a process, for two reasons: *reputation* and *relational costs*.

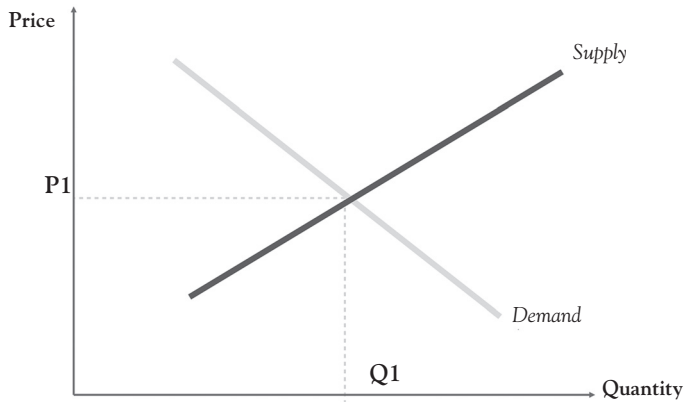
In markets that are vast (and Internet is one of these) where buyer–seller interactions are much more numerous and therefore apparently less controlled, there are compensatory mechanisms that ensure that opportunistic behavior that damage customers will lead to costs in terms of a worsening relationship or diminished reputation. Although this type of cost may not be immediately evident, in the medium to long term it may lead to the ousting of the seller from the market.

Let’s push this to the limit by imagining that Renato starts up an Internet site to sell cars online and demands advance payment by credit card. He then manages to move his first car, but sells a product that does not live up to his description. At this point, he’s not in the least concerned—he feels protected by the physical distance between himself and the buyer. Moreover, he has already pocketed the money and he thinks he has got away with making a handsome profit on this sale (we use the word profit and not value because, as we know, the latter has a much broader meaning). Yet the negative feedback from the customer he cheated will soon spread and eventually Renato’s bad reputation will catch up with him, and he will be forced out of the market and made to repay the entire cost of his wrongdoing.

Externalities and Information Asymmetries

When consumer demand linked to needs coincides with supply in terms of products and services, the market is in equilibrium and the price is determined (see Figure 2.4). At least this is what basic economic theory states. In reality, however, there are many forces influencing the encounter between sellers (supply) and customers (demand). These forces not only allow the price to fluctuate in a more complex way than the simple supply–demand ratio would explain, but also can derail a deal even though our product is perfect for the client. Alternatively, a deal may sometimes go through even when this would not seem possible, when my product is more expensive, for example. We are talking about *externalities* and

The supply quantity increases as the price increases: The more expensive the product, the greater the profit, leading to a growth in the number of firms wishing to produce. The demand quantity grows as the price falls: The lesser a product costs the greater the number of customers wishing to purchase.



The market price ($P1$) corresponds to the point where supply and demand intersect. When there are externalities and information asymmetries, this price may not correspond to the *efficient price* (i.e., linked to actual value).

Figure 2.4 Market equilibrium

information asymmetries. These are forces that interfere with the dynamics of the market, and they are so powerful that they are considered strategic elements that must be taken into serious consideration during a business negotiation.

The term *externality* refers to the effect that, whether beneficial or not, our actions on the market may determine the well-being of a third party without them immediately paying a price or receiving a payment resulting from our action. The existence of externalities mean that the price reached within a single sale may fail to reflect the costs or benefits engendered. If, for example, I buy a car that creates a lot of pollution, I will thereby create a disadvantage for the community (due to pollution), but I will not have to pay for this disadvantage directly at the time of purchase. Temporarily, the social cost remains unpaid, but it will affect the long-term dynamics of the market and will thus affect the balance. For instance, there may come a time when the social costs of the negative externality *pollution* will be so high that some citizens will be forced to stop using their cars to avoid accusations of damaging the ecosystem.

If you are particularly careful about the relationship you have with the customer during a negotiation, you will not immediately receive a

higher payment, but you do generate positive externalities that in the medium to long term will create a benefit in the form of word-of-mouth recommendations and an improved reputation. The decision to invest in building a positive image is thus an effective strategy that will improve your chances when bargaining. A negative reputation, on the other hand, creates costs that might seriously compromise your future sales. If we consider once again the example of the online car sales hypothesized in the previous section, we can see that by acting unethically the seller generates negative externalities that create relational costs that will have to be repaid.

Information asymmetries are differences in the knowledge the seller and customer possess regarding the object of their negotiation. In many cases, sellers may exploit the difference in the information level to their own advantage, but frequently they themselves are victims of this asymmetry. We can illustrate this with an example: Renato knows that the model of car he is proposing is plagued with technical problems, whereas the customer is unaware of this; hence the power relation between the two shifts. The extra information Renato possesses permits him to maintain the price artificially high despite the unreliability of the product. It is clear that the *natural* balance of the exchange is upset by the fact that the two actors do not have the same level of information. This is an example of a case where sellers may take advantage of an asymmetry of information to their own advantage.

Now imagine instead that Renato's company has launched a new vehicle, based on a technology that is so innovative that the majority of customers know nothing about it. The potential buyer is not equipped to evaluate the characteristics of the new car, because they are so different and cutting-edge that a comparison with rival manufacturers is impossible. If customers cannot understand the benefits to be reaped from this new technology, on what basis will they decide whether or not to buy the car?

When we make a choice, but are not in possession of all the elements necessary to make an evaluation, we fall back on an analysis of assessments used in our previous consumption experiences. In the case described previously, as in most cases and in the absence of other more

specific information, we will attempt to understand the value by considering the price.¹²

Renato's customer might be inclined to think that the above-average cost of the car indicates higher quality, because—in the absence of other elements that permit a more accurate assessment—his experience of consumer products leads him to expect the most expensive products to be the best. On the other hand, being unable to appreciate the special characteristics and the actual value, the customer may judge the price too high, considering it a car much like any other. The only alternative for the salesperson in this case will be to offer discount, as the only bargaining tool that remains is the price.

Thus in the second scenario Renato is the one to lose out because of the information asymmetry that he was unable to manage. By failing to provide adequate information, he did not enable his customer to understand fully the value of the offer and was forced to fall back on discount to conclude a sale. In addition, commercial exchanges based on price alone are destined to be fragile: A rival need only lower the price by one cent to convince our potential customer to buy elsewhere.

Marketing experts are well aware of the tendency to associate price alone with value, and often exploit this by withholding information from the customer or creating a situation where comparisons are unlikely, and thus inducing the customer to believe that because a product is more expensive it is undoubtedly better. This strategy, however, destroys consumers' trust, as after buying the product, they will be able to better evaluate it and gauge if they have been tricked. If we exploit a lack of information to gain an unfair advantage, the customer is more likely to be disappointed with the purchase. This in turn will lead to loss of customer loyalty and negative word of mouth.

¹² This is why negotiations often center solely on price. In fact, when customers have not received all the information necessary to evaluate a product, they refer to the price when reaching a decision. In our training sessions, we frequently encounter salespeople who complain saying, "Customers are only interested in the price." This may happen because they have not been provided with other elements that permit them to evaluate the offer system.

If we destroy trust, as the current recession demonstrates, the market will shrink and there will be less opportunity to make sales and fiercer competition for the remaining customers. If we provide customers with new information thereby enhancing their decision-making power during the bargaining phase, we will generate value for them and for ourselves by increasing the total energy of the system. This new energy will fuel the market, keeping it buoyant and active for future trade.

If we ignore the fact that all our actions will influence future events (creating externalities and relational costs), or, even worse, if we reduce the customers' power of choice by using the extra information we possess to put them at a disadvantage, in the medium to long term, these actions will erode our ability to generate value. In Chapter 5, we will learn how to solve information asymmetries and utilize positive externalities over time to negotiate in an ethical manner. By improving our reputation and trust, we will trigger virtuous mechanisms that will allow us to prolong the relationship over time and encourage new deals. We will provide the customer with all the truly empowering information required,¹³ so that the negotiation becomes an opportunity to learn and acquire knowledge, which in turn will lead to opportunities beyond this single sale.

Reciprocity and Cooperation

As we said earlier, a sale is a relationship with a purpose. The concept of relationship is based on two terms that are only apparently similar: *cooperation* and *reciprocity*.

Cooperation¹⁴ means working together to achieve a goal. In commercial language, we generally associate the idea of cooperation with a nonprofit organization whose objectives are *social*, that is, linked to the

¹³ To achieve maximum effectiveness in the negotiation of the sale, we will learn to select what information we must provide to empower customers in their choice without confusing them and to reinforce their confidence in the exchange.

¹⁴ In game theory, the term cooperation refers to a common purpose within a group sanctioned by rules and agreements. The term cooperation is used here in a more conversational way, meaning a collaborative approach adopted by agents in order to achieve their goals more effectively.

welfare of a group of members and not to an individual. When we use the word co-operate in the context of Sales Ethics we mean *acting together to achieve a goal*. This does not necessarily imply that the goal is the same for both actors, nor that the cooperative action is purely altruistic or social and unconnected to the logic of maximization of individual advantage. Indeed, we will see how cooperation, considered in these terms, may be the best strategy to achieve your individual goal more efficiently.

Since it includes the active involvement of the other party, this strategy can only be pursued by respecting certain requirements that may seem to be a *compromise* but which, on closer inspection, do not affect our advantage. For example, if I want to convince my neighbors to help me mow my lawn, I'll probably offer to give them a hand another time. We are both considering our own interests (mowing our own lawns), but for maximum efficiency, we decide to cooperate. On the other hand, if we each decided to work alone, our efficiency in pursuing our own goal would be compromised (we would be slower and have to work harder) and we would lose the *relationship benefit* derived from establishing a useful connection for undertaking future work as well as the pleasure of spending time together. Some might argue that cooperative strategies are applicable only when the objectives of the actors involved are not in obvious contrast, which is the case in a sale where an increase in the seller's profit corresponds to a disadvantage in terms of price for the buyer and vice versa. As mentioned earlier, many of the apparent differences between the goals of the customer and the seller disappear (or greatly diminish) on a closer analysis of the conflict of interest. We will provide a further demonstration of this when we discuss the theory of repeated strategic games. For example, if we extend the arc of the business relationship beyond the moment of the single sale or replace the concept of profit with that of value, we find that, in fact, not only are most of the objectives that the salesperson and the customer pursue not in conflict, but also, in many cases, they coincide and support each other.

Reciprocity differs from cooperation as it refers to the bond created between the actors in an exchange: If I give something, I expect something in return; if I receive something I expect that sooner or later, either directly or indirectly, I will have to give something back.

Reciprocity is a well-known concept in economics: The simple precept according to which we must give before receiving¹⁵ is at the basis of the idea that investment (and related costs) precedes revenues. Yet, if we think of reciprocity as a regulator of material exchanges alone, the mechanism might not appear infallible: There are many occasions when someone receives (or takes) something without giving anything back; vice versa, we may give selflessly without receiving anything in return. In the light of these experiences, the concept of reciprocity would seem applicable only to certain categories of exchange and not to others. Such reasoning, however, ignores a truth that is as important as it is simple: Every exchange between people (including sale) comprises both tangible and intangible components, including relational elements, and its consequences may appear over an extended period, not only at a specific moment. If we consider the relational and time dimension when considering the mechanism of reciprocity, its ability to regulate the balance within an exchange is greatly enhanced.

Take the case of sellers who take more than they give. From a purely material standpoint, it would seem that no mechanism intervenes to balance the exchange, but from a relational perspective sooner or later they will have to pay a price for their misconduct. This price will take the shape of a rupture in the relationship with that customer, or worse, a bad reference that will damage the seller's image. Yet what happens when a salesperson *gives more* without receiving an immediate benefit, or when someone actually gives something without expecting anything in return? What regulatory mechanism is involved this time?

As demonstrated by numerous case studies collected by Adam Grant, whose theories we will discuss in the next chapter, the salesperson who gives more today triggers a mechanism that strengthens the relationship with the customer who feels *committed* to pay back the surplus received in a more or less direct way. Moreover, the salesperson will find personal satisfaction in offering the customer an unexpected benefit, a gratification that will boost self-value and increase motivation in subsequent dealings.

¹⁵ Common sense should remind us that in nature, the harvest takes place after sowing and not before. The mechanism of reciprocity confirms that it is natural to first give something to our customers and then collect our reward.

Reciprocity can take place on different levels,¹⁶ and at its extreme, it generates a balancing mechanism based exclusively on self-gratification: If I give, what I get in return is *only* the pleasure of a kind and altruistic act. This pleasure alone balances and in a sense repays my action.

We will use the two concepts of reciprocity and cooperation throughout all the stages of Sales Ethics, learning to optimize results and make processes efficient through a precise *collaborative strategy* with our customer. We will invest in relationships to trigger mechanisms of virtuous reciprocity that will open up new market opportunities and increase value creation.

Well-being and Well-having

Just as there is a distinct difference between having and being, there is also a difference between the idea of well-being tied to material possessions and that linked in turn to the quality of our inner life. People have been debating the relationship between wealth and happiness for years. Numerous international studies have shown that an increase in material richness does not have an immediate effect on happiness, in fact in certain ways and under some circumstances, these two concepts are inversely related: Beyond a certain limit of accumulated assets, happiness may decrease due to increased responsibilities, the complexity of management, and the anxiety level related to possession. For this reason, some governments in order to define their country's level of *well-being* have proposed a more sophisticated measurement of gross national happiness (GNH) to supplement the measurement of gross domestic product (GDP). If adopted, this indicator would certainly make it even more obvious that there is a more complex relationship between wealth and happiness than that normally attributed to them, suggesting that we should not consider these two concepts to be directly proportional. Research like that of Shawn Achor, whom we mentioned earlier, some of which was carried out on behalf of the UN, has demonstrated how happiness affects productivity (thus GDP) and not vice versa. This would

¹⁶ Certain authors talk of different levels of reciprocity. See Bruni and Pelligra (2002).

indicate that our inner world may influence the world outside us and that well-being generates well-having. If we look at the Italian situation in particular, this becomes even clearer. Unethical behavior, which can adversely affect professional relationships, generates levels of unhappiness, which seem to have affected the creativity and capacity for innovation that previously characterized our country and which enabled us to emerge from previous crises.

We will thus replace the concept of *well-having* (linked to the possession of material things) with the concept of *well-being* (linked to the quality of our life), which includes a number of elements that are not always easy to measure.

Returning to the concepts of *customer value* and *seller value*, we said that they not only comprise the material aspects of *profit* or *fair price*. Value is, in our view, linked to the idea of well-being—we could even say that high levels of well-being correspond to highly generated and accumulated value. Each of us belongs to a different social and cultural group, with diverse backgrounds, identities, and personal experiences: All of the elements combine to form our personal conception of the quality of life. If we consciously understand our own idea of well-being, we are on the way to achieving it. Moreover, the process we choose to achieve well-being generates investment costs of a tangible and intangible nature.¹⁷ We will not get results unless we aim at the right target, just as a mistaken investment will not produce revenue.

How can we be effective in achieving a goal if we are not fully aware of what we are targeting? If we have little or no conscious idea of what quality of life means for us, we cannot pursue it efficiently, and we might overlook the costs it will entail. Yet the fact that we do not expect certain costs does not exempt us from having to pay them. This situation may leave us bewildered and create a sense of unease or alienation from our own goals that we are frequently unable to explain.

¹⁷ We can define *intangible* costs as those costs that are repaid through intangible assets such as reputation and image: Relational costs fall into the category of intangible costs.

To clarify this concept, we will give an example from a real case (we have replaced the names for obvious reasons). Each year Mr. Rossi spends his holidays on a boat in a fashionable tourist resort frequented by the jet set. Although the *canny* Mr. Rossi could well afford a berth in the luxurious yacht club and enjoy all the amenities provided for tourists, he chooses to moor away from the quay to avoid paying the fee. He ties his boat to a private pier belonging to a villa that, as he discovered a few years before, is empty in August. With the collusion of the guardian, to whom Mr. Rossi gives a handsome tip, he can stay there for the whole month, provided he keeps the lights off (to avoid alerting the neighbors) and leaves the jetty every morning when the sun comes up. Obviously, he cannot fill up with water, use the mains to recharge the yacht's batteries or use the services on land that would be available at the yacht club. But Mr. Rossi has managed to find a way to get into the club with his wife, take a shower and fill his bins with water, thanks this time to a little help from the staff (who once again get a tip). He and his wife are therefore delighted to enjoy their *five-star* vacation while apparently spending very little, though they do have the inconvenience of setting off early each morning, traipsing two miles on foot from the mooring to the club to have a shower, and the anxiety of being discovered.

If we look at Mr. Rossi's strategy purely from a material point of view, he is in fact, maximizing his *purchase* of a summer holiday in a luxury resort. There is no doubt that he spends at least 10 times less than an owner who has booked a regular berth. It is also true that while Mr. and Mrs. Rossi do not have the same comforts as the others, they are still moored in a safe place and, with a little effort, can enjoy a number of basic services. Is it therefore true to say that the couple are maximizing their value overall?

To answer this question we need to ask Mr. and Mrs. Rossi some questions:

- What is their main reason for going on vacation?
- Why, of all the possible places, do they choose to take their holidays in a luxury resort and what do they expect from their time there?

Let's assume they choose to go on vacation primarily to rest after a year's work, and they are particularly fond of this particular resort because:

- The hospitality services are among the best.
- Their image and reputation will be associated with that of an exclusive resort.
- They want to mix with famous people and improve their network of contacts.

It is immediately obvious that their main reasons for choosing a five-star resort for their vacation are more intangible than tangible given that these reasons are linked to concepts such as relaxation, hospitality, image, reputation, and exclusivity.

Based on such considerations, it is clear that an assessment of the value generated by Mr. and Mrs. Rossi that considers only material elements (as they seem to do themselves by focusing on cutting costs) is a blunder.

Some might argue that the couple's idea of a vacation is fulfilled by their choice of behavior, and that if they were to spend more money (paying for the berth in the club) this would add little or nothing to the quality of their stay and might even diminish their pleasure, as they could no longer experience the thrill some people get from saving money.

To reply to this objection we have to go back to the concept of intangible relation-based costs that we mentioned earlier. Mr. and Mrs. Rossi (even if they do not know it or are unwilling to admit it) are in fact incurring costs that they eventually will have to repay. Let's make a list of the main ones:

- Their vacation, with its early-morning starts, two-mile treks for essentials, and the anxiety of being *stowaways* will be anything but relaxing.
- The image that they hope to create by being seen at exclusive resorts and prestigious clubs continually risks being destroyed by a simple *accident*.
- The luxury and superior level of service that Mr. and Mrs. Rossi aspire to remains out of reach, just beyond a fence that they only rarely dare to climb over, and at personal risk.

If we add up all these *hidden* costs that the Rossi couple are already paying or will pay eventually, can we still be so sure that they are maximizing value for themselves?

If they were to reflect on their idea of value, going beyond the material aspects, this *crafty* couple might as well choose to behave differently by deciding, for example, to anticipate some of the material costs to fully enjoy a true five-star vacation, but to, above all, avoid paying the far more onerous intangible costs at a later date.

If we were to consider the production of well-being like an industrial activity and draw up a budget for it, we would divide the costs in the income statement into two components, tangible and intangible ones, including relational costs in the latter. The same two components would appear under the heading of revenues with a list of everything that generate tangible and intangible value.

The difference between costs and revenues, thus identified, would determine the profit or loss that contributes to increasing or decreasing our overall *capital* of well-being.

Revenues [tangible and intangible] – Costs [tangible and intangible] = Profit or loss of well-being

The Circle of Trust

Many of the barriers that stand between us and the achievement of our success (which is linked to our *well-being*) are connected to trust: in ourselves, in others, and that of others toward us.

When we transfer this concept to sales, we need to analyze how to build and maintain trust in the salesperson–client relationship, because the success of our negotiations will depend on this.

We can imagine trust as a system of concentric circles with the customer at the center (see Figure 2.5). The closer we get to the center, the stronger the bond of trust and therefore the stronger the relationship. The goal of any good salesperson is therefore to climb consciously all levels of the circle of trust until reaching the core. As you will see, the outer levels of the circle of trust correspond to indifference and skepticism, indicating our customer's initial unwillingness to meet with us. This is because customers are victims of the apparent conflict of interest

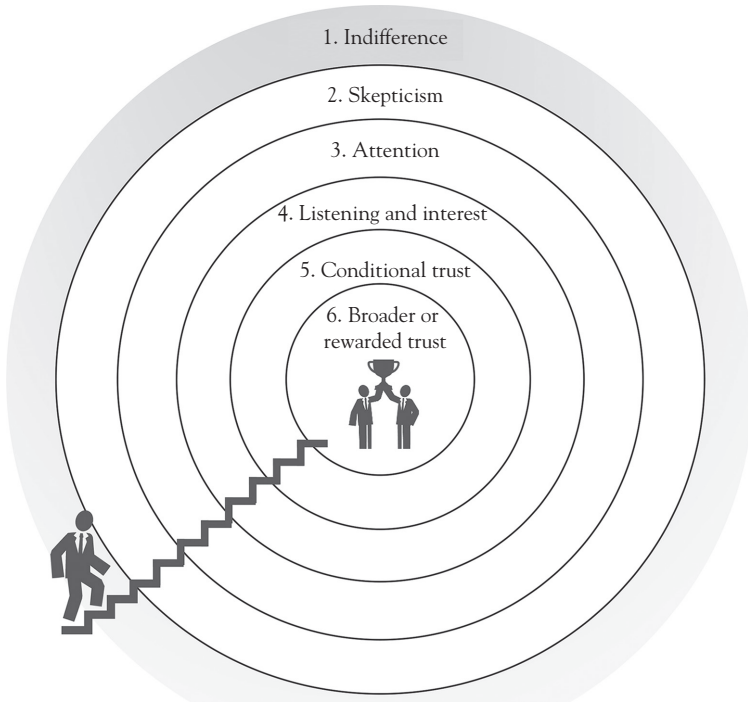


Figure 2.5 *The circle of trust*

associated with the sale, convinced that our only objective is to maximize our profit, while they will be intent on maximizing their purchasing power, and they believe the two things are irreconcilable.

The six levels of the circle of trust are explained as follows:

1. **Indifference:** At this level, your customers have not noticed you or if they have, they have not yet decided to focus their attention on what you offer.
2. **Skepticism:** This is the moment when customers are aware of your existence and are watching you from a distance, trying to collect information in an indirect way. In this phase, customers form a first impression that could be very difficult to change.
3. **Attention:** Customers are focusing their attention on you. Something has caught their attention but they have still not decided whether you can be trusted. From this point onwards, you will be closely observed, but you have started to break down their skepticism.

4. Listening and interest: The relationship with customers is now direct. They ask questions and you must answer requests. Your interlocutor is trying to connect with you to build up trust.
5. Conditional trust: This usually coincides with the first sale that may often be considered a sort of “test” by customers. They are thinking, “Alright, this time I will trust you, let’s see how you behave from now on.” At this stage, you have to commit to repaying the customers’ trust, by assuring a return on their investment in you.
6. Broader or rewarded trust: The relationship is robust. Your customer has formed a positive opinion of you and is willing to trade with you again. This level creates positive inertia that will allow you to overcome small conflicts that you must, however, always strive to recognize, understand, and address, taking nothing for granted. At this stage, a virtuous cycle is triggered in the relationship that can generate well-being for both of you and may spread to include new people: The customer creates value for himself and for you, by self-generating motivations and arguments for purchase and providing referrals for you with new customers.

It is important to emphasize that trust is a dynamic force, so you need to invest energy and attention to protect and maintain it over time. Each level has specific problems and as you get closer to the center, it is important to remember to maintain the trust nurtured in the previous stages.

The migration from the first to the third level is affected by indirect activities, such as reputation, word of mouth, positive references, and marketing in general. From Level 4 onwards every stage depends directly on the salesperson who must pass an actual *test of trust* based on each sale, especially the first. The highest level of trust leads to the creation of forces capable of generating new interactions and value in a spontaneous way: Customers who have greater trust will be happier to buy from you again and to introduce new customers to you. Here the role of the salesperson is like that of an orchestra conductor, who guides the customer who then interacts independently with other areas of the company.

As we will see when discussing bargaining techniques, the six levels of the circle of trust correspond to different stages in our progress in Sales

Ethics and every technique described will be used to move up to a further level of trust.

Remember that if you wish to establish a sincere and long-lasting relationship with the customer you must first resolve your personal identity conflicts—then you will be ready to tackle the conflicts of interest arising when you deal with the customer. Sellers who have failed to resolve their own conflicts of identity, in fact, will lack self-confidence and will find it difficult—if not impossible—to find valid arguments when bargaining as they will unconsciously boycott their own efforts in their relationship with the customer.

Finally, we want you to note that reciprocity is a powerful tool when establishing and building trust. In fact, as demonstrated by Pelligra¹⁸ in the Trust Game (*Gioco della Fiducia*) and McGregor¹⁹ with the theory *X and Y*, if we trust someone they will reciprocate. This is why the rings in the circle of trust not only describe the customers' approach to salespeople, but also describe the way that salespeople consider their customers. At the level we described as *skepticism*, for example, both the salesperson and the customer will share a tendency to be influenced by first impressions. If we want to remove our customer's prejudice, we must be the first to maintain an open mind and avoid falling into the trap of hasty judgments or bias based on previous experiences.

The law of reciprocity, summed up in the motto that you must first give to receive, is further confirmed as we move up the levels of circle of trust; this law serves to identify the most powerful tool you have for progress: Be the first to offer trust and focus your attention on your customer!

¹⁸ Pelligra (2007).

¹⁹ McGregor (2006).

Exercises

- **What does your offer system include? What, how, and why do you sell?** Observe the diagram of your offer system and write down everything that, in your opinion, the customer buys from you. Include both tangible and intangible aspects in your list. Try to be very specific and remember to include yourself, describing the things about you that the customer chooses to buy. Lastly, ask yourself if you remembered to argue and specify every element of your offer system.
- **What contributes to generating value for you (apart from profit) when negotiating?** Divide a piece of paper into two columns with a line down the middle. Write Profit at the top of the left-hand column, then below that write down what you expect from a sales negotiation. Write anything that comes to your mind, such as information about the competition, your desire for recognition in your professional role, or your gratification when assisting your customers
- **What can be considered value for your customer (apart from getting the best price)?** Write Best Price at the top of the right-hand column and then list below the things that, in your opinion, your customers want for themselves from the bargaining. Avoid generalizations such as *quality* or *trust*, but specify exactly what these terms may mean to a customer.
- **What do your concept of value and that of a customer have in common?** Compare the two lists: What do they have in common? Draw a circle around the points that match or are similar with one in another column and join them up.

CHAPTER 3

The Economic Theories Underlying Sales Ethics

Virtue is a habit, a practice and you get to be the kind of person you want to be by trying to act that way, by really focusing on behavior.

—From an interview with Prof. James Hoopes

Why Read This Chapter?

We are going to discover the theories that will rehabilitate the role of ethics, as we defined it at the outset of this book, within the realm of business. We will also see how the figures confirm that not only is it economically viable to be ethical but also that the results obtained will satisfy the capitalist logic of profit maximization. To this end, we will analyze the theories of Nash, Maslow, Arthur, and many others, and give examples taken from our own experience.

At the end of the chapter, you will find exercises that encourage you to reflect on the themes and theories presented and help you to place them in the context of your own everyday experience.

People who talk about ethics in business run the risk of either being labeled as do-gooders, or charged with using arguments that are clearly common sense but cannot be feasibly applied in everyday business dealings when faced with the harsh realities of market competition. In conversations between salespeople, ethics is often seen as a nonessential extra; it's almost as if we can only consider relationships once we have achieved the turnover and profits that our organization requires. As Leigh Hafrey of MIT Sloan Business School noted when gathering case studies for his book *The Story of Success: Five Steps to Mastering Ethics in Business*, this attitude is widespread on both sides of the Atlantic. The basic idea behind this

view of ethics is that you must first endeavor to ensure your own *survival*, that is, make sure you generate profit, before considering the ethics of your negotiations. This outlook means that ethics would be denied any strategic part in the actual negotiation phases, and when putting together a commercial transaction whose outcome is determined by completely different behavior, any introduction of ethical practice would be no more than the icing on the cake!

The aim of this book is to restore strategic value to ethics by contributing ethical elements at every stage of negotiation with your customer. The main goal here is not to create a pleasant and honest relationship but rather to increase the value generated by each transaction!

When we restore market value to ethical practice, it is also an attempt to move beyond the conflict of interest that would seem to plague all relations between buyer and seller. In our opinion, this conflict arises from a limited interpretation of the principle of profit maximization that has informed modern economics ever since its first appearance.

In his treatise, *The Wealth of Nations*, Adam Smith claimed that self-interest ensures greater richness both at an individual level as well as globally across the market. Smith's theory was based on the presence of a self-regulating mechanism which he referred to as "the invisible hand" which would counterbalance any injustices and pressures that arose when individuals were involved in pursuing the greatest profit.¹ However, the Scottish economist did not clarify how this mechanism would actually work and merely stated that the selfish pursuit of personal interests would also trigger an improvement of the general conditions common to the actors in the market.²

In any sale, the seller's desire to gain maximum profit corresponds to an equal and opposite need by the buyer to maximize their purchasing

¹ Smith (2012).

² As clarified by A. Sen in his book *On Ethics and Economics* (1987), Smith's thinking was probably misinterpreted and in the light of more recent studies it seem ungenerous to remember him only as the father of the theory of maximization of self-interest. We should note that Smith also wrote the treatise *The Theory of Moral Sentiments* (2010) which rehabilitates the role of morality, prudence, and understanding in economics. For the sake of simplicity, however, in our text, we refer exclusively to the Smith's theories regarding the maximization of self-interest.

power. Thus, if we were competing in a market that applied to the letter the theories of classical economics, which relies too heavily on a short-term vision, we would witness a tough fight between the interests of those who sell and those who buy. In such a scenario, ethics is not only useless but also potentially harmful because it could distract players from what should be their *natural* primary goal when bargaining.

Hence, to restore strategic value to ethical behavior, we must show that it is a prerequisite for the maximization of individual advantage. Only then can we rightfully place ethics among the assets required by any salesperson. If we treat ethics as an element that is not part and parcel of bargaining technique, we would be relegating it to the role of a luxury item suitable for the few sellers operating in particularly sensitive areas such as nonprofits. Our goal instead is to restore its rightful place in all kinds of business relationships, not as an optional extra, but as a vital component, that is perfectly in line with the market logic and the creation of individual *well-being*. If we succeed in doing this, we will convince sellers to adopt ethical behavior, not only by appealing to their sense of morality, their good intentions, or the fairness of the way they act, but also by invoking a much more powerful force, that is, an integral part of human beings' struggle for survival: the increase of value for themselves.

Incremental Negotiation

To rehabilitate ethics, by assigning it a specific role in the mechanisms of the market, we will refer to studies carried out by John Nash on strategic games. The Nobel Prize winner was able to prove that if applied to the letter in every single period of interaction, Smith's form of competitive strategy did not always lead to the highest payoff:³ certain forms of *cooperation*

³ The classic example is the *prisoner's dilemma*, which we briefly explain here, but that you may like to study further. Given the chance to reduce their own sentence by testifying against their accomplice, two prisoners end up accusing each other and both receive a heavier sentence thus worsening the outcome. As each pursue individual reward, the net result is less profitable than if they chose not to betray one another and hence served a punishment proportionate to the crime with no aggravating circumstances.

are in fact able to ensure a greater profit both globally and at the level of the individual actor. In fact, Nash's studies helped to reveal the dangers of an action driven solely by short-term self-interest, thus encouraging a new approach to game theory that has made it possible to demonstrate how the strategic value of cooperation emerges when there are repeated exchanges. Thus, if we pursue the interest of the group as well as personal interests in each period, at the end of the game more benefits will accrue to each individual.

To illustrate the logic behind this approach, we will give a simplified explanation of the theory of repeated strategic games. We apologize in advance to experts on the subject for any inaccuracy or oversimplification resulting from our endeavor to make the concept clear and easy to follow for those unfamiliar with economic studies.

In repeated interactions or those that take place with the actors living within a cohesive social group, the opportunistic strategy to maximize short-term payoff does not produce an optimal result. In fact, if we try to maximize profit in the short-term to the detriment of the other party, they will no longer be willing to interact with us a second time, having been *cheated* before! Worse still, they may influence the social group within which the exchange takes place, so that the group's members are reluctant to interact with us. This circumstance has two negative consequences that could compromise our future profits: failure to repurchase, with possible loss of customers, and bad reputation with the extreme outcome of exit from the market. Sellers who can maximize benefits not only for themselves but also for their customers encourage further interaction. The sum of all the new interactions makes up the cumulative returns that are far superior to those obtainable by acting in a short-term logic.

If I act in order to maximize value for both myself and the other actor, I help to create dynamic *forces* within the buyer–seller relationship that can fuel it or even multiply it by expanding the boundaries to include other customers.

To understand how these forces work, we will compare two negotiation strategies, one based on a short-term logic that we call *one-shot negotiation*, and the other designed for long-term interaction and defined as *incremental negotiation*. We will assume that our seller, even when competing for short-term maximization of value, does not adopt a technique

that will cause his customer to lose out, but will ensure a payoff exactly equal to his own. Note that we are not talking about a seller who deceives his customer but a seller who bases the exchange on short-term numerical equivalence. We do not want to contrast a seller who behaves improperly with one who behaves properly, but to focus on economic behavior rather than morality. Being ethical in business relationships involves not only behaving properly, but also acting strategically.

Suppose a customer is willing to pay \$100 for the goods and our seller is offering a product that correctly and comprehensively covers the customer's requirements and can be, in fact, valued at \$100. This exchange would take place in a way fair to both parties in the negotiation. From this moment on, the customer and the seller, both perfectly fulfilled with the transaction, will have no further claims on each other. In fact, we can define their mutual satisfaction, which is the consequence of perfectly balanced exchange, as *static*. From the observation of natural phenomena, we learn that the only systems in static equilibrium are dead systems. The balance in nature is in fact always dynamic because life is a mechanism that involves movement. In sales, it is equally important to keep the relationship with our customer alive and pulsing, so we need to insert elements that can activate movement and thus further exchanges. How do we go about it?

If, instead of offering the customer a value exactly equal to that for which he has paid (\$100), we were to offer him something of higher value—for example, 30 percent more—this would lead to an imbalance in the *negotiation equilibrium*⁴ that could generate a forward movement in the relationship between our customer and us. This difference will commit the customer in interacting with us again and making further purchases in accordance with the law of reciprocity, or in enhancing our reputation in their social group. Both circumstances would create new opportunities for sales that, over time, would repay the surplus (the 30 percent difference between what was paid and what was received) that we initially supplied to the customer (see Figure 3.1). This is why our friend Daniele Prioli, one of the most talented salespeople we have ever

⁴ We use the term *negotiation equilibrium* to define the reciprocity mechanism within a negotiation that balances what we give with what we receive.

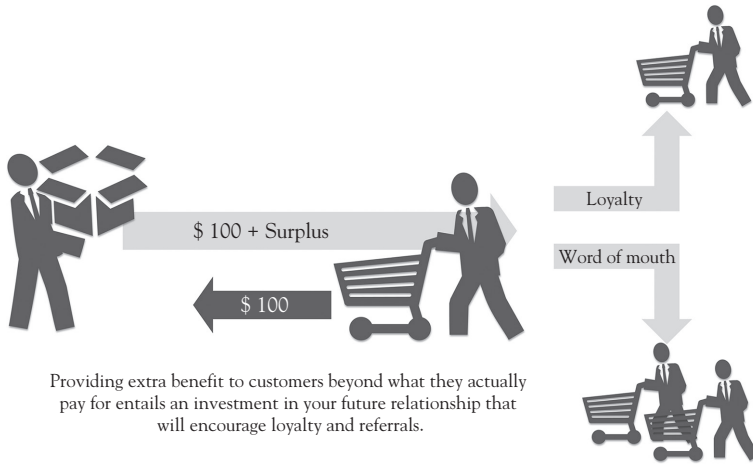


Figure 3.1 *Incremental negotiation*

met, says that a good sale requires sellers giving a customer a little more than they earn, even at the cost of ending up *slightly poorer* after the first deal. When we met him back in 2003, Daniele was a freelancer and had not yet set up *Geocom*—a company specializing in geomarketing and contact management—with Carlo Renzi. Even then, both men operated according to this unwritten law that we call *incremental negotiation*, and which could be simply summarized as *giving customers more than they pay for!* We contacted these two men for market research and received a great deal more: Daniele and Carlo became active partners for us, coming to meetings and offering advice, as well as providing useful contacts to increase our sales and being open with us and enriching our relationship.

Undoubtedly, all the time and energy invested on the project by the two consultants was not immediately repaid, but this apparent *loss* was in fact an investment: Over the following years, we have paid for further services from them and spoken well of *Geocom* with many colleagues and potential clients, helping to fuel their success.

Yet one question remains: If the seller is forced to offer more than what they get to maintain a lively and active relationship with the customer, does this not go against the maximizing of profit in the short term?

To give you an answer, we want to introduce another theory here to support our idea, *Maslow's hierarchy of needs*, which will help us to take the full range of the customers' needs into consideration and not just

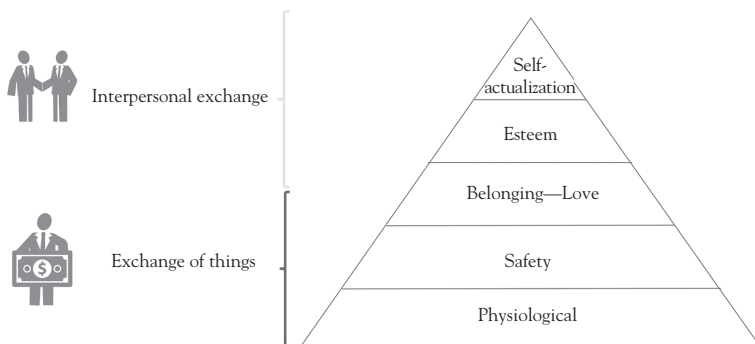
their material needs. If we were to think in purely materialistic terms, we would fall into the error of pitting *incremental negotiation* against the rules of classical economics. By analyzing what the surplus offered by the salesperson is, in the context of Maslow's theories, we will show that this negotiating method does not in fact contradict the theory of maximization of profit, but rather enhances it.

When we explained the concept of value in the previous chapter, we broadened its meaning beyond the simple concepts of *best price* and *best return* as not everything that is customer value and seller value can actually be measured in material terms. The intangible aspects that contribute to increased value include attention, listening, suggestions, knowledge exchange, helpfulness, and services.

The American psychologist Abraham Maslow organized human needs into a pyramid of five levels of hierarchy that we will apply to the consumer, according to Figure 3.2.

The first category that, according to Maslow, we try to meet is our physiological needs; we then move onto the next levels, which become progressively more complex and sophisticated. If we transpose this hierarchy to the economic environment, we can see that the more mature the market, the more the customer choice will be determined by the needs at the summit.

Let's now go back to Renato, our salesman, and his customer who is interested in buying a car, to see how Maslow's theories can be applied to Sales Ethics.



The higher we climb in the hierarchy of needs, the greater the requirement for an exchange of intangible elements, such as relationships, communication, and empathy, to satisfy these needs.

Figure 3.2 Maslow's hierarchy of needs

If I decide to buy a car, the physiological need that my purchase aims to satisfy is getting around. According to Maslow, I will make sure that the car can move (that it has wheels and an engine) and that I can do so safely (e.g., I want to know if it has ABS and airbags). My next consideration will involve making a purchase coherent to my social group to ensure that I am accepted into a specific group (this will involve considerations regarding the make and model of car, reflecting its prestige and image). Up to this stage, all my needs can be met by the tangible features on offer, which correspond to a definable purchase price. Let's now step into the salesperson's shoes. We soon realize that the price we are able to ask our customers will be regulated according to the specifications listed beforehand. If the car travels faster (maybe it has a more powerful engine) and is safer (it is equipped with airbags or more advanced safety systems compared to other models), or it is produced by a luxury brand, this will influence its price. The price is therefore still an efficient regulatory mechanism on the trade between buyer and seller. What elements of the product, then, will make the customer feel *esteemed* and *actualized* during the negotiations? For instance, if customers have to choose between two sellers of the same brand offering them the same model at the same price, what will guide their choice?

The needs Maslow places at the highest levels are related to the increasingly intangible components of the customer–seller relationship, for which no exact price can be set. If a salesperson is able to fulfill their interlocutor's need for esteem and contribute to the customer's actualization, they will have satisfied the needs that top the hierarchy, by actually offering *more* than any rival salesperson who has not looked beyond the material aspects of the exchange. However, since these intangible elements of the offer are not regulated by the price mechanism, our seller might be at a disadvantage. If, from a material point of view, the seller is offering nothing more than that of a rival, his or her commitment in terms of the relationship—to make the customer feel valued, rewarded, and fulfilled—cannot be immediately quantified in monetary terms!

We can easily realize that this nonmaterial *surplus* is the 30 percent extra than what we noted before, which could trigger the forces that encourage not only the current sale but also new trade with the same customer (loyalty) and the opening of new business opportunities (word

of mouth). The subsequent purchases by this customer and the new relationships developed, thanks to the enhancement of reputation, are the payment the seller will receive in exchange for the surplus time initially offered to the customer. On one hand, this repayment is intangible, but then it brings a concrete benefit ensuring compliance with the principle of profit maximization (which in the short term appeared compromised). On the other hand, it involves the higher levels in the hierarchy of needs, whose satisfaction is especially strategic in mature markets where products show very little variation as regards technical characteristics and prices.

Exercise

- **What extra can you offer your customers?** Ask yourself what more you can offer your customers that will not involve an immediate payoff. How can you upset the balance in favor of your customer? To focus on this aspect and come up with some answers take another look at the needs set out in Maslow's hierarchy or reconsider the intangible components of your offer system.

Reciprocity and Relationship Styles

There are many theories aimed at highlighting the strategic value of relationships, such as Shapiro's theory of reputation⁵ and Freeman's stakeholder theory.⁶ You can find hundreds of texts dealing specifically with this topic if you want to read further for detailed explanations. We intend to give a briefer outline.

What interests us here is to emphasize the relationship between reputation, negotiating efficiency, and reciprocity style.

The fact that we must take *reciprocity* into account to build a solid reputation and improve the efficiency of our relationships has been brilliantly demonstrated by Adam Grant in his book *Give and Take*.

⁵ Shapiro (1983).

⁶ Freeman (2010).

Grant distinguishes three types of reciprocating behavior, corresponding to three styles: the *taker*, the *giver*, and the *matcher*. As the name implies, takers are people who tend to take more than they give. They conceive relationships in utilitarian terms, considering their own interests paramount and not feeling in any way bound to reciprocate after receiving something from someone else. To put it briefly, these are the proverbial opportunists.

The matchers, on the other hand, are aware of the laws of reciprocity: They know that before you take it is often necessary to give, and that if you fail to reciprocate you are acting unjustly. However, their actions are not totally disinterested, and they are willing to make the first move in an exchange only when they know that their customers will be able to reciprocate. They are experts in reciprocity and their apparent generosity is always dependent on receiving a direct and immediate comeback.

The third type is that of the giver. These people give to others without addressing the problem of receiving something in return in utilitarian and immediate terms. Their goal is *social*, that is, they want to help increase the *value* and *well-being* of the system to which they belong, in the certainty that they too will enjoy the benefits. Their generosity is also rewarded by the personal satisfaction they feel in helping others.

Grant has discovered and demonstrated through studies and analyses of real cases that not only is the giver's cumulative benefit greater in the medium to long term when compared to the other two styles of behavior, but also that these people build continually, expanding social networks that are characterized by strong and empowering relationships.

Contrary to what happens to the taker, whose behavior erodes social ties (people tend to move away once they discover they have been *used*), or to the matchers, who are forced to limit the size of their network to include only those parties able to reciprocate, the givers weave extended networks of relationships without expecting any immediate return.

Moreover, the givers may also activate new *latent* givers by inspiring them (thanks to their altruistic example) to behave in the same way with other people and hence further extending their contacts and relationships. Their network thus grows exponentially and their positive reputation travels widely and swiftly.

Contacts, stable relationships, and positive reputation are the fundamental elements of business success. The proper use of the principles of reciprocity, which inspires the behavior of the giver, would seem therefore to be one of the most powerful tools you have at your disposal to enhance your results, broaden your customer portfolio, and turn you into a successful ethical salesperson. Confirming the saying *what goes around, comes around*.

Expanding the Pie: Increasing Returns

Another theory worth looking at to gain a better understanding of the transformation of competitive dynamics in modern markets is that of *increasing returns* proposed by W. Brian Arthur,⁷ which we have reworked to suit the context of Sales Ethics.

According to this view, when choosing their competitive model, the majority of companies assume that markets are limited by two factors: the scarcity of raw materials needed for production, and the geographical dimension on which a set of costs depend (logistics and trade, for example). These two constraints are such that the total profit available in a single market has a finite value, almost a given constant. The variable, influenced by business strategies, is the percentage of the total profits of the particular market in which they operate that they can get grab for themselves. Companies compete to raise returns by adopting opportunistic behavior justified by the scarcity of raw materials and the limited size of the markets. This predatory behavior, however, accelerates the erosion of the total profit and further restricts the wealth available from the market (competitors tear customers away from each other), increasing competition for the supply and potentially leading to an implosion of the industry.

Yet what would happen if we had unlimited access to productive resources and could broaden the geographical boundaries of our market? The answer that Arthur's model proposes is obvious: The total returns available to all the actors would start to climb and expand and would

⁷ Arthur (1996).

once again become a growing variable influenced by the single business strategies. By increasing the wealth available to everyone, opportunistic competition involving preying on rivals' customers and lowering your own profit margins would no longer be necessary. But are there markets where this is possible?

When he asked himself whether all markets were indeed characterized by scarce resources and set geographical dimensions, the American professor discovered that there are some market areas in which these two constraints are much weaker. For example, if we sell creative ideas through the Internet, the *scarce resource* that we must procure is primarily our imagination and the *geographic dimension* of our potential market is the entire World Wide Web.

In this case, the limited resources and geographical constraints are much less binding than in a *traditional* business, so that predatory competition is unnecessary. On the other hand, collaborative and relational strategies that trigger forces to expand market boundaries—that are in any case fuzzy—will play a key role. The market will grow and the profit margin available to all competitors will grow with it.

This is the business model on which giants like Microsoft or Facebook (at least initially) based their strategy. They chose not to enter into direct competition with any of their potential rivals but rather to collaborate with them to create a market that did not previously exist and hence expand what had hitherto been a very limited *niche* market.

If we were to imagine the market as a pie, in the first case (limited markets) the only choice would be to elbow out the competition to get the biggest slice, but this would mean that the struggle to get our slice would be even harder the next time as the part left over would be proportionately smaller. In the latter example, however, we would have a pie that could be expanded to satisfy our own appetite and we could even offer some to others.

For a better understanding of this concept, we will use an example from our professional lives.

As we mentioned earlier, we have a counseling and training agency called Passodue. The resources that are scarce in our production system are our time, our knowledge, and our ideas, all of which require no competition with other professionals to be produced, as they are all purely

personal. On the other hand, there is no direct competition for our offer, because if you think about it, even if one of our courses were to have exactly the same program as that of a colleague-competitor, the classroom interaction with students and our way of explaining the content would be different. Anyone who has participated in a training course even once in his or her lifetime knows how the quality of learning changes, depending on who is teaching. Therefore, we are actually working in a market with a low level of direct competition that is *uncrowded* and with sufficient scope that has noncompetitive access to scarce resources. What sense would there be in adopting opportunistic strategies in such a market? Why should we try to lure customers away from our colleagues by adopting aggressive pricing strategies that in the long term would erode our margin and the total wealth of the market? Such a strategy would lead to a competitive model and *decreasing returns* with bargaining tactics based around the offer of ever-lower prices.

The strategy we have adopted for Passodue is based on our relationship with clients and other professionals in the sector, which triggers virtuous mechanisms that have led to increased opportunities and visibility. By investing in relationships, we have acquired loyal customers who actively promote us by speaking highly of our work with other potential buyers and often participate in the construction of content for our courses.

We also collaborate with our supposed *competitors* to promote the demand for a range of skills that complete our offer system, as well as broadening the base of the market. In fact, through a joint effort we raise awareness among companies of the possibilities available in our branch of training and consultancy. We organize meetings with our colleagues, friends, and competitors to explain the changes taking place in business and their impact on management. These joint activities are designed to expand the market, so that more and more people feel the need to buy training and consulting services. It does not matter if the companies initially purchase services from our agency or from someone else. If the market is growing, there will be more demand and the profits available to all will increase; growth will just depend on presenting a clear offer and a distinct, clearly comprehensible identity based on values that help new customers to navigate between the different buying opportunities that an expanding market offers.

While in markets characterized by diminishing returns it is essential to maximize gains in the short term by optimizing processes to make better use of expensive and scarce resources, in markets where profits follow an upward trend the strategic focus is moved forward. The idea of winning single battles in a war that will eventually be self-defeating (returns will decrease and reduce the profitability of that market) will be replaced by a strategy focusing on overall growth and expansion. Since we have to focus on our path over time and not on one-shot outcomes, we must clearly define our objectives from the outset and make them so compelling that they attract new traveling companions to support us on our journey; these fellow travelers will help us blaze a trail that will attract new customers and opportunities. However, working together and investing in relationships in these markets is not enough, it is also essential to focus on communication and image, the components that clearly convey our goals, our values, and our vision.

Our ability to communicate effectively and our style in relationships will be the factors that determine the launching of a pledge or challenge that the consumers and competitors will notice, which will, in turn, lead to an expansion in our market.

When Bill Gates told the world he envisioned “a computer on every desk,”⁸ he still did not know how this would come about; but he did know that he would not be able to achieve it alone. The decision to *concede* the Windows license to new developers and to involve the hardware producers (who at that time were also producing software and were technically his competitors) meant that over a few years he redefined the style of consumption in that market and, subsequently, achieved hitherto unimagined success as an entrepreneur.

Jay Coen Gilbert and his B Corporations⁹ are also showing how you can get results by acting in a different way on the market, through

⁸ Microsoft mission statement in the mid-1980's, “A computer on every desk and in every home running Microsoft software.”

⁹ A community of over 850 companies distributed in 28 countries and 60 industries that aim to redefine the meaning of success in business through a strict standard of social and environmental impact, transparency, and accountability. The B Corporations are working to improve the quality of the work and lives of their employees and their customers by adopting policies to create market value, not just profit. To learn more visit the website <http://www.bcorporation.net>.

involvement of producers, consumers, and competitors in the construction of a community that produces shared value and thus helps to expand the *pie* for all actors in the market.

Some years ago, there was a great entrepreneur in Italy who tried to work within the logic of the market but with a radically new approach, replacing the idea of profit with that of value and enhancing the social role of his enterprise. This man was Adriano Olivetti,¹⁰ founder of the company that bore his name. Although his message has received little international attention, it is timelier than ever. Olivetti believed strongly in the importance of sales and his companies had the highest ratio between salespeople and employees ever recorded in Italy: For every 100 employees, at least 30 worked in sales-related jobs.

Let us briefly review what we have learned from W. Brian Arthur's theory of *increasing returns*:

- Focus on nonrival components of the offer system, the ones where our differential value is more obvious or for which there is no real competition of supply—often related to intangible aspects such as style of relationship or creativity.¹¹
- Extend your network of relationships by considering customers and competitors as partners, coproducers of value, and interact with them to extend the boundaries of the market.
- Clarify your goals and values through appropriate communication, so that your identity and your differential value are quite clear.
- Invest heavily in providing good information to customers, to educate them to understand the value of your offer system, including its intangible aspects.

¹⁰ Olivetti (2012).

¹¹ Some time ago, the journalist Massimo Gramellini wrote in the well-known Italian newspaper *La Stampa* (2014), “We cannot escape the crisis by doing better the things that others already do. We can escape the crisis by doing, to the best of our ability, the things that only we know how to do.”

- Think in the medium to long term as well as the short term, without trying to capitalize immediately, at all costs, on every single action. A market based on the dynamics of *increasing returns* primarily requires investment and a vision of the future.

In the classroom, we find that participants always want further discussion on W. Brian Arthur's theory as it gives rise to a number of concerns. We will analyze the two main concerns here and leave further explanation to the section of FAQ:

- Markets are interrelated and on examining the ties between them we will find at least one characterized by scarce resources, geographical limits, and decreasing profits that can block growth in our sector as well.
- All resources are in a sense *scarce*. Time and ideas, for instance, are not limitless.

It is fairly simple to answer the first objection. Even if we suppose it is true that when we go back along the line that links the various markets together, we will eventually run into a traditionally based *decreasing returns* model this does not mean that our competitive system should adapt to it. To clarify this, let's go back to our example of Passodue. It is true that we work for companies operating in traditional markets, where resources are scarce and where it is necessary to increase costs to move beyond geographical boundaries. Some of our clients compete against each other in an opportunistic way by trying to secure the lion's share of the total profit to which they have access in a specific market. Does that mean we should adopt a similar strategy to be *in keeping* with them? The fact that markets are connected does not mean that the competitive model to which they refer is the same. There is hence no justification for adopting a similar strategy.

As far as the second point is concerned, the observation that all resources are *scarce* in some way is correct. However, again this does not mean that competition is the best way to tackle or reduce this shortage. If I produce bolts, metal will be the scarce resource. Price will be my

bargaining tool to get hold of larger quantities of metal and I will offer my suppliers a more advantageous contract to have greater access to the required raw materials. Consequently, however, I am cutting into my profit and I will need a bigger *slice* of the market if I want to make gains, triggering the mechanism of erosion that we described earlier. On the other hand, if the scarce resource is my time and my ideas, where can I turn to *extract* more from my head? With whom am I in competition?

In our case, we could expand time and ideas by taking on new staff, but this would change our business model, transforming our activity as consultants and trainers to suppliers of services provided by others. If, despite this, we wanted to expand the team, we would select people who shared our goals and our vision. Other companies would adopt different selection criteria and choose different people. It is thus clear that there is no real direct competition for the supply of limited resources.

The closer the strategic value of an offer system is to intangible components, the more likely we are to operate in markets characterized by the *increasing returns* competitive model postulated by W. Brian Arthur. Markets involving training, counseling, communication, creativity, and services in general are the ones where it is useful to adopt this competitive model, based on relationships and cooperation. However, there is another aspect that makes the theory of W. Brian Arthur important; in fact, when discussing Maslow, we stated that in mature markets the needs at the top of the hierarchy are of crucial strategic value. These less tangible needs can only be satisfied by the more intangible components of the offer system such as communication, reputation, and relationships, which do not depend specifically on scarce resources or competitors. This changes the competitive model even in mature traditional markets, bringing them closer to the dynamics of *increasing returns* markets.

Finally, we would like to clear up a possible misunderstanding: The strategic models based on relationships and reciprocity are no simpler than those based on opportunistic strategies. It is certainly not enough to be personable or friendly to excel. The fact that you only achieve success after following a longer course and not by winning a single battle makes this choice challenging and decidedly risky.

M. Gladwell wrote an interesting book entitled *Outliers: The Story of Success*¹² where he analyzed the personal stories of several successful people, including Bill Gates, and reached the conclusion that it took them on average 10,000 hours of personal application and commitment to reach the heights of their professions.

This begs the question: Could you dedicate this much time to a job if you did not love it?

Whatever the competitive model or strategy that we adopt to achieve our goal, if the effort is too great a strain, we will never reach our objective. A colleague of lesser talent who loves the sport would beat even a talented and well-trained marathon runner who hates to run.

Reciprocity, as we saw at the beginning of the chapter, is important to feed our gratification along the way: It allows us to receive a portion of the result in advance and conditions our motivation. If we enjoy the journey and not just the final destination, we can consider the *identity conflict* in a different light. Often we are willing to put up with this conflict under the misapprehension that the effort of acting against our values will be repaid by our future earnings. Consider, though, that often you will not receive any payment, income, or commission until a long time after you have striven to close a deal, and your motivation could vanish before this. If we act in an ethical manner in accordance with our true nature, our returns will be immediate. From the moment when we find our customers and relate to them, we will be reaping part of the rewards as personal gratification and pleasure derived from this relationship. Without this motivating force, even the slightest effort becomes tiring and distances us from the final goal.

Italian newspapers recently carried an advertisement for the Opera San Francesco per i Poveri (an NGO that assists the poor), which called for donations with the words: “Be selfish, do good: Doing good is the best way to feel good.” We could paraphrase this by saying be selfish, be ethical with your customers: You will accumulate greater well-being and find new motivation to continue along the road to success!

¹² Gladwell (2008).

Exercise

- **What are the noncompetitive components of your offer system?** Write down what you really do well in your job or what sets you apart from your competitors. It does not matter if you only identify one element, the important thing is that you are sure you know the best way to do it and that you enjoy it and that it unequivocally represents you. Now ask yourself what kind of *resource* you need to accomplish this task. Consider whether it is predominantly ideas, creativity, or relational skills that mean you are not in direct competition with anyone else.

PART II

CHAPTER 4

Preparing for Negotiations

What we really need now is preparation and practice for action, and not just any action but a particular kind of hard, often risky, intricate value-based action.

—Mary Gentile, *Giving Voice to Values*

Why Read This Chapter?

We will help you prepare for negotiations. We will give shape to the sales process by identifying the stages and phases of negotiation and explaining how you can positively affect the purchasing decision of customers even before meeting them. You will see how Sales Ethics can be extended and adapted to any sector and business environment.

The Stages of Customer Relationships and the Salesperson's Power

Bookstores world over are full of sales manuals—at service stations and airports you can take your pick from a glut of volumes promising to transform even the most timid and inexperienced employee into a brilliant salesperson. Their eye-catching titles and enthusiastic blurb promise either a magic formula or secret with universally applicable rules that will transform the customer into putty in your hands: *The Instant Salesperson*, *Five Rules to Beat the Customer*, *Fast-track Sales*, and so on.¹

¹ The authors invented these titles; any resemblance to books existing on the market is purely casual. The authors do not intend to refer to any specific book or author.

The phases of selling that we will analyze together are not universal. They have to be adapted to your specific circumstances! You will have to do much of the work yourself to adapt the techniques explained in this book, but we will help and guide you in these pages to achieve this. Just do not expect any magic spells that will turn you into a *textbook* salesperson, because no sales manual can be applied everywhere to everyone.

No one can tell you the most effective formulas for you to use to improve your way of conversing with customers to achieve your goals.

Attentiveness and flexibility are fundamental to every relationship (including sales). Before you start, it is essential that you first listen to yourself so you know and understand your own needs and can interpret them. If you jump this step, you cannot provide the best *customer service* and get the outcome that every sales activity targets, that is, an increase in well-being.

You will remember that in the chapter devoted to definitions, we said that the building of the *circle of trust* is a process that can be divided into phases. The objective of Part II is to analyze each of these stages, pass the tests that customers will propose in the course of your relationship with them, and build together an empowering exchange that will generate value for both over time and expand the market.

We have developed this approach to selling based on our experience and observation. In the many years we have been working with companies as consultants and trainers, we have met thousands of sellers and we have learnt as much from their successes and their failures as from our own. What follows is an attempt to synthesize the best practices, organizing them into a single process that on completion can increase the value generated for all the actors involved in the negotiation and thereby improving the efficiency of the sale.

Before starting any negotiation, however, you have to prepare thoroughly prior to the encounter.

We will not deal with the topic of data analysis to support sales in this book because the subject is too vast and deserves to be dealt with separately, though undoubtedly this analysis is a fundamental part of a salesperson's approach. Often what you think you know about your customers on the basis of your own experience hinders you getting to know them fully. The use of support data can help you to be more objective in

your evaluations. Much of the *creativity* of sales work is linked to your ability to give meaning to the pool of analyses and information deriving from the market and from the customers themselves, and to weave them into a coherent system of needs and motivations that will then shape your offer. In fact, *asking* and *listening* demand considerable creative power. You must be ready to shift your point of observation and to influence an answer by asking the right questions. Even when selling you may experience the *observer effect* described in quantum mechanics, according to which the act of observation influences reality.² Your responsibility as a salesperson begins then with asking the right questions and carefully observing your interlocutor's behavior.

Before discussing the phases of Sales Ethics, we would like to reiterate the definition we gave earlier, and underline the fact that it does not refer to a single moment of the customer relationship but rather unfolds over a period. Widening the perspective further, it will encompass all the stages that customers go through in their consumer experience, so it is evident that the moment of purchase is just one of these. There is a direct relationship between buyer and seller at the moment of sale and purchase, but what happens before their encounter can influence the outcome of what will happen during the negotiation. Similarly, what happens after the sale can have an important effect on customer satisfaction. We therefore divide the customer experience into three macrostages (see Figure 4.1):³

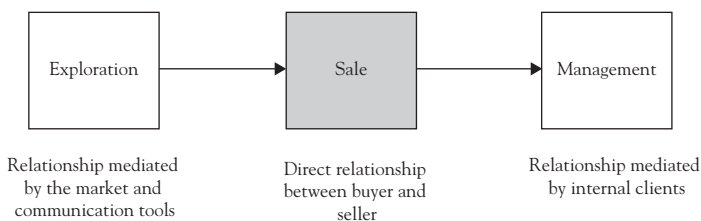


Figure 4.1 Stages in the customer experience

² The following publication is interesting in this regard: Capra (1975).

³ The diagram provided is generalized; we advise you to create your own diagram based on the stages that your customer experiences in the relationship with your company.

- *Exploration*: This is the period in which the customer gathers information about you and your company independently, consulting communication tools, other customers, and the market.
- *Sale*: This begins when you have the first direct contact with customers and continues through the activities that accompany them toward further purchases.
- *Management*: This includes all contacts between customers and other sectors of the enterprise that are not directly supervised by the salesperson, for instance, technical activities such as after-sales assistance, or administrative provisions.

During the *exploration* stage, the customer will not be consulting you directly but he will be perhaps checking out the homepage of a website or images and texts in a brochure. During the *management* stage the business relationship will be influenced positively or negatively by the behavior of colleagues. This causes certain experts to argue that the salesperson's negotiating power is diminishing. These proponents claim that about 60 percent of the customer's decision to purchase is determined in the exploration phase. If we think of the decision-making process as an empty glass and our sales arguments as the water which will fill it, we can only affect 40 percent of the capacity of the glass as the rest is already occupied by information that the prospect has gathered independently or by previous experiences (see Figure 4.2a). In our opinion, with Sales Ethics you can recover a further portion of the glass, hence recuperating some of the salesperson's bargaining power.

The presence of information asymmetries and the effect of externalities, introduced in Chapter 2, affect customers so that when they actually meet the salesperson they have already made certain choices or formed an opinion. In some cases, an ethical salesperson can use the forces that are already underway to negotiate with the customer before their first meeting!

It is clear that by collecting information about you independently the customer will have accumulated massive amounts of information

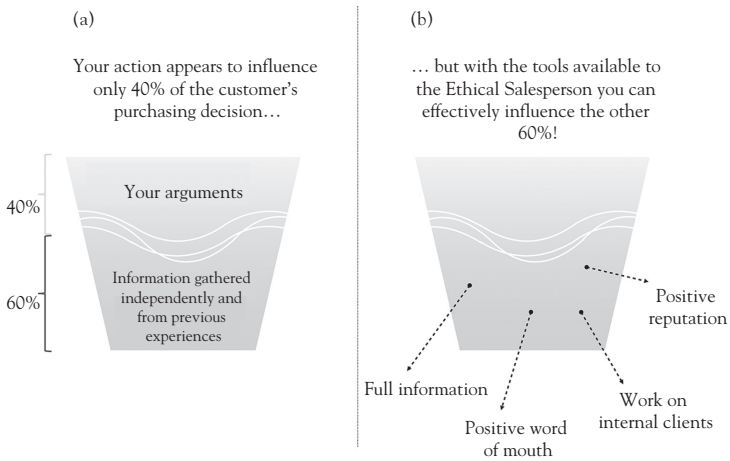


Figure 4.2 *Diagram of purchasing decision*

asymmetries that your limited media and marketing resources (or negative remarks made by rivals) will only exacerbate. However, the customer will not yet have experienced one of the most compelling elements of your offer system: the relationship with you.

Find out what these asymmetries may be and work on smoothing them out!

If you then realize that customer satisfaction is greatly influenced by the quality of your company's after-sales services, start applying your negotiating skills to *internal clients*, that is, your colleagues in charge of those stages. Make sure you enable colleagues to appreciate fully the importance of their role and provide them with tools to cater to the customer's needs more accurately and efficiently.

To do business today you have to orchestrate a variety of corporate functions!

We mentioned previously that it is even possible to negotiate with the customer before your first encounter. What tool, you may ask, will provide you with this telepathic ability?

The first tool for distance negotiation is the *incremental negotiation* introduced in Chapter 3, which envisages enriching the exchange of intangible components that, though not immediately rewarded,

constitute an investment that will turn into repurchase, enhanced reputation, and referrals.

Certain information asymmetries can also be resolved before meeting the customer, thus freeing up space in the glass. For example, W. Brian Arthur with his theory of *incremental returns* suggested that in certain markets collaboration between competitors might create a *platform* of knowledge and awareness. This preparatory knowledge will help customers to gain a clearer understanding of your offer and to accept it more readily as it provides them with the basic skills required to orient their choice and avoids errors that may depend on a random search for information.

Summing up, to express your full potential you must:

- Identify the informational asymmetries plaguing your customers and help them to receive direct information on your entire offer system.
- Contribute to increase the quality of information available on the market and customers' ability to understand it.
- Build a reputation based on positive word of mouth.
- Interact with your *internal clients* so they become involved in the outcome (See Figure 4.2b).

You must therefore prepare for negotiations appropriately by studying your customers and, where possible, taking charge of managing your relationship with them even before your first meeting. Remember, above all, that every sale is *social* because behind each customer there are other customers interested in making a purchase or influenced by referrals. Each customer's potential involves both the opportunity for further purchases and the possibility that this person will improve your reputation with other prospects, thus widening your network of contacts.

Exercises

- **What are the stages in your relationship with the customer?** On a piece of paper, describe all the stages that customers pass through in their relationship with your company. When do you have direct contact with customers? On the other hand, when are other colleagues involved?
- **How well do you really know your customers?** Imagine you are taking a virtual photo of your typical customer and describe what you see. How much of what you are writing is based on your opinion alone and how much is based on facts? What extra information do you need to move from opinion to facts? List the questions you need to ask a customer and other sources to find the missing information.

The Phases of Sales Ethics

A Buddhist mantra states, “The journey is the reward.” Sales Ethics can also be seen as a journey whose final destination is a relationship of trust on which to base an exchange of value with the customer, and thus to satisfy the need that brought you together. No one can travel this road for you, but as with all journeys, it will be easier to complete if you break it up into phases before setting out. The reasons are as follows:

- You will always know where you are.
- If you need to stop, you can take up where you left off.
- You can review your route and decide to change it.

Figure 4.3 illustrates the sales process. As you can see, the phases of the sale, ordered from bottom to top, are connected to the levels of the circle of trust described in Chapter 2. As we progress from one sales phase to the next, we are in fact moving closer to customers and forging a stronger relationship with them.

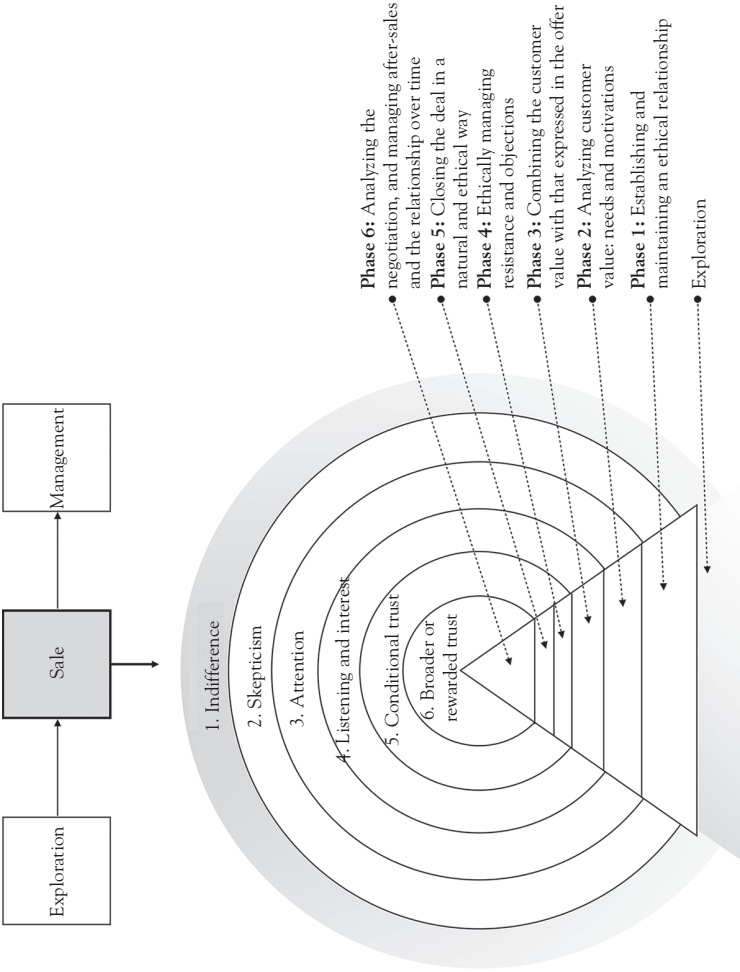


Figure 4.3 Phases in Sales Ethics

You will have noticed from the diagram that we left both the first ring of the circle of trust, and the first phase of the sale, in gray. A number of factors are involved to move beyond the circle called *indifference*, which in the early phases of the sale corresponds to *exploration*. In fact, this area is affected not only by the activities of the salesperson but also by the use of communication and marketing tools with which this book is not concerned. Nevertheless, even at this stage, we sellers can do something. As you may remember, in the opening paragraphs of this chapter, we provided some suggestions on how to manage *distance negotiations*; we will now add some advice on how to approach a customer that has not yet noticed you.

Collective action, involving our *internal clients* or colleagues, is required to reach the last level of the circle of trust where the customer rewards us through active promotion. In this delicate phase, our business negotiations will be aimed primarily at them; in the final part of the discussion, you will find some helpful advice

The fact that we have divided the process of the Sales Ethics into phases does not mean that each one is closed and compartmentalized, but rather that they flow one into the other in a harmonious movement. In particular, the initial phase of construction and maintenance of the relationship should act throughout as a beacon to guide your way: You must not forget that you are dealing with another human being and your relationship with him or her should be constantly nurtured.

During the sale, you might commit an error and be forced to retrace your steps to rebuild the lost trust. Bear in mind that even the circles of trust are not static but dynamic and can expand or shrink depending on how the relationship is progressing.

How do we know when one phase is completed and it is time to move on to the next one? The answer lies in observation and attentiveness, as the customers themselves will send out signals to which you must be receptive.

In the next chapters, we will explain what to look for and how to train yourself to use the tools, but it is also important to listen to yourself and be guided by your personal feelings. Selling is an activity based on relationships and, as we said earlier, all relationships are personal. You

should always ask yourself “Do I feel good about what I’m saying and doing now?”

The key to Sales Ethics is to understand fully that if each phase is handled well and produces a positive experience, you have achieved a result. Obviously, the final objective is to close the deal, but this may require a number of meetings or visits over time. If you value and understand each intermediate result, then you will be ready to continue along the path to achieve your outcome, while creating value along the way!

You will find the phases described as if they all occurred in a single meeting with the customer, though in reality these negotiations may continue over a period with breaks between them. This is particularly true for complex bargaining involving goods such as highly technical equipment, custom machinery (machines for assembly lines, etc.), high-value goods (houses, cars), or strategic services.

You must bear in mind that, for a variety of possible reasons, not all your appointments will end with a sale; for instance, your product may not meet the prospect’s needs, your arguments were perhaps not effective, the customer may not actually be able to afford your offer, and so on. Is it still possible to derive pleasure from the seller–customer relationship regardless of any immediate profit or gain? There will be times when you fail to close a deal but find yourself richer because you have learnt new things or improved your reputation, or simply because the experience made you feel good!

The only real rule that characterizes the six phases is that they must follow one another in the order given, because each is a prerequisite to the next.

Only if you have made sure that customers are aware of you and have overcome their *skepticism*, thanks to a good job of *building and maintaining* the relationship (Phase 1), will these customers respond frankly to your *questions* (Phase 2) focusing their *attention* and explaining their needs and the motivations for their desired purchase. Once you have this precious information you will be better equipped to present your offer system (Phase 3) tailoring it to generate *interest* in a specific customer. You will then respond to the more detailed questions and objections that crop up (Phase 4), thus passing the *test* of trust that will enable you to close the deal and make the first sale (Phase 5) and then qualify to enter into the

area we defined as *conditional trust* in the customer relationship. It will take time and competent after-sales services (Phase 6) to reach the inner ring of *broader or rewarded trust* that will trigger a virtuous circle.

This approach to selling in phases or stages may seem rigid: Very often, we think of a sale as a performance based solely on the talent and improvisational skills of the seller. When we described the context and the changes occurring in the salesperson's profession at the beginning of the book, we wanted to highlight just how complex today's workplace is, and the specific training and development of management skills it requires to back up the individual's talent and *eye for business*. It is necessary to have a method to develop skills and abilities and organize efficiently.

We like to compare the seller to a cook who is about to prepare a plate of spaghetti. She cannot just throw her carefully prepared sauce directly into the water where the pasta is boiling; it is essential to follow the steps of the recipe carefully and faithfully in the correct order if you want to sit down and enjoy a tasty dish. Of course, our cook may be forced to adapt the recipe to make the most of the ingredients available—having method in your work is not a straitjacket—it is in fact essential to adapt and tailor your style according to the context and the *guests* invited to your table. You need not worry that a methodical approach to selling will block your creativity and limit your uniqueness in the negotiation: We assure you that with constant and sensible training everything you learn will become part of your natural approach and suit your particular personality.

One last piece of advice before you start: Put into practice what you learn as you read the various phases of Sales Ethics by trying it out in your professional life immediately. It is not enough to look at a map of Nepal to get to the top of Mount Everest! Theory alone will take us nowhere: You need specific, consistent, and motivated action to advance your projects and fulfill your dreams.

This brings to mind an article we came across a few years ago stating that the United States is the country with the greatest number of treadmills per inhabitant coupled with the highest rate of obesity. Obviously, even if you have the best fitness equipment you have to use it once a day if you want to lose weight.

While trying out this new approach to sales, we remind you to stay connected with your inner emotions, so you can perceive whether this

way of working makes you feel better, if you gain greater satisfaction. Then check on whether it is also improving your performance and your sales results.

Sales Ethics: For All Sellers and All Markets

Perhaps you are asking yourself: “I work in a bar, how does Sales Ethics apply to me?” “I sell homes and have to meet prospects at least 10 times before closing a deal, are these steps relevant for me?” “I work in the administration office of a company; do I have a role in the Sales Ethics too?” The answer for all these questions is *yes*, Sales Ethics is for you too!

This book is for anyone who is selling something: Whether you go out to visit customers or they come to you, whether you sell goods—candy, cars, packaging equipment, high-tech tools—or services such as banking, insurance, leisure activities, or whatever.

Of course, the phases have to be adapted to different situations and tailored to the context; they will vary in length and intensity and may require one or multiple meetings, but the basic method remains the same.

In companies, it is not only the salespeople who interact with customers (acquired or potential) but also all those staff involved in the sale: receptionists, secretaries, service technicians, installers, and maintenance operators of all kinds. Each person is responsible for a part of the customer experience and participates more or less directly in your offer system, thus influencing sales results. All the company staff must therefore be clear about the role they play in customer care and be properly trained to contribute to customer satisfaction: Your role as an expert in negotiation will be to *educate* your colleagues by communicating the message and the method of Sales Ethics!

Selling is the pivotal action in the life of a company, the indispensable ingredient or *conditio sine qua non* of its existence. The seller, therefore, should be seen as a key figure in the organization and sales as the most strategically significant act to which the bulk of internal resources must be devoted. Sales Ethics thus gives new value to the role of the salesperson, a role that we are obliged to carry out with responsibility and professionalism.

CHAPTER 5

The Phases of Sales Ethics

For the professional, work is more than a market exchange; it is, rather, a source of meaning and identity within a community of like-minded practitioners.

—Rakesh Khurana, From *Higher Aims to Hired Hands*

Why Read This Chapter?

You will enhance your skills here by learning the negotiation techniques of Sales Ethics based on the concepts illustrated earlier. The chapter is divided into sections, each dealing with a single phase in the negotiation process:

- Phase 1—Establishing and maintaining an ethical relationship
- Phase 2—Analyzing customer value: needs and motivations
- Phase 3—Combining the customer value with that expressed in the offer
- Phase 4—Ethically managing resistance and objections
- Phase 5—Closing the deal in a natural and ethical way
- Phase 6—Analyzing the negotiation, and managing after-sales and the relationship over time

Each section presents examples of practical application and exercises to fix the concepts.

As we made clear from the first chapter, ethics may find practical application in everyone's life. In the following pages, we will present a model

that effectively uses the precepts and theories presented so far. To support you in acquiring and using these tools, we will provide examples from our professional life and the experience of salespeople with whom we have worked. The case studies given in these pages do not refer to large corporations and do not describe managers endeavoring to establish business strategies; instead, they are built around the *small scale* daily work of each seller. They recount the difficulties and struggles of individuals, providing suggestions and proposing innovative ways to incorporate ethics in your profession while ensuring optimum results.

The approach of Sales Ethics is in fact *bottom-up*. By influencing the actions of individual sales professionals, we can bring about change from the bottom to the top, thereby modifying the strategies of the whole organization and helping to redefine the competitive dynamics of the market in an ethical sense.

As the interest in disciplines related to *business ethics* grows, more and more people are wondering about the connections between success and ethics and wondering, “Do ethics pay?”¹ Through our study of the various phases of any sale, we will discover that our answer to this question is a resolute *yes*, and not only in the long term. An enhanced reputation, positive word of mouth, customer loyalty, moving beyond competition based on price alone, increased performance, and motivation of sales personnel are just some of the benefits that Sales Ethics can generate. However, to achieve this we must make sure that ethics comes out of university lecture halls, books, and corporate mission statements to be put into concrete action. The pages that follow are just a starting point to carry out this process. But before venturing upon an analysis of the different phases of commercial negotiation, we want to explore the reasons that led us to integrate ethics in the sales process by adapting and framing the most effective negotiation techniques according to the theories and concepts presented in the previous chapters.

¹ For further information on the answer to this question we recommend reading Chapter 2 of the book *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance* (Paine 2003).

Long Term Versus Short Term

The business world seems mainly concerned with short-term logic: Costs and wages require a continuous stream of revenue, the share price of companies fluctuates rapidly according to daily variations in results, and managers demand sales targets that are set over ever-shorter periods. The least scrupulous companies base their strategies on achieving results whatever the cost without bothering to build a relationship of trust with their customers. Is it still possible to adopt and maintain a business strategy that considers ethics central in such a scenario?

To answer this question, let's start with an example. During the holiday season, we received a new smartphone from the telephone company we use, although we had not placed an order. At first, we assumed the phone was a gift but later discovered that we had been charged for it! We were not the only ones, as many other customers received phones they had not ordered or were billed in advance for services they had not yet received. Why do certain companies behave this way? It is likely that the aim is to have positive end-of-year results and that the sales staff are pressurized into using whatever means to boost sales, including the sending of unsolicited goods. But what follows such action?

Personally, we called customer service and expressed our dissatisfaction for the inconvenience caused. The lack of satisfactory answers and the company's clumsy attempt to shift the blame onto the individual seller made us feel badly let down and our dissatisfaction increased to the extent that we considered cancelling the entire service. After hearing that our friends and colleagues had a similar experience, our trust in the company declined further. Many users shared their displeasure on social networks, triggering a rapid spread of negative word of mouth that undermined the phone company's attempts to increase its customers with promotional offers in the same period.

If we focus on the economic aspects, the unethical behavior adopted by them generated administrative and logistic costs for the company, which was forced to take back items and cancel invoices, thus leading to extra expense. Such consequences are the immediate result of pursuing a strategy that concentrates only on obtaining short-term results and entrusting

strategic choices to people who have an exclusively opportunistic idea of sales. As we argued in Chapter 2, sales is an activity that unfolds over time and comprises a series of phases related to each other; each of these is necessary to build value for the customer and for the company. If you adopt this new point of view, short- or long-term considerations are practically redundant, as your vision broadens to encompass the whole process, it becomes clear that an ethical approach is required to achieve concrete results. We will now analyze the main reasons why we consider this to be true:

- *Investments and returns*: As mentioned in the section on “Reciprocity and Cooperation” in Chapter 2, investment precedes revenues. The adoption of short-term strategies reflects the shortsighted attitude of those who want to obtain income in advance without considering the costs that will be generated. We can’t forget that present results must be built on foundations and the choices you make today will affect your future. The section entitled “Well-Being and Well-Having” in Chapter 2 is equally pertinent here, as in this section we clarify the tangible and intangible components that make up the *balance sheet* of any business.
- *Externalities*: If we were to give a name to the current economic phase, we could call it *the period of dominant externalities*. Since the advent of Internet, and with the global spread of social networks, concepts such as trust, reputation, and loyalty have become essential to ensuring successful business. The *prophecies* of Nash and other experts in game theory, who have rehabilitated *cooperation* based on customer trust as a successful strategy (see the section on “Incremental Negotiation” in Chapter 3), are proving increasingly appropriate in enhancing our understanding of sudden fluctuations of the stock market based only on *rumors* or investments made by companies to build reputation.² Do we really wish to ruin everything by

² For example, following the problems of Goldman Sachs in 2010, the bank created a committee that reported directly to the Board of Directors and set out 39 ethical principles for managing the company’s reputation.

adopting the approach of “Take the money and run?” With information traveling around the globe rapidly, there are very few places to hide.

- *Follower and leader:* But what if competitors in my market adopt an opportunistic strategy focused only on short-term results? Should I continue to follow an ethical approach? If you focus only on what your rivals are doing when deciding your strategy, you are acting as a *follower* and not as a *leader*. Real innovation is born when you observe customer behavior closely and study the dynamics that underpin demand. Sales Ethics therefore focuses on satisfying our customers and not on beating the competition. By adopting a broader view of each sale and adopting a style of incremental negotiation, you will stimulate purchases further and generate positive word-of-mouth factors that can expand the market and lower the level of conflict between competitors. An ethical approach to sales does not mean sacrificing success in the short term but gaining benefits in terms of positive reputation; thus increasing the number of new customers and ensuring loyalty, leading to increased turnover even in the short term.³ And if you’re thinking that building a solid reputation will take time, bear in mind that it only takes a few seconds to destroy it. The choice between being ethical or opportunistic has many implications in the short term.
- *The last link in the chain:* In our view, sales is strategically fundamental to business activities because the salesperson is the one who fosters a direct relationship with the customer and exchanges value. This role requires specific skills, and especially a particular breadth of vision. As the example of the phone company illustrated previously, the approach of an opportunistic seller may appear effective (achieving

³ N. Kossovsky, one of the leading experts in corporate reputation, carried out research that demonstrated how a crisis of trust can lower a company’s share price by an average of 7 percent, while a positive reputation can produce an average increase of 13.5 percent (cited in Bonime-Blanc 2014).

year-end targets) yet it actually harms both sellers themselves and the entire company (damaging reputation and losing customers). When the perspective changes, the various company goals may appear in contrast. How would the communication strategists react, were they to find out that their advertising campaign based on customer satisfaction had been impaired by the opportunistic behavior of the sales department? The salesperson is the last link in the chain that directly represents business strategies and value to the customer. If something goes wrong at this level, all the investments upstream will prove ineffective, and the company and salesperson will drop back to the level of skepticism in the circle of trust, with a reputation that is blemished by a negative precedent.

- *Personal branding*: When we discussed the concept of value in Chapter 2, we stated that the assets of sellers are their customers, and any *professional insurance* is dependent on the good relations that they are able to develop with customers. What will happen to the salesperson at the telephone company when his or her boss becomes aware of the many complaints engendered by this misconduct? What company would offer a job to a salesperson who has a reputation for unfair behavior? Remember that all your actions will affect your professional image, affecting results in both the long and short term!

You do not need to act against the interests of your customers and against their values to get immediate results. Rather, it is essential to build a relationship based on trust and exchange. The only way to do this effectively is to bring ethics into the customer–seller relationship, developing your negotiation skills on this basis. If you think about it, no sales manager is going to instruct his or her sales staff to act in a nonethical way, but rather the emphasis will be on producing results. If you introduce ethics and improve sales by using this approach you will break down the paradigm *short-term results = opportunism*, helping to change the dynamics of the organization you work for *from the bottom* as well as the market culture in general.

By the way, we actually needed a new smartphone and if the company had contacted us suggesting the purchase we would have taken up the offer. All the salesperson had to do was contact us to assess our needs and the sale would have gone through and the seller would have obtained the required results immediately while reinforcing a relationship of trust.

Bottom-Up Approach

A quick search on the Internet revealed that the phone company we discussed in the previous section has a code of ethics that states, “We aim to listen well, understand our customers and provide reliable solutions, exceeding their expectations”—this hardly seems to describe the approach we experienced. The history of business is littered with companies that act in a noncoherent manner, and we constantly encounter sellers in our professional activity who are unsure how to interpret the general precepts of their company’s mission and put them into practice. In fact, business ethics often seems to be considered purely from the perspective of management or strategy, so that individual salespersons will find few clear operational guidelines for translating company ethics into everyday relationships with the customer. From the point of view of professional salespersons, the ethical problems are more subtle than obvious; thus, we are not talking about paying bribes or selling counterfeit products, but rather the grey area that may affect and inform the relationship between the seller and the customer. There is no doubt when an action is illegal, but each individual salesperson must take responsibility for their own choices in the customer–seller relationship. To understand how ethics will inform our actions, we must consider it in our own particular context and adapt our behavior to manage and overcome conflicts of interest and identity. Let’s analyze some of the other reasons that made us choose to adopt a bottom-up approach:

- *Revolutions come from below:* History teaches us that true cultural change always comes from below. It will take more than a code of conduct or mission statement handed down by top management to restore ethics to our business transactions—this requires a change in our everyday behavior that maintains the effectiveness of our sales activity. We will truly accept the

idea that ethics is a powerful economic engine only when we have used this approach ourselves in an authentic relationship with our customers, while also increasing our sales.

- *The Judo lesson*: Anyone who has had a Judo lesson knows that it is divided into three parts. First, the master explains the theory of a principle. Then, he demonstrates the technique that translates this principle into action. Finally, the students practice applying it. In fact, Judo holds that real learning takes place only when the mind and body act together. “Tell me and I forget, teach me and I may remember, involve me and I learn” said Benjamin Franklin,⁴ and this is exactly the approach we adopt in the second part of the book, where you will find techniques and exercises to apply ethics to your work.
- *Sell twice*: Do you remember what we said in Chapter 4 when talking about internal customers? The goal of your work is not only to sell to your customers but also to help colleagues develop an authentic *customer culture* that allows them to contribute to customer satisfaction. Your role is therefore to introduce this new culture and change; you can be the instigator of the transformation that will lead your organization to integrate ethics as a key element of its strategy.
- *The marketing analysis*: The starting point of any serious marketing plan is a sound analysis. Perhaps, of all the research carried out, the most important is that focusing on customer behavior. Who is best placed to make such an analysis? We believe salespeople are, as they come face to face with customers every day, discussing objections, dealing with complaints, and listening to their opinions. Any strategic or operational decision, whether drafting the budget or choosing an advertising slogan, should be made after serious reflection on the feedback coming from the *front line*. Thus, both strategies and change can be instigated from the bottom up.

⁴ This quote is generally credited to Benjamin Franklin, but it seems to be written by the Chinese Confucian Philosopher Xunzi in the book “The Teaching of the Ru” (refer Hutton 2014).

Effective and Ethical Selling

Why do we discuss ethics in the opening chapters of this book and then give you tools to help you sell? Can we really introduce ethics into an activity as *materialistic* as sales? We could have replaced the word ethics with *code of conduct*, thus pre-empting any concerns of those who argue that professions are not compatible with ethics because there is a profit motive. In our opinion, however, the difference between code of conduct and ethics is mainly linked to the context: The former refers to moral obligations in a professional environment and the latter refers to relationships. Both in the professional world and in life, in fact, all interactions are aimed at obtaining an advantage, but this does not mean that they can't have a virtuous goal. We chose to use the word ethics because we want to emphasize that we are not just talking about *good professional behavior* but actual tools to generate shared well-being. Those who persist in thinking that because *you earn money* from a sale you can't talk about ethics, are probably victims of a sneaking identity conflict and see wealth and morality as two contrasting goals; this outlook will make it difficult to achieve any professional target as we all sell something to someone.

Another key reason for weaving ethics into your negotiations is that if you work with no more than a list of rules to follow each time you must tackle a moral dilemma, you will lose the ability to be proactive and anticipate problems or to add value to every customer relationship. When the time comes to deal with an *ethical issue* it may already be too late to act. You must choose *prevention rather than cure* by founding your relationship with the customer on ethics right from the start. To reach this fundamental goal, we will work through the entire sales process and not consider solutions to specific moral dilemmas alone. Rather we propose a method of effective negotiation based on ethics that can produce results and confirm that ethics pays in the short term too. So how does an *ethical salesperson* differ from a *standard* seller? Let's try to summarize the main qualities that set the *ethical salesperson* apart:

- Negotiations are *integrating* and not *distributive*, that is, the idea is not to seek compromise to convince your customers but to integrate your idea of value with that of your interlocutor to reach a result that completely satisfies both.

- Any sale is considered from a broader perspective, as an activity made up of moments and important phases that build shared value. This view helps move beyond the categories of *short* and *long* term when assessing results.
- There is an awareness that economic activity is affected by forces such as externalities, reputation, and trust, which may lead to an apparently sure deal failing or, alternatively, lead to the success of a seemingly unlikely deal.
- Both material and nonmaterial costs are considered as tangible and intangible gains.
- Your behavior makes it possible to resolve potential *market failures*, such as those caused by information asymmetries.
- You are ready to take greater responsibility for the sales process, becoming the bearer of cultural change in your company and contributing to the evolution of colleagues.
- You are ready to argue fully the value of your entire offer system, including the price, and to improve your organization's results.
- Your actions trigger an exponential increase in contacts and number of purchases over time, helping to expand the *cake* and not just compete for a single *slice* of business.
- Your customers become *promoters* who will generate new business opportunities for you without you applying any pressure on them to do so.
- You reduce costs by shortening negotiation times and avoiding objections and complaints.
- You positively reinforce the company's image by translating its mission and vision into concrete actions.
- You love your job and your relationships with others, thus improving morale and motivation within your company.

All six phases of negotiation that we will consider help to anticipate, manage, and transform into opportunities the most common ethical dilemmas internal to negotiation, which are summarized in the following box. If not sorted out, they can lead to a conflict of interest with the

customer or a conflict of identity within you. At the beginning of each phase, we will consider Renato's doubts and difficulties as he struggles to work through them, thanks to the techniques of Sales Ethics:

Ethical Dilemmas in Negotiation

Phase 1—Establishing and maintaining an ethical relationship

- You don't put yourself on the line as you recognize your limits and peculiarities
- You fear to interact with different people who have contrasting values
- Feeling skepticism or experiencing prejudice
- Saving time acting superficially but creating misunderstandings with your customers
- Fear of making the first contact

Phase 2—Analyzing customer value: needs and motivations

- You are not really interested in the customer as a person
- You are considered intrusive
- You fear you'll seem incompetent if you ask questions
- You try to gain time by only partially listening or assuming you know your customers
- You like to have a leading role and show off your knowledge

Phase 3—Combining the customer value with that expressed in the offer

- Selling according to your own tastes and needs
- Hiding information or inventing benefits
- Selling something that does not meet fully the customer's requirements or is unneeded
- Leveraging the customer's fears to encourage a need

- Speaking ill of your rivals
- Being afraid of presenting the price or proposing discount to force a deal

Phase 4—Ethically managing resistance and objections

- You are not convinced by your own sales offer
- You think your offer is overpriced
- You want to be right whatever, or humor your customer
- You don't know how to handle conflict or disagreement
- You ignore or give little weight to your customer's questions

Phase 5—Closing the deal in a natural and ethical way

- Exerting pressure on your customer
- Fear of letting your customer know you need to make the sale
- Fear of damaging your relationship by discussing the economic aspects
- Fear of failing to close the deal and appearing weak with management or colleagues
- Fearing that the final agreement is a *make or break* moment

Phase 6—Analyzing the negotiation, and managing after-sales and the relationship over time

- Fear of dealing with complaints or problems
- Not wanting to manage after-sale issues; placing the burden on colleagues
- Getting overly excited when things go well or depressed for failures
- Abandoning the customer after the sale or feeling intrusive if you call
- Fearing that if you change you are admitting your sales method was wrong
- Not considering sales from the right perspective as regards time or team playing

Our approach and work has helped dozens of companies to enhance their sales performance. The example of a particular NGO⁵ is especially important for us. The organization provides canteens and accommodation for children in need. In 2012, at the height of the economic crisis, the Italian government decided to reduce drastically the economic subsidies paid to such associations, so the NGO turned to us to launch their first *business activity*: A restaurant open to the public whose revenue would help fund the organization's activities. The staff, however, felt unprepared to *sell* and were plagued by conflicts of identity and feared there would be conflicts of interest in the relationship with the restaurant's customers. We worked together over many months to implement and develop a marketing approach that was ethical, to nip any possible crisis of confidence in the bud and ensure that the staff involved could approach their work serenely. Now, two years later, the business has grown and the organization can help more children. The staff now appreciate that market logic, and sales in particular, may be *virtuous* and perfectly integrate their social and altruistic objectives. This has allowed the NGO to launch new and more challenging projects, bringing value to users of the restaurant, the children and young people who enjoy its services, as well as the entire community.

⁵ NGO—this acronym indicates a nongovernmental organization, that is, neither a part of a government nor a conventional for-profit business.

Phase 1—Establishing and Maintaining an Ethical Relationship

The Objectives of This Step:

- To move beyond rings 1 and 2 of the circle of trust
- To transmit confidence and enthusiasm to our potential customer
- To prepare both the customer and ourselves for an exchange of value
- To tackle and resolve any prejudices the customer might have
- To get through the *filters* that may impede contact with decision makers

Renato's boss handed him a list of prospects he was to contact to achieve his quarterly targets. Renato had never liked "cold contacts" as he was forced to battle against shyness and insecurity and this led him to fear he was disturbing his interlocutor or wasting time. He was also afraid he might feel an instinctive dislike of the new contact or just find him or her plain boring. How will Renato tackle this challenge by adopting an ethical approach that respects his own character and that of the other person?

Through our training courses, we meet hundreds of salespeople every year working in the most diverse markets: from trade to consumer, from mass market to luxury goods. Invariably, we hear that the success of a negotiation depends largely on the product or service they are offering and its features rather than on negotiation techniques. A natural consequence of this thinking is that we have skilled sales professionals who are all too ready to blame others for their failures, whether it be delays in the manufacturing sector or complaints that the technical department is not designing the *right* products. These are typical of the excuses we hear: "If we had product X as well, then we could sell more," "Our services lack feature Y—we would have no trouble beating the competition if we had that."

If you delegate your success completely to what you sell, you deprive yourself of the most effective and unique element that sets you apart from any other seller and from the competition: your personal ability to enter

into a relationship with the customer. As we said earlier when discussing the offer system, you must convince yourself that you too form a part of the *product* that the customer is choosing. Indeed, if you recall the Maslow hierarchy, you will realize that you are the element that can fulfill the relationship needs—those located at the top of the hierarchy and therefore the most important.

Phase 1 of Sales Ethics is based on the relationship with the customer that runs through the whole bargaining process and must therefore be constantly nurtured:

Let's specifically analyze the three elements of a customer relationship:

- Yourself and your system of values
- The customers and their system of values
- The exchange of value

The features can be examined as follows:

- **Yourself:** To start a relationship based on authenticity you must first construct a positive and honest relationship with yourself, based on an awareness of your capabilities and characteristics, as well as the willingness to grow and evolve. You also need to have a clear idea of your values and the goals you want to set for yourself during negotiation. You should focus on this self-analysis at two specific stages: before the first encounter (preparation for the negotiation) and after its conclusion (analysis of the negotiation). During the sale, you will be focused on the customers and on viewing the world, yourself included, through their eyes. You will have to exploit your relational skills to the utmost and thus identify where your strong points and weaknesses lie. *Self-esteem* is definitely important, but we wish to clarify what exactly we mean by this term. The verb *stimare* (esteem) in Italian means to evaluate or measure,⁶ so self-esteem can be seen as a correct evaluation of your abilities and talents. It refers to a self-estimation of your capabilities and the ability to recognize where

⁶ André (2008); Miceli (1998).

there is room for improvement (generally called defects) as well as an awareness of what you consider *valuable to yourself*, as the negotiation you are about to undertake must aim to maximize this value. If you are unable to recognize and exploit your own strengths properly, they may become counterproductive. Take helpfulness, for example, you may want to be open and courteous to others but you don't want them to trample all over you. The same could apply to determination and self-confidence: In their positive form, these traits provide strength to pursue your goals, but if you are not careful, you could appear arrogant or stubborn! People with good self-esteem are aware of their own personality and know what skills to count on and where they could trip up. In fact, our gifts are not important as such, it is the way we choose to use them. If you think about it, we all have at least one friend who is truly gifted but does not manage to make the most of their talents; on the contrary, we are sure you have come across someone who has managed to turn a potential *defect* into a winning trait. The biography of Steven Spielberg⁷ shed some interesting light on this tendency. As a child, the legendary director of timeless films like *E.T.* and *Indiana Jones* was always making up tales and used to fabricate horror stories to terrify his sisters, yet this same flaw or ability has enabled him to invent some of Hollywood's most enchanting movies. Unbiased self-evaluation can help you prepare for a sale (and life) with a constructive spirit that targets solutions: What can I do with my best and worst features? How can I enhance them and use them to set my approach apart? How can I maximize my value? You can only improve your way of selling and of generating well-being for yourself and others by building on the features that make you unique and taking full responsibility for all of your characteristics.

⁷ McBride (1997).

Exercise

- **What are your strengths and your weaknesses?** Draw up two lists. In the first, indicate 10 qualities (yes, you read that correctly, 10, and you must find them all). Include your positive features and the things you do well when relating to others. The second list will contain things you would like to improve (your defects). Are there any complementary aspects in the two lists? Could you transform any of your defects into a quality?

- **The Customer:** When we discuss the relationship with customers and the need to understand their idea of value, some sellers say, “What do you think I am—a psychologist?” There is no need to get upset; there is a fundamental difference between the profession of a salesperson and that of a psychologist because they are pursuing two different ends. Sellers, unlike psychologists, do not have to treat customers; they have to only put together an offer that will satisfy customer needs. One thing you have (or should have) in common is the ability to listen to and develop a genuine interest in the person to whom you are relating. Both the ability to understand another person, without judging them, and the ability to empathize require a sincere openness to other human beings. Empathy is a voluntary act that allows you to establish an emotional relationship with customers, to immerse yourself in their experience and consider reality from their point of view but with greater objectivity. Indeed, you must become involved without being misled by their vision. Empathy is the most powerful tool at your disposal to understand what your potential buyers need, what they dream of having and why, and thus what their idea of value is. When customers feel they have been accepted and acknowledged positively as a person their natural skepticism will vanish. Empathy then comes from a deep respect for other people,

for their needs and desires as well as their fears and anxieties. What practical action can you take to achieve empathy?

1. Respect the people with whom you are dealing: They are the best result of the experiences and opportunities they have had and of the manner in which they dealt with them.
2. Add value to your customers by really trying to understand what is important and meaningful to them.
3. Ask appropriate questions and be really committed to listening to the answers. Active questioning and listening are effective only if you put yourself in the customer's shoes (see Phase 2).
4. Be sympathetic to the interests of your customers. Tune in to their passions and emotions. You do not necessarily need to agree with them, but only to understand them.
5. Be sensitive, insightful, and courteous and remember you are dealing with another human being and not just a potential buyer with money to spend.
6. Practice being flexible. There are all sorts of different people in the world; if there are over seven billion different sets of fingerprints, just imagine how many stories and experiences the people you meet on a daily basis have lived through.

You should be able to do all this without passing judgment. Your aim is not to decide whether the customer you are dealing with is right or wrong, or whether they were right in coming to you, rather you must get to know and understand them well, resolve any information asymmetries they have as regards you and your offer system, and clear up any confusion regarding their needs and reasons for purchase.

If you don't like people, we advise you to change jobs: You are not cut out to be a salesperson and certainly, you have no chance of becoming an ethical salesperson! Your customers, like all of us, will have made countless unhappy purchases, taking home items they did not need, products that did not live up to their expectations and will have had negative experiences with dishonest sellers. It's no surprise then that when they meet you, they may fear making another mistake or perhaps being cheated. Your prospects will

always be there to maximize value for themselves and they know you want to do the same. This knowledge frequently leads them to consider buying as a struggle in which they will be forced to defend their interests. Your commitment from the beginning to the end of the negotiation, then, is to reassure them, to overcome their skepticism and build a trust-based relationship that allows everyone to obtain an outcome that generates shared value.

- **The exchange:** Sales involve an exchange of value. Any sale has a material component (the seller provides a service-product and receives money from the customer) and an emotional component (the customer will feel reassured and accepted and in some cases be enthusiastic about the relationship with the salesperson). The emotional exchange is based on the reciprocity of feelings, a very powerful mechanism: The more I like a customer, the more they will like me; the more I trust them, the more they will trust me; the more honest I am, the more honest they will be. As we said in Chapter 2, when talking about reciprocity, it provokes a mechanism whereby the customer feels obliged to respond to your action with an equal action. Your positivity creates positivity in the other person just as confidence generates confidence. But how does this emotional exchange actually come about and how can we encourage it? Think of a battery that works by exploiting the flow of electrons between a substance that loses them and another that acquires them, in a continuous flow that, of course, generates electrical energy. A difference in potential is required for this exchange to begin. Reciprocity, which is at the base of Sales Ethics, works in exactly the same way; if you want to make sure that your customer relationship is not a one-off exchange, there must be a difference between what you give and what you receive. This further confirms what we said earlier about incremental negotiation: To maximize your value and generate well-being over time, you should start by giving more to your customers. The first step you can take is to give them your undivided attention and listen carefully, providing answers, confidence, and enthusiasm, as well as services, options, and

accessories. Don't worry, none of this goes against the logic of maximizing value, because the sale is not a zero-sum game where the maximum profit contrasts with the best price. There are many varied values in the field and your investment today will definitely reap rewards tomorrow.

Given these elements, let's take a look at the context in which the action unfolds. By working on the *context* of the relationship, and by this we do not mean the physical environment⁸ but rather the emotional dimension, you can focus your attention and engage your potential customer in considering the object of your exchange.

For example, when you visit a customer, you want to make sure their attention is focused on you, and so you divert them from whatever they were doing when you arrived so as to create a mental space that is free from other distractions. This will create a serene environment for the exchange. If, on the other hand, a customer has come to you, for instance to your store, they might be distracted or intimidated by the environment. Remember that people focus their attention, freeing the inner space, when at least one of the following two conditions occur: they understand that you can bring a benefit⁹ to their lives or you have created a positive experience that makes them feel important and makes them feel good.

When we talk about the relationship between customers and salespeople in Sales Ethics, we believe that the exchange should take place in a context characterized by the following elements:

- Trust
- Confidence
- Enthusiasm

⁸ The physical location where the sale takes place also plays a key role. The theories and techniques that help you design and manage the *selling space* deserve detailed treatment and are outside the scope of this book. Anyone wishing to explore the topic can find further information on our blog www.diariodiucon-sulente.com where we refer to the knowledge of industry experts in our discussion of this issue.

⁹ We will discuss benefits and advantages for customers in Phase 3.

You can consider these three elements as objects you should use to *furnish* the mental space in which the exchange takes place. Although they are intangible, they must be concretely present. It is no good considering trust, confidence, and enthusiasm as an attitude that you can slip on or discard. Ethical Salespeople do not need to fake smiles, pretend enthusiasm, or use polite clichés but only express what they really feel. Therefore, you must first trust yourself¹⁰ and your customer and be confident about your skills and abilities. Equally you need to feel enthusiasm for your work and the opportunity it gives you to be useful to other people.

- **Trust:** In Chapter 2, we gave a definition for trust that broke the concept down into several levels. We then made it clear in the diagram illustrating the phases of Sales Ethics that one of the objectives of Phase 1 is to move beyond rings 1 and 2 of the circle of trust, to gain *attention*. In fact, until you have captured a customer's attention, they will not really tell you what they need or what they want, therefore you cannot know how to help them and how to present your offer. Communication experts state that there is not a *second chance to make a good first impression*¹¹ and remind us that the first 30 seconds of a meeting are crucial for creating dialogue. At the beginning, when your customers are still suspended between indifference and skepticism, you have to be especially careful to avoid mistakes that could lead to you becoming victim to their negative prejudices, a first impression that you will have to toil to overcome. At this early stage, people tend to take mentally *a part for the whole*, precisely the mechanism that leads to the creation of prejudices. A sales clerk who fails to acknowledge us or carries on doing something else without even looking at us leaves us feeling neglected, and even if

¹⁰ Self-trust is a prerequisite for a proper approach to the customer relationship. Your trust in yourself is indissolubly linked to a customer's trust in you.

¹¹ This aphorism derives from the famous saying attributed to Oscar Wilde: "You never get a second chance to make a first impression."

we do not walk out of the store, any subsequent negotiation will be compromised. In this case, our trust as a customer has been betrayed from the outset and it will be very difficult (if not impossible) for any salesperson to win it back. When we discussed the offer system, we said it comprises several elements, including people, and therefore you. In the diagram illustrating this system in Chapter 2, we place the seller in the area closest to the customer's eye and in fact, before purchasing your products or services, he or she is meeting and *buying* you! If customers trust you, this trust will be transferred to your company and the offer you are presenting.

- **Confidence:** To make a choice the customer must feel confident. As with trust, to convey confidence you must first possess confidence in yourself and be assured that through you and the products or services that you represent, potential buyers will be able to meet their needs. Self-confidence is also fueled by *competence*, that is, a thorough knowledge of what you are selling and skills gained through method and commitment to sales training. This does not mean you will necessarily have all the answers the customer wants at your fingertips, but rather that you remain credible and know where to access any information required, without panicking but equally never pretending to know things you do not. Your customers do not expect to meet *perfect* salespeople, who know everything, but rather *real* salespeople, who know what they are selling, and are aware of their own limits.
- **Enthusiasm:** This Greek word literally means, *inspired by God*. We like to think that enthusiasm is a dynamic and creative force that is transmitted when we encounter other human beings. An ethical salesperson can convey enthusiasm for what they do, for their work and the offer system without becoming excessively exuberant or excited. The people who succeed in their work are those who love what they do, and are thus able commit to the 10,000 hours needed for success that M. Gladwell theorized. Limited enthusiasm can lead

to *technical* results linked to your *competence*, but nothing compares to the propulsive power and creativity that a passion for what you do will provide by further activating your inner abilities. It is possible to work as a salesperson and feel comfortable with yourself and with others, to enjoy satisfaction in your work: The fact that you are reading this book means either you already feel this way or this is the end to which you aspire. To convey enthusiasm in a sales negotiation you must respect other people, their diversity, variety, and needs as well as being flexible to accommodate even the strangest requirements and most trivial questions. Too often, we see sellers who are frustrated or angry, fuming as they answer their customers' questions with an exasperated expression that clearly indicates, "What sort of question is that?" These are the same people who are later surprised that they are not selling much. Our advice to such sellers is learn to respect your customers and take responsibility for creating an exchange of value with them.

Trust, confidence, and enthusiasm must therefore define the context in which the elements of the negotiation will connect according to Figure 5.1. Actors will move in the context according to their knowledge,

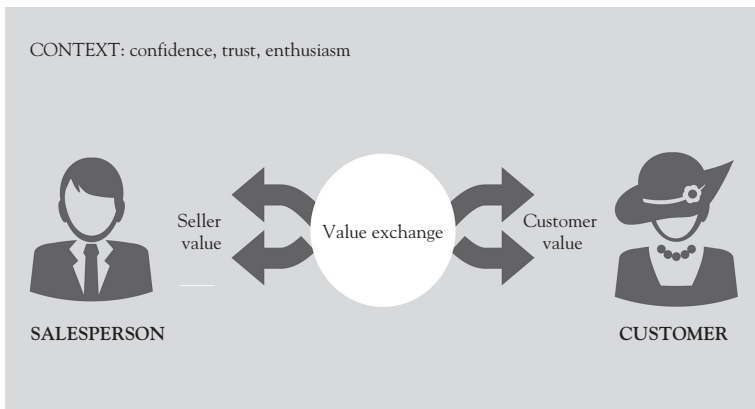


Figure 5.1 The sales ecosystem

experience, values, and their own particular characteristics that inform their relational style. You must not imitate a pre-established model but enhance your *authenticity*: this is a clear and powerful strength.

A shy guy who tries awkwardly to crack jokes because someone suggested that this is the way to install a rapport with customers will make a bad impression, triggering indifference in the customer, and failing to get results. He would do better to take full advantage of his ability to listen and calmly illustrate the product while perhaps adopting the forms of *weak communication* that enhance rather than hide natural shyness, and which can increase the trust and confidence of the customer, as demonstrated by Adam Grant in the case studies in *Give and Take*. Likewise, we advise against reining in any natural exuberance. If you really want to have fun and make people laugh at your jokes, do not try to appear cold and serious at all costs. Rather you should mold your abilities and adapt them to communicate better with your customer. If the person you are dealing with is rather staid and backs off when you make the first joke, you should soften your approach and choose a more formal presentation.

If you want to be flexible, you must take a humble approach to your communication style and be ready to examine yourself. It perhaps takes greater perseverance to pursue authenticity than perfection, as it requires that we take a good, hard look at ourselves and accept our limitations.

A Few Practical Tips to Set Off on the Right Foot in an Ethical Way

Books on communication skills are full of advice about how to create quickly a rapport with customers and drive sales from the word go. We have selected some of the most useful for overcoming fears and worries while respecting you and your prospect.

If you have attended even one communications course, you will be familiar with the study by Albert Mehrabian¹² in which he analyses the

¹² Mehrabian (1972).

components of a message and provides percentages that indicate their contribution to the understanding by our customer:

- The verbal aspect (the words we choose) communicates 7 percent;
- The vocal aspect (volume, tone, and rhythm used) communicates 38 percent; and
- The visual aspect (body movement, facial expression, eye contact, breathing, and posture) communicates 55 percent.

Yet, despite the low contribution hypothesized here for words as an overall part of communication, what you say matters! If we were to give another culinary example, we could say that they are like the yeast in a cake: only a pinch is necessary, but this pinch is essential!

It is words, both for the information they convey to others and their impact on listeners (ourselves included) that permit our communication to *rise* or *flop*. This is even truer when our objective is to make a sale and we must therefore communicate *trust*, *confidence*, and *enthusiasm* to our potential buyer.

We have chosen the most important and effective tips for you to use in this delicate phase at the outset of the ethical sale. They are useful for resolving the doubts that a salesperson like Renato, as seen at the beginning of this phase, may have and which you might share. However, you should bear them in mind throughout any negotiation, interaction, meeting, phone call, or e-mail with your customers.

First Tip: Use Your Time Well and Avoid Misunderstandings

The great architect Ludwig Mies van der Rohe used to say, “Less is more.” We believe this motto, which could be expressed as *Cut the chatter and get to the point*, applies equally well to the relationship with our customer for the following reasons:

- Time is a scarce and precious resource. You will do your customers a favor if you get quickly to the point and demonstrate

immediately in a few easy steps that you are the right person to meet their needs.

- If you use too many words you may lead customers to suspect that you are being ambiguous or wish to confuse them with convoluted arguments, thus wearing away their trust.
- The more words you use and the more detailed your description (examining the minutiae) of your offer system, including aspects that do not necessarily interest customers, the more objections and criticism you will attract due to a mechanism that will be clearer when you read Phase 4.

While carefully examining the amount of words to use, however, you must ensure your description is clear and explicit. Customers are not mind readers and if there is something they should know you have to say it!¹³ We will tell you how to go about this in detail in Phase 3.

Second Tip: Avoid Skepticism

You can arouse customers' interest and stimulate their trust by using words and phrases that evoke positive emotions and images and emphasize your willingness to go through their decision with them. As we have repeatedly stated, customers approach a purchase with a natural skepticism, which they can only overcome if they feel sure they can trust the seller. Phrases like "I'll just steal a couple of minutes of your time," "actually, you are wrong," or "that's a bit of a problem" will put your customer on the defensive because they evoke negative images (*steal, wrong, problem*). Our goal instead is to transfer positive images to the customer's mind and awaken constructive emotions. If you want to avoid being rude and would like to

¹³ Do note that what we are suggesting here should not be taken as a contradiction of what we said earlier about overcoming information asymmetries. We are not, in fact, suggesting that you withhold information from the customer, but rather that you limit the length at which you discuss them. You should provide the customer with sufficient information to choose, while avoiding confusion by adding irrelevant detail.

ask permission before communicating, simply ask, “Is this a good time for you?” Accept their point of view politely by saying, “I understand what you need” instead of emphasizing errors in assessment. It is better to say, “Let’s see how we can resolve the situation together” than focusing on potential problems.

Some time ago, we happened to walk into a store to buy dolls based on the characters of a television series for a friend’s children. We wanted to buy a green one and a blue one, but when we specified the colors we were looking for, the store owner replied “*Unfortunately* I only have two, a yellow one and a red one.” We felt forced to look for another store, and he lost the sale. What could he have done differently to avoid us leaving empty-handed? He could have chosen to say, “You’re *in luck*, I have two left; they’ve been such a hit you are really lucky to find them. There’s a yellow one and a red one, which do you prefer?” We would have bought them both and told the children how lucky we were to have found the last two. The interaction would have produced a positive outcome for everyone: a happy store owner, happy children, and two relieved buyers! The *Unfortunately I only have two*, which sounds like a harbinger of bad news, can then be transformed with little effort into a more reassuring, *You’re in luck, I have two left* that resolves the situation to the benefit of all.

Third Tip: Prepare Your Customer to Accept an Exchange of Value

We often come across customers who are undecided and uncertain about what they want to buy, they need to trust you more fully to accept the idea of exchange serenely. A key instrument to convey confidence to the customer is to conjugate verbs in the present indicative rather than choosing a conditional tense, which by its nature is used to describe uncertainty. Replace phrases like “You could choose this model” with a more decisive form such as “I suggest this model” or “this model fits the bill.”

Fourth Tip: Avoid Prejudice

As the experts in neuro-linguistic programming teach us, our brains only know how to process positive concepts. The *not* is filtered at a

subconscious level; when I express a negation, my mind initially thinks of the positive concept and then negates it. When the receptionist repeatedly attempts to reassure you saying that the room “is *not* noisy,” she has actually confirmed your fears by reminding you of all the sleepless nights spent in hotels because of the noise. If instead she had stated just once, “I’ve reserved a very quiet room for you,” probably your mind would have been set at rest as you contemplated a quiet night lulled by dreams. This is why we suggest avoiding negative questions or statements. In Phase 2, we will discuss this concept in greater depth, but meanwhile consider that the likely customer response to your question “Why don’t you try it on?” will be “No, I can’t now.” On the other hand, if you confidently suggest, “Shall we try it on to see how it suits you?” the likelihood of getting a positive “Sure” is much higher.

Fifth Tip: Accept the Other Person

If customers receive you in their office or at home, take note of the objects that decorate the room because these give a clear idea of the tastes and interests of the person with whom you are dealing. Ask yourself if there is something you like or find interesting and then start asking your customer questions about that! There is nothing better than to talk about unusual interests that you have in common if the interest is sincere. The objects and elements of the context that catch your attention will be the first elements to create that common value you are aiming for with your customer. If you talk about something that has value to both parties, you are paving the way to a relationship that will permit each to accept the other. One last point: You will not be drawn to all customers equally. Some will be more similar to you and this affinity will make it simpler to relate to them from the start. With others, it may be more difficult and challenging to build a rapport. When the endeavor seems particularly arduous, or even impossible, try to discover what makes that person special, focus your attention on finding at least one thing that is good or interesting about the customer, and use that to build up your common value. You can learn to see something of yourself in everyone you meet.

Exercises

- **What words are you using?** Listen to yourself speaking to your customers for a week; analyze the e-mails you send and note the words and expressions you use most frequently. Are you transmitting emotions and do your words evoke positive or negative images? Make a list dividing positive items from negative ones, and for every negative expression find a more effective alternative and practice using them in conversations.
- **What are the interesting aspects of your customer?** Each time you meet a customer make the effort to find at least one thing you like about them. It may be something they have achieved, a particular behavior, or a particular mood, or simply their care for something they are wearing. Find it and focus on that to build up an honest and sincere relationship.

Finding and Meeting New Customers: Overcoming the Fear of First Contact

At the beginning of this chapter, when we presented the different phases in Sales Ethics, we mentioned that there is a period before customers first meet us where they will gather information independently. We also said that we might begin interaction with prospects even before our initial meeting, but what if we are the ones to solicit their attention by rousing them from their natural indifference toward something they do not yet know?

Finding and contacting new customers is one of the most difficult and challenging aspects of sales, which is why we want to suggest a few tips.

Let's first stop to reflect a moment on just how much the success of such a complex activity depends on your own role. To do so, we will consider the meaning of the word *success*, which in Italian is *successo* and corresponds to the past participle of the verb *succedere*, or happen. Thus, we are saying that we achieve success when what we desire *happens* (or rather we make it happen). In our opinion, the success of an action depends a

great deal on what happens inside your head and how you place yourself in relation to this activity, as well as the way in which you have set up and achieved this conclusion. If you are anxious and concerned when looking for new customers you will naturally find an excuse to avoid acting rather than committing yourself to doing it. Your rational mind will suggest, “It’s too early, there will be nobody in the office” or “It’s too late, I’ll call tomorrow” or “I don’t have time now, it’s more important that I prepare this quote.” There are many excuses to put off addressing your real objective: finding new customers.

One method we suggest you try is to exploit the natural curiosity everyone shares when meeting new people and experiencing new situations. Avoid thinking about the immediate result of placing your product and you will immediately improve your chances of success.

If you concentrate on getting to know the other person, your attitude will be calm and relaxed and this is the feeling you will transmit to others, engendering confidence. Bear in mind that selling is a process and eventually a customer will decide to make a purchase.

Very often, the first contact with the customer is by phone (cold calling) and the aim is to schedule an appointment so the relationship can progress. The trick when calling is to attract the attention and interest of prospects in a matter of seconds, using your voice and words alone. This is challenging but not impossible, and involves the risk of immediate rejection, a lack of attention or failure to make an appointment—outcomes that the majority of sellers dread.

We are sorry to say that as with most self-fulfilling prophecies, every time you feel scared when you pick up the phone your voice will be a little edgier and your presentation slightly more awkward. You are more likely to make mistakes and, as expected, you will probably fail to secure your appointment.

It is essential when calling to make sure you speak to the person who makes the decision to purchase: the owner, the director of the corporate sector, the head of the project for which your offer may be suitable. The first hurdle you have to pass is therefore the *filter*, that is, the receptionists, switchboard operators, or secretaries who may thwart your every attempt to speak with their boss.

First, it is essential that you are clear about the objective of your call: arranging a meeting. If you do not already know the person you have called, do not try to advance your relationship over the phone! Once your goal is clear, it will be easier for you to make your requests with the required determination and clarity. For example, there is no point in explaining everything about your products or services to the secretary who asks, “Can you tell me your reason for calling?” You need to talk with the decision maker who must be the one to accept an appointment, so with grace and determination ask to speak to that person alone. By the way, do you know who this *right person* is? There is nothing worse for a *filter* than to find out you have not prepared before calling. Do not pick up the phone until you know exactly the names and roles of the people you may find helpful.

If, despite your firm approach, they insist you should send an e-mail with your request, make sure you have the direct e-mail address of the person concerned and then send a message that will provoke curiosity and prepare for your next call. If you have already sent an e-mail you can truthfully inform the person answering your call, “We are in contact via e-mail and he or she has been informed of my call.”

Remember that generally the secretary’s goal is not to stop you from talking to the manager at any cost, but to avoid taking the blame for passing a call that will be unwelcome. So present your case with all the energy that comes from knowing that you can really be supportive and useful to the person you want to call.

When, at last, your contact is on the line bear in mind these few rules:

- Stick to a succinct introduction—this call is about your prospect and not about you and your desire for self-aggrandizement.
- State immediately and clearly, why you should meet and why it is in the other person’s interest to do so. People devote more attention to those who talk about things that concern them. At the outset, the customer is wondering, “Why should I listen to this person?” “What’s in it for me?” or “How can this improve my work or my life in general?” We will help you answer these questions in Phase 3.

- Do not be scared off by any initial resistance from your potential customer. Initial statements like “No look, we’re not interested” probably just mean that your interlocutors were busy doing other things and are not yet giving you their full attention. Try to encourage them to talk about themselves and their company through targeted questions and a total openness to listening (we will discuss what questions to ask in Phase 2).

If you have followed all these phases, the customer will be curious to learn more. They may even want to know all the details of your offer over the phone, but remember to steer a steady course toward the purpose of the call, that is to set an appointment. In fact, if you are to generate real value you will need to meet face to face. Be ready to utilize this interest as a lever by saying things like “I suggest we meet personally so I can find out more about your company and its needs, then I can explain our products in detail and answer all your questions and we can explore the best solution together.” We will look further at techniques to interest the potential buyer in Phase 3.

Phase 2—Analyzing Customer Value: Needs and Motivations

The Objectives of This Step

- To move beyond ring 3 of the circle of trust
- To investigate the *customer value* and discover the deeper needs and motivations for the purchase
- To take control of the negotiation guiding the customer to discover their needs
- To develop active listening by acting as a *giver*

Thanks to the indications in the previous phase, Renato managed to set up some appointments. He is now face to face with one of his prospects but again he has a number of doubts: “How long will it take me to understand the customer’s needs? How will I know what this person really needs without appearing intrusive? In the end customers are all the same, and my experience permits me to actually know their needs in advance, so doesn’t asking questions just make me seem inexperienced?” Renato, however, also wants to show off just how much he knows about the item he is selling ... but are we sure that it is ethical and effective to take over the “lead role” in this exchange? Let’s use the tools of Sales Ethics to give our friend a hand.

Once you have built a solid foundation to your relationship with customers and encouraged them to mitigate their initial skepticism, you are ready to move on to the next phase.

In this second phase, certain sellers tend to lose track by praising themselves, their offer system, and their company, due perhaps to anxiety about their own performance of the desire to take over the negotiations. This is a serious error.

The most likely outcome of this behavior is that the person you are dealing with will blank out. You may miraculously persuade certain customers to make a purchase about which they are unconvinced, purely because they are totally bemused by your presentation—but this is not the desired effect.

The task of the seller at this stage is to become a master detective, to discover the goals that the customer is unconsciously targeting in these

negotiations or the needs and motivations that guide their choice. The sole repository of this information are the customers themselves and it is therefore right that they should be the protagonist of this encounter. If you want to get an idea of what your customer's concept of value is, so you can calibrate your sale appropriately, you need to ask the right questions.

Do not worry; customers themselves will aid you in this task. In a world where it is often difficult to get a word in edgeways they will be more than happy to have someone listening to them and taking the time to understand their needs. Indeed, the only time we can express ourselves freely is when someone consciously chooses to devote their attention to us and, if possible, to help us.

It is fundamental to ask questions, but it is even more important to listen to the answers. Let's examine this in the following paragraphs.

Asking Questions

Sigmund Freud, the father of psychoanalysis, likened the human mind to an iceberg where the top part that lies above the water is the conscious mind, while the much larger mass that is submerged is the unconscious mind. We could use the same metaphor for our customers. Just as the part of the iceberg above the waterline accounts for roughly 10 percent of its total volume, so the needs, which our customers initially explain to us quite freely and more or less spontaneously, account for just a fraction of their overall needs. However, we must bear in mind another factor: If you want to satisfy customers fully, and this is the primary goal for any salesperson, you must find solutions not only for their needs (whether expressed or not) but also meet their deeper motivations for this purchase (see Figure 5.2). Before proceeding further, let us define both these terms.

- *Needs*: This term describes what customers actually require. They respond to the question “*What* do you need or what do you want?” Frequently, customers have a clear idea of their needs and are happy to tell you what they are, but sometimes they may not recognize their true needs themselves. When this is the case, we talk about *unexpressed* or *unconscious needs*.

Needs are the goal that the customer wishes to achieve with a purchase.

- *Motivations*: This term describes the deeper reasons customers have for making a purchase. They answer the question “*Why* do you need it?” It will be necessary to explore these motivations together with customers, as often they are unaware themselves what their motivations are. Motivations are the drive that pushes customers to achieving their objective in the purchase.

Returning to Freud’s metaphor, we could say that a fraction of the customer’s needs is declared (tip of the iceberg), while the largest part is not (proportion of the iceberg below the waterline). Needs are, however, governed by motivations that are forces that keep the entire iceberg afloat (see diagram). You must investigate both the unexpressed (or unconscious) needs and basic motivations.

To clarify this difference between needs and motivations we will use our friend Renato as an example.

Let’s suppose Renato is dealing with a customer who said she was interested in buying a city car for her son, who has just obtained his license. So far, the customer has stated an *expressed need*, a city car. After asking several questions, Renato also discovers that the customer wants the car to be low on fuel consumption because she knows that her young son is still looking for his first job and cannot spend much on running costs.

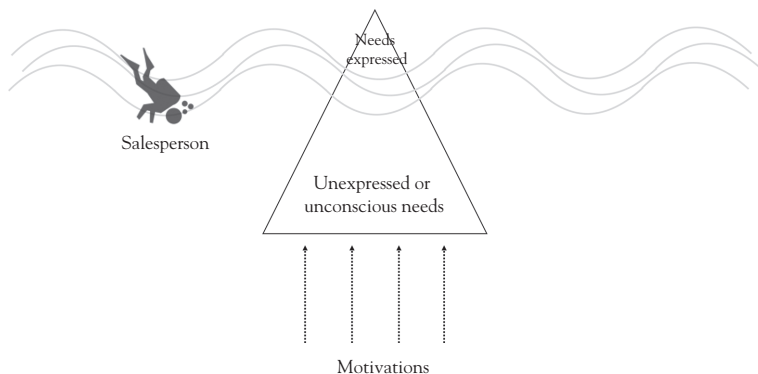


Figure 5.2 Diagram of needs and motivations

Initially the customer was reluctant to discuss fuel consumption, because she did not want to admit that her son would not have much money to spend, but when Renato asked the right questions after establishing a good relationship in the previous phase, she was able to bring forth this *unexpressed need*.¹⁴

As the conversation continues, Renato realizes that his customer wants a model with robust, washable interiors because her son does a lot of sport. In fact, when they touch on this subject she exclaims, “I hadn’t thought about it, but that would allow him to load his surf-board without ruining the car.” In this case, we have an *unconscious need* because the customer herself was unaware of it until her conversation with Renato. As they continue to talk, it emerges that the customer’s reason for making the purchase is to actually ensure her son has a safe vehicle, so she prefers that he get around in a car rather than use his old motorcycle. She also rather wants something with a certain style, as befits the son of a well-known professional.

Style and safety are the two *motivations* for purchase, while a compact car with low fuel consumption and washable interiors are the various *needs*.

As we will see in Phase 3, the motivations for any purchase can be summarized in a finite list. Concepts such as usefulness, safety, energy saving, and so on belong in this list. If these concepts are taken out of context, they will be rather vague and therefore not very useful for the purposes of our sale. If your customers, for example, reveal that their motivation for buying is generically *safety* but do not go on to explain what they mean by this term, then you will have trouble associating this idea with a feature of your offer system. Try to think of something that is *very safe*, then ask a friend to do the same—you can be sure that the two answers will be partly or completely different. The salesperson’s skill is to extract from a customer exactly what they mean by the word *safety* and to clarify the motivation for the purchase. In Phase 3, you

¹⁴ If you’re thinking that by doing so Renato has created embarrassment in his customer and has forced her to declare something which she had decided not to talk about, remember that a need—even if not expressed—still exerts its power in the choice and if not satisfied generates discontent.

will learn how to associate these specific motivations to the features of your offer.

By asking the right questions you can find out what lies beneath the surface of the water, that is, explore the deeper needs and motivations that your prospect probably failed to express at the outset.

Why should customers behave like this? Do they want to embarrass you or put you to some sort of test? Do they feel insecure or timid?

If you have done your work well in Phase 1 and defused the customers' skepticism they will feel ready to trust you; they will recognize your enthusiasm and be prepared to open up to you. If on the other hand, you bombard customers with a series of questions without having first established a relationship of trust, their answers will be spare and concise and will fail to provide you with anything concrete on which to base your presentation afterwards.

Often customers will be encouraged to consider new points of view thanks to your questions, and will reflect on issues they had not initially evaluated. This is the stage when they may recognize their real needs or the necessity to satisfy certain requirements that are different or complementary to those they initially had in mind. At this point, the deepest part of the iceberg has emerged and your informational asymmetries have been resolved.¹⁵

We suggest that you start the conversation with questions that encourage your customers to talk about themselves and their business, as these are topics that most people will happily discuss.

It is very important that you ask questions in a courteous, polite, and nonintrusive way; a healthy curiosity that allows you to get to know another person should not be confused with gossip, nor should it turn into a *third degree* interrogation, or a prepackaged list of questions that sound more like market research.

A winning technique to engage the other party and convey your expertise is to explain *why* you are asking a particular question. For example,

¹⁵ To be precise, we should in fact say that apart from resolving the information asymmetry with a customer, we are helping to resolve one they have generated against themselves. We're putting them in a position to be more aware of their own needs and buying motivations.

Renato could say, “I’m asking this to get a clearer idea of what type of driver your son is.”

In the context of Sales Ethics, it is crucial to be able to ask questions correctly and efficiently for two further reasons: to guide the negotiations and to involve customers, by putting them at the center of the relational experience.

Accompany the Customer Through the Phases of the Negotiation

By asking the right question, competent sellers, who know their sector well and have clear objectives, can expertly guide the customer through all the stages of the negotiation.

It takes preparation and training to ask carefully crafted and logical questions that assure customers that they are in the hands of a professional.

You may also find that potential customers are the ones to start the negotiation by asking a direct question like, “Well, tell me what you do?” or by inviting you to make your presentation by saying, “Tell me something about yourself.” The reason for this approach may be that the customer wishes to overcome any initial embarrassment by inviting you to make the first move, or maybe it is a sort of a test, or again, they may be allowing themselves time to shift their attention from what they were doing before your arrival.

To avoid losing control of the conversation by reeling off figures and company data that are bound to bore your interlocutor, you may want to prepare a concise answer that briefly describes who you are, and what company you represent. You will then round off this presentation with a question to the customer, encouraging them to talk: “Could you tell me what you do, so I can see how we can help you?” It could be useful to imagine yourself as a doctor talking to patients, and ask yourself if you would let them be the one to ask the question “How are you?” rather than enquiring yourself about the patient’s health. Remember you are the customer’s *tutor* in this situation and must take care of him or her: this means leading the negotiation carefully and with respect.

Once you have asked the first question, a mechanism triggers, which leads your customer to answer the following questions almost automatically and their interest will grow as they discover the conversation is to

revolve around them. This also leads your customers to gradually relax and become more comfortable about talking about themselves or their company, providing you with valuable details when handling the rest of the negotiation.

Involve the Customer by Placing Him or Her at the Center of the Buying Experience

Negotiations in Sales Ethics are based on what customers want or do not want, based on a careful investigation of the precise value they are seeking to maximize.

Our questions enable potential buyers to assume an active role, encouraging them to tell us about themselves and stimulating their interest while avoiding the boredom that sets in when someone is obliged to listen passively. In the book we cited earlier, *Give and Take*, Adam Grant presents the results of a scientific experiment that unequivocally demonstrates that most of us find people who ask questions about our lives more interesting—even if we know nothing about them—than those who are very clever at describing themselves.¹⁶ The equation *questions = interest* was so close that the interlocutors' appreciation of the conversation was directly proportional to the time spent answering questions about themselves.

Even in the more advanced stages of negotiation, it is advisable to ask questions such as “What do you think of this point?” during the explanation of your offer. This will stimulate customers' attention and involve them further so that they perceive the negotiation as a shared experience.

Practical Tips for Asking Ethical and Effective Questions

Much has been written about the art of asking questions. We will give you a few basic guidelines to ask questions in an ethical way.

In the classroom, we often find that when salespeople are invited to draw up a list of the questions they use most frequently they prepare a list of statements. The statement “I know that you deal in medical

¹⁶ Grant (2013).

equipment” will not be as forceful and incisiveness as the question, “I know that you deal in medical equipment, but can you explain specifically how your company works?”

In our experience, there are still too few salespeople who know how to involve customers and give others the space to express themselves, rather than hogging the entire conversation.

In the initial phase of the dialogue, you must encourage customers to speak freely and at length in order to gather as much information as possible. Concentrate on using *open* questions, that is questions starting with *who, what, where, how, when, and why*. This will allow your customer to build up an extended discourse and provide important details that you can then use in the next stage of the negotiation.

Closed-ended questions can be answered with a simple *yes* or *no* and are primarily used to check information (You wanted a red sweater, right?), for classification (Does your company produce the products it sells?), or maybe to confirm an agreement (Shall I proceed with the order?).

To clarify further the difference between open- and closed-ended questions, let’s analyze the classic question most sales clerks ask when we enter a store: “Can I help you?” This is a closed-ended question and elicits the answer *yes* or *no*. If we transform it to an open-ended question by asking “How can I help you?” this involves a new concept that we could express as: “I’m happy to help you—just let me know how.”

By asking a question in a different way, we obtain a different answer and send different signals to our customer. This confirms the concept we explained earlier when introducing the different phases of Sales Ethics, when we discussed the *observer effect* of quantum mechanics. The way we ask a question influences the behavior of the customer; our *ethical* responsibility, which requires that we create shared well-being, is engaged from the first moment when we observe, ask questions, and listen to the customers’ answers.

Given that *asking a question* is a creative act that can influence the answers (and mood) of customers, you should also remember that whatever you create comes from inside. This means that if you are feeling hostile toward a customer (you feel there is a conflict of interest), or if you are suffering from an identity conflict, you will transmit these feelings and hence undermine the relationship and lose ground in the circle of trust.

When preparing your questions remember what we said in the previous chapter regarding the direct construction of phrases and the use of positive words. If you say, “Don’t you want to try this new model?” the most likely answer will be *no*, rather than acceptance because you are unconsciously focusing the customer’s attention on good reasons why not to try the new product rather than on the reasons for doing so.¹⁷

You must not settle for superficial, generalized, or unclear information in this strategic and challenging stage of the sale. Rather you must probe further and ensure that you understand fully the demands and needs of the person you are dealing with. Use *penetrating questions* that require customers to explain or clarify the obscurer parts of their reply: “What do you mean by safety?” “Can you clarify what you mean by quality?” The more your customers talk the better you will understand them.

If you have not been in the business of selling for very long, or if you have recently changed sector, you might find it useful to prepare a comprehensive questionnaire. Carry out your research thoroughly and then carefully list the questions that you want to ask your potential buyers.

Remember to create a conversation that progresses naturally and that is tailored to the person you are dealing with. If the customer has already given you the answer to a question while talking about something else, do not mechanically go back over the same ground just because the question appears in your questionnaire—you would give the impression that you are reading from a list without focusing on the customer. We want to make it quite clear that you should never approach your customers with a written list or read from your laptop.

Bear in mind that as our colleague Marzia Mazzi¹⁸ underlines in her courses, both the use of space and the way we position ourselves within it have a material impact on relationships. You should place yourself in

¹⁷ Asking a question in negative terms not only causes the client not to act, but also betrays the underlying desire of the seller that things go that way. As we have said, our conflicts, in fact, emerge from our questions. If you have a tendency to ask negative questions you should examine the relationship you have with yourself and your profession—ask yourself what you are really trying to achieve.

¹⁸ Mazzi (2010).

front of your customers in an open way, looking them straight in the eye and making sure no objects stand between you or block eye contact.

It is impossible to create a universal set of questions, as they must be designed specifically for your sector and tailored to your style. You should also pay attention to the order in which you ask your questions. Initially we advise asking general questions such as “What does your work entail? What exactly is your role in the company? When will you be using this car?” You can progress to enquire about more delicate, sensitive, and personal areas as your relationship becomes closer, with questions such as “What sort of problems do you encounter in your work? What feeling are you looking for? What aspects do you want to improve?”

With practice and experience, the questionnaire will take shape within you and you will be able to use it more naturally.

We will draft a questionnaire suitable for the customers of a car dealer, such as Renato. Let us imagine he is meeting an entrepreneur who needs to buy a car for himself. We will split the questions into groups, based on the topic they are dealing with.

General Questions for the Interlocutor

- What does your company do?
- How often do you travel by car?
- Who normally travels with you?
- How did you hear about us?

Questions regarding customer needs

- Are you interested in a specific model?
- How far do you drive each year?
- What sort of vehicle do you have in mind? Comfortable, a sports car, luxury?
- What exactly do you mean by ... ?

Questions for analysis of customer motivations

- What car did you have previously and what did you like about it?

- What didn't you like?
- What are you looking for in a car?
- What do you feel while driving?

Questions to prepare for the next phase

- Where would you like to try out the model?
- Would you prefer to try model A or B?
- When are you going to visit us with your family?
- Would you like to pick up the quote or shall I pass by with it?

Exercises

- **Are you asking the right questions?** When you analyze your negotiations, take some time to think about the questions you ask: Can you write down at least 10? Are they open- or closed-ended questions? Do you ask probing questions?
- **Prepare the questionnaire.** Use your list to prepare a detailed questionnaire to use with potential customers, which will enable you to get to know them, understand their needs and probe all the areas that will help you to customize your presentation. Be careful about the order of your questions (from general to specific, from quantitative details to qualitative details, from external to internal) and the type (open or closed).

Listening

In Sales Ethics, listening is the foundation stone on which the whole construction of any negotiation is built.

The aim of listening is to obtain as much information as possible in order to get to know our potential customers and find out the motivations that lead them to act and the needs or desires that led them to meet with us.

Bearing in mind the concepts discussed in Chapter 2, we could say that the goal of listening is to both diminish the information asymmetries that sellers must tackle when dealing with customers and ensure that they have the necessary knowledge to define the notion of value and set the sale up properly.

While hearing is a passive action (a sound stimulates our auditory senses), listening is an action that requires the desire and willingness to tune in to another person with sensitivity, tact, genuine interest, and care for the person with whom we are interacting. If you want to really listen, you must do more than simply take in the words. You must grasp how the words are pronounced (the voice may be calm, upset, angry, serene, and so on). You must observe what the customers' body language is communicating—do they look me in the eye? Is their posture relaxed or signaling discomfort? Are they playing nervously with a pen, stroking their face or clenching a fist? These are all precious elements, upon which you should base the presentation of your product or service, and they must be considered when answering customers' questions or adding comments.

During this phase of analysis, imagine yourself as an investigator searching for information and clues from half-hidden details. The needs and motivations that together make up a customer's quest for value are hiding between the lines of an anecdote or the story they recount about setting up their business, or when they describe their last purchase. When customers tell us about themselves or things that concern them, they are providing us with the opportunity to understand how they reason, based on the values they choose and how they make decisions or the issues to which they attach importance and what makes them feel insecure.

When your prospects sense your attention focused on them, they will feel acknowledged both as buyers and as people, and we know that each and every one of us desires in our heart to feel special and unique. Your sincere interest will thus contribute to creating a positive climate for exchange. We could say that your attention guides the customer's attention, taking the relationship to a new level of trust. Adam Grant's experiment, which we described earlier, is relevant here: behaving as a *giver* during the listening stage means ceding the center stage to your customer and thus ensuring increased involvement.

Resist the temptation to talk about yourself; do not take up a customer's request to concentrate exclusively on what you are offering. Do not react immediately and directly to prejudices such as "Look, I don't want to waste your time, are you the one selling that water-based vacuum cleaner?" This type of comment is often based on a lack of information (i.e., asymmetries) regarding what you are actually offering.

Remind yourself that the main focus here is the customer's interest and not your desire to show off your knowledge, the products you are selling, or even your right to self-defense. Reassure the customer with a short retort and stimulate new questions. You will not get the chance to present your offer in the most captivating way for a customer and effectively get past the next objection unless you comprehend who you are dealing with and enter into the other person's world to identify their innermost concerns.

To become adept listeners, you must develop the ability to *put the other person at the center of the sales experience*. Leaving them to play the role of protagonist throughout, and observing the world from their point of view will later help you to motivate your proposal. All too often, we have preconceived ideas about our customers even before they open their mouths, just as they do about us, based on deep-rooted prejudices. Such an attitude may seriously risk compromising the success of your sale!

Salespeople may also be victims of information asymmetries regarding the offer system that are equal but opposite to those of their customers. Just as your interlocutors may think they know everything about your products and services (because they have read every page of your site or spoken with a knowledgeable friend), you may sometimes think you know everything about them. We are all frequently misled by our experience and imagination to believe that we know more about a customer than we actually do. When we make the mistake of failing to listen to customers or not giving them ample opportunity to express themselves, two very unpleasant things may occur: We miss opportunities and create Watzlawick's *self-fulfilling prophecies*¹⁹ by unknowingly behaving in such a way that our worst expectations are fulfilled. This happens each time we

¹⁹ Watzlawick and Fusaro (2013).

sum up a customer too quickly or let ourselves be guided by past experience rather than allowing the present to chart our course.

To comprehend just how our attention can influence our perception of the world around us, consider how you notice a particular car all over the place when you are interested in that model. Obviously, it is not the number of cars that has changed, but your awareness of them! We do the same thing with customers by observing only what we are accustomed to noticing, and this confirms our beliefs (or rather our prejudices), and hence we neglect valuable information. Have you ever heard an experienced salesperson boasting, "I can see whether customers are going to buy something from the way they come in through the door?" His *prophecy* will most likely prove right, not because he can foresee the future but rather he has unconsciously adopted a strategy that has conditioned this outcome. We are so enamored of our convictions that we sometimes mistake them for the basic elements of our professional identity, as though changing your mind about a customer means denying the worth of your experience or questioning your acquired ability to *read reality*.

Resistance to change is nourished by our inability to give up the reassuring image we have of ourselves. Yet often this self-image limits our reality and shrinks the world around us, restricting the potential market in which we can sell our products.

Likewise, if you set out thinking "This looks like a customer who is ready to make a purchase" you will behave with the strength, confidence, and helpfulness that comes from the certainty that the sale will end well. The customer, feeling reassured by your willingness to interact and the pleasant determination of your gestures, will very likely be stimulated to buy.

To listen well you need (a lot of) patience and attention: The more you give, the more the customer will open up to you. In order to create the right atmosphere, you must dedicate yourself to that customer as if you had all the time in the world and they were the most important person on earth. Though the frenetic pace of our lives tends to drive us to rush our activities.

Listening clearly means acting as a *giver* because it involves investing time and energy in a person before we know their purchasing power, and before knowing if we can meet their needs. Once again, you should

remember Adam Grant's lesson on *generous* reciprocity: giving unconditionally, without expecting any immediate reward will broaden your network of contacts and reinforce your reputation, thus generating new opportunities in the medium to long term.

Many salespeople are influenced by the pressure to serve as many customers as possible or to quickly switch from one appointment to the next and hence rush the listening phase, which thus becomes superficial and forces us to fall back on prejudices and preconceptions. This attitude may be the cause of deep misunderstandings that can in turn lead to lost sales.

If you think of selling as a process made up of phases and related moments, you will find that the time saved by cutting down on your listening will then have to be spent on resolving disagreements in the after-sales period or dealing with an angry customer.

Active listening is a complex action, but it is essential for reducing the information asymmetries that hamper sales. We list below the 16 subactions that together contribute to define active listening:

1. *Be open to others*, be curious and respectful to the ideas, opinions, and points of view which others have.
2. *Do not assume you know what others will say* and do not stop listening, presuming you can guess what the customer is about to say.
3. *Do not interrupt* but always allow the other person to finish and never finish their sentences for them.
4. *Wait for customers to finish speaking* to assess what they say and draw your conclusions before answering.
5. *Remain neutral* while you are listening, and avoid prejudice and bias regarding your interlocutors—do not judge them.
6. *Do not think up answers* or reflect on how you are going to reply while the other person is still speaking.
7. If there is any doubt *make sure you have understood* correctly and ask the other person to explain any words you are not sure of or that are too vague.
8. *Make it clear to customers that you are listening* by maintaining eye contact, nodding, and transmitting openness through your body language;
9. *Do not pretend to listen* when you are really thinking about something else—remember our nonverbal communication is often

uncontrolled and your body and tone of voice may be revealing your true thoughts.

10. *Be careful of details and information communicated by voice* (tone, volume, speed, rhythm, pauses) and body language (eye contact, facial expression, posture, distance, skin color).
11. *Be patient* and control your emotions.
12. *Do not mentally criticize what the person is saying*, thus falling into the trap of not listening and transmitting your disapproval.
13. *Do not be distracted* by sounds, noises, or the presence of other people—if necessary move to a quieter spot.
14. *Listen carefully even when customers say something you do not agree with* or do not consider interesting and remember you should note not only *what* customers say, but also *how* and *why* they say it.
15. When customers are angry or upset *let them speak to vent their feelings* without immediately interrupting, they probably only need to release their negative energy.
16. Try to understand your customers' point of view and moods to create *empathy*.

Exercises

- **Do you know how to listen actively?** Take another look at the list of subactions involved in active listening: How many of these do you put into practice with your customers? Give yourself a point each time you answer yes and tot up your score for active listening:
 - A score between 1 and 5 indicates that your listening skills are very poor;
 - Between 6 and 11 you are a good listener but you must improve some aspects; and
 - Between 12 and 16 you are an excellent listener.
- **Enhance your listening skills.** Now choose one of the subactions that you do not practice and make an effort to apply it for one week. By choosing a different objective each week, you will hone your skills, becoming an attentive and proficient listener.

Phase 3—Combining the Customer Value with That Expressed in the Offer

The Objectives of This Step

- To move beyond ring 4 of the circle of trust
- To place customers at the center of the negotiation experience, permitting them to be receptive to your arguments
- To present the offer system as ethical and effective as possible and to argue your differential value
- To fuse your idea of value and that expressed by your offer with that of the customer
- To present the price linked to the overall value of the offer

Renato finally has a clear idea of the customer's needs and he must now present his offer. The company is pushing hard to sell the sports models, so our seller feels "obliged" to steer the deal this way, regardless of the customer's requirements. Renato hopes the person in front of him will not be the insecure and uncertain type who looks bewildered when you confidently reel off the technical data to show you know your stuff. Worse still, the customer may just interrupt by immediately asking, "How much is it?" forcing you to face the uncomfortable topic of price. Renato's proposed car has a considerably higher price than that of some competitors, but he is ready to rip his rivals' offer to pieces and if he must, he'll cut his price! How can Renato find a point of contact between his objectives and those of the customer so that everyone is satisfied with the negotiation? We will see how Sales Ethics can help

Each time a customer meets a salesperson they ask themselves, more or less consciously, "Why should I buy from you?" Phase 3 of Sales Ethics aims to find a convincing answer to this question.

When meeting a potential customer, we are dealing with a human being who shares the following characteristics:

- One or more needs, or specific requirements, which have not yet been satisfied and the desire to achieve a specific objective related to them; and
- One or more motivations for purchase that drive and guide his decisions.

When we talked about *customer value* in Chapter 1, we were defining the result of the fulfillment of these needs in line with the motivations that drive them. The investigation phase served to reveal these two important elements. Now is the time to use them to guide the way you present your product, by arguing and setting out your offer system so that it maximizes the customer value. We remind you that you are part of this offer system, so your role is to not only present it in the best way possible, but also actively contribute to its *creation* by adapting your behavior and relationship style to ensure the customer can satisfy those needs thanks to a rewarding human exchange. A customer's perception of esteem, gratification, pleasure, and confidence will depend more on you, than on your products or services!

Satisfying Needs and Motivations for Purchase

To set up an effective and ethical negotiation, it is necessary to remember that each customer buys depending on his or her own reasons, not on the basis of yours! You have probably come across at least one salesperson yourself who was a very smooth talker but failed to interest you in any way. It is highly likely that this person was presenting a potentially interesting offer that would have suited your needs, but they forgot to tune in to your needs and instead described what they themselves would have liked.

If you want to help your potential buyers, you must accurately identify their needs and motivations, and utilize this knowledge to adapt your presentation of the product or service to that specific person.

When customers are ready to satisfy a need, they have three options: they can decide to buy from you, from another seller, or not to purchase anything from either (at least for the moment). When you have recognized their needs, your responsibility lies in helping the customer to satisfy them.

A few paragraphs earlier, in Phase 2, we illustrated the investigation of needs and motivations by comparing it to an iceberg. We want to emphasize once again that we can only identify the motivations underlying the needs and hence what drives a customer to desire a particular purchase, through a skillful use of questions and active listening.

We would add something to the definition given earlier, by distinguishing two main categories of motivations:

- **Escaping from pain:** These are motivations that drive people who tell us what they want to avoid, the situation from which they wish to escape or what scares them: “our staff turnover is too high,” “I want to avoid a downtime of production,” “I’m tired of being unfit.” To help customers who feel themselves in difficulty, you should underline the time wasted if they fail to resolve the issue. You will have to highlight the negative aspects of their failure to tackle the problem: “A high staff turnover does actually cause you to lose information and waste a lot of time and resources training new staff.” “Certainly, downtime involves considerable costs for a company because it blocks production and slows deliveries.” “Being unfit also leads to health risks.”²⁰
- **Toward pleasure:** You can recognize that these are the motivations when customers tell you what they want, what positive outcome they expect, and what is their desired solution: “I would like loyal employees who remain in my business for a long time,” “I want continuous production,” “I want to get fit.” These people need to know how much better they will feel when they have fulfilled their desire or resolved their need. They want to be guided to make their purchase by someone who knows how to highlight the benefits they will get: “You’ll finally have employees who stay with you,” “Repairs and maintenance are quick so you can be sure your production line remains active,” “You’ll soon notice the difference with this fitness training program.”

²⁰ At first glance it may not seem ethical to proceed in sales by leveraging the customers’ *fears*, but remember that our goal is to meet their actual need and—in the case described—the only way to stimulate the customer to act in his or her self-interest is to use a language that they can understand: in this case, the escape from the pain!

The motive why the customer wishes or needs to buy your service or product can be divided into 10 categories that can be triggered by either of the two forces that propel us to act as explained above. The following list illustrates these categories when the driving force is *toward pleasure*, but they could be just as easily be illustrated as *away from pain*:

1. Usefulness and convenience (ease of use, simplicity, desire for comfort)
2. Saving or earning of money (bargain, special offer, cost-effectiveness)
3. Speed (use, response, delivery, procurement)
4. Safety (reliability, tranquility)
5. Health (wellness and fitness)
6. Innovation (being up-to-date, get the latest buzz)
7. Status and prestige conferred by the purchase (exclusive, pride, recognition, visibility)
8. Esteem (belonging to a group, to be accepted and respected, praise)
9. Sociability and friendship (affection, bonding with the seller, special relationship)
10. Personal growth (increase in knowledge, self-fulfillment, development of performance, or personal standing)

Your conversation with customers will enlighten you regarding their needs and motivations for a purchase. Bearing in mind the list of questions that we gave at the end of the section on “Practical Tips for Asking Ethical and Effective Questions” let us once again imagine a conversation between Renato and his hypothetical customer:

Customer: “I want to buy a new car.” (*need*)

Renato: “How many miles do you drive a year?” “Where do you generally use your car, on the highway or in town?” (investigating *need*)

Customer: “I do about 30,000 miles a year, mainly on the highway.” (specifying *need*)

Renato: “What’s the most important thing you look for in a car?” (researching *motivation*)

Customer: “The main thing is to be comfortable when I’m driving so I don’t arrive with backache.” (*motivation*)

In this short dialogue, the motivation expressed by the customer indicated the desire of *escaping from pain* (in this case specifically back pain). Renato would now be equipped to describe the best automobile for this customer in a manner suited to the customer's values and understanding. For example, he could say, "I understand how annoying it can be to arrive at your destination with bad back pain that stops you from concentrating on your work, so my proposal for you is a model equipped with ergonomic seats and smart suspension."

An effective way of moving from the investigation phase (Phase 2) to the presentation of your proposal is to summarize the needs expressed by the customer: "As I understand it, you need a car that ensures comfort so you can avoid that annoying back pain, is that correct?" When customers give us explicit confirmation of their motivation or need, they also focus on the situation and fully realize what they are really looking for.

Exercise

- **Do you know how to help customers to choose by using their purchase motivations?** Think of a product or service that you sell and choose one of the 10 motivations listed earlier. Imagine that a customer expressed this motivation during the analysis stage in the form of escaping from pain and prepare a proposal line for your product that uses that particular purchase motivation as a lever. Now do the same for a customer wishing to move toward pleasure. Repeat the exercise with each of the 10 categories of motivations.

Adopt Your customer's Point of View: Benefits and Features

We are now at the long awaited stage that all our preparation has so far be leading up to: proposing your offer.

The customer has been waiting for this moment too, to see if you can resolve the need that brought them here.

This is the moment that defines an ethical salesperson. The salesperson will once again remember that the customer is the protagonist in

the relationship experience that they are sharing and will talk about the aspects that will be of interest and significance for that customer.

All products and services have a series of specific *features* or technical qualities and distinctive characteristics that can be demonstrated “this shirt is 100 percent cotton,” “this car is equipped with ABS,” “this website is in HTML5,” “our company has been on the market for 30 years,” and so on.

Imagine, if you will, the classic scene where the proud seller spouts on about himself or herself and the company he or she works for as well as the product or service being sold by providing an endless list of features that have been diligently memorized. Now imagine how the customer, who may be initially interested, will progressively sink deeper into boredom as they watch a show starring the seller alone. A number of questions are now forming themselves in the customer’s mind: “Why should that interest me?” “Why are you telling me all this?” “How is that going to make my life better?”

It is actually easy to stop customers becoming bored, you just have to present your offer system by highlighting what benefits they will derive from any specific feature, and underline how they will resolve their needs or fulfill their desires thanks to you. When you talk about the benefits, you must state *what your offer does* and what it will do for them. This is infinitely more interesting than describing what the product is and who you are.

“This shirt is 100 percent cotton and ideally suited to your sensitive skin.” “This automobile is equipped with ABS so if you have to brake suddenly on a wet surface it will hold the road better.” “I’ve been working in this sector for 10 years so I can give you sound advice based on my experience.”

If the market in which you operate is business-to-business you will need to highlight two distinct levels of benefits:

- **Those aimed at your customer:** For example, if you work for a company that manufactures furnaces and you introduce yourself to a local dealer to convince him to distribute your products, you can highlight the speed and reliability of delivery that will ensure his service to his customers is punctual

and that there is no risk of losing sales opportunities because the goods are unavailable

- **Those aimed at your customer's customer:** Provide him with arguments to promote his sales. If the dealer's potential customers are plumbers and house owners, then highlight advantages such as ease of installation, warranty services, and any other arguments that may be of use when he is dealing with his customers.

In this central and crucial stage of the negotiation, we cannot overestimate the importance of coupling both the technical *competence* and human *skills* that all Ethical Salespeople must possess.

Competence is essential to put together the best deal; you must have a thorough knowledge of the specific characteristics of your offer and the benefits associated with them so that you know which features to emphasize each time.

Yet if a seller who has a broad technical knowledge is unable to create a rapport, he will tend to end up showing off the breadth of his knowledge, perhaps with a thorough description of the product or service he is so passionate about, while forgetting the object of the exercise.

Also, if a salesperson who is attentive to human relations and can create empathy in customers lacks technical competence, he will be not credible and risks losing the customer's trust.

How do you avoid the temptation to make it all about you as you gush on about the object of your sale in technical jargon? Here are some practical tips:

- **Explain the benefits:** Many of the sellers we meet start out by assuming that their customers will know in advance the benefits of their product and its features, and that it is superfluous to specifically state them. Not so! In fact, customers may know very little (indeed, they come to us because we are the experts!) and they certainly cannot read our minds. If you want to be sure that your customers know something (and you will most definitely want this because it's the lever to inspire their interest and involvement) you must be the one

to tell them! “This drying rack is made of aluminum (feature) so it is very light and easy to move (benefit).” If you want to be more succinct, omit the feature and highlight the benefit directly, “This drying rack is very light and easy to move.” You should never tell them, however, the characteristic alone, “This drying rack is made of aluminum,” because this will leave the customer puzzled, “So what?”

- **Focus on the other person:** Customers need to feel that they are at the center of the deal. They want to know that we are there to help them solve their needs and respond to their wishes. Our behavior will prove to potential buyers that we are willing to look after them, to listen carefully in order to understand their priorities, and satisfy them. Sometimes the details that we consider unimportant may be very important for other people. Your objective is to see your products through the customer’s eyes, and blend your idea of value (and that expressed by the entire offer system) with theirs. For example, if you wish to highlight your professionalism and your technical knowledge, you should remember that this might respond to the customer’s need to have a knowledgeable and professional partner. In this case, both of you are wanting to *maximize* this particular aspect of the offer because it is associated with your shared idea of value. However, you must draw attention to this in a way that is compatible with the customers’ point of view; otherwise, you may bore or even scare them away. Enable them to appreciate how your knowledge and professionalism can benefit them by, maybe, saying, “You can count on my many years of experience to help you make the right choice—ask me everything you need to know.”
- **Tailor your presentation:** Different customers buy the same items for completely different reasons. For example, you and I may both have chosen the same car, but while I bought it because it is comfortable and has a spacious trunk, you wanted it for its powerful engine. Another person may have

made the same choice on the advice of a friend, another again because of the prestige of the brand, and so on. We cannot script, therefore, the perfect sales line—there is no *one-size-fits-all*, rather each presentation must be as special and unique as the person with whom we are dealing. Since we do not know whom we may meet and what their differences may be, it is crucial to prepare beforehand so you can connect each feature with as many benefits as possible and be ready to use them on the basis of what emerges from your conversation with each customer. Let us take as an example of a restaurant that uses all homegrown organic ingredients and list some of the benefits for the end user: *safety* of eating fresh foods, *genuineness* of organic crops, intense *flavor* of freshly picked ingredients, *enhancement of the territory*, *reduced pollution* from pesticides, *customized dishes* due to direct sourcing, and so on. Overall, to effectively tailor your presentations, you will need to have a detailed knowledge of what you are selling and the values of your offer system (expertise) and of the customers and their idea of value (ability to relate to others), so that you can match the various characteristics of your offer with the needs expressed by your customer.

- **Sell to your customers and not to yourself:** Many sellers persist (despite their failures) in presenting the product as they would like it, by highlighting what *they would choose as benefits*, based on *their own motivations for buying*. They will only manage to make a sale if they have the good fortune to meet someone just like themselves! It requires considerable flexibility to consider our offer through our customers' eyes and identify with them, thus building an empathetic relationship. As we have repeatedly stressed, customers each have their own concept of value (and their objective is to maximize this value through our exchange) and it will differ from that of the seller. Your professional duty is to find the methods and language that will permit your different worlds to come to a mutual understanding.

- **Be useful to the customer:** Customers do not buy *things* but *solutions* to their needs. More than the technical details of your products, they are interested in learning how your solution will be useful and enhance their work and their life. When you explain the details and specific features of your offer, we suggest you always make it quite clear how they will directly affect the customer. A few years ago, in his book *The Marketing Imagination*, Harvard Business School's legendary marketing scholar Theodore Levitt famously quoted a phrase from Leo McGinnea: "People don't want quarter-inch bits. They want quarter-inch holes."²¹ If you really want to be helpful when dealing with your prospect, you will have a wealth of suggestions, provide expert assistance and consultancy, and be careful to ensure that your nonverbal language reinforces trust during the exchange.
- **Transmit confidence and reliability:** If you explain in clear, neutral, and simple language the connection between the features of your offer system and the benefits for customers, they will pick up on your confidence and have greater confidence in you. For example, "Bearing in mind your needs, this policy has feature A which will provide you with benefit B." If necessary, you can back up your proposal with technical features, demos, articles, and references as this will help to give substance to your presentation. When we build a relationship based on honesty and reliability, our customer relationship becomes a true partnership that will last through time.
- **Choose the right number of words:** If you start describing your offer before understanding precisely what your customers need, you risk making a proposal that fails to match their expectations and you risk saying too much, or too little, or highlighting aspects that are not of interest to them. Many of our colleagues are convinced that if you exaggerate the merits of a product you cannot go wrong, but it is not so. If you

²¹ Lewitt (1986).

overdo the description of the features and performance of your offer, adding details that customers have not requested you will confuse them and create suspicion, or perhaps lead them to conclude that your product is too sophisticated. You must learn then to calibrate your descriptions, so you use neither one word less nor one more than is strictly necessary to inform your customers of the benefits and characteristics related to their real needs.

- **Observe the reactions:** While you are describing your product and stressing its benefits, tune in to your customers' reactions without concentrating solely on their words. They may show interest in what you are saying with a smile or a nod, making a positive comment or picking up the product or drawing closer to it. Any of these signs indicate that you are on the right track, so keep it up! However, if you notice they are distracted (they look away, move away from the product, play with other objects) or maybe even annoyed by what you are saying (shaking their head, frowning, grunting, or nervously tapping a foot) change tack as smoothly as possible. You may have misconstrued their reasons for purchase and you need to probe further before continuing with your presentation. Take time to ask further questions to avoid getting deeper into trouble.
- **Underline the uniqueness of your offer:** As W. Brian Arthur taught us a few chapters ago, it is not always necessary to elbow rivals out of the market to close a deal. It may not be useful or it might indeed be counterproductive to compare your proposal continuously with the competition. Emphasize instead how unique your offer is. Remember that your long-term goal is not to wrest a slice of the market from the hands of your competitors, but to expand the pie so you will no longer feel besieged. Do not forget to transmit the intangible elements you are offering such as values, style of relationship, and yourself. These elements render your proposal unique and unrepeatable.

- **Winning together:** We have already said that customers, while listening to your presentations, ask themselves, “Why should this product interest me? Does it resolve my needs?” These are, however, not the only questions they ask themselves. A much more insidious question emerges just as you are about to present your solution to their needs, “Why did you choose this particular model for me? What do you gain from selling this one to me?” You have already obtained the customers’ interest (ring 4 of the circle of trust), but they are still far from fully trusting you! Of course, your use of concrete data and straight talking will convince them that you are not bluffing, but we urge you to go even further and tell your customers what you are aiming at! “I recommend this product because I hope you will be fully satisfied and come back to me next time” or “This service will allow you to see how we operate and how our we can benefit your business” are both statements that openly declare your goal. This will enable you, once and for all, to underline the idea that your customers’ benefit can be compatible with your own and highlight the fact that there need be no contrast between your idea of value and theirs. Complete, clear mutual satisfaction is the most valuable result to which you can aspire and will permit you to base your relationships on a solid foundation.

We will conclude this section by stressing that many of the suggestions we made here are equally valid when you are on the phone with a potential customer, and your aim is secure an appointment. Again, you must remember to put forward a proposal that highlights the benefits. The person listening is, in fact, wondering, “Why should I devote time to meet this vendor?” The more explicit you manage to be, by providing a clear reason, and concretely explaining what the other person has to gain, the closer you will be to achieving your goal. For instance, use phrases such as “I will be happy to find out more about your business from you so I may suggest the best way to collaborate,” “I will bring a prototype so you can appreciate first-hand the quality of our products.”

Exercise

- **Let's prepare the arguments most suited to selling your particular products.** Choose one of the products or services you offer and prepare a list, as comprehensive as possible, of its features and distinctive characteristics. Now match each feature with all the needs it meets, the benefits it brings, how it is useful, and the motivations for purchase with which it is linked. For example:

Service: training course in "sales techniques"

Features: 16-hour course divided into four weekly meetings of four hours each

Benefits (in brackets the motivations associated with this purchase):

1. It does not take away too much time from work each week (comfort, savings)
2. The contents are spread over time (gradual growth, ease of learning)
3. You can practice what you learn during the week (immediate use)
4. Office work does not fall behind (tranquility, serenity)
5. Regular meetings can strengthen relationships (socialization).

The Proper Use of the Price as Indicator of the Value of Your Offer System

Price is one of many features of the product system, neither the most important nor the only one, but a feature like any other. It will only play a leading role in your negotiations if, and only if, you have not sufficiently argued the rest of the elements that make up your offer. The reason many people give an exaggerated weight to the price is very simple: It is an easily comparable and measurable feature and thus clearly intelligible even for customers who are either inexperienced or unable, for whatever reason, to evaluate and appreciate all the other elements.

The price will dominate when customers have *information asymmetries* and have no other way to determine the benefits of your proposal other than to assess it according to economic criteria.

Information asymmetries can be generated in two ways: your customers think they know everything about you and your offer or you have not managed to focus their attention on the entire product system. Actually, asymmetries of this kind depend on a combination of the two situations described earlier. In both cases, however, the seller can intervene to resolve the situation.

A key aspect regarding the price, and we cannot repeat this often enough, is that in the customer's mind it is inextricably linked to the value.

Value and price are two sides of the same coin and if one is devalued, sooner or later the other will suffer the same fate. Never forget that the value of the offer system includes you and your professional expertise!

It is hence extremely important to support the price with a correct idea of value. As Figure 5.3 illustrates, to strengthen this connection you must guide the customer's attention, initially focused only on price, along a path that permits you to argue all the features of your offer system. You will match each feature to real benefits, and thus to the concept of value that brought the customer to negotiate with you in the first place.

Knowing how to argue the price effectively is one of the fundamental aspects of Sales Ethics, because it helps to strengthen the relationship, overcome the conflict of interest, and satisfy your customers by instilling

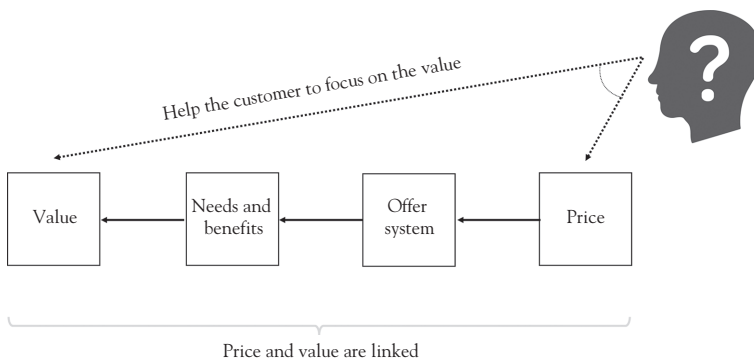


Figure 5.3 Price–value diagram

in them the certainty that they have made a successful purchase. In our personal and professional experience, we have often noticed how negotiations break down as soon as the price is stated, or more precisely, when the price is not properly stated.

In fact, many sellers do everything in their power to avoid stating the price, despite its importance. They happily present other information and emphasize all the characteristics of their product or service, but never say how much it will cost until the customers themselves—who have been thinking about this detail from the outset and have been vainly trying to get a glimpse of the price tag or price list—pluck up the courage to ask.

Beware: The seller must be the one to lead the negotiation and accompany his or her customers carefully and respectfully along the path that will enable them to find a solution to all their needs at the price agreed.

In Sales Ethics, the exchange between the dollar-product or dollar-service is transparent, fair, and satisfying for both parties; the customer and seller are not competing to gain divergent goals as suggested by the traditional economic theories.²²

The ethical salesperson exchanges value with her customers, not just money in exchange for objects or professional services. There is much more at stake in commercial relations seen in this way, and the price will not detract from such an exchange.

Very often, in fact, it is the seller and not the customer who is anxious about the price! Salespeople frequently fear the reaction they will get when they name the price and are afraid of finding themselves with their back against the wall, forced to fight a humiliating and destructive battle. This negative approach may lead sellers to behave perhaps unconsciously in such a way that this is what actually occurs. With sweaty palms and trembling voice the salesperson whispers the price while staring blankly into the distance.

Informing the customers about the price should actually be a natural part of the negotiation and must be managed with ease. We provide below a number of practical tips to deal with this phase effectively.

²² Remember that the objective of customers traditionally coincides with the maximization of their purchasing power (buying at the lowest price possible) while the sellers' corresponds to the maximization of profit (to sell at the highest price).

- **Give the information in a neutral way:** In response to the simple question, “How much does it cost?” most of us will have at least once received a reply like “Eh, um, so, actually ... (sigh) this is rather expensive.” A seller who presents the price in this way should not be surprised if they then have to spend the rest of the time defending the value of their proposal! Give the precise price in a neutral way, speaking clearly, politely, and confidently. If you whisper, you give the impression that you are afraid of upsetting your customer. If you say, “It should be somewhere between \$50 and \$60” the customer will fix on the lower figure and it will be very difficult later to get anything higher. The price is a feature of your product or service; it is not a state secret or an embarrassing detail unless you are unconvinced of the value of what you are selling.²³
- **Choose the right moment to give the price:** If the price is presented at the *wrong time* you may jeopardize the sale. If you start your presentation by stating the price, customers are unlikely to listen to the rest of your presentation, and not knowing what it refers to exactly, they will be unable to evaluate it correctly.²⁴ On the other hand, if you leave the price until last, this will be the information that sticks in the customer’s mind. The ideal solution is to present the price embedded within your description of the offer’s benefits. If you find it useful, you can follow this model: present one or two features of your offer and the relative advantages, then give the price and then go on to present other benefits, along with a sample of the product or with an experience

²³ Frequently the salesperson’s fear conceals not only the fear of a conflict of interest with the customer, but finding himself or herself victim of an identity conflict. If you, like the customer, are asking yourself “Is this product worth the asking price?” perhaps you should take a moment to think about your idea of value and compare it with that expressed by what you sell and draw the necessary conclusions.

²⁴ In fact, the *information asymmetry* has not been resolved.

that leaves a positive impression in your customer's mind. We saw this method applied successfully by a team of street acrobats performing near our house in Boston: In the middle of their show, when the audience's emotional tension was at its peak, the leader of the group passed the hat round while exalting the commitment and courage needed to prepare such a demanding act. At that point, we all felt involved in what was happening and happily handed over some well-deserved dollars, secure in the knowledge that there was a real exchange of value. The artists traded their fearless expertise in exchange for our emotion and awe. The performance ended with a double somersault over four spectators squatting in the front row, amid riotous applause. If your approach to communicating the price is professional, customers will decide clearly and calmly to pay the money required in exchange for the value that you are able to create for them.

- **Present alternative prices in the proper order:** It is better to avoid the question "How much were you thinking of spending?" especially at the beginning of the negotiation as it will focus customers only on the economic aspects of the negotiation and not on the true value of your offer. If you have a range of offers that would meet the customers' needs, or you need to know what their budget is, there are two possible approaches: Present a mid-range price so you can go up or down depending on the customer's reaction. Alternatively, you could present the most expensive solution and come down until you agree on an acceptable price.²⁵
- **Connect the price to the intangible components of your offer:** Frequently, a seller's lack of confidence in what they are

²⁵ The use of this technique is also linked to the concept of the purchaser's *reserve price*, that is, the maximum price they are willing to pay to satisfy their need. If you start at the top and go down you can gauge the customer's reaction to discover what this figure is. This allows you to maximize the economic value of the sale while respecting the customer's spending limit.

offering emerges when they present the price. Many of our colleagues have difficulty in presenting their quote because they are not convinced that their offer is worth that price. In our experience, this generally happens because the salesperson is considering only the material aspects of the offer system, and is unable to quantify in economic terms the rest of the elements that comprise the whole. This is especially true for those who work in areas related to creativity, communication, art, or entertainment. Bear in mind that in this case the price–value relationship is closer and if we only take into consideration the *material output* we might risk finding ourselves with a dearth of arguments when bargaining. Remember that in this sector, especially, the price is based overwhelmingly on the intangible elements of the offer. Any price calculated purely on the basis of the (few) material elements risks devaluating our proposal.²⁶ For example, the *material output* of a one-hour counseling session would amount to a brief chat with the client. If we were to evaluate the time only, then the many years of training and the experience condensed in that short meeting would be neither recognized nor rewarded and neither would the benefits accruing to the client.

Manage Requests for Discount in an Ethical Way

Given that the marketing strategies of most companies include *discount policies* based on various parameters, such as quantities purchased, customer types, or seasonal demand, it felt right to dedicate an entire section to this topic.

²⁶ It is interesting to recall that the concept of artists being paid for their intellectual rather than manual labor was established in Renaissance Italy. As early as the 14th century, figures such as Giotto were no longer considered artisans but artists and were paid for the intangible value of their work. The challenge for the ethical salesperson is to incorporate and assess the intangible components of the exchange in the value.

Discount is sometimes important enough to take on a central role in an offer, as though it were not actually our products and our services being offered to customers but the discount itself. Discount is also often the most effective (and swiftest) weapon in the battle against competitors!

“I’ll give you a further 5 percent discount on my competitor’s price if you buy from me” is a phrase that many sellers use more or less directly. However, you should ask yourself what you gain from this method in the medium to long term. Does the market in which we operate really require such an approach or are we, as W. Brian Arthur argues, merely impoverishing our relationships and causing the sector to shrink?

The preceding pages will have provided you with the knowledge to answer these questions, so we now wish to propose a valid approach to those times when you find yourself faced with customers who are set on obtaining discount and only intend to make a purchase if they obtain it. There are at least three pitfalls involved in ceding discount lightly, some of which have already been mentioned, but it is useful to summarize them here:

- Generally, the price embodies the value of the entire offer system. If you lower the price for no reason then the whole system is devalued, yourself included;
- If you lower your initial price you give the impression of having purposely inflated it beforehand, and hence of having deceived your customer;
- From the moment you give discount, you are basing the whole trade relationship on purely economic terms. The more purchases your customer makes the more discounts you will be obliged to concede and you will soon find yourself in the situation that W. Brian Arthur would describe as that of *decreasing returns*.

Of course, discount can sometimes be a problem solver: When we have failed to establish a good relationship with the customer or something goes wrong during the bargaining, it can kick-start a stalled negotiation. The result will probably be good that one time, but Ethical Salespeople know that selling is a process that unfolds over a longer period and that relationships, like success, should be measured in the medium to long

term. They know that customers who are *forced* to buy through discount are unlikely to be loyal.

We also want to warn you against thoughts like “I’ll sell myself down a little today, then I can push the price up tomorrow” or likewise, “I can give a discount to convince the customer to make the first purchase, but then I will make it up in subsequent sales.” Trust us; once your worth has been linked to a particular quote it will be very difficult, if not impossible, to persuade someone to accept a higher price. “Why should I pay more for the same thing now?” the customer will rightly ask. Once you have adopted a competitive strategy based on *decreasing returns*, it will be difficult to chart a different course.

If you are faced with customers who want to strike a deal based on the price at all costs, or whose pride would suffer if they were to close the deal without securing any discount, choose to throw in a gift or add an additional service, but do not change the price! This approach will leave the perceived value intact while satisfying your *hard-bargaining* customer.

Stay focused on the value you are offering, underline the benefits for the customer and stick fearlessly to your price. We will give you some further tips on this topic in the next phase, and help you find out how to tackle customers who exclaim, “It’s too expensive!”

Exercises

- **Do you know how to present the price?** Using the benefits of the product or service that you identified in the last exercise, prepare a presentation of the price using the following pattern:
 1. One or two benefits
 2. Price
 3. Further benefits
- **Can you manage requests for discount?** Now consider what extra you might offer to a customer demanding discount (free samples, quantity, services) instead of discount itself.

Phase 4—Ethically Managing Resistance and Objections

The Objectives of This Step

- To enter ring 5 of the circle of trust
- To strengthen the link between the seller's idea of value and that of the customer
- To resolve any remaining information asymmetries and lay the foundations for customer loyalty and positive word of mouth
- To pass the customer's *test of trust*
- To turn the customer's doubts into opportunities

Once again, Renato has used the suggestions given, and presented his offer by connecting its value to the real needs of his customer. Yet the customer is not convinced, and insists on raising “annoying” objections. Renato initially feels almost offended by his customer's doubts, and in any case considers it a waste of time to provide further explanations. He's tempted to argue his points vehemently, but he read somewhere that “the customer is always right” so he gradually convinces himself that this is not the best tactic if he wants to maintain the relationship. However, the most worrying objection from this customer is “I think you are asking too high a price.” Renato, in fact, believes that his customer is partially right: Why indeed should anyone pay more for Joy Motor's products? Again, we will help him out.

Once your customers have heard the presentation you put together based on the needs that emerged in the analysis phase, they will react in one of three ways:

- They will have a positive reaction: “I like the house, it has a great yard!”
- They will ask further questions: “How soon can you make delivery?” “Will it shrink in hot water?”
- They will come up with actual objections: “Are you really certain this brand is reliable?” “A colleague of mine said this model has given him a whole lot of problems!”

Comments, questions, and objections²⁷ are all good signs as they indicate that your customers are seriously considering what you said and are trying to gain a better understanding of your offer. Now is the time to reassure them about the choice they are about to make.

First, you must realize that not all objections are *real* objections; often they are just excuses that customers use to conceal an unspoken fear. They may be accountable to another person for the choice they make—“What am I going to tell my boss if I buy this printer?”—or maybe the purchase goes against deeply held personal values—“I would like the purse, but having a designer label like this might be embarrassing when I do my volunteer work”—or they feel awkward about justifying the expense—“How will I explain to my wife that I spent so much?” In all these cases, your customers want to make the purchase but something *outside* their desire is bothering them and they are making a more or less direct plea for help to overcome the obstacle; you are being asked to fight alongside them as an ally. You, as an ethical seller, must now get involved in the process of defending their choice, by providing valid arguments and being ready to aid them (even to the extent of accompanying them physically) when they have to explain their reasons.

Another trap that we sellers often fall into is mistaking a simple question for an objection. “Is it true this car consumes a lot of fuel?” is nothing more than a question. The form of the question may make it sound like an objection, but simply provide a neutral response and avoid any irritation in your reaction.

Sometimes, on the other hand, customers make serious objections that are a true expression of confusion or doubt; we must underline here that our conception of Sales Ethics is based on open exchange and free

²⁷ You could find yourself having to deal with comments, questions, or objections at any time during the negotiation. For your convenience, we have grouped the discussion of this sensitive issue in the phase after the presentation of the offer, because it is here that you will most commonly find yourself dealing with a customer who is puzzled or worried. The description remains valid even if the *test of trust* that an objection implies would have to be addressed by the seller at an earlier or later stage.

debate, requiring respect for all positions, and that the aim is to reach a genuinely shared agreement. Hence, sellers should not fear objections. It is much more worrying if customers stare at you without uttering a word as these are the ones who are most likely to conclude the conversation with: “I’ll think about it, and I’ll let you know” or “I’ll come back later” and then disappear forever. We will discuss this type of customer below, but for now let us focus on direct objections.

When customers tell you they do not agree with your opinions or arguments, implicitly they are saying “Give me a reason to believe” or “explain this concept clearly because otherwise I do not understand.” You can therefore use objections to further enhance your proposal, allowing your customers to prompt you into presenting your offer in the best way.

Objections must always be dealt with and resolved by working through them methodically with your customers, using your in-depth knowledge of your product or service. Maintain a positive attitude throughout, safe in the knowledge that objections are, in fact, an actual *test* that your customers put you through to check motivation, skills, and abilities, before placing their full trust in you.

Overcoming the Tests of Trust

A generally effective method for passing the *test of trust* involves three actions, namely listening, acceptance, and response, organized in the following way:

- *Listen* actively to understand what the customer is saying while adopting an open and neutral attitude and maintaining empathy while avoiding prejudice or expressions of disapproval such as “That’s really rather silly!”
- Make them feel *accepted* and understood through both your body language and your eye contact. You can even verbalize this by saying, “I understand what you’re getting at,” “I thought the same thing.”
- *Respond* by emphasizing the features and benefits that can resolve customers’ doubts; present the unique and special

features of your offer that may appear as defects if not effectively explained.²⁸

Following is an example of how you may apply this model:

- The customer expresses an objection: “I heard your watches aren’t waterproof; I do a lot of sport and outdoor activities and I’m always in a rush, so taking off my watch every time I shower is a hassle.”
- The seller accepts the objection without arguing: “I understand—the watch must be water-resistant and practical. Do you use more than one watch?”
- The answer provides more information: “Yes, and I like changing them frequently and buying new ones.”
- The seller then responds to the objection by highlighting features and benefits: “The watch case is sealed with a technique that ensures it is actually water-resistant up to 1 meter, so you can keep it on in the shower or when you have a bath.”
- Alternatively—if you have no other choice—turn the limitation into a feature: “Our watches are crafted with a traditional technique that means they are reliable and elegant; they only require that little extra precaution of taking them off before entering water.”

If you want to be ready to handle the situation with clarity and confidence, it is useful to prepare for the most common objections. Competence enables you to face this phase in your sale with a natural firmness that reassures the customer by signaling your expertise. Where possible, it is very effective to offer practical demonstrations. For example, if a customer is concerned that the sofa fabric is not waterproof, show them what

²⁸ You should remember here that what the customer is looking for in the relationship with you and your offer is not perfection but truth and frankness in the exchange; a flaw can actually be a feature that makes your solution different, original, and credible. You are presenting a proposal in a context where nothing and no one is free from imperfections.

happens by throwing a glass of water on to it; if they are unconvinced that the product was made in Italy, let them look at the trademark label; or show them where it was produced. If you put together websites and the customer needs to understand how they are designed, bring along demo work or invite them to visit the agency and talk them through the various stages of website production.

Apart from using a logical and rational approach, you must recall the purchasing motivations revealed during the investigation phase. In the short dialogue earlier, where our hypothetical buyer underlined *practicality* and *speed*, it would be superfluous, and perhaps misleading, to point out that “the special way it is crafted means the watch will last over 20 years,” especially because the customer specified that he liked to change his style of watch over time.

Underlining the unique characteristics that set our offer apart, as we did in the last sentence of the example, is extremely important to inform your prospects of the less obvious aspects of your offer, so they can fully appreciate the benefits and the special nature of the product or service you are proposing. In the example, we could build on the fact that this customer likes changing his watches frequently by adding “A watch like this, if well looked after, is an investment as it will keep its market value if you decide to change it.”

We have personally met with quite a number of sellers who are not able to exploit the unique features and benefits of their offer, and even misrepresent them as defects in the eyes of the customer. While working for a well-known motorcycle producer, the manufacturer of the only scooter still built with a metal body, we found salespeople were often at a loss when customers objected, “Why don’t you build plastic scooters like all the other producers and offer a lower price?” A question like this provides the perfect opportunity to argue the unique value of the company’s product: greater durability, greater safety in accidents, easier maintenance, and a sturdy frame that resists bending and ensures improved dynamics, and so on. All qualities that should certainly help customers to appreciate the value of making this particular purchase.

Objections must be handled in a relaxed and collaborative way; it is not a matter of attack and counterattack. Yet very often this stage becomes a battle of words—“I don’t agree,” “I think you’re wrong,” “That’s not

true,” That’s impossible.” Let us remember, however, that every encounter of this sort causes damage to both parties. If the seller manages to prove what the customer is saying is nonsense, it will be a bitter victory, as the potential customer will feel offended and humiliated and most likely lose interest in the exchange. On the other hand, if the customer *wins* by demonstrating the inadequacy and incompetence of the seller, the exchange will end in any case. Who would buy from someone who fails to instill confidence?

You must therefore aim for a *shared victory*, which generates value for both parties: The goal is not to prove who is wrong or who is right, but to merge the elements that you and your customers are seeking during the bargaining by making sure that they do not conflict but rather support each other. If you both win, you will make your sale and the customers will satisfy their needs!

Every action before, during, and after the negotiation should lead to mutual satisfaction.

In the light of this new awareness, the oft-quoted motto “the customer is always right” is demonstrably anachronistic. Sales Ethics does, in fact, aim to move beyond this precept to enable you to transform it into an objective that is really useful. Of course, it’s impossible that customers are always right and there is no point humoring them when we think that they are talking nonsense. It is mistaken to be either overcondescending or choose flattery over truth and clarity during a negotiation. We suggest that the motto should be reworked to remind you what your aims are throughout the relationship: “The customer is always right at the center of my work.”

Let’s take a look at a model for managing transactions when the salesperson has one opinion (A) while the customer is convinced of another (B):

- The salesperson listens carefully to the customer’s argument to find the *least common denominator* (C) which is a point that opinions A and B have in common.
- The salesperson gives weight to the customer’s opinion by focusing on common point C.
- The salesperson connects point C to their own opinion A.

- Thanks to the transitive property, opinion A becomes acceptable to the customer (syllogism technique).
- When the customer receives and accepts the agreement, the salesperson remains silent while maintaining eye contact.

In this way, you can maintain a good relationship while opening up a range of opportunities and solutions that the customer had not considered in the initial phase, or which were causing concern or resistance. Objections can actually be useful to strengthen and disclose the process of building your common value. They will allow you to demonstrate to the customer that your goals do not conflict with theirs.

Let's imagine that Renato has presented a car to a customer who then objects, "I know this model is manufactured in Poland not in Italy and I've heard their assembly lines are not so reliable" (opinion B). Instead of contradicting the customer, "You're wrong about that—the level of production in our Polish factories is actually just as good, if not better than the work done in Italy," (opinion A), he takes note of the customer's opinion to emphasize what they have in common "You're right, in fact, this model is manufactured in Poland" (lowest common denominator C). At this point though Renato follows up this statement by connecting it to his initial opinion adding "But, in fact, our factories in Poland are managed by highly qualified engineers and the quality of the products is at least as high as those assembled in Italy, if not higher as you can see for yourself." Renato will then leave the customer time to reflect and verify the information, as he knows what he's saying is true. This approach will have provided his customer with a further reason to make the purchase.

When the customer interrupts your presentation with a question or objection, you should take it into account and adapt your strategy by providing an appropriate response. If you go on talking and ignore the request or pretend you haven't heard, your prospect might interrupt you again for an explanation or say nothing but fume inwardly because they think you are either not listening or you have no answer.

If the objection crops while you are in the initial stage of the presentation (and have not yet given any information to support your explanation), you can reassure the customer that you will deal with that point as

soon as you have explained some important details that will clarify the query.

Two objections, however, undermine any negotiation, “It’s too expensive” and “I’ll think about it.” These come up so frequently that they each merit a specific section where we will analyze the reasons they occur and suggest how to tackle and resolve them.

“It’s Too Expensive”

If, despite all your efforts to present the offer clearly in relation to the price, the customer cuts you off with the words “It’s too expensive!” you must investigate to find out the reason behind this statement. Our experience tells us that it will be for one of the four following reasons:

1. Limited economic resources (the product costs \$100 and the customer has \$80 to spend)
2. The price is higher than that initially budgeted for the purchase (the product costs \$100, the customer has \$100 but wanted to spend \$80)
3. The value perceived by the customer is less than the asking price
4. A competitor has offered them the *same thing* at a lower price.

How do you find out what the situation is? By asking questions!

Avoid interrogation techniques with aggressive questions like “Too expensive compared to what?” We suggest you choose a softer and more ethical approach, such as “Do you think the price is too high for what you are getting?”

Listen carefully to the prospect’s answer and then calibrate your presentation accordingly. Following are four possible answers that the customer may give when asked to explain; as you will see each of them provides us with the information necessary to continue the negotiation:

1. “No, it’s a good offer but I can only afford \$80.” If this is the customer’s answer your only option is to check if there’s a cheaper alternative in your product range that will still satisfy the customer’s fundamental needs.

2. “No, but I only wanted to spend \$80.” In this case you must stick to your price and underline the value of your offer, while reiterating the benefits it will bring.
3. “Yes, actually I do.” If the customer clearly states that, in their opinion, the value does not warrant the price, you will have to explain your offer in detail. Possibly, you have failed to present the elements of your offer system adequately and left information asymmetries. Sum up the features and benefits and utilize the customer’s purchasing motivations. You should also bear in mind the price–value diagram we provided earlier.
4. “Firm X offered me the same thing at \$90.” Go through this with your customer: Are you sure it was the same? Even very similar offers will entail differences between one firm and another—it is highly unlikely that two competitors are offering exactly the same thing. You may have extra services or be an established company and the characteristics of your firm as well as your personal commitment contribute to making the difference. In the past, you yourself have probably bought from one supplier rather than another, just because they were more helpful or competent. Underline what is special about what you are offering your customers and what your strong points are, and remember to link these characteristics to the information you gathered while talking to this prospect in the analysis phase.

As we saw in the section on price presentation, when faced with an objection you must definitely avoid answering with a dismissive “All right, I can bring down the price.” You would give the impression of having artificially raised the price to cheat the customer. Moreover, this would devalue all your efforts up to that point, including not only your explanations but also you, as you are an integral part of the offer system.

But what should you do if you think that your product is actually expensive and the price is too high compared to the quality? Every so often, during our classes, when we have finished presenting the arguments in favor of Sales Ethics, someone asks, “That’s all very fine, but in my case I’m selling something that really is overpriced, so how can I apply anything you’ve taught?” In order to be an ethical salesperson, you must first resolve any identity conflicts within yourself and regarding what you

sell. If you think your product or service is a rip-off you should not be going around trying to sell it! But don't forget, we also said that acting ethically means taking your share of responsibility. We also noted that most objections made by customers regarding the price are due to information asymmetries. Think again—are you still sure your offer is overpriced or are you too lacking in information? Are you sure you cannot do anything to present the price as justified? If the answer is *no* or even “I'm not going to try and trick folks with half-truths” then act accordingly and change what you sell. Find an offer system in which you believe.

“I'll Think About It”

This objection, which could equally take the form of “I have to talk to my wife, husband, or boss,” is very delicate, because (unlike an objection to the price) it means you have retreated a step in the circle of trust. The good news is that it is mostly due to your bargaining work, so you can resolve the situation by going back to the early stages of the sale and carrying them out more effectively.

When the customer says, “I'll think about it.” they are signaling that you are not in harmony and that you have failed to figure out what they need and what their purchasing motivations are. You have not succeeded in communicating the benefits and advantages they will receive by taking up our offer. In other words, you have not provided enough logical reasons and emotional drive (trust, confidence, enthusiasm) for a purchase!²⁹

If you suspend the negotiation without reaching any sort of agreement in the meantime, there may be two negative outcomes:

- The customer will forget both you and your offer.
- The customer will meet a more effective salesperson, or simply one who is in the right place at the right time, and will close the deal.

²⁹ If your customer cannot decide without seeking someone else's permission, maybe you were wrong to consider that person as your real prospect! The phases of analysis and passing the *filter* should permit you to identify the decision maker. In this case, you have to go back to identify the name needed to close the deal.

How can you avoid this?

If the customer gives you a chance, go back to the investigation stage. Perhaps you failed to convince the prospect because you missed some crucial detail or did not notice a deeper buying motivation. You are still in time for a last ditch attempt, like “While we’re here, I’d like to ask you something to understand”

The situation changes if you are dealing with customers who prefer to meet more than once or need to involve a third person or simply want to evaluate a range of options. How should you deal with these? Here is a list of useful tips:

- Agenda another appointment for a face-to-face meeting or even by phone to conclude the negotiation, and ask the customer to commit to a definitive answer on that occasion. If you agree to hear from each other by phone, ensure you are the one calling so that you are actively leading the negotiation. Underline your trustworthiness by calling punctually on the date you set.
- Request that the influencer be present at your next encounter,³⁰ whoever it is (owner, spouse, superior). Remember that no one can sell your product better than you so don’t delegate to someone else. At the next meeting remember to start from Phase 1 again so that you get to know and understand the decision maker you are now dealing with, but do not neglect or ignore your former contact.³¹
- Let your customer know that you are keeping the offer on hold for them and will wait before proposing it to someone

³⁰ To achieve this reread the section on “Finding and Meeting New Customers” dedicated to getting past the filter.

³¹ If the person you first talked to is convinced about the purchase, involve them as an ally in the search for arguments. Be careful though, it may be that the newcomer does not consider this person’s opinion relevant or may even deliberately behave in a different way. Take a little time to examine the relationship between the two before deciding which strategy to use. Open-ended questions such as “Could you explain the relationship between your roles?” may help you understand.

else and set a date when you will hear from each other for confirmation. Once again, state that you will be the one to call. For example, you could say, “I’m putting this car aside to make sure the model, color, and accessories you requested are available. I’ll call you 9 a.m. Thursday to complete the purchase.”

This stage is very tricky. Frequently the salesperson’s fear of receiving a refusal as they go to close the deal causes them to slow down the negotiation (we will analyze this fear in the next phase). Sometimes the salesperson may even plunge in with kamikaze phrases like “Would you like to think it over?” which only serves to create greater confusion in the customer’s mind rather than provide help.

Exercise

- **Can you handle the most common objections?** Make a list of the main objections you hear. How can you reply to them by using your customer’s opinion to back up your explanations? Prepare your answer based on the *listen-receive-reply* model.

Phase 5—Closing the Deal in a Natural and Ethical Way

The Objectives of This Step:

- To move beyond ring 5 of the circle of trust
- To transmit confidence to the customer and resolve any conflict or fear
- To create a long-lasting relationship and encourage positive word of mouth thanks to *incremental negotiation*
- To bond the customer to the positivity of the exchange and value generated

Renato was able to overcome his customer's objections successfully by finding an agreement that has strengthened their mutual trust. Everything would be going swimmingly, were it not for the fact that he and his customer are failing to come to the point where a purchase is imminent. Renato is concerned that the positive relationship he's established may be ruined when he attempts to close the deal. He is also afraid the customer will say "no" and is anxious that all the good work done so far may come to nothing. He would then have to justify the outcome to his boss and colleagues. He knows he has to close the deal, but does not want to do it by applying too much pressure or showing just how important the sale is for him. How can Sales Ethics help?

The closing of the deal is the natural and happy consequence of a series of actions that start with building a good relationship and peak with the presentation of a carefully crafted offer tailored to the motivations and needs of a customer thanks to the work in the preceding phases.

When the customer has fully understood the value of your product or service, realized how he can use it to improve his work or his life, and resolved all his doubts and uncertainties, the time has come to close the sale!

Many sales remain suspended or are even lost because the salesperson is reluctant to close the deal and hesitates just within reach of the finishing line. Their fears and uncertainties take over and they falter before passing the last and perhaps most difficult test with the customer. The first sale is undoubtedly like a sort of final exam that your customer puts you

through, as though they were saying “OK, I’ll trust you this time, but don’t let me down.”

The purchase is the moment that every salesperson awaits with trepidation. Inside Renato’s mind, and that of his colleagues, this stage of the negotiation represents a decisive goal, where they are ready to go *all in* to resolve any conflict of interest³² between themselves and their customer.

If you have followed the tips we’ve given throughout the book, however, you should have figured out that not only do your goals and those of your customer are not on conflict, they actually support each other. It should also be clear that the moment of purchase—albeit essential—is the sum of the entire relationship between you and your customer, which will continue even after this stage whether it ends happily with a purchase, or if your customer decides not to buy this time. Stay calm and remember that the salesperson leads the negotiation and that your professional expertise lies in your ability to reach a deal with determination and naturalness.

Practice and experience will hone your skills and permit you to pace the negotiation so you know when it is the right moment to ask the fateful question “Would you like to buy it now?” You must be careful not to attempt to close the deal too early and seem aggressive, but equally do not put it off too long or you risk losing your customer’s attention.

You will have to become a bit like the expert Italian chef who knows just when it’s time to *drain* the spaghetti so it is neither too hard nor soggy! Fortunately, there are tools to help even novice cooks: You can consult the cooking time on the box; you have a timer and can give it a taste. Even the most inexperienced salesperson may rely on some signs they will pick up through observation.

Sometimes the deal goes so smoothly that the customers themselves say, “Well, I’ll take 100” or “OK, I want to do this course with my

³² In fact, the fifth phase is the moment when both the conflict of interest with the customer and the salesperson’s identity conflict may resurface. If you are not respecting your *idea of personal value* you will have little motivation to successfully close the deal; indeed, in some cases we subconsciously do not want to sell, and boycott ourselves! If they have to choose between economic gain and self-respect, many salespeople choose the latter.

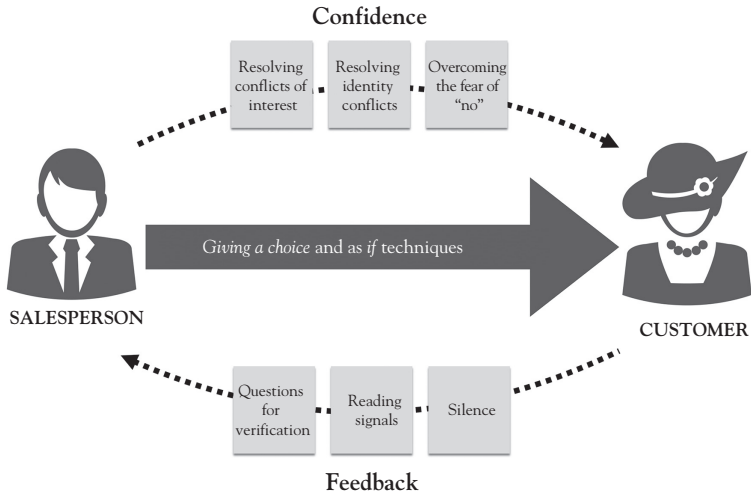


Figure 5.4 Finalizing the deal

coworkers—when do we begin?” Other times you will have to clearly ask the question “Do you want to place an order?” or “Shall I take your goods to the checkout counter?” before you finally hear the customer say “Yes!”

The guidelines and suggestions that follow can be used to help you ethically manage the last stage of the sale. Figure 5.4 will help you to frame the key concepts more clearly.

Transmit Confidence

The customer also realizes that the negotiation has reached a crucial stage!

A series of doubts and hesitations are lingering in their head, “Am I making the right choice?” “Is this really what I need?” and even “Why does the salesperson want me to buy this particular product? “Is it in my interest or theirs?”

It is your professional ability to stay focused and transmit confidence that convinces them of the validity of their decision, and helps them overcome the perceived conflict of interest. Words, however, are not enough, you must back them up by maintaining a helpful and patient attitude and using a reassuring tone of voice and don’t forget to look your customer in the eye.

A customer who is hesitant and uncertain must absorb your confidence (confidence you have gained thanks to resolving any personal identity conflict) and be aided in their decision.

Any choice is difficult—it implies giving up one thing for something else and taking on responsibility. It is therefore a challenging process, as mentally we prefer things to accrue and find it stressful to give something up or initiate changes that upset the status quo.

In this phase, you must align your idea of the value with that of your customers so you have no anxiety when dealing with them. You'll have to abandon the idea of selling as a competitive performance between two opponents contending to maximize their own advantage, and remember that unless you create value for each other your goals remain unfulfilled. Let's get down to the nitty-gritty and see how to tackle the three biggest obstacles to confidence: identity conflicts, conflicts of interest, and the fear of getting a *no*.

- **Solving identity conflicts:** It is now useful to go back to the list you drew up at the start of the book, when we asked you to make a list of the things you look for in the exchange with your customer. How many of your personal goals have you already achieved at this point? Again, bear in mind that a sale is much more than an exchange of *material things*. Moreover, if you are to transmit the confidence that your customers need to resolve on a purchase, your goals and actions must be consistent with your values: You must first respect yourself if you are to bring value to another. It's time to express, not hide, your *humanity* and demonstrate your talents to the people with whom you interact without fear of judgment. Sales involve, above all, people-to-people relationships even if the context is professional.
- **Solving conflicts of interest:** Have you really understood what benefit your customers want to obtain from the purchase? Will your offer system provide that benefit? You've probably figured out that the person in front of you is not only seeking *the best price* but also much more besides. If you notice that your prospect still suspects you and keeps

wondering what your *real* goals are, state them clearly. This will be the chance for customers to understand that your objectives are not in conflict with their own. “Why do you want to convince me to buy this very expensive product?” is a question you can safely answer with, “Because I want you to be completely satisfied and to come back and buy from us again. From the analysis of your needs I concluded that this is the right product for you and I’m sure you will thank me for this choice.” Your goal is not just to earn a profit, but also to satisfy your customers and maintain your relationship over time, two things you will have in common!

- **Overcoming your fear of getting a “no”**—Many salespeople experience a deep and irrational fear of performance in their work. They are so afraid of receiving a *no* that they avoid pressing on to close the sale. When the customer says no, this is not an attack or refusal of you as a person; the *no* is not an absolute failure, just as a *yes* does not provide the consecration or confirmation of your infallibility. Any ethical salesperson must expect there to be times when the customer refuses their offer. Sometimes—despite your excellent work in grounding the relationship, properly analyzing needs, capably presenting arguments, and providing the right answers to objections—the customer does not accept the proposal. The reasons for this may be varied. Perhaps they have no immediate use for your proposal or wish to prioritize other purchases, or maybe it’s just not the right time. Your relationship with the customer is not necessarily over and, as we shall see in the next chapter, after a nonclosure, it is crucial to analyze systematically the different stages you went through in order to identify what happened and what you could have done better. Remember also, how much value you have *earned* from the exchange: You have acquired information, received confirmation of your skills and knowledge, and laid the foundation of a good relationship. Ethical Salespeople are brave and intelligent and can consider both success and failure in a healthy perspective. They have the strength to let a sale

go, because they know that a forced win can be worse than an apparent defeat, as in time this may assure the *victory* in the final round.

The Final Agreement

We will now present two of the most effective techniques for getting a *yes*, ferrying your customers toward the satisfaction of their needs, and permitting them to pocket the value generated by the exchange. These techniques are the *propulsion* you should give to your customers to overcome, in their own interest, any lingering concerns or uncertainties.

- **The *as if* technique:** This involves leading the conversation with the customer as if they had already accepted your offer and focusing on what will happen after, in order to better understand the real value created. You can provide a foretaste of the consumer experience by helping the customer imagine they are already enjoying the benefits, for example, “Do you think you’ll take a trip in your new car straight away?” “Where are you thinking of going?” This technique can also work indirectly when the customers themselves ask details regarding after-sales services. Should this happen, you would be delighted to realize that, in their head, your customers have already decided to buy and are seeking further reassurance before giving a firm *yes*.
- **The *giving a choice* technique:** This technique helps undecided customers, who are struggling to choose, to make the right decision to satisfy their needs. It is based on the assumption that when the mind is faced with two options, it is more likely to choose one of two rather than reject them both. You may thus propose two alternatives to your customers, both of which will ensure benefits for them, to facilitate their choice: “Do you prefer a manual or automatic model? “Are you considering leasing or a long-term loan?” This is equally valid when you are trying to set up a meeting with a prospect over the phone: The most effective technique is to assume they will

meet you and are aware that this will benefit them (as you are planning an encounter to find out how *you* can help *them*). Once again, provide two options when deciding a date for your meeting: “I can pass by either Monday or Tuesday next week, which suits you best?”

Collecting Feedback

While you are busy providing positive alternatives to your customers and focusing their attention on the *after*-purchase by exuding confidence, do not forget to continue in your practice of, what we call, *active listening*. You still need some further tips on how to collect feedback from your customer who can indicate if the pace you set in the run-up to finalization was right or if instead you should slow down or even stop to resume the transaction later.

The feedback you receive might even reveal that you have to retreat to an earlier stage because you have partly misunderstood your customer’s needs and motivations. Following we provide the necessary tips to solicit, catch, and interpret the signals that customers give.

- **Ask questions to check:** Asking questions in the closing stages of the deal enables you to pursue a twofold objective: engage the customer and check that you are going the right way by making sure what you are saying is interesting or significant for them, “Is everything clear so far? “Do you like this color?” “Is this what you had in mind?” are all questions that enable you to receive input from your customer while directing your negotiating technique.
- **Read weak signals:** In the final stage, you must further hone your skills of observation because your customers will be sending out subtle but unmistakable signs that indicate if they are ready to complete the purchase. Here is a list of the most common ones:
 - They reflect without speaking.
 - They spontaneously repeat what you said, especially the benefits.
 - They ask for further information.

- They ask confirmation of the price and payment terms.
- They call on someone else to decide (a spouse, superior, or boss).
- They ask for delivery details, renewals, after-sales services, and so on.
- They pick up the contract or the product.

At this point, you must resist the temptation to further extoll the virtues of your offer and finalize the deal. The more you say at this stage the greater the risk of awakening doubts or objections in the mind of your new customer.

- **Manage the silence:** There is a moment in all negotiations that should be considered sacred—when the customer remains silent. This is the time when customers are going over and assessing what they have heard and assimilating or reorganizing their ideas to make a choice. Ethical Salespeople know how to manage and respect this pause for reflection. They remain calm and relaxed, giving the customer the necessary time to make up his mind. If it feels right, you may also decide to physically give your customer a little space, and if more than one person is involved clearly state, “I’ll leave you a minute to think about it together.” Novice salespeople tend to feel uncomfortable with silence and attempt to rush the deal through, or chatter on to fill the silence with inappropriate or superfluous comments that may give rise to additional objections or concerns. Instead, you should use the moments of silence to stay focused on the deal, review your conversation and exchange, and breathe easily as you prepare to close the deal successfully.

Final Tips to Adopt a Real “Sales Ethics Style”

Here are a last few tips for helping your negotiations to end well and leave your customer with a good feeling that will encourage them to stay in touch and to refer other customers to you. You want your customers to remember this purchase with real pleasure.

- **Take one small step at a time:** You may find yourself in conversation with new customers who, right from the analysis stage, show interest in making a major purchase: changing their business management software, putting the entire sales team in training, fully furnishing a new home, or, in the case of Renato, replacing the entire fleet of company cars! If you realize that the customer's needs are extensive but they are reluctant to confirm such an important purchase, you could suggest advancing by stages—perhaps proposing the more limited purchase of a single product or service from among those required. This first deal will give you the chance to get to know each other better and to prove your reliability; you can then build a broader relationship on these foundations. This is fundamental to creating a good reputation and references within your customer relationships and ensuring they strengthen over time. For example, we sometimes sell a first lesson or *pilot* counseling session so customers can experience the effectiveness of our methodology, and this then leads to the confirmation of a more significant training contract. Salespeople who gladly accept this approach to a large sale prove they have the courage of their convictions.
- **Adopt a style of incremental negotiation:** The perfect time to tip the balance in favor of your customer is when you are closing the deal. *Giving more* means investing in the relationship and thus committing your customer to reciprocate with loyalty and positive word of mouth. An additional service, final advice and a little extra attention, an unexpected gift, or just a few more minutes of your time will all serve to convince your customers further that they have made a profitable purchase. In addition, they will have acquired surplus value that they will feel committed to repaying over time. These actions will enhance your reputation so you can *distance negotiate* with these customers and other prospects in their network.
- **Do not drop your customer after the deal but secure the value:** Customers should receive confident support even after they have said “yes!” Compliment them on their decision and back this up with positive remarks such as “You’ll see you’ll be

happy with your choice.” Just as the initial presentation serves to prepare your customer to accept the exchange, in this final phase, as you prepare to go your separate ways, you should firmly bond the relationship so carefully constructed. This is why some retailers make sure you are given positive attention when paying, or eliminate the negative experience of having to stand in a queue at the checkout counter. You may have noticed that in *Apple* stores payment is always made directly to the sales clerk who received and served you, so you don’t have to queue up or suddenly find yourself abandoned by the person who has accompanied you through the sale. This ensures that customers feel pampered and the bond to the vendor is consolidated. So even after you have closed the deal take time to accompany your customers to the door, or pay a sincere compliment while smiling and remind them that you are at their disposal for any clarification. Make this moment gratifying and rewarding so that when your customers think back to your negotiations they will say, “That’s what I call a good salesperson!”

- **Give yourself an intermediate target:** It is not always possible to close the sale at the first meeting. There are negotiations that by their nature require a number of encounters: property sales, complex and customized equipment, industrial plants, automobiles. The important thing is to manage the relationship by aiming for clear and specific milestones and concluding every meeting with a follow-up appointment or a further action that will bring you closer to the goal. For example:

Meeting #1: Get to know the prospect and discover their needs and motivations.

Meeting #2: Strengthen your acquaintance, find out which of your competitor’s products they use, who is the decision maker or the influencer in the firm or family.

Meeting #3: Present your project and the proposal or let the customer try out or see your offer.

Meeting #4: Define the details of your sales transaction and close the deal.

If you work in a complex sector, practice splitting your sales targets into phases as shown earlier. The exercise will help you work through each meeting with greater clarity and peace of mind.

- **Be consistent with your style of Sales Ethics:** If all goes according to plan, it will not be difficult to remain faithful to the suggestions we have set out in this book, but how do you behave if, despite all your efforts, the customer decides not to buy? As we shall see in the next phase, you can analyze the experience to learn something useful for the future; but in the meantime, we advise you not to become discouraged, or lose your calm in front of the customer. The behavior you adopt when faced with a *no* will serve to underline just how adept you are in the ancient and noble art of selling. Stay focused on the positive elements of the experience, and remember that you are dealing with another person with their own particular needs, concerns, and difficulties. Speak to the human being in front of you, even if the exchange with that person as a customer has broken down, and maintain a good relationship so they go away with the feeling that a positive exchange has taken place. Direct their attention to the positive elements of your shared experience, whether this be an advice you have given or a help in making another purchase. As a good giver you can rest assured that you may well meet again, and this person will in any case speak highly of you, reinforcing your professional reputation and expanding your network of contacts.

Exercises

- **Can you finalize the deal using the *as if* technique?** Reflect on your offer system—what “as if” observations could stimulate your customer to focus on the after-sales stage? Draw up as full a list as possible.
- **Consolidate the value.** Think about the moment when the customer is leaving: What can you do to leave your customer with a pleasant image of you and a positive memory of the purchase?

Phase 6—Analyzing the Negotiation, and Managing After-Sales and the Relationship Over Time

The Objectives of This Step:

- To enter ring 6 of the circle of trust
- To perform a check-up on your competences and skills
- To verify and maintain customer satisfaction
- To gather data and information that improve your knowledge of the customer
- To plan a follow-up and ease the work of colleagues

Renato made his sale and secured an agreement for the supply of the entire corporate fleet to his customer. He's delighted, and is celebrating with his bosses and colleagues who have finally appreciated his qualities as a negotiator! In the midst of the celebrations, however, a logistics officer approaches him to tell him that, due to a shipping delay, the delivery date to the customer will have to be put back. Renato loses his temper and categorically refuses to call the customer or to take charge of the situation: "I'm a salesman and it's not up to me to resolve your shipping problems!" he shouts. Inwardly, however, he is worried about upsetting his customer, but he's also comforted by the idea that he has already secured the contract. "After all," he reasons, "it's not my fault and if he calls me I will state clearly that I can't be expected to answer for my colleague's incompetency." Renato does not yet know that this attitude will endanger his relationship. Moreover, he will lose much of the value that being ethical produces even after the sale. Let us help him change his approach.

It's over! Whether the order has been signed or the deal fell through, your efforts are now at an end. Yet can we ever say the word *end* where sales are concerned?

We don't think so. In fact, if you recall the diagram in Chapter 4 illustrating the different stages of Sales Ethics, you will find that to reach the inner level of the circle of trust (where the customer is proactive and comes back to make further purchases with no input from you or provides excellent referrals among her network of contacts) a further step is

required. You still have to invest some of your energy, expertise, and skills to after-sales.

What happens after the sale is important for at least two reasons: First, because it allows us to examine and analyze the recently concluded transaction in detail and to garner valuable information and knowledge, and second, because the relationship with the customer does not end with the purchase but continues far beyond.

Let's take things in their proper order starting from the first of these activities.

Analyzing the Transaction

An effective way to perform this particular analysis is to prepare an analytical grid of self-assessment. At the end of the chapter, we provide a useful model to do this, but you should adapt it to your own specific sector, the offer system and the type of customers you are targeting.

The analysis of the transaction is necessary to recognize what you did well—not only can you give yourself a pat on the back but this will also permit you to replicate this positive performance, as well as to identify the aspects where there is room for improvement. Be aware that even in a sale that ended with purchase, you can always find moments where you might have slipped up or revealed uncertainties or unresolved ethical dilemmas that indicate you should touch-up your negotiating technique. Similarly, when the sale fell through, you must not only identify the aspects that you handled badly, and which you will definitely want to avoid in the future, but also those that you managed well.

Generally, we fail to complete a deal successfully for two main reasons:

- **Reasons to be found within the negotiation:** We could define these as *mistakes* made or things that could have been done better. These are generally easy to identify when we look back through the different stages of the negotiation (see the exercise at the end of this chapter).
- **Reasons to be found outside the negotiation:** These depend on factors over which we have little or no control, as when a customer cannot afford the offer or is not the decision maker.

The former, especially, will provide you with a wealth of knowledge that your analysis will enable you to exploit. The biggest error when considering an *internal mistake* is to feel so discouraged that you trash the transaction and give up any hope of dealing further with the customer!

As Martin Luther King said, “the ultimate measure of a man is not where he stands in the moment of comfort and convenience, but where he stands at times of challenge and controversy.” We show our true qualities when the going gets tough. This is the time to roll up your shirtsleeves and get down to work!

Once you have realized what went wrong you could even decide to go back to the same customer, though you should judge carefully when and how the approach should best be handled. If, however, the deal was not concluded for external reasons, it is essential to stay in touch with the customer, so you can take up negotiations again if the hurdles are removed. If, despite not making a purchase, the customer was pleased with your relationship (and maybe this has been clearly stated) you may get referrals among other prospects belonging to their social network.

Whatever the outcome of the negotiation, if you try to find a deeper meaning or a positive element in every episode, this attitude will help you to stay motivated and fuel your self-respect, which is the first ethical act you must perform. At the beginning of *Sales Ethics*, we repeatedly emphasized the importance of nurturing your relationship with the customer, and of maintaining and enhancing your rapport over time. We believe that before you attempt to establish a positive connection and exchange with others, you must first build a good relationship with yourself, based on self-awareness and analysis, that allows you to accept and embrace your true self. The desire to reach a deeper understanding of ourselves, and to work to improve what we discover, is one of the most rewarding journeys of exploration that we can undertake. It requires commitment, humility, sincerity, and a readiness to lay yourself on the line. The rewards are a greater self-knowledge, improved relationships with others, and a positive attitude toward life. Without respect and awareness of our idea of value and our goals, we will never be able to overcome the identity conflict that hinders our sales transactions and limits our success.

Selling continually puts you to test and challenges you as both a professional and a human being; you will meet many people who are often very different from yourself and you will have to adapt to a variety of situations and changing circumstances. It is therefore essential that you fuel your motivation and optimism for a number of reasons:

- To transmit confidence, trust, and enthusiasm to your customers;
- To analyze events with a clear mind and identify solutions and alternatives; and
- To nurture an inner dialogue that is rich and proactive.

It is extremely challenging, however, to accept that we sometimes need to change something in our professional approach or methodology. Folks are generally afraid of change because a known quantity is reassuring, while innovation may be risky and requires commitment and flexibility. As the famous phrase attributed to Albert Einstein states, “If you do what you always did, you will get what you always got.”

We see Ethical Salespeople as people who are constantly evolving—change is their best ally. This does not mean they will never feel nervous or afraid; we are not talking about super heroes but women and men who are conscious of their undertaking and are ready to face up to their fear—people prepared to study, practice, and measure themselves against others and act responsibly and confidently. If we allow fear to guide us, or fail to take responsibility for the outcome of our actions, our world—not only professionally speaking—will shrink to a smaller and sadder place.

After-Sales—Promoting Customer Loyalty and Stimulating Word of Mouth

The aim of negotiations in Sales Ethics is to reach agreement in a manner that allows us to build shared value and a lasting relationship over time, encouraging customers to contact us again for further purchases, and provide referrals to other potential customers.

As we said at the beginning of this chapter, there are two further stages of the customer experience before and after the sale itself, which we have called phases of *exploration* and *management*.

Much of the value of the sale will be capitalized in the management phase that generally coincides with the postsales service. The value at this point includes not only the revenue received, but also the chance to build customer loyalty (regular customers) or to generate a positive reputation through positive word of mouth.

Repurchases and positive word of mouth are examples of behavior belonging to the inner circle of trust which we called *broader or rewarded trust*.

Once you have entered this ring, the customer is the one who promotes your commercial success.

What will actually convince the customer to adopt proactive behavior that will generate new business for you?

Customers will provide referrals if the transaction has fully satisfied their expectations and they feel appreciated, respected, and well served and their needs have been met. There is a team effort involved in achieving this end, as much will depend on the service of our colleagues who are responsible for delivery, payment, and after-sales assistance. Sales Ethics thus implies a group effort, with the customer at the center of a system of competences and skills that involves different staff. Your role as an ethical salesperson is to prepare, back up, and orchestrate the work of your colleagues.

This does not mean you have to personally make the deliveries or repair products you've sold—rather you will use your knowledge of a particular customer and your negotiation experience to help your colleagues offer the best possible service. After the sale, your work with the external customer switches to work with your internal clients (your colleagues) so that you work together to ensure the ultimate satisfaction of a customer that belongs to all of you.

The world we now live in has an abundance of opportunities and a customer may forget you, despite a satisfactory experience at their first purchase. Your job is to refresh your relationship with customers through regular small acts of attention that confirm and consolidate the customer's trust.

Let's go over some activities that can stimulate the relationship over time. Some you can carry out yourself, others require the help of a colleague:

- Advice and tips for installation, use, and maintenance of the product;
- Customer support: resolving concerns, further explanations for correct use;
- Verification of satisfaction;
- Quick resolution of misunderstandings or problems to avoid complaints;
- Handling complaints in such a way as to encourage loyalty;
- Verification of new requirements, paving the way for future sales;
- Updating customer information, regarding shifts or changes in their status;
- Updating customer information on new products and services;
- Involving the customer in promotional or marketing activities such as trade shows and campaigns;
- Remembering significant events in customers' lives, such as birthdays, anniversaries, or other; and
- Regular visits or phone calls.

As many marketing directors know, no promotional tool is more powerful than a satisfied customer because potential buyers trust direct feedback from other folks. If they are able to speak with someone who is not involved in an organization (i.e., with no personal reason to speak well of an offer system), a personal recommendation will be especially effective and greatly facilitate your first approach.

Positive word of mouth may need to be actively sought, with the salesperson providing an incentive: "Could you introduce me to ... ?" "If you bring a friend along to the next gym class I'll offer you a free sauna!"

Handling Complaints

Negative word of mouth, on the other hand, requires no incentive: A dissatisfied customer is like a time bomb waiting to explode.

Thanks to the ease with which information circulates on the Internet, through blogs and social networks, negative information spreads widely and swiftly and it has become much more difficult to control this over the last few years.

If you based your sale on giving more in relationship terms than what you physically received from the customer (thus adopting a style of incremental negotiation), you can be sure that a portion of this surplus will transform into enhanced reputation and will reach new markets and customers. Robert Cialdini's work³³ will help us to clarify this mechanism, as it underlines the impact that the *principle of social proof* has on building your credibility and on the onset of a customer's desire to purchase. Customer satisfaction is strongly linked to credibility, that is, the ability to deliver what you promise in the negotiation phase and, like a virtuous circle, credibility will depend on customer satisfaction. If your customers are satisfied by an exchange, they will speak positively about you and strengthen your reputation.

Any salesperson must therefore consider the protection of their image to be paramount; it should be based on integrity and professionalism and this is determined by your ability to instill trust in others.

How must you react if a dissatisfied customer complains?

The distinction between an ethical professional and an amateur is apparent in the way they handle dissatisfied customers and hence complaints. We are called on to demonstrate our real skills and expertise when we make mistakes and errors of evaluation, or when misunderstandings arise.

Customers who openly express their dissatisfaction, and tell you what's wrong in the relationship, are attracting your attention to themselves and doing so because they actually still have a degree of trust in

³³ Cialdini (2007).

your work; they are looking for a reason to confirm their expectations and trust you again!

Statistics confirm that on average only 4 percent of dissatisfied customers express their discontent, the remaining 96 percent will never return or will stop using your product-services for reasons you will never know, and you will be powerless to convince them of your worth or correct any errors. Moreover, the power of the word of mouth of a dissatisfied customer is three times higher than that of a satisfied customer because, as we know, bad news travels faster and wider.

You may now be wondering, “So if I acted correctly a hundred times and satisfied my customer’s expectations, can a single mistake put our relationship at stake?” The answer is “yes!”

The good news is that your chances of keeping the customer will depend less on the seriousness of the error, than on your ability to resolve it. Let us see some ways to regain trust.

First, the complaint must be dealt with regardless of the manner in which it reaches you, whether by phone, via e-mail, or in person. Frequently, a heavy workload or haste may lead you to underestimate or miss weak signals of dissatisfaction; this is a mistake to avoid because careful screening and attention to detail will enable you to nip a misunderstanding in the bud.

If the *complaint in progress* alarm comes on, you need to get ready to listen, and listen actively as we described in Phase 2. Your aim is to fully understand what the customer is trying to tell you. It is vital in this delicate phase to demonstrate that you are focusing your full attention on the customer; you can do this by maintaining eye contact (or verbally signaling understanding if you are on the phone) even when your interlocutor is upset or angry.

Concentrate on gaining a full understanding of the reasons for the complaint and avoid any distractions—if necessary, move to a more private or comfortable space.

Resist the temptation to reply until the customer has finished explaining their reasons, then ask more probing questions. Pay close attention to nonverbal language and tone of voice.

Once you have figured out precisely what the problem is, you must commit to finding a solution, avoid attempts at self-justification, or

harking back to better times in your relationship! Focus on the here and now, and what you intend to do from now on, and determine *who* will do *what* and *when* to resolve the complaint. In some cases, it may be useful and reassuring to share with your customer the *plan of attack* that you and your colleagues will put into operation.

Take responsibility for implementing the solution by involving as many other colleagues as necessary, but taking your own share of responsibility in managing it. The retort, “This problem has nothing to do with me, I’ll speak to my colleague” is one of the most annoying answers you can give if a customer comes to you with a problem. Even if you will not be directly involved in resolving the issue, tell the client “I will get in touch with our after-sales service immediately. As soon as our conversation is over, I will get in touch with my colleagues to find out the earliest date for resolving this problem. I’ll call you back later today and feel free to contact me for any further information.” Remember, the fact that you have committed to helping and resolving the issue will have a considerable impact on the customer, while a disinterested approach, or even worse, a dismissive or insolent attitude, would further worsen relationships.

Once the complaint has been resolved let the person know clearly and directly and make sure they are satisfied with the solution. If someone else is managing the problem, find a way to give your feedback to the customer. You are their point of contact and the custodian of their trust.

Satisfied customers are loyal customers—they are the ones that allow our businesses to flourish and us salespeople to prosper by demonstrating that ethics create concrete results. Yet, very often, we focus on the dispute and are caught up in trying to see who’s right or wrong and where the blame lies, losing sight of the real goal that is the creation of value.

Approaching Sales with the Right Frame of Mind

We started our journey through the different stages of a sale by underlining how the collective perception often associates the verb *sell* and the noun *seller* with feelings of suspicion and fear that provoke a cautious response and a feeling of skepticism when folks approach a purchase.

As we stated earlier, one of the goals of this book is to rehabilitate this noble profession and stress that there is an exchange of value between both parties involved in a sale.

We also intend to help resolve the identity conflict that aspiring sellers may develop, and which discourages many young people from joining a profession that is increasingly in demand and can offer excellent job opportunities.

Over the years, our consulting business has helped several cooperatives and NGOs, which are increasingly under pressure to contend with market logics, to tackle the sale of their products and services with renewed enthusiasm, by restoring dignity to an action that they considered rather distasteful as it traditionally aimed solely at maximizing profit. Many of these organizations can now appreciate the value of their offer as they realize that thanks to exchange on the market, they attract resources that in turn enable them to enhance their facilities and help others, creating shared prosperity.

By resolving our identity conflict, we can allow ourselves to be true to our emotions and to act accordingly, in line with our values—this in turn increases our chances of success. Our behavior in the market is only effective if it is genuine and sincere, and backed up by appropriate skills and expertise.

Bear in mind also that your customers, like you, have senses and a mind that consciously or unconsciously will tune in to the nonverbal signals you are sending. They will instinctively pick up on any inconsistency between the words you use, the way in which they are spoken, and your body language.

Customers and sellers are essentially women and men whose ways of acting and thinking are driven by emotions as well as rationality. Emotions are vital, but you must learn how to manage them to maximize your talents.

Research has shown that success is determined more by your EQ (emotional intelligence quotient) than your IQ (intelligence quotient). If you are aware of your own emotions and direct them to create empathy with others, you can establish successful relationships.

Emotions are contagious and we transmit them directly to our customers and hence reveal much about ourselves, including who we are,

why we are interacting with them, and to what extent we believe in our offer and our profession. That is why fear is the greatest enemy of any ethical salesperson and our most dangerous counselor! The fear of being judged, of not being accepted or listened to, of being uncompetitive and ultimately of failing to sell can be perceived by our customers in two ways:

- *Indecision and insecurity*—the sale becomes an uphill struggle
- *Aggression and arrogance*—we think we are perfect, blocking any possibility of evolution, and distancing ourselves from our customer.

Once you have solved your identity conflict, your emotions will find their natural place as an ethical salesperson: nervousness before meeting an important customer, the joy of closing a deal you've been working on for a long time, the adrenalin rush as you tackle a challenging negotiation. These emotions will provide impetus and confer authenticity and sincerity to your contact with the person with whom you are interacting.

We want to conclude by saying that there is no perfect time to launch yourself whole-heartedly into the wonderful profession of sales. There is no point in hoping you have learnt everything, read all the books and studied every type of customer. There will always be rivals to compete with, and surprises around the corner—there is no guarantee of success.

True Ethical Salespeople will have faced countless negotiations, met with hundreds of customers, and had the most unexpected experiences; they will have fallen and picked themselves up, and discovered in themselves resources of kindness and humility, curiosity and openness, courage and confidence.

We get results if we commit to achieving them, if we are prepared to travel uncharted waters with a positive outlook and a responsible attitude that reflects our values and our passion for the role we have chosen.

When your mind and your heart are committed to the same goal, you will find all the solutions you need to sell and to succeed.

Exercise

- **Are you aware and grateful for your talents and your success?** Awareness and gratitude are two attitudes that folks who have chosen to be in charge of their own lives will adopt; they will not blame the world for their failures but look at what they can personally do to improve. To practice strengthening these attitudes, write down one thing that you like about yourself or any positive thing that happens to you, however small (a successful meeting, recognition of your efforts, a compliment, or a sincere smile from a customer), every day for a whole week. At the end of the week, you'll have a good list of useful reasons to feel motivated and to make a change for the better in your chosen profession.

Ethical Seller's Self-Analysis Grid

Following is the model of self-analysis we propose—you'll want to adapt it to your real needs. The objective is to:

1. *Review the negotiation step by step.*
2. *Identify what you did well, find out ideas you can use again in other sales.*
3. *Understand the mistakes made and how to improve.*

Analysis—Phase 1

- *Did I gather information about the customer before meeting them?*
- *Did I split the negotiation into steps to be clear about my objectives?*
- *Did I manage to talk to the right person by passing through any filters?*

- *Did I manage to make a positive first impression, mitigating the customer's skepticism?*
- *Did I use the present tense and use positive images?*

Analysis—Phase 2

- *Did I catch the customer's attention?*
- *Did I ask the customer an appropriate number of questions?*
- *Did I listen actively to the replies?*
- *Did I understand the customer's deeper motivations and needs?*
- *Did I ensure that the customer felt at the center of the negotiation by giving him or her sufficient space?*

Analysis—Phase 3

- *Did I stimulate the customer's interest?*
- *Did I avoid information asymmetries when presenting my offer?*
- *Did I present the features of my offer as benefits?*
- *Did I give value to my uniqueness?*
- *Did I effectively connect the price to the value?*

Analysis—Phase 4

- *Did I obtain the customer's trust by overcoming their objections?*
- *Did I link my idea of value to that of the customer, thus eliminating conflict?*
- *What type of objections came up?*
- *What technique did I use to resolve them?*

Analysis—Phase 5

- *Did I make a sale?*
- *Did I give myself intermediate goals to move forward a step at a time?*

- *What “extra” did I give my counterpart?*
- *What did I do after the customer said yes/no to the deal?*

Analysis—Phase 6

- *Did I manage to identify what I did well and where I need improvement?*
- *Did I maintain contact with my customer, following up to check on satisfaction and handling complaints?*
- *Do I have information on my colleagues’ contacts with the customer?*
- *Did I stimulate positive word of mouth?*
- *Do I have a plan for continuing the relationship with the customer to ensure loyalty?*

Conclusions

The Second Step

I am grateful to the many, many people who have helped me. I cherish the hope that by helping me they have received something in return that they would not otherwise have found.

—Lorenzo Cherubini, *Gratitude*

We are sitting on the grass at the Harvard campus with our computers on our laps. It's a wonderful day in Boston and we feel happy and lucky to be here. Our period of stay is drawing to a close, but we know it's only the beginning of the adventure that binds us to the town that led us to write this book.

Everyone we met has given us something, whether it was content, ideas, or the motivation to continue. It was difficult at times, but hard work becomes something extra special when you give shape to a project shared with the people you love.

Over the months, we read a mountain of books and then prepared carefully for each meeting and each interview with weeks of hard work. Nevertheless, we are together, and the boundaries between our professional and private lives are sometimes so blurred so that it no longer seems like work—we find ourselves discussing the contents of the book while we cook, when we prepare lessons, or while we sit out on the lawn.

It might seem inadvisable to mix leisure and work—there's always the risk that you never fully unwind—but we love what we do and are happy to do it together. Seen this way, we don't need a respite, in fact we rather enjoy getting ever more caught up in our project! Perhaps this is the *secret* we would like to pass on to you as you read our book: If you give yourself the chance to do a job you love and respect your values, you will merge

your professional and personal goals. Indeed, we believe this is the real secret of success, well-being, and ultimately, happiness.

It may all seem easier now that we recognize our true needs, but getting here was no easy task. There were times when it was such an uphill struggle that we thought our heart, lungs, and legs would give out on us.

Happiness, and the success that comes from it, has to be achieved through daily training, which allows you to develop the skills and expertise needed to win in life and at work. You could consider *Sales Ethics* as our personal notebook of training exercises.

We hope that you also—by accustoming yourself to recognizing and respecting your idea of value and that of others day after day—can shape first your mind, then your instincts, and finally your soul to think and act in an *ethical* way and become a promoter of shared well-being.

Our original business idea is now a prospering enterprise with a broad portfolio of clients and an agenda packed with courses and consultancies, which means our future looks bright. Every year we meet thousands of people (salespeople, directors, experts and professionals in various fields) and our blog www.diariodiunconsulente.com has an increasing number of followers.³⁴ But we know we can't rest on our laurels, and we must be ready to meet further tests and challenges.

We called our professional partnership *Passodue* (step two) because we wanted to emphasize the fact that we are a couple whose personal and professional lives are bonded together, that each enhances the contribution of the other, and that being together gives sense to what we do.

Passodue also reminds us that the second step is often more important and more demanding than the first, as we are forced to cast off from our haven to set sail for new waters where our ideas can take form. All too often, people make an exciting start, but then they find their passions and actions washed up on the rocks of reality and what may seem as rationality is no more than an ill-concealed pessimism.

³⁴ To be precise, in 2013, the number of readers corresponded to 10 *sold out* events at Sydney opera house, as the zealous WordPress team was kind enough to inform us.

We want this book to help you take that *second step* so you may finally set out along your very own personal road to happiness, success, and fulfillment, with no looking back.

Enjoy your work and thank you for your trust!

Alice and Alberto

P.S. But what happened to Renato?

Renato has become an ethical salesperson and his business is thriving. He no longer needs to be aggressive in his relationships with colleagues and senior personnel or to force customers to buy by making false promises or adding discounts: All his relationships are based on ethics. Initially, this change of approach was a concern to everyone at Joy Motor who feared he would lack the required determination to *attack* the market and lead to a further drop in sales. His boss actually called him in to ask, “What’s happening? You’d better *squeeze* your prospects harder if you want to reach your target at the end of the month.” But Renato did not give in and continued to evolve and implement his method of Sales Ethics successfully. It did not take long for the results to show he was right! Soon other sellers were turning to him for advice, and the entire company has since decided to adopt an ethical approach to customer relations. In short, our salesperson has managed to change Joy Motor *from below*, both greatly improving sales and enhancing morale and motivation in general.

Renato’s evolution and growing awareness have led him to appreciate his talents and recognize his limits, taking responsibility for his own level of success, which in turn has stimulated his entrepreneurship. This moved him to take over the dealership where he started out his professional career becoming an entrepreneur. Thanks to his efforts, skills, and abilities, he has been able to turn his new dealership into one of the most valuable parts of the Joy Motor network.

³⁵ The structure of our Covenant and many of the ideas owe much to the text “The Hippocratic Oath for Business” written by Angel Cabrera, which we came across as transcribed by Leigh Hafrey in his book *The Story of Success* (2005). Obviously, the text has been completed and adapted to the needs of our book.

His new commitments still leave him time for the personal contact with customers that he enjoys, sometimes assisting one of the young sellers whom he trains.

Occasionally, someone or something reminds him of his days in Milan, and Renato smiles thankfully now aware of how crucial the experience was in showing him where his real ambitions lay.

**Download the final part of the book from
www.passodue.com**

At the link www.passodue.com you can download the “Covenant of the Ethical Salesperson”³⁵ inspired by the principles and techniques presented in this book. We want this Covenant to empower your conscience: It is a commitment to yourself, and we are sure it will help you in your work and in the construction of shared value with your customers.

FAQ: Our Answers to Your Questions

As we let our light shine, we unconsciously give other people permission to do the same. As we are liberated from our own fear, our presence actually liberates others.

—Marianne Williamson, *A Return to Love*

We collected a number of questions and doubts that came up in the conversations with professionals and colleagues and in the classroom through the months we were working on the book, and in general, when debating the subject of Sales Ethics. We thought it worthwhile to take these promptings and argue them through. We hope they will be useful in answering any doubts you had as you were reading the book. If, however, you feel the need to write to us, please do not hesitate to do so by contacting us at the addresses on the site www.passodue.com.

Is the book written only for salespeople or for companies too? Very often, it seems to be the employer who *imposes unethical behavior on staff*. This book addresses companies too as they contribute to creating value *upstream* of the seller and so are responsible for the encouragement of empowering internal relations that will permit the value expressed by the offer system to arrive intact to the customer. They can also invest in putting together a commercial proposal geared to less material aspects related to the relationship between human beings.

The time has now come, however, for salespeople like us to live up to our role of intermediaries between the company and the customer, by taking responsibility for resolving the apparent conflict of interest that may arise between these two actors. The tools we describe in the book aim to enable you to do this. If, in order to ensure our survival, we feel compelled to work for a company that does not reflect our values or that forces us into an identity conflict, then, the time has come to clarify what

we mean by the word *survival*, and we should try to invest its meaning with something beyond economic ends. Being Ethical Salespeople means primarily making choices that respect our values. Also remember that our role is to educate companies through our results. If we are able to create value for our employers while remaining *ethical*, then we will have provided a positive example that can be imitated and transformed and may become a shared model.

We also want to remind businesses that their employees are their first customers, especially where this member of their personnel must impart differential value to the market. We recommend that executives and entrepreneurs read the book *Giving Voice to Values* by Mary Gentile—employees will only be able to express their full value if they are motivated and assisted in overcoming conflicts, and thus empowered to complement the product-service system!

We should remind you that customers gauge our loyalty to the organization we represent when weighing up our trustworthiness. It is wrong (as well as contrary to professional ethics) to blame our own mistakes or inadequacies on bosses or colleagues. Every part of our behavior defines us and will be observed by customers, especially our fairness toward the people with whom we work.

But what if the customer, not the seller, is unethical? Is the latter not likely to lose out because of his ethical behaviour? It's undoubtedly true that customers sometimes take advantage of the good faith of sellers. Unfortunately, there are no ethics courses for buyers, or rather, the only way that a company can *educate* their consumers is to lead by example. As we said when we presented the issue of trust, the best way to move up through the levels is to be the first one to bestow trust. Theories such as McGragor's³⁵ show that the law of reciprocity works in the field of trust and if I want to have ethical customers I'll have to first behave properly with them. Our experience also tells us that, thanks to Sales Ethics, reputation, customer numbers, and loyalty are enhanced. The resulting exponential growth in turnover abundantly compensates any damage caused by any *crafty* customers.

³⁵ See the section on The Circle of Trust in Chapter 2.

If two competing companies adopt the techniques of Sales Ethics, then there is no value difference between one and the other, and we find ourselves once again competing on the basis of price. This comment is similar to another very popular question, “If my competitor is selling exactly the same things that I sell, but at a lower price, how do I get the customer to choose me?” No two product-service systems will replicate each other because of the different salespeople involved, each with their own identity, values, interpersonal relations, and way of listening. The same sales arguments may be put forward, but if you act ethically, your presentation and your negotiation techniques will depend on you personally and they will be adapted to both your vision and to the customer. Ethics is not an option that we add on as an extra to our offer, which will be the same for everyone, but rather a process that requires awareness and active listening in a way that is personal and produces different results for each individual.

If a salesperson sells two similar products, how can they choose which one to propose to a customer without betraying one of the two companies they represent? When you gain a deeper understanding of your customers, you will know exactly which product is best suited to their specific needs. Remember that the product-service systems of two enterprises may be similar, but they will never be identical as each will have features that make it appropriate in particular situations. Selling means creating shared value over time, so there will be chances to propose the other company you represent in appropriate circumstances.

By investing in the relationship and concentrating less on the *objective* aspects of the offer system, are we not running the risk of giving too much power to the customer? We are not giving power to the customer but to the relationship between us, an element that we control and that will make the difference.

If we place the relationship at the center of our offer system, we will be exploiting the most powerful tool available to ensure our continued existence and prosperity in a market that churns out products that are ever more similar, given that we become active participants in what we sell.

What does the company gain if all the power is in the hands of the sellers? The sales professionals and their ability to establish relationships are, and will increasingly be, a pillar in business strategy: An enterprise's very existence depends on its ability to sell! The organizations that are appropriately structured to accommodate the changes taking place in market logics by delivering power to their sales personnel will not lose control of their business strategy; they only broaden their opportunities for business. Obviously, the sales department, like any other sector in a business, must be organized and equipped with the proper tools and training to manage this power, so that the personnel are aware of their power and the responsibility that comes with it.

If I have managed to sell *ice* to Eskimos because I convinced them that mine is better than anything they'll find around, have I not created customer value and value for myself? It depends on whether this value is real or not. The value may be intangible but it must still be real. If you are an Eskimo and you buy ice because it responds in a *real* way to your intangible needs (such as esteem, status, and self-realization) and these in turn become tangible benefits, then you have made a good buy anyway! But if the person selling you the ice based their deal on hot air (excuse the pun) and generated no real value either tangible or intangible, then you the customer will eventually realize that you have been duped and will not make any further purchases but rather you will warn off future customers. In the medium to long term, such sellers will have destroyed the value for themselves.

Must an ethical salesperson always say "yes" to their customers? As we said when discussing how to deal with objections, the customer is "right at the center of our work" but not always right! Being ethical in sales means promoting efficiency by respecting the customer's and our own value, but we must not give in throughout the exchange but rather guide customers toward the generation of shared benefits. In addition, we should encourage our customers to explore their deepest needs and motivations, of which they may not be aware themselves. Even if we were to satisfy every desire they express, we still might not satisfy them fully.

If all I do is give customers what they need, then anyone can sell. Yes indeed! If you know exactly what the customer wants, it is simple to sell and results can be obtained with relative ease. Yet do you really believe that a professional's worth should be judged by the effort they put into performing their job? If your work is a continual effort, it means you don't really love what you are doing. We prefer to replace this "unethical" concept with a key word: commitment. Then it would be true to say that to understand what people really want and what we can offer them, it requires considerable commitment!

But if the customer only has so much money and can't afford to spend any more, what can Ethical Salespeople do if they don't have products in that price range? Not all negotiations end with a purchase: That's just something we have to accept! Even if you do not finalize the deal you can exchange *value* in other forms (consolidate the relationship, gain trust, gather information, and so on). Remember, however, to analyze whether this *budget limit* is real or just the result of our poor presentation skills.

If the customer arrives wanting to spend only a certain amount or objects that the product "costs too much," how do I know whether it's a real objection or if they are just pressing for discount? In our experience, if you respond to this type of objection by immediately lowering the price, your offer loses value. We suggest you guide the conversation so that you have the chance to draw out the deeper needs and motivations that brought the customer to make this demand, and gather information that you can use to continue the negotiation on a new basis (see Phase 4).

For example, if you understand that your customer wants to make a good impression on his superior by spending less of the allocated budget, then it will be useful to highlight aspects of your offer that will enable them to explain the choice to the boss (effectiveness of the solution over time, safety and reliability, and so on). If, as you explore further, it becomes clear that the spending limit is a real constraint, continue by proposing a more economical option that will still meet the principal needs expressed.

What happens if the seller and the customer have two contrasting opinions and it's impossible to find a point in common on which to

build the agreement? Ask yourself two questions: “Have I asked everything that would allow me to fully understand the motivations behind a specific objection?” “Have I considered all the components of my offer system to find a common denominator with the customer’s statement?” In most cases, it will be possible to identify a shared ground on which to base the agreement. On the other hand, maybe you just don’t have the right solution for the customer but you can still consider it worthwhile to build up the relationship as this may bring rewards in the future.

W. Brian Arthur’s theory talked about competition for resources and how we can move beyond that by adopting alternative strategic models. But what if the scarcity is the customers themselves? A market characterized by a limited number of customers is a market that by definition must be expanded, otherwise it is likely to implode. Rather than competing with your rivals to grab the last buyer, you should concentrate on attracting new customers from outside and expanding the market. There are two ways to do this: Either expand your products or services range to include new elements that could attract a new segment of consumers, or increase the *popularity* of your niche by attracting new buyers to your sector. The former solution involves innovation; the latter requires efficient networking with customers to expand the scope of relations. In both cases, opportunist preying on customers and destructive competition are unnecessary and erroneous attitudes.

We said that in incremental negotiation, we must give something extra to the customer, but what is this *extra*? Do I have to give more to all customers or just those in whom I choose to invest? The extra that Ethical Salespeople give their customers is often connected to the area of relationships. You do not necessarily have to give more in a material sense, but rather something less tangible such as extra attention, a pleasant undercurrent throughout the exchange, or esteem and gratification. The Maslow hierarchy illustrated how these elements of our offer appeal to needs that appear higher in the pyramid and therefore are more important to the customer. If we ask the right questions and listen actively, customers will tell us what they like to receive as *that little extra bit*. This surplus is a real investment made in the relationship, and like all

investments, it must be targeted and based on choices that only a proper analysis can help us to accomplish. That's why we suggested you study customers before, during, and after the negotiation. If you realize that a particular customer is willing to transform that *extra* they received into something they can share with us and with their network of contacts, then the investment will be more than justified!

You said that I have to fill in the customer's informational asymmetries. But long-winded explanations can annoy the other party and give rise to objections. So what exactly should I do? Information asymmetries are resolved by giving customers the necessary information to guide their choice, using clear and effective words. The two statements do not contradict each other, and your skill as a sales professional manifests itself in your ability to formulate clear sentences and choose positive words that empower the decision-making capacity of the customer. If you are providing surplus or superfluous information (as sellers who want to show off their technical knowledge often do), then you are not responding to your customers' request for knowledge but rather confusing them and increasing their uncertainty.

Certainly, you must not hide information from your customer, but *only* explain how your product or service will respond to their needs once you have clarified exactly what these are.

References

- André, C. 2008. *Imperfetti e Felici*. Milan, Italy: Corbaccio.
- Arthur, W.B. July/August 1996. "Increasing Returns and the New World of Business." *Harvard Business Review* 74, no. 4, pp. 100–9.
- Augias, C. 2012. *Il Disagio della Libertà: Perché Agli Italiani Piace Avere un Padrone*. NY: Rizzoli.
- Bonime-Blanc, A. December 3, 2014. "The Business Case for Reputation Risk Management." <http://www.ethicalcorp.com/business-strategy/essay-business-case-reputation-risk-management>
- Bruni, L., and V. Pelligra. 2002. *Economia Come Impegno Civile*. Rome, Italy: Città Nuova.
- Capra, F. 1975. *The Tao of Physics*. California: Shambhala Publications.
- Carroll, L. 1865. *Alice in Wonderland*. New York: Millennium Publication.
- Cialdini, R. 2007. *Influence: The Psychology of Persuasion*. New York: Collins.
- Di Lampedusa, G.T. 1960. *The Leopard*. New York: Pantheon.
- Dixon, M., and B. Adamson. 2011. *The Challenger Sale*. New York: Penguin Group.
- Dovidio, J.F., and S.M. Gaertner. 2000. *Reducing Intergroup Bias: The Common Ingroup Identity Model*. New York: Psychology Press.
- Freeman, E. 2010. *Strategic Management: A Stakeholder Approach*. New York: Cambridge University Press
- Gladwell, M. 2008. *Outliers: The Story of Success*. New York: Back Bay Books.
- Gramellini, M. March 2, 2014. Buongiorno. *La Stampa*.
- Grant, A.M. 2013. *Give and Take: A Revolutionary Approach to Success*. New York: Viking Press.
- Hafrey, L. 2005. *The Story of Success*. New York: Other Press.
- Hutton, E.L., trans. 2014. "Xunzi: The Complete Text." NJ: Princeton University Press.
- Lewitt, T. 1986. *The Marketing Imagination*. New York: Free Press.
- Mazzi, M. 2010. "Architettura Consapevole-Feng Shui: Lo Spazio Abitativo Come Strumento Di Guarigione." *Dossier Ambiente & Salute*, no. 37.
- McBride, J. 1997. *Steven Spielberg: A Biography*. London: Faber and Faber.
- McGregor, D. 2006. *The Human Side of Enterprise*. New York: McGraw-Hill.
- Mehrabian, A. 1972. *Nonverbal Communication*. Chicago, IL: Aldine' Atherton.
- Miceli, M. 1998. *L'autostima*. Bologna, Italy: Il Mulino.
- Olivetti, A. 2012. *Ai Lavoratori*. Milan, Italy: Edizioni di Comunità.

- Paine, L.S. 2003. *Value Shift: Why Companies Must Merge Social and Financial Imperatives to Achieve Superior Performance*. New York: McGraw-Hill.
- Pelligra, V. 2007. *I Paradossi della Fiducia*. Bologna, Italy: Il Mulino.
- Quinones, R.J. 2010. *Erasmus and Voltaire: Why They Still Matter*. Ontario, Canada.
- Sen, A. 1987. *On Ethics and Economics*. NJ: Blackwell.
- Shapiro, C. 1983. "Premiums for High Quality Products as Rents to Reputation." *Quarterly Journal of Economics* 98, no. 4, pp. 659–79.
- Smith, A. 2010. *The Theory of Moral Sentiments*. MA: Digireads.com Publishing.
- Smith, A. 2012. *The Wealth of the Nations*. FL: Simon & Brown.
- Watzlawick, P.F., and F. Fusaro. 2013. *Istruzioni Per Rendersi Infelici*. Milan, Italy: Feltrinelli.

Bibliography

Let's Read More About Sales Ethics

- Agassi, A. 2011. *Open*. Einaudi.
- Angela, P. 2011. *A cosa serve la politica?* Mondadori.
- Bianchi, T. 2005. *Il manuale di telemarketing*. Aida Formazione.
- Biliotti, E. 2007. *Teoria e tecniche della negoziazione*. Ausili didattici per la formazione sindacale. Centro Studi CISL.
- Bonime-Blanc, A. 2014. *The Reputation Risk Handbook: Surviving and Thriving in the Age of Hyper-Transparency*. UK: DO Sustainability.
- Bower, L., H. Leonard, and L.S. Paine 2011. *Capitalism at Risk: Rethinking the Role of Business*. Harvard Business Press Book.
- Bruni, L. 2006. *Reciprocità*. Mondadori.
- Calabresi, M. 2009. *La fortuna non esiste*. Mondadori.
- Cherubini, L. 2013. *Gratitude*. Einaudi.
- D'Souza, S. 2011. *Brilliant Networking*. Pearson Education.
- De Benedetti, C. 2012. *Mettersi in gioco*. Einaudi.
- De Waal, F. 2006. *La scimmia che siamo*. Garzanti.
- Dilts, R.B., T. Hallbom, and S. Smith. 1998. *Convinzioni*. Astrolabio.
- Dilts, R. 2013. *Il potere delle parole e della PNL*. Alessio Roberti Editore.
- Duesenberry, S. 1969. *Reddito, risparmio e teoria del comportamento del consumatore*. Etas Kompass.
- Easterlin, R. 2001. Income and happiness: towards a unified theory. *The Economic Journal*. Vol. 111(473): 465–84.
- Fisher, R., W. Ury, B. Patton. 2005. *L'arte del negoziato*. Corbaccio.
- Gentile, M. 2010. *Giving Voice to Values*. Yale Univeristy Press.
- Gibbons, R. 2005. *Teoria dei Giochi*. Il Mulino.
- Guenzi, P., and S. Geiger. 2011. *Sales Management*. Palgrave Macmillan.
- Holmstron, B. 1982. "Moral Hazard in teams." *Bell Journal of Economics*, no.13, pp. 324–40.
- Hoops, J. 2011. *Corporate Dreams*. Rutgers.
- Khurana, R. 2007. *From Higher Aims to Hired Hands*. Princeton University Press.
- Lipari, N. 2004. *Diritto e valori sociali: legalità condivisa e dignità della persona*. Studium.
- Mandino, O. 1987. *Il più grande venditore del mondo*. Gribaudo.
- Mauborgne, R., and K.W. Chan. 2012. *Strategia Oceano Blu. Vincere senza competere*. Rizzoli Etas.

- Nash, J.F. 1950. *Equilibrium Points in n-Person Games*. National Academy of the USA.
- Piazza, A. 2012. *Mindfulness per una mente amica*. Tea.
- Rackham, N. 2000. *Spin Selling*. Highbridge Company.
- Rifkin, J. 1996. *La fine del lavoro. Il declino della forza lavoro globale e l'avvento dell'era post-mercato*. Baldini Castoldi.
- Robbins, A. 2000. *Come ottenere il meglio da sé e dagli altri*. Bompiani.
- Rosenberg, M.B. 2003. *Le parole sono finestre oppure muri*. Esserci Edizioni.
- Sen, A.K. 2006. *Etica ed economia*. Laterza.
- Silvano, M. 2000. *Vendita in azione*. Il Sole 24 Ore.
- Sinek, S. 2009. *Start with Why: How Great Leaders Inspire Everyone to Take Action*. Penguin Group.
- Smith, A. 2008. *La ricchezza delle Nazioni*. Newton Compton.
- Strong, E.K. 2013. *The Psychology of Selling life Insurance*. Hardpress Publishing.
- Scitovsky, T. 1985. *Human Desire and Economic Satisfaction*. Kyklos.
- Tracy, B. 2007. *La Psicologia della Vendita*. Gribaudo.
- Varian, H., and C. Shapiro. 1999. *A Strategic Guide to the Network Economy*. Harvard Business School Press.
- Webber, M. 1991. *L'etica protestante e lo spirito del capitalismo*. BUR Biblioteca Universitaria Rizzoli.
- Whyte, D. 1997. *Il risveglio del cuore in azienda*. Guerrini e Associati.
- Williams, J. 2011. *Mollo tutto! E faccio solo quello che mi pare*. De Agostini.
- Zamagni, S., and N. Curci. 2009. *Economia ed Etica*. La Scuola.

Index

- Arthur's model. *See* W. Brian Arthur's theory of increasing returns
- bottom-up approach, 93–94
- broader trust, 49
- Cialdini, R., 184
- circle of trust, 47–50
- civil economy, 6
- conditional trust, 49
- conflict of interest, 23, 32, 33, 170–171
- cooperation, 40–41
- customer-oriented culture, 18–19
- customer relationship
- attentiveness and flexibility, 76
 - book salesperson, 75–76
 - communication skills, 110–111
 - customer experience, 77–78
 - customers and system of values, 103–105
 - customer satisfaction, 79
 - data analysis, 76–77
 - exchange of value, 105–106, 113
 - humble approach, 110
 - information asymmetries, 78–79
 - Maslow hierarchy, 101
 - misunderstanding avoidance, 111–112
 - new customer finding and meeting, 115–118
 - prejudice avoidance, 113–114
 - purchasing decision, 78, 79
 - salespersons enthusiasm, 108–109
 - sales work creativity, 77
 - self-analysis, 101
 - self-confidence, 108
 - self-esteem, 101–102
 - sellers experience and observation, 76
 - skepticism avoidance, 112–113
 - time keeping skills, 111–112
 - trust, 107–108
 - unbiased self-evaluation, 102
- customer value analysis
- active listening, 129–134
 - case study, 121–122
 - ethical and effective questions, 125–129
 - motivation, 121
 - needs, 120–121
 - open- and closed-ended questions, 124–125
 - style and safety, 122–123
- deal finalizing phase
- feedback collecting, 173–174
 - final agreement, 172–173
 - incremental negotiation, 175
 - sales ethics style adoption, 174–177
 - transmit confidence, 169–171
- decreasing returns model, 68
- distributive bargaining, 33
- Dovidio, J., 32
- down-shifting concept, 7
- economic scenario
- classical economic theory, 11–12
 - confidence crisis, 11
 - customer-oriented culture, 18–19
 - financial crisis, 12
 - identity crisis, 12
 - industrial crisis, 12
 - international competition, 13–14
 - Italian situation, 14–16
 - sales profession evolution, 16–17
 - social crisis, 12
- economic theories
- Freeman's stakeholder theory, 61–63
 - Maslow's hierarchy of needs, 58–59
 - Nash's theory of incremental negotiation, 55–58

- Shapiro's theory of reputation, 61–63
- Smith's theory, 54
- empathy, 103–104
- ethical relationship. *See* customer relationship
- externality, 37–38
- Franklin, B., 94
- Freeman, E., 61
- Freeman's stakeholder theory, 61–63
- Freud, S., 120
- Gaertner, S., 32
- Grant, A., 7, 110
- identity conflict, 23, 32–33, 50, 170
- Il Disagio della Libertà*, 15
- incremental negotiation, 175
- Maslow's hierarchy of needs, 59–61
- Nash's theory, 56–58
- information asymmetries
- case study, 38–39
- decision-making power, 40
- loss of customer loyalty and negative word of mouth, 39
- intangible costs, 44
- integrative bargaining, 33
- La Stampa*, 67
- market equilibrium, 36, 37
- Maslow's hierarchy of needs
- esteem and self-actualization, 60
- intangible aspects, 60–61
- physiological needs, 59–60
- safety systems, 60
- Mazzi, M., 127
- McGregor, D., 50
- Mehrabian, A., 110
- Nash, J.F., 55, 56, 90
- Nash's theory of incremental negotiation
- case study, 57–58
- cohesive social group, 56
- cooperation, 55–56
- exchange value, 57
- negotiation equilibrium, 57
- one-shot negotiation, 56
- short-term maximization of value, 56–57
- negotiation
- after-sales, 181–183
- complaint handling, 184–186
- customer relationship. *See* customer relationship
- customer value analysis. *See* customer value analysis
- deal finalizing phase. *See* deal finalizing phase
- ethical dilemmas, 97–98
- offer system. *See* offer system
- resistance and objection management. *See* resistance and objection management
- right frame of mind, 186–188
- transaction analysis, 179–181
- nongovernmental organization (NGO), 99
- offer system
- benefits and features, 139–146
- customer's choice, 24–25
- discount policies, 152–154
- ethical and effective questions, 138–139
- factors involved in, 24
- price–value ratio, 26
- price–value relationship, 147–152
- product offering way, 27
- purchase needs and motivations, 136–138
- sales force and management, 25–26
- salespersons partial/incomplete argument, 24
- sales visits, 25–26
- Olivett, A., 67
- Outliers: The Story of Success*, 70
- Pelligra, V., 50
- personal branding, 82
- price–value ratio, 26
- product-service system. *See* offer system

- reciprocity, 41–43
- resistance and objection management
 - analysis phase, 155
 - case study, 155
 - fear objections, 156–157
 - “it’s too expensive” objection, 162–164
 - “i will think about it” objection, 164–166
 - logical and rational approach, 158–159
 - simple objections, 156
 - test of trust, 157–158
 - transactions, 160–161
- rewarded trust, 49
- sales ecosystem, 109
- sales ethics
 - benefits, 88
 - bottom-up approach, 93–94
 - circle of trust, 83
 - civil economy, 6
 - conflict of interest, 7, 32, 33
 - cooperation, 40–41
 - customer–seller relationship, 92
 - customer value, 27–29
 - down-shifting concept, 7
 - economic scenario, 11–19
 - economic theories. *See* economic theories
 - educational discipline, 8
 - ethical salesperson’s qualities, 95–96
 - externality, 37–38
 - identity conflict, 32–33
 - information asymmetries, 38–40
 - internal clients, 83
 - morality and reciprocal nature of actions, 9
 - operational decisions, 9–10
 - phases, 82, 84–85. *See also* negotiation
 - product-service system, 23–27
 - reciprocity, 42–43
 - salesperson’s skills and abilities, 22–23
 - sales strategy, 33–36
 - sellers and markets, 86
 - seller value, 29–32
 - short/long-term considerations, 89–93
 - trust system, 48–50
 - well-being and well-having, 43–47
- sales strategy
 - material value, 34
 - postsale, 35
 - presale, 34
 - reputation and relational costs, 36
 - value, 33–34
- self-regulating mechanism, 54
- self-trust, 107
- seller value, 10
 - behavioral consequences, 30
 - case study, 29
 - negotiation, 30
 - new customer finding, 29–30
 - professional life, 31
 - reciprocal utility functions, 31
- Shapiro’s theory of reputation, 61–63
- skepticism, 48, 50
- Smith’s theory, 54
- The Challenger Sale*, 25
- The Leopard*, 14
- The Protestant Ethic and the Spirit of Capitalism*, 15
- The Story of Success: Five Steps to Mastering Ethics in Business*, 53–54
- The Theory of Moral Sentiments*, 54
- The Wealth of Nation*, 54
- trust system
 - attention, 48
 - bargaining techniques, 49–50
 - broader/rewarded trust, 49
 - conditional trust, 49
 - indifference, 48
 - listening and interest, 49
 - personal identity conflicts, 50
 - reciprocity, 50
 - skepticism, 48, 50
- value-oriented approach, 19
- Watzlawick’s *self-fulfilling prophecies*, 131–132

- W. Brian Arthur's theory of increasing returns
 - case study, 66–67
 - counseling and training agency, 64–65
 - effective communication, 66
 - geographical constraints, 64
 - joint activities, 65
 - reciprocity, 70
 - reviews, 67–68
 - scarce resource, 63, 64, 68–69
- well-being and well having
 - case study, 45–47
 - costs and revenues, 47
 - customer and seller value, 44
 - gross national happiness
 - measurement, 43–44
 - international studies, 43
- word-of-mouth recommendations, 29–30

OTHER TITLES IN OUR GIVING VOICE TO VALUES ON BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY COLLECTION

Mary Gentile, Editor

The Giving Voice To Values initiative teamed up with Business Expert Press to produce a collection of books on Business Ethics and Corporate Social Responsibility that will bring a practical, solutions-oriented, skill-building approach to the salient questions of values-driven leadership. Giving Voice To Values (GVV: www.GivingVoiceToValues.org)—the curriculum, the pedagogy and the research upon which it is based—was designed to transform the foundational assumptions upon which the teaching of business ethics is based, and importantly, to equip future business leaders to not only know what is right, but how to make it happen.

- *Ethical Leadership in Sport: What's Your ENDgame?* by Pippa Grange
- *The ART of Responsible Communication: Leading With Values Every Day* by David L. Remund
- *Engaging Millennials for Ethical Leadership: What Works for Young Professionals and Their Managers* by Jessica McManus Warnell

FORTHCOMING TITLES IN THIS COLLECTION

- *Working Ethically in Finance: Clarifying Our Vocation* by Anthony Asher
- *Social Media Ethics Made Easy* by Joseph W. Barnes
- *Business Ethics: A Moral Reasoning Framework* by Annabel Beerel
- *Leadership Ethics: Moral Power for Business Leaders* by Lindsay Thompson

Announcing the Business Expert Press Digital Library

Concise e-books business students need for classroom and research

This book can also be purchased in an e-book collection by your library as

- a one-time purchase,
- that is owned forever,
- allows for simultaneous readers,
- has no restrictions on printing, and
- can be downloaded as PDFs from within the library community.

Our digital library collections are a great solution to beat the rising cost of textbooks. E-books can be loaded into their course management systems or onto students' e-book readers.

The **Business Expert Press** digital libraries are very affordable, with no obligation to buy in future years. For more information, please visit www.businessexpertpress.com/librarians. To set up a trial in the United States, please email sales@businessexpertpress.com.

THE BUSINESS EXPERT PRESS DIGITAL LIBRARIES

EBOOKS FOR BUSINESS STUDENTS

Curriculum-oriented, born-digital books for advanced business students, written by academic thought leaders who translate real-world business experience into course readings and reference materials for students expecting to tackle management and leadership challenges during their professional careers.

POLICIES BUILT BY LIBRARIANS

- *Unlimited simultaneous usage*
- *Unrestricted downloading and printing*
- *Perpetual access for a one-time fee*
- *No platform or maintenance fees*
- *Free MARC records*
- *No license to execute*

The Digital Libraries are a comprehensive, cost-effective way to deliver practical treatments of important business issues to every student and faculty member.

For further information, a
free trial, or to order, contact:
sales@businessexpertpress.com
www.businessexpertpress.com/librarians



BUSINESS EXPERT PRESS

Sales Ethics

How To Sell Effectively While Doing The Right Thing

Alice Alessandri • Alberto Aleo

Do ethics pay? In an attempt to answer this question, the authors analyze the economic theories that might rehabilitate ethics in the world of sales and turn them into an effective tool for conducting negotiations. This book proposes a “bottom-up” approach that starts from an analysis of sales activities to build a business style that, if adopted by an entire organization, can make the difference thus enhancing the company’s success. Italian culture provides a backdrop to the book; the authors reinterpret the particular nature of the country’s economic and social fabric and integrate this into an approach to business that can create authentic relationships, shared prosperity and quality of life across other cultures.

Sale Ethics stimulates the development of a self-entrepreneurial mind-set that is useful in any field, and provides a simple and effective method of capitalizing on your own talents while respecting others and at the same time garnering the rewards of ethical behavior.

Alice Alessandri and Alberto Aleo work well as a couple in both life and work. After more than 15 years of experience in business, in 2011 they founded a consulting and training agency for sales management, marketing and leadership. Their agency, *Passodue*, which is based in Italy and liaises abroad, is in itself an example of ethical business that combines professional and personal interests, blending them together to boost well-being and quality of life. The research that forms the basis of *Sales Ethics* was spread over two years and involved more than 1,000 salespeople from more than 50 different companies.

The personal and professional adventures of the two authors and their quest for a success that would respect the principles of *Sales Ethics*, are narrated in their blog diariodiunconsulente.com

GIVING VOICE TO VALUES ON BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY COLLECTION

Mary Gentile, *Editor*

ISBN: 978-1-60649-926-9



9 781606 499269

90000