



## Basic Sales Tactics and the Law

The basic rules of selling are always the same, whether you're dealing with customers in person, by phone, business-to-business or in a retail environment. However it's important to be aware of the legal obligations around over the phone and in person sales outlined on this page.

When making a sale, it's important to remember to create AIDA (Attention, Interest, Desire, Action):

- get the customer's **attention**
- stimulate the customer's **interest**
- create the **desire** to buy
- confirm the **action** to be taken

Sales should always be part of a full marketing plan. Visit our website for more detail on this.

## Prospect lists

A prospect list is simply a record of people who are potential clients, including existing clients. It classifies clients as a prospect or suspect:

- **suspects:** anyone who might be a possible sales lead (referrals, enquiries from ads or just cold calling) but haven't yet declared their interest in your products and/or services
- **prospects:** a suspect you've spoken to who's interested in your product or service

A successful prospect list will show an increase in the number of entries as well as the number and size of sales.

## Prospect details

Your prospect list can contain details such as:

- name and address of prospect
- key decision makers' names and position names
- are they already customers?
- expected dollar value of sales project (opportunity value)
- what contacts have been made so far? (opportunity cost)
- subsidiaries names and locations
- company's main suppliers



## **Targeting appropriate people**

When you're selling to other businesses, you need to pinpoint and target the decision makers. Don't waste time selling to someone who doesn't have the power to buy your product or service.

The main decision maker isn't always the only person you need to convince, and the authority to buy your product or service may be distributed through a number of people. There are at least three stages in a buying decision, including:

- the influencer - a key user of the product, perhaps a manager of a department
- the specifier - draws up the requirement, often led by the influencer
- a final decision maker - has the authority to agree or veto a deal and to sign the cheque

It's generally best to aim as high up the chain as you can. If it's the managing director who'll sign the cheque for your product, that's who you need to call. Make sure you research online or call them directly to make sure you're talking to the right person. Once you get through to the person you're targeting, you need to persuade them why it's worth meeting you. Pick one key benefit of your product or service and tailor the way you present it to fit the particular customer.

## **Phone or online sales**

Non-contact sales are agreements for the supply of consumer-type goods or services. It covers sales where you and the consumer aren't in each other's presence, such as internet selling, mail order and telemarketing.

In a non-contact sale, you must provide the following details to the consumer:

- your name and business address and/or phone number
- the price and all fees and charges of the goods or service
- postal or delivery charges
- any cooling-off and cancellation rights the customer may have and how they can exercise them

## **Cancelling the contract**

If the customer does cool off, you must re-pay any money paid and return any goods taken as a trade-in within ten days. You are entitled to make a reasonable



charge for goods a customer is unable to return or for services rendered, unless you have falsely represented the need for the service.

### **Telemarketing**

Telemarketers must hang up immediately upon request and not call back for at least 30 days.

### **Door-to-door sales**

A contact sale takes place when you and your customer are together at a customer's home, workplace, expo, trade fair or field day. Door-to-door sales are contact sales and must comply with the requirements of the *Fair Trading Act 1999* for goods and services of \$50 or more. A contact sales agreement must:

- be in writing and signed by the consumer
- contain all the terms of the agreement, including the price and all fees and charges
- contain your name and business address
- include on the front page the statutory notice of the ten day cooling-off period
- include the statutory notice of the cancellation process required if the consumer cancels the sale within the cooling-off period

You must not engage in misleading, deceptive or unjust conduct in relation to the sale and you must comply with the credit laws, if credit is going to be provided in conjunction with the sale of goods or service. Never conduct door-to-door sales for the sole purpose of selling credit, except by prior arrangement with the resident, as this is a criminal offence.

### **Cooling-off period or cancelling contract**

Door-to-door sales consumers have ten days from the date of signing a contract to cancel the sale. If the cooling-off and cancellation notices are not included in the agreement, the cooling-off period automatically defaults to six months.

If a consumer decides to cancel a contract during the 'cooling-off' period, notice must be given in writing. You must then refund all monies paid under the agreement. However, you're entitled to make a reasonable charge for any services rendered prior to the cancellation of the agreement or offer, or for any goods the consumer is unable to return.