

Door-to-door and in-home sales – the sales person's perspective

Annexe G of the doorstep selling report

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MANAGEMENT SUMMARY

This report documents the findings from a recent study for the Office of Fair Trading (the OFT) into door-to-door and in-home selling, from the sales person's perspective.

The study revealed some overall trends, as well as interesting differences by value of goods sold.

There is no 'archetypal' sales person, but several key types. These range from the part-time worker selling cosmetics for a little extra cash, through to the professional salesman selling high value items and earning up to £3000 a week. The profession tends to operate on a self-employed, commission-only basis, and is highly male dominated.

The spectrum also ranges from completely honest company practices through to unethical and illegal ones.

By interviewing a range of businesses selling goods of differing values, we were able to pinpoint the areas at most risk.

It is the high value end of the market that is of most concern. This is because:

- there are greater margins at stake and often fluid prices that are not written down on paper
- there is often the chance for the sales person to increase their commission by selling finance that is not always needed
- goods are often specialist or customised and hard to know the true value of, as they are not often available on the high street
- this kind of selling happens behind closed doors where it is hard to police or confirm exactly what goes on.

This high end of the market tends to attract experienced sales people who know all the 'tricks of the trade' and take more of a 'textbook' approach. While they consider themselves perfectly ethical, many do undertake practices which fall into a 'grey area', which would be hard to legislate against.

While it was acknowledged that underhand practices certainly go on, there was no great call for further legislation – in the main respondents were philosophical and believed that the real rogues would always be one step ahead of the law.

This initial research has isolated the areas that the OFT should now focus on. We advocate further work being undertaken to gain greater insight and understanding of how malpractice could be countered in the area of high value goods.

We recommend a public awareness campaign to alert potential consumers to the most common scams and cons undertaken by rogue traders. This can include posting information on the OFT website and working with groups in particular concerned with the vulnerable, such as Help the Aged, to produce fact sheets.

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1 INTRODUCTION

Background

- 1.1 The Office of Fair Trading (the OFT) is investigating the nature of goods and services purchased door-to-door from cold callers and in-home after visits or demonstrations by sales people. The aim is to ensure that such activities are not detrimental to the economic interests of consumers.
- 1.2 Although both the consumer's and sales person's perspectives are being examined, FDS International Ltd. was commissioned to undertake the latter project. Further to a recent presentation of the key findings, this document provides detailed results.

Objectives

- 1.3 The primary objectives of this study were to examine key issues such as:
- how sales people operate and the techniques they use
 - the advantages and disadvantages that this method brings to customers
 - sellers' relationships with their employers, how they are trained, paid and encouraged to act
 - how issues surrounding any of the above may differ depending on the type of products sold and their value.

2 METHODOLOGY

- 2.1 We undertook a qualitative study involving depth interviewing among a random set of people undertaking door-to-door and in-home selling. This began with a small pilot stage to help shape the topic guide and counter any unforeseen problems.
- 2.2 A total of 42 face-to-face interviews were carried out. Face-to-face interviewing was advocated for several reasons:
- first and foremost the potential sensitivity of the topic. We felt one-to-one discussions would put respondents at their ease and allow them to open up, in confidence
 - this method was favoured over group discussions, for the above reason, and due to the impracticalities of getting this kind of audience all together at one time
 - to ensure a broad geographical spread of respondents.
- 2.3 Interviews were undertaken during June and July 2003. The majority of interviews were taped and the transcripts passed on to the OFT, with the respondents' prior agreement. It should be noted that this report also includes some 'off the record comments' made once taping had stopped.

Recruitment

- 2.4 Recruitment was, in the main, undertaken by our field subsidiary **acefieldwork**. They were given equal quotas on high, medium and low value goods.
- 2.5 Respondents were recruited in the North, Midlands and South via:
- Yellow Pages
 - word of mouth/personal contacts
 - local papers
 - leaflet drops and mailshots
 - calling head offices of well known brands.

2.6 In addition, some excellent leads were sourced as the interviewing got underway by networking with early respondents. Particularly at the high value end, interviewees had good contacts who were more willing to be approached than some of those who had been contacted cold.

Sample

2.7 While broad quotas were met, it became apparent at the pilot stage that more interesting findings were likely to be at the high value end of the market. Thus, with the OFT's approval, we re-briefed recruiters and ended up with a sample that was slightly top-heavy, as follows:

CHART 2.1: SAMPLE BY VALUE



2.8 The OFT did not specify which industries or companies to approach, other than that they should be a random spread. We therefore aimed for, and achieved a good mix, including:

- business owners, partners (roughly half the sample)
- the self-employed (over a third) plus one or two on a basic plus commission
- five or six with franchise experience
- one who ran a team of 600 door-knockers
- large national brand names to small unknown companies
- popular products to niche/specialist items
- high value goods (£10k plus) to low value items (under £100)

2.9 Three quarters of those we spoke to were male. While this sample is not statistically significant, it is fair to say that the profession does appear to be male dominated. The following reasons were given during interviewing:

- it can be physically hard work (e.g. carrying trays of frozen fish, or demonstrating an orthopaedic bed)
- some women can feel nervous about going into people's homes, especially in the evenings
- selling is generally thought to be a hard-nosed business, with males more predisposed to this environment
- males were thought generally to be more money motivated and 'hungry' for a sale.

2.10 For this reason we generally refer to 'salesman' and 'tradesman' throughout this report – this is in no way intended to be sexist.

2.11 The annexe contains a full list of the range of businesses covered.

3 KEY FINDINGS

3.1 The key findings from the project are as follows:

- there appears to be no 'archetypal' sales person – they can be characterised as seven or eight key types but even these are not that precise
- the majority are honest people earning a living – a minority acting unethically or illegally spoil it for the rest
- the profession is dominated at all levels by self-employed people on commission only
- it is also male dominated
- generally there is little or no training at the low value end, but often intensive sales courses and product training at the high value end
- there is equally a spectrum of ways in which businesses source their sales leads - from low-key leaflet and catalogues up to national advertising and telecanvassing at the high value end
- each sales person has their own style of selling but there are some basic, common sense techniques that all would adhere to
- at the high value end, however, there is a more defined 'sales process' and those one might call a professional salesman will know all about this
- there are definitely unethical practices occurring – the high value end of the market is most at risk
- unsurprisingly, none of those we spoke to viewed themselves as unethical, and fully justified their activities. This is possibly because many practices fall into a 'grey area' which would be hard to legislate against

- at this level, finance deals are often an important part of the sale, and are likely to increase the sales person's commission
- consumer rights do not have a marked effect on sales people and there are no strong calls for further legislation

4 CONCLUSIONS AND RECOMMENDATIONS

- 4.1 Our research shows that it is clearly at the high value end of the market where the greatest priority of focus is needed. While those selling dusters or pressuring people into switching their gas supplier do pose a risk, there are much lower values involved.
- 4.2 High value items, on the other hand, attract high profit margins and the potential for personal greed and malpractice come into play.
- 4.3 We believe that at this level, many of those we spoke to are acting in a 'grey area' ethically and it would be hard to change the way they operate. But equally there are those who are obviously acting extremely unethically. It is here where the OFT should be directing their efforts.
- 4.4 The difficulty faced is how to actually track some of these people down or police what they are doing.
- 4.5 Some suggestions on how to progress are noted below:
- the OFT may need to gain even greater insight into the high risk areas, now that our groundwork has isolated the areas of greatest concern and those which can be ruled out
 - some investigation could be done relating to the rules around company set up and liquidation, as so many companies seem to be able to set up, go bust and start again
 - greater consumer awareness on the most common scams and cons undertaken by rogue traders and cowboys e.g.
 - being pressured into buying on the night
 - plummeting prices/no price list
 - potentially fictitious calls to the manager
 - the hidden cost of finance deals

- how telecanvassers operate
- signing just to say 'I've quoted' or some other reason which may actually obligate the customer to go ahead with the purchase
- work on the house where poor quality can easily be hidden
- sob stories at the door by duster/ticket sellers
- specific advice for the elderly or vulnerable e.g.
 - do not respond to scare mongering
 - have someone with you when obtaining a quote
 - do not be taken in by too much small-talk
- Such information could potentially be posted on the OFT website, or for older people by working with Help the Aged or other such bodies to produce fact sheets tailored to that market.

5 OVERALL TRENDS

5.1 In this chapter we cover some overall trends across the different value categories, before profiling different types of sales people in more detail in chapter 6.

Employment

5.2 Those we spoke to fell largely into two camps:

- small business owners, partners or franchisees
 - while they themselves are employed by the company, as Director, etc, those working for them are often self-employed, or at best on a small basic salary plus commission
- individuals working for a larger organisation
 - these people are almost always self-employed, with some expected to pay all their expenses, fuel costs etc themselves.

Training

5.3 Within these same categories, there was some variation by value:

- small business owners, partners or franchisees
 - often have a trade or some professional training themselves
 - are likely to give their staff mostly 'on the job' training, taking them out on customer calls to see how things are done, etc
 - a modicum of training may be in order, but this would largely be business related, not sales oriented, e.g. health and safety, how the product works, etc

- individuals working for a larger organisation
 - at the low value end (e.g. cosmetics) there appears to be little or no training. The person may be shadowed on their first trip, but then left to their own devices, with at most a newsletter, or occasional meetings with other reps
 - at the high value end (e.g. double glazing) there tends to be much more in-depth training. This is likely to cover:
 - advanced selling skills (as it is likely to be assumed that the basics are already known)
 - product knowledge
 - company specific procedures and approach

Sourcing leads

5.4 This is done in many different ways, appropriate to each individual business (bear in mind that we interviewed across a whole range of industries). Larger national companies may spend significant sums on advertising and lead generation while small companies/one man bands rely largely on word of mouth.

5.5 By value of goods sold, there are some broad trends:

Low value goods

5.6 Cosmetics etc: leaving catalogues, catalogues requested from HQ, building up network.

Medium value goods

5.7 Small business owners: Local paper, leaflet drops, repeat business, Yellow Pages, Gas/electricity: cold calling.

High value goods

5.8 Tradesmen/builders: Word of mouth, showroom, van/billboard on site/National bed/window companies: national advertising, telecanvassing, etc.

Basic sales techniques

5.9 All of those we met had their own way of approaching the sales element of their job. Some did not consciously think about how they went about it, while others knew all the tricks of the trade.

5.10 While there is no set recipe, there were some general comments and themes cited time and again that might apply to anyone making a sale:

- 'You've got to believe in what you're selling'
- 'You've got to sell yourself first'
- 'Look at the body language'
- 'Be honest, be yourself'
- 'Know your product'
- 'Be outgoing, bubbly'
- 'Be presentable' (particularly true for food companies, pest control, etc)

5.11 There was also some consensus on what was perceived **not** to work:

- 'Very bad, smart alec type of selling' (said of door-to-door gas and electricity sales people)
- 'You've got to credit people with some intelligence' (said of those who go in with high prices which magically plummet)
- 'You can bore someone into buying, but it's very short lived' (said of those who may stand on the doorstep until someone signs just to get rid of them)

5.12 These are really just common sense 'do's and don'ts' that anyone might use. In chapter 6 we discuss in detail the finely honed techniques used by those who undertake selling full-time.

Earnings by value

5.13 Unsurprisingly, earnings can span the spectrum from a few pounds a week up to thousands. Even so, there are again some broad trends by earned value:

Low

5.14 At the lowest level many will be working part time and only earning up to £100 p/w. 'Enough to keep me in pin money.'

5.15 This rises significantly for those who have developed this as their full-time job and have created a bigger business where they get others working for them (e.g. cosmetics catalogues). At this end of the market, the goods are normally low margin, fixed price products

Medium

5.16 In the region of £200-700, either from commission on goods sold, or one-off sign-up fees (e.g. gas and electricity supply). Generally medium margins with sometimes a bit more flexibility on price.

High

5.17 A professional salesman selling double-glazing etc on commission only can earn anything up to £3000 p/w, but this is highly volatile – some weeks may yield nothing. 'If I make £1000 one day I don't have a day off. I want to make £2000 the next.' Margins are much higher and prices more flexible.

5.18 Whereas builders/landscapers and other tradesmen undertaking costly work on the home will generally make less, and have less flexibility on prices. Their wage can also often be seasonal.

Chapter 6 discusses the potential earnings by different types of sales person in more detail.

Conversion rates

5.19 Some rough estimates are cited below (although of course are dependent on the particular skills of each sales person):

- catalogues left on the doorstep : one to two in 10

- catalogues where a network of contacts has been built up: one in three to four
- cold calling door-to-door: one in 10-12
- professional salesman with a pre-arranged appointment: one in two to three but can be volatile
- professional salesman who might be known for their high pressure tactics: higher than above, but can result in higher cancellation rates under cooling-off period agreements
- tradesman or small business owner selling in-home: 40-50 per cent success rate, can be higher if most leads generated by word of mouth/recommendation.

Sales people's reactions to sales people

5.20 We felt that gauging sales people's reactions to others within their profession might yield some interesting responses. Typically our respondents divided into two categories:

- those who are particularly tolerant as they knew what it was like themselves
 - 'I think they are very brave ... it's probably the hardest form of selling there is.' (said about cold calling)
 - 'I would never be nasty to anyone that was knocking the door, because I've been there, I've done that.'
 - 'They say a salesman is the easiest to sell to because he understands what it's like. So I'm very easygoing, I don't give them a hard time.'
 - 'I wonder what this is going to be all about and I treat it as an interesting scenario... whereas a lot of people treat it as what's this man doing in my drive, what's he coming here to sell me? And

that's sad really... In this country there seems to be cynicism towards it, which is a shame.' (said by a door-to-door salesman)

- 'I think it would be a shame if they closed down telecanvassing as it opens up products and markets to people, and a lot of companies would go to the wall.' (said by a salesman reliant on telecanvassers)

those who are very wary, for the same reason

- '(Door-to-door) I have a loathing for them ... they will do anything to get your money.' (In-home salesman)
- '(In-home) I don't trust them. I am very sceptical because I do it for a living.' (Alarms salesman)'
- '(About slick sales guys) They come in their nice shirt and fancy car, that's being paid for by the company. So that's being paid for by the customer. I prefer hands-on people.' (Builder)
- '(About pressure selling) They're pushy ... they sit there all night. That's not our style.' (Family-run glazing business)

5.21 Throughout the research it was the archetypal high-pressure sales person who came in for particular criticism. Many mentioned stories they had heard about people not budging until they had got a signature, or dropping prices by ridiculous amounts.

Consumer rights/laws

5.22 Many of those we spoke to are affected in some way by rights and laws affecting consumers. Some are more general:

- goods covered by seven day cooling off period
- not allowed to knock on doors after 9pm
- products sold through catalogues having a money-back guarantee if not satisfied/goods faulty
- general guarantees on work done (damp proofing etc).

5.23 Others are more influenced by guidance from professional trade bodies or laws relating to their own profession:

- NACOSS alarms/security rules
- building and safety regulations and inspection
- environmental health/trading standards.

5.24 Very few feel hampered by the laws and guidelines in place – they have simply become accustomed to working within them, or feel they are sensible.

5.25 However they are unanimous in feeling that consumers are becoming much more knowledgeable about their rights:

- 'They use their rights as a jemmy, almost before anything has cropped up ... they're already quoting me paragraph 14 section 12 and I don't even know about a complaint yet.' (carpet shop)

5.26 Consumer awareness of scams and malpractice is thought to have improved significantly since the advent of programmes such as Watchdog, rogue traders etc.

5.27 Although these are generally thought to be positive, tradesmen working in the home feel they are at risk of being 'tarred with the same brush.' Some thought they could scaremonger unnecessarily and make people paranoid about choosing a builder (this is backed up by a similar project we undertook for Yellow Pages recently among small businesses.)

5.28 One suggestion was for there to be a 'Nice Traders' programme to redress the balance! Indeed, most of the trades people we spoke to did appear genuinely keen to do a professional job.

When asked what more could be done to protect consumers or themselves, several thought that 'yes, something should be done'. On reflection though, they had trouble articulating exactly what, as the real cowboys are always likely to be one step ahead of the law. Others felt

that there was already too much legislation, and that adding more would not help. Some indicative comments are listed below:

- 'No I think the present situation is a workable situation, based on the fact in my opinion that it's self-governing. Anyone who rips customers off is living in a very short term world, because you're not going to create yourself a business around that ethic.'
- 'No matter what you have the criminals will penetrate, the thieves will penetrate, they'll find it.'
- 'What is legislation? It's only as good as it can be enforced and you can't stop people trying to get something cheaper.'
- 'You can't account for gullible people. You can't cocoon everybody ... it's like a nanny state.'

5.30 A few did proffer some general suggestions on how consumers could be better protected, notably:

- 'If they had a name and shame directory, or even a picture of the person ... the local authority should put these things out in the free papers, these people are operating in your area, don't let them do the work.'
- 'There should be someone who vets the companies, because often they will go bust, then the same person just sets up again.'
- 'I think contractors should have some obligation to put things in writing.'

'Yes, cold calling shouldn't be allowed on any products. That should be outlawed and people signing up there and then shouldn't be allowed ... that would get rid of a lot of cowboys.'

- 'I would like to stop people cold calling ... any company that requires you to sign to commit yourself there and then on the doorstep is probably not offering a good deal.'
- 'They should look at how many cancellations they get and then look at the reps that are doing them.' (as several felt this could be an indication of pressure tactics)

5.31 Others' thoughts related to the specifics of their own business. A few believe it is not consumers who needed protection – but themselves, such as:

- help in guarding against problems of non-payment
- help in dealing with difficult customers
- access to a solicitor or legal help, for small businesses who were not covered by trade associations etc.

Franchises

5.32 We spoke to five or six people with either current or previous franchise experience. While they generally operate in much the same ways as other small businesses, there are a few differences worthy of note:

- they appear likely to receive more training and initial help to set up the business
- for some there seems much greater auditing of practices and checking that franchisees are following procedures etc by a central head office
- often prices are more fixed. For example one company has a website, and advertises nationally, setting their prices centrally, so there is little room for coming up with local initiatives
- franchisees are generally provided with ongoing support if needed, but after time are left to their own devices if they are performing well
- they will normally be paying an ongoing proportion of earnings to the franchise operators to cover set-up, use of the brand name, national advertising, annual fee etc.

6 PROFILING IN DETAIL

- 6.1 From our research we believe that sales people can be defined broadly as different types of personalities falling into the categories of low, medium and high value goods. Observations need to be broad brush because some goods range in value (e.g. a carpet could cost anything from £100 to £10,000) and some respondents may fall between two camps, or have changed over time (e.g. they may have started selling low value goods but now run their own business.)
- 6.2 We provide profile definitions below for five categories of sales people:
- pin-money earner/shrewd networker
 - professional door knocker
 - small business owner/tradesman at heart
 - professional salesman
 - rogue traders/cowboys.

Pin money earner and shrewd networker

Typical profile

- 6.3 In the area of low value goods we met several respondents who would fit the title of 'pin money earner.' Typically female, she sells goods with a low price tag such as cosmetics or house wares door-to-door. She will invariably be working part-time for a large brand.
- 6.4 This kind of work does not appeal to all, due to being out in bad weather etc, and many do not work in the role for long. Those who do tend be dedicated, some having done this work for several years, finding it suits their lifestyle or family commitments. Some also like the social aspect. They may only earn £30-100 a week, so are unlikely to declare their earnings:

'I needed a bit of pin money and I took it up ... I enjoy meeting other people. Once I've been to the ladies two or three times I feel like they're my friends.'

- 6.5 Others find it suits because at the lowest level it can be a very 'low hassle' way to earn a bit of extra cash. Some do not even write up orders or deal with the company direct – they simply do the legwork. Someone else has the bother of sending back returns, bagging up all the goods and so on.
- 6.6 The 'shrewd networker' may well have started as a pin money earner, but found that the cleverer thing to do is to get people working for them. They have seen the wider potential and are aiming to generate greater earnings and a longer-term business.
- 6.7 While, like the pin money earner, they are likely to be operating fairly locally, they will be trying to build up a bigger patch and network of contacts and helpers. This may tip their commitment into full-time work. The potentially higher earnings may lead to more men becoming involved at this level, although it is an area largely dominated by women.
- 6.8 Two companies both lend themselves to this way of working. Their staff (all self-employed) receive a percentage of all goods sold by others they introduce or who work directly for them. Thus depending on the size of their network they can, over time, establish quite a lucrative business:
- 'If I chose to give it more hours ... you could create what they call a passive income whereby the income would come in whether you worked 10 hours or 40 hours a week.'
- 6.9 Equally another company motivates their representatives to do well, with incentives of dinners and holidays for the higher achievers.
- 6.10 While incentivised to do well, this led to little actual 'selling' by most of those we spoke to. At minimum, some were simply involved in catalogue drops. At most, they might show customers a sample or recommend a particularly popular item. Some of the shrewd networkers are a little more switched on to marketing techniques, (for example one had put his brochures in a ring binder that could be kept and was

offering a small discount scheme) but in the main the approach is very low key.

How they operate

6.11 It appears that all such brands operate similarly:

- they are likely to have a well-run support system for those on the ground – area managers, helplines, a website for ordering, etc
- their interface is with their (self-employed) representatives not the end user, who are paid commission on goods sold
- they all offer solid money back guarantees and act within a strong code of ethics
- representatives are not expected to buy goods up front, but the more organised may choose to buy in samples or popular items.

6.12 The only key difference between them is the way in which these companies source leads. For one company, clients are obtained by introduction only. The rest tend to gain new customers through catalogue drops and referrals. Another company appears to be the only one that does not have an unwritten rule about sticking to a set patch and not poaching clients – their representatives can drop catalogues anywhere.

6.13 There seems to be nothing underhand about the way in which any of these companies operate. Those who work for them have no major complaints and admire the high-fliers who do well. They do not feel under pressure to perform themselves – this is more likely to fall upon the higher echelons who are more inclined to have targets to meet. Those at ground level seem to enjoy their work, as exemplified in the following quote:

- 'You get to know more people on the estate as much as anything and people stop to say hello to you and ask if you have got this, have you got that. So it keeps you in communication with people.'

The professional door knocker

Typical profile

- 6.14 Professional door knockers may be offering a range of goods of low to medium value, from frozen fish to the chance to save money by switching gas/electricity supplier. Some also sell aspirational items to low income/inner city households. For example many poorer households cannot afford the latest television or mobile phone or are unable to get credit. Some sellers call at the door to offer these kinds of goods on a 'pay-as-you go' type basis. This is probably their main source of income, though some may have another job too.
- 6.15 This personality is typically fairly young, confident and outgoing. Equally they need to be thick-skinned and not fear the rejection of having doors slammed in their face:
- 'I think they are very brave. It's probably the hardest form of selling there is.'
- 6.16 Above all they need to be positive thinkers:
- 'You knock on 200 doors to get 10 deals – when you look at every door then it's worth to you £3 or £4.'
- 6.17 This type of role tends to attract men, those unlikely to be attracted by a nine to five office job, who see a chance to make good money. As one put it 'the ones that are successful are hungry for the money' although another felt that this kind of selling tended to attract 'chancers' keen to make a quick killing.
- 6.18 Much further than this it is hard to define exactly what kind of personality best suits the job and can make it work:
- 'You cannot pick a door-to-door salesman off a piece of paper. What makes him good at the job is indefinable. I was always surprised how different personalities made it happen – you can never tell.'

6.19 However the above respondent – who had run a small team of door-to-door sales people – feels it a problem to motivate such individuals past a certain point:

- 'Self-employed people will get to a level of income that they want to achieve and will stop working once they've achieved that. Extraordinary philosophy I know, but I assure you the masses of working salesmen, that's the way they work.'

How they operate

6.20 Some small, privately owned companies operate door-to-door sales operations. They might be 'one-man-bands' or run a small fleet of vans selling frozen fish, videos or other items perhaps to rural or well off areas.

6.21 Sales representatives are invariably self-employed, making a mark-up on any goods sold. There is likely to be minimal flexibility on pricing and any discounts or 'freebies' they choose to offer would be at their cost.

6.22 A different type of business within this category is that set up by an entrepreneur/small group of people running a much larger scale operation. They will be acting as the sales intermediary/distribution network for other companies. They are able to deploy large teams door-to-door to sell gas/electricity supply or other items that lend themselves to this approach.

6.23 Such businesses tend to take on self-employed people, thus minimising their own overheads. Both types of company tend to be fairly hard on their representatives – once armed with some basic training there is a certain pressure to perform otherwise they do not last long.

Sales techniques

6.24 Selling door-to-door was acknowledged by many of those we spoke to as an extremely hard business. There is little time to make an impression before facing potential rejection, so those first moments are vital:

- 'I've seen the experts at that (cold calling). It's the way you come across. You've got to be the governor from square one. You've got

to be in that hall before they've asked you and still not have offended them.'

- 'The sale starts the minute you arrive at the premises of the prospective customer. The way you drive the van down the drive, the way you walk down the driveway, the way you knock on the door, the way you introduce yourself. The whole thing is all part and parcel of the sale. If you do any of those incorrectly you've got one arm tied behind your back.'

6.25 In addition it was thought important to be presentable, affable and create a pleasant, non-threatening environment:

- 'It can be as simple as the way that you're dressed (e.g. earrings and tattoos could be off-putting). People that were threatening in any way or potentially could be perceived as threatening had a very short life doing the job.'

Gas and electricity sales

6.26 The business owner we interviewed who ran a team of 600 door-knockers described how their gas/electricity sellers would attempt to effect a sale.

6.27 Their representatives would normally open with the line 'would you like to save money on your energy bills?' They would then quote, in percentage terms, how much cheaper their service was in comparison to a competitor. They would not sell in on any other service differentiator, purely on price.

6.28 The salesman would receive a one-off fee for every person signed up. They tend to work on numbers, quickly moving on rather than trying to persuade people for hours:

- 'Don't take it personally, just leave and move on.'

6.29 Nevertheless, there is some evidence of pressure selling – last year some 14,000 consumer complaints were apparently lodged on the

subject. We also know from another project we have just undertaken for a utility company, that several 'switchers' claimed they had felt pushed into signing just to 'get him off the doorstep.'

6.30 However, the values concerned are low enough that not many choose to use their 'cooling off' right, perceiving that overall they probably are saving some money. This business owner certainly did not look for high cancellation rates among some of his representatives as a sign of pressure selling. His view was:

- 'Well you are always going to get some people who were going to cancel anyway and didn't want it in the first place, so no we would not blame the salesman.'

6.31 It would appear that this market has dropped off over the last year or so.

6.32 Thus this business owner claimed it was now very hard to make a sale in his area and his teams had now moved on to selling other things. He believed that several of the utilities companies had now resorted to taking on their own staff to do this kind of work as it was hard to find external partners willing to engage in it.

6.33 NB: - It should be remembered that this is only one business owner who may not be typical, but hopefully the above case history gives some inkling into the way this kind of business operates.

The small business owner and tradesman at heart

6.34 These two further categories of sales person share many similarities.

Typical profile

6.35 Firstly the small business owner. This might be curtain making, lawn care or plumbing for example – items of medium value - where the sales person is more likely to go into the home to measure up, discuss the sale, etc.

- 6.36 While the goods being sold might be of fairly low unit cost, the business owner will normally be trying to build up a relationship where they can gain repeat business or word of mouth recommendation:
- 'It's not what I'd call a sniper type sale where you're just taking a one-off shot at it then not going back. You're trying to cultivate a market where we've got a good reputation.'
- 6.37 This kind of person is likely to be working solely for their own company. While many run their businesses successfully as the main source of income (e.g. pest control, carpet cleaning), this may not always be the case. This is particularly true if it is a woman running the business part time (e.g. outside catering, soft furnishings.)
- 6.38 Similar to this category, but selling goods of much higher value, is the Tradesman at Heart. In common with the small business owner he will be aiming to build a business based on recommendation and reputation. This group includes builders, roofers, garden landscapers and driveway specialists.
- 6.39 Equally it might include those who spend the majority of their time selling, but for a small family run/long established business. They will also be effecting sales in-home and aiming to build a relationship with the buyer.
- 6.40 These are likely to be larger scale businesses, run full-time, as the main source of income.
- 6.41 The profile of both types of person is basically honest – they may cut a few corners or earn a little extra here and there, but they are not in the practice of ripping people off. They are likely to be operating locally thus can not afford any bad press:
- 'A good job gets spoken about. A bad job gets spoken about quicker.'

- 6.42 They are therefore generally happy to show people examples of their work and have nothing to hide.

Sales techniques

- 6.43 Both of these categories are likely to attract people for whom selling is not their core skill (apart perhaps from the few who do sell full time for a family run business). They will most likely have learnt a profession or have some specialist skill that requires them to sell as a necessary part of the job, but they do not see themselves as true sales people. Indeed some may purposely call themselves something else.

- 'On my card it's got Conservatory Design Consultant because I think salesman is where people get their hackles up straight away. It smacks of some of the stuff of foot in the door selling pots and pans.'

- 6.44 Few will have been on any proper sales training courses. They are more likely to have picked up their skills over time, through making mistakes and learning as they go along. Even if not natural, they will have learnt to become good with people, able to make polite conversation, understand body language etc.

- 6.45 They are likely to make a sale by showing an understanding of the job in hand or a passion for their trade more than through any slick sales patter. Indeed sometimes there might not be the need for persuasive talk, as some of these people are in demand and have sufficient work already.

Pricing

- 6.46 Both the small business owner and the tradesman at heart are likely to operate in similar ways. They would not use techniques of rapidly dropping their prices in order to clinch a deal. In fact some may be unable – particularly at the higher value end – to effect a sale on the spot because they may need to go away and calculate the actual cost, to provide a quote in writing.
- 6.47 Neither of these types of business is likely to offer their customers finance. They may be able to help customers out by offering them post-

dated cheques or the offer to pay once the work is complete, but do not offer credit in the true sense.

- 6.48 They will generally have control over pricing, although small business owners may have lower margins to play with or may have to operate within franchise guidelines. Thus they be able to offer a little discount or throw in a few 'freebies', but will be working within fairly tight parameters.
- 6.49 The tradesman at heart may be more inclined to vary prices, but still within certain boundaries, e.g. five to fifteen per cent. They may for example:
- drop the price a little if work is slack
 - drop the price a little for the disabled/elderly
 - increase the price if they get a 'gut feel' about a job or a customer being particularly difficult
 - increase the price a little if the customer appears wealthy/lives in a good area
 - build in a little as a contingency for unforeseen events (e.g. building work taking slightly longer because of the weather).
- 6.50 Many also acknowledged that customers these days are more inclined to haggle and want to feel they have got a bargain. While some stand firm on their original price, others are prepared to shave a few pounds off or give them a little extra just to show goodwill.
- 6.51 The following quotes give an indication of the kind of flexibility on pricing that may be shown:
- 'Oh go on then, you're only round the corner from my workshop, I've no travelling, I could knock you another £5 off.' (Carpet Cleaning)

- 'I always – and this is after advice from other builders and electricians, they always do it, but I add 15 per cent on the cost, which covers the haggle factor occasionally, but also the unknowns like hitting the water pipe.' (Landscaping)
- '(Do you haggle on price?) At the moment no, because I've been quite busy. If I wasn't busy I'd say yeah knock me down, I need the work basically. But most of the time I say that's the price take it or leave it.' (Electrician)

The professional salesman

6.52 Next we come onto the category which is probably of most interest to the OFT, which we refer to as the 'Professional Salesman'.

Typical profile

6.53 Typically male, this is the kind of person who has turned selling into an art form. They see it as a profession, rather than a job, and over the years have come to understand all the tips and tricks of the trade.

6.54 With their eye on the big prize, they sell high value items where the gains are the greatest (with values of anything from £1,000 - £15,000). These might include specialist items or those tailored to each home, where the true cost might be hard to know or compare directly against the competition – items such as orthopaedic beds, flooring, double glazing, security systems etc.

6.55 This type of person may make anything from £300-£3000 for a sale, yet will be the kind of character for whom this is still not enough:

- 'If I make £1000 one day I don't have a day off. I want to make £2000 the next – we're all looking for that golden pot at the end of the rainbow.'

6.56 There are two possible reasons for this. It is likely to be in their nature to be hungry for money (as with door-to-door salesmen) but they may also have financial commitments or the taste for a good lifestyle that the normal nine to five salaried job just would not provide for.

6.57 Such people are almost always self-employed and likely to be paying for their own expenses, such as fuel and mobile phone. They are likely

to be working for a regional or national company which could be a well known brand.

6.58 The profile of this person ranges from one who is generally fairly ethical and has certain limits beyond which they would not go, to those who have no scruples at all. It is interesting though that all consider themselves to be ethical and can fully justify their behaviour in their own minds:

- 'I don't tell lies, but I don't tell the truth either. But you **have** to do that to get the sale.'
- 'I mean I've jumped over three settees to get to a customer in front of another salesman in the past!'

How they operate

6.59 As we said, those who would class themselves as professional salesmen are invariably working for a large scale operation, not a family-run business.

6.60 One potential set-up is the one-man band, experienced in direct selling, who sets up a skeleton operation, advertises for self-employed sales reps, gets a call centre up and running and a supplier of stock. This kind of operation is one to be particularly wary of as there can be a tendency for the company to go bust and move on, often taking customers' deposits with them:

- 'There's a lot of companies out there where they tart up cheap beds and sell for top whack ... there should be someone who vets the companies because they'll often set up a company, put a lot of debts into it, then go bust.'
- 'There are just unscrupulous people out there I'm afraid who rear their ugly heads in a different guise and a different company name, doing a different product, and they stitch up most people then move on to something else. I can name you 3 or 4 people that I know who are doing this.'

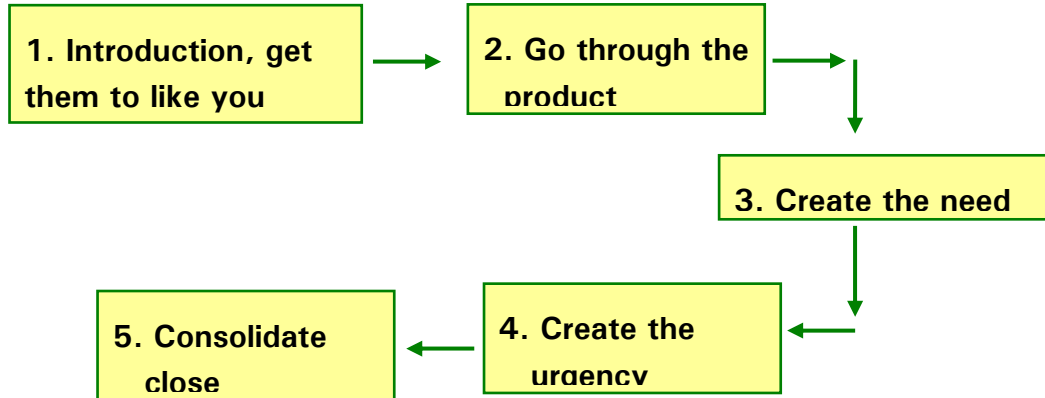
- 6.61 The more solid, and equally prevalent, operation is the kind of company with a regional or national presence – sometimes a well-known brand name.
- 6.62 Such companies tend to have the budget and resources available to have quite a slick sales operation in place. They may spend substantial amounts on advertising, or at the very least will have some sort of canvassing operation, door-to-door or by phone.
- 6.63 For example they may have a call centre making outbound calls from bought-in lists of names broadly matching the profile of their target market. Even a small company may have up to 30 people dedicated to securing appointments, while the nationals could have several hundred staff working solely on lead generation, even suggesting they are conducting market research:
- 'What the call centre does is to a script, which you jigger about until you get right. The whole idea of the script is to get the person interested.'
 - 'They may just say they want people's opinions.'
- 6.64 Once appointments are made it is the sales person's job to convert that lead. They are likely to be armed with plenty of training on the product, plus some specific sales techniques that tend to work in their particular market. (At this level they are less likely to receive basic training, as it is assumed that they will have good sales experience already.)
- 6.65 After that they are on their own:
- 'Many companies just let you sink or swim.'
 - 'They want the maximum commercial output for the minimum amount of effort.'
- 6.66 It is the bigger, national companies who are most likely, once the sales rep is out selling, to put pressure on to reach targets. With potentially high overheads, advertising costs, etc, their people need to prove they can perform quickly. They are more inclined to push their teams to close the deal on the spot, believing this to be the key to success:

- 'In the direct sale home environment, if you don't make the sale on the day, you don't make the sale. It does not happen. It's never happened yet and I haven't found anywhere else where people come back to you.'

6.67 In some instances sales people are expected to buy their own demonstration kit – for example flooring or window samples. These can be quite costly (£200 upwards). Generally the cost would be deducted from their earnings. However the few respondents we spoke to claim that there can be a bone of contention when the sales person leaves, wants to sell their kit back to the company, and finds it hard to get their money back.

Sales techniques

6.68 While each individual will have developed their own style and technique, which they might articulate differently, there are some common ingredients in the sales process. Typically this would involve the following steps:



Examples of how this might work in practice are as follows:

Introduction/get them to like you

- 6.69 Before the door has even opened, some will be doing their homework on their potential client:
- 'I'm a bit of a cat burglar, as you're walking up the driveway you see if they've got a new patio, what the registration of the car is, if they've got double glazing.'
- 6.70 As with door-to-door sales people, first impressions count, even if in this instance the appointment has been set up in advance and the customer knows the sales person is coming:
- 'I always step away from the door so they are standing taller than me on the doorstep, it's great. So they feel they've got the power ... and I say it's X here, with a big smile on my face, how are you doing, nice day.'
- 6.71 After the initial greeting it is important to get to know the person and their needs, relaxing, stretching out and 'getting the warning bells way'.
- 6.72 This will be done through small-talk, spotting pictures of the grandchildren for example or finding a hobby or common point of interest to chat about. The sales person will also try to convey 'you don't have to buy from me today' while of course the intention is to close the sale that day.
- 'The person's got to want the person and that's got to be genuine. You have to show an interest in them and what they need, and that may take five minutes, it may take an hour ... you get an emotional attachment there ... and I like to have a laugh and a giggle with people'
 - 'It could be a woman, you know, you can tell that she's attracted to you. It could be anything – you just play on whatever's there.'
 - 'I call it fishing – I get them on the hook, let them out and then reel them in again.'

6.73 Some said they actually like scepticism and doubters at this point:

- 'I love it when they say I'm not buying off you today. I treat it as a challenge.'
- 'The bigger they are the harder they fall... I want them to be difficult... so the more cynical, the more I want them because they'll be more impulsive to buy. People who are curiously interested are time wasters.'

6.74 What is key, is making some kind of emotional connection with the customer, as it is definitely thought that people buy from people. One company creates an emotional attachment by taking a gift into the home – they have their own shortbread - and offer this as a gift to the customer for inviting them into their home:

- 'That works quite nicely because then you get an emotional attachment and the client is then obligated to you. But personally I think it's corny.'

Go through the product

6.75 This will often involve an actual demonstration – something customers can touch and see in the context of their own home. For example they may be seeing a swatch of carpet or laminate flooring up against their own furniture. There seemed to be general consensus that here it was often the lady of the house who needed to be persuaded, as it was ultimately her who was likely to make the decision.

Create the need

6.76 While showing the product the sales person is trying to create a desire, and this involves a certain amount of skill and psychology on their part. Having first established a rapport and understood the customers' needs, they then start tailoring the benefits of the product to their

particular situation e.g. : you said your daughter suffers from asthma
– then laminate flooring will be much better than carpets.

6.77 One described the process in more detail:

- 'You check the bed out, invariably it's in a poor state, they start agreeing with you. So you're setting them up, you're preconditioning them to a possibility of having a new bed... you're just putting the thoughts into their mind and you're making them make the decisions ... you're just leading them down the road you want them to go ... it's working on their subconscious.'

6.78 Another felt that desire could be created by implying that the product was very expensive:

- 'You plant the idea that it will be expensive and may be out of their price range. Most people hate being told they can't afford something.'

6.79 There are many little tricks of the trade here, which each sales person develops and uses according to each situation.

Create the urgency

6.80 Several feel that the most successful recipe for selling is to then create some kind of urgency. Evidence suggests that if left to consider the purchase and call back later, conversion rates plummet:

- 'I want to think about it – it's the English way of saying I'm not going to buy this. That's the death knell.'

6.81 So there needs to be some legitimate reason why the deal should be closed on the day.

6.82 A typical way to do this might be to imply that the deal is a special offer or has a time limit. The urgency will often be created by making a call to the manager, which is really just a pretext:

- 'The whole idea is then to make a phone call to establish whether the product is still there or not. So there's an urgency... and it's the way in which you do that ... if you do a favour for me, I'll do one

for you. You've got to put the emphasis on them because if you're doing all the work there's no inclination for them to do anything.'

- 'Q. Then you are talking to your manager on the phone are you? A. Yes and he's just blurbing on about any old stuff.'
- 'So you say, well there was a price increase two weeks ago. You see we pay in Euros and they've been going up and up. But there might be some old stock ... (You've got to make it sound credible) ... then you call the office and they say no there's none left, but I'll check Birmingham and call you back. We've got it off pat now, me and my manager. It works because you've created the urgency ... you have to do it this way otherwise you wouldn't get the sale.'

6.83 All of this is thought to be perfectly ethical by those we spoke to. They genuinely believe that if they 'are doing their job properly' they will walk away with a sale on the day using this kind of technique.

6.84 What they consider unethical is when the rep is prepared to sit there all night until the deal is signed. This is where they draw the line. They might typically take two or three hours to close a deal but would not sit and wear the client down indefinitely. They feel that this practice smacks of desperation and a poor salesman:

- 'They will just badger and bludgeon them until they say yes ... that goes on in most direct sales products.'
- 'He said 'I really needed this sale otherwise I'd not have enough for the month to live on. So I stayed there for three hours and said presumably your wife really wants this so what are you going to do about it?' Some people get desperate don't they?'

6.85 Equally they are not prepared to lie and scaremonger just to get the deal, but had heard of plenty of horror stories within their industry:

- '(Security) There's a lot of people in the industry that are quite cut-throat about, well we know they're frightened, we can charge them

a bit extra ... some companies go in and start quoting crime statistics and talking about violent crime.'

- '(Beds) I know companies where they literally go in and frighten the person to death and tell them if they've got a heart condition or something, they more or less say if you don't buy it you'll die.'

Consolidate and close

- 6.86 It was felt that a good salesman consolidates the sale all the way through. Creating a rapport and desire for the product etc. are all thought to be part of the vital build up to actually closing the deal. Throughout the process they would be ensuring that any objections are countered along the way, with questions such as 'Is that OK for you?', 'Are you happy with that?' and at the end 'have you got any questions for me?'
- 6.87 This is a useful technique because at this point the actual price would normally not have been discussed. So once any objections about the product, quality, company etc. have been dealt with, the sales person can legitimately say 'so if we can come up with the right price, then we've got a deal haven't we?' This can then make it hard for a customer to find any good reason why they should then not buy.

Pricing

- 6.88 It is usually during the consolidation process that the whole issue of pricing is raised. If asked before this, the sales person may give a price 'in the region of', but they normally try and build the desire and urgency for the product first. There are various techniques used here but the general principles at this high value end of the market are:
- that there is generally a starting price/book price and a bottom book price, below which the sales person does not make any margin. The differential between top and bottom price can be quite broad (an anecdotal example is orthopaedic beds, with a starting price of approximately £6,000 and a bottom book price of £2,500)
 - within that band, an initial price quoted may be made up on the spot by judging the person and pitching the price accordingly. Or this could be done by asking a few questions up front, such as 'how

much are you looking to throw at this?' to get an indication of an appropriate figure to go in with

- thus prices are not normally written down, or may be in a series of tables which could be made to add up to almost any figure
- the sales person may have 'price conditioned' the customer throughout, by explaining the premium quality of the product, thus leading them to expect they may need to pay a premium price
- once the price is set, there is generally still some room for manoeuvre by a £100 or so if it helps to clinch the deal
- with such high value goods, margins are equally high. A sales person might typically make 10 to 20 per cent of any sale. Equally there may be an unwritten rule about commission increasing considerably if a sale is made at higher than book price. So on a typical sale worth £5,000, the sales person can make up to £1,000
- they would argue that this is an entirely reasonable margin, as the next week they may make nothing at all.

6.89 It is generally acknowledged that this is commonly the way in which prices are set in the direct sales market, and perfectly legitimate and ethical:

- 'It's very rare you sell something at retail price. Retail price is not actually hard value, it's what you can get for it. That's the thing about direct selling, if something is £4000 I know people who'll sell it for £8000.'

6.90 What is thought by many to be a poor and unethical technique is dropping the price sharply. Successful salesmen are highly disparaging about this practice as they believe it is insulting the customer's intelligence:

- 'If something is £7000 and 10 minutes later is now £3000 what are you going to think? It's a con. So you lose all your credibility, you think this guy is just stitching me up.'
- 'What a lot of weak sales do is they would sell at the bottom book price and then have nowhere to go ... as opposed to having the nerve or the belief to sell it at the top price.'

6.91 Even though a few acknowledged that some people still fall for this trick:

- 'Somebody's offering them some discount which is really not possible in reality and the customer themselves probably knows that, but sometimes it's human greed.'

6.92 A better approach, some feel, if the customer can genuinely not afford the product offered, is to offer them a get out option possibly a slightly lower specification product, or an ex showroom model:

- 'If that doesn't work then you have to give them the perceived value of almost as good a product at a cheaper price ... say we have a product which has about 80 per cent of the features of the top product ... but I never say it's cheaper because that demeans the product.'

6.93 Once the price is agreed and the deal struck in principle, the professional sales person still does not feel home and dry. He will reiterate the benefits, reassuring the customer that they have made the right choice and even possibly explaining the cooling off period just to allay any fears. A couple admitted to using this as a tool:

- 'I use it, if I'm on the edge of a deal, I will tell them you do know you've got a cooling off period, so there are no worries if you change your mind.'
- 'It gives them a warm feeling. They've just parted with their money and want to be reassured they're doing the right thing.'

6.94 Although it was thought that others used it for an underhand advantage:

- 'There are certain companies who just ignore that ... just take your deposit ... they would include maybe an ambiguous general worded thing which really doesn't mean anything.'

6.95 Actually getting the customer to sign on the dotted line can be the difficult bit for some people, though there was a classic sales trick reported by one to overcome this:

- 'You don't want to say would you like to sign here, because then they realise they're on the line. So it's quite a tricky thing ... so you drop the pen ... they pick it up ... well actually while you've got the pen just put your moniker on there for me. It saves the embarrassing bit.'

6.96 The above is a typical process that may be undertaken for a complex high value sale.

6.97 Each industry and personality will have their own specific techniques that work for them and their industry. These may range from just sound practical advice that any salesman might use, to those verging on the unethical, e.g. :

- 'I suppose I use everything that I've come to know that works. I mean I'm very tactile ... put my arm round a lady ... I wouldn't even bat an eyelid. But then you get the young lads who try to emulate and I say don't even go there.'
- 'You get a lot of companies that will slag other companies off ... it's not even professional. You just don't do that type of thing unless you're desperate.'
- '(Cast the seed of doubt). Well if you want to buy something that's not safe then that's your prerogative.'

Selling finance

6.98 The offer of finance is generally only applicable at the high value end of the market. Even then, many tradesmen-at-heart, e.g. those

doing building work or loft conversions etc. do not offer it. They would expect their customers to make private arrangements and pay them either at the end of the project or in part payments to cover the cost of materials as the job progressed.

- 6.99 This is really the domain of the professional salesman, who will normally earn extra commission for managing to obtain a finance deal on top of the order. This is likely to be in the region of up to five per cent (only anecdotal.):
- 'You will find the bigger companies, they tend to push. They want a finance penetration of about 50 per cent.'
- 6.100 Those who do not stand to make much commission may still use it to help clinch the deal. It can also be a useful tool to probe the customer's financial standing:
- 'Finance is the best way of establishing whether they can afford it. Because you say, well if you so this through finance ... no I'll pay cash ... that's the biggest buying signal you'll ever hear. That means no I won't do it through finance, I can afford it. That's the best way to qualify if they've got money, it works every time.'
- 6.101 There were several arguments and approaches used to persuade people to take the finance option. Again, some of these bordered on the unethical:
- to make the customer feel as if they are getting a bargain – 'Sometimes people will say 'is it interest free?' You can say 'yes' and then just load the price by 10 per cent.'
 - if there is really no reason for the customer to need finance – 'But if something goes wrong and you've already paid in full, do you think they will bother to come round and fix it?' or 'Well it's a flexible plan so you can pay extra at any time.'
 - as a way of masking the true total cost – 'It will only cost you x per month.'

- if the customer already has other loans and is worried about over stretching themselves – 'Don't worry, we'll put it all together on one loan for you.'

Rogue traders and real cowboys

6.102 These are the kinds of people who are unlikely to come forward and tell us how they operate, because they would definitely fall into the category of unethical sales people. Our profiles are therefore based on anecdotal evidence of their presence from those we interviewed – some had had to pick up the pieces after them.

Typical profile – rogue trader

6.103 First, is a category we class as rogue traders. These are the people who cold call at the door typically selling dusters, charity tickets or other low value items. They will often claim to be reformed criminals or have some disability and are just trying to earn an honest crust. They certainly have the gift of the gab and have no scruples about 'spinning a line'.

How rogue traders operate

6.104 Our respondent who ran a team of 600 door-knockers appeared to know all about how such operations are run:

- 'There's a fella in Liverpool making a fortune out of that. He supplies them with all the dusters. It's an absolute con ... No training, nothing, just get out there and do it ... tell them anything, anything ... they go on the sob stuff and it's absolutely unethical ... four dusters they do for a £1 and you can go and buy them for 20 pence in the pound shop ... they're just selling rubbish with a sob story.'

6.105 He also knew a lot about the selling of charity tickets:

- 'There are all sorts, charities are being ripped off to the teeth ... they go round doing the old selling God knows what for charity, there's no charity there at all. If I came to your front door and sold

you a pound's worth of raffle tickets, would you check them? No, because it's got no perceived value.'

6.106 Thus even if the customer has some suspicion that the caller is not bona fide, they are unlikely to follow-up with a complaint. So it was acknowledged that these people are likely to be hard to catch.

Typical profile – real cowboy

6.107 There is a second, more worrying profile in this category – the Real Cowboy. The reason this type of individual is of greater concern is because of the value of the goods involved. They are likely to be tradesmen selling services of medium to high value. While they may start by door knocking, they may well end up in the home, looking at a bathroom, providing a verbal quote etc.

6.108 Like rogue traders, they are blessed with the same confidence and gift of the gab and know all the tricks of the trade. They are excellent at finding reasons why work needs to be done in the first place and providing excuses why it has not been done properly afterwards. That is if they can be found!

6.109 More legitimate tradesmen had plenty of experiences of seeing work done by such people and describe this as being typical of gypsies and travellers. A tell tale sign of this is only providing mobile phone numbers in their adverts.

How cowboys operate

6.110 Typically these people undertake building or gardening work, such as plastering, roofing, bathrooms and driveways.

6.111 They may at best do a shoddy job, using cheap labourers or cutting corners. At worst they simply take a deposit and are never seen again.

6.112 The commonest stories we heard are about work that is easy to hide until it is too late, for example:

- **Driveways:** a common 'scam' is for the customer to believe that they are being dug out properly, with hardcore being put down. But once the customer is out of sight the lorry full of hardcore pulls away and the tarmac is laid straight on top of the old driveway.

- **Roofing:** it is easy for roofers to claim that work needs to be done by showing the customer a cracked slate or pointing high up onto the roof. Any work is then extremely difficult to check as few are likely to climb up onto the roof themselves.
- **Plastering:** again it is easy to wait until the customer has gone to work and then plaster straight over the top of previous damage instead of preparing the wall properly.
- **Bathrooms:** poor joinery and leaky pipe work can be hidden behind baths and toilets, with problems only arising after the plumber has disappeared.
- **Building work:** a builder can be long gone before someone thinks to check whether their loft conversion/interior wall removal needed to comply with building regulations etc.

6.113 We do not go into further detail of specific scams and cons in this report. However the tapes and transcriptions provide further examples.

6.114 It is generally acknowledged that these people are incredibly hard to catch and prosecute, but that consumer programmes do at least alert people to some of the commonest tricks of the trade.

7 AREAS AT MOST RISK

7.1 There are clearly certain industries and practices that deserve closer scrutiny. Others appear to be ethically run businesses that are unlikely to need greater focus or legislation.

7.2 Below, we summarise what we believe to be areas at most risk of potentially underhand dealings. (This is of course not to denigrate those legitimate businesses which operate entirely ethically in these areas):

- high value products sold on commission only
- any sales that are undertaken 'behind closed doors' where it is hard to police exactly what goes on
- generally bigger national businesses rather than local family concerns (as they often have higher overheads, which can invoke higher pressure sales tactics)
- one-man-band direct sales companies, who may have a record of 'boom and bust'
- companies selling items for the elderly and vulnerable, sold in-home (e.g. stair lifts, orthopaedic beds)
- goods where it is hard to compare prices because they are 'niche' products or tailored to each customer
- high value items which attract finance deals
- work where it is hard to check the quality: roofing, drives, plastering etc
- products with potential for scare mongering, e.g. alarms.

ANNEXE

INDUSTRY SECTORS OF INTERVIEWS

List of industries/products touched upon during the course of interviewing (in rough order of value).

Cosmetics and toiletries

Household goods

Cleaning products

Health and nutrition

Rental goods to low income/inner city homes (e.g. TVs/mobiles)

Reflexology

Outside catering

Blinds

Soft furnishings/curtains

Gas and electricity supply

Frozen foods

Lawn care

Carpet and upholstery cleaning

Photography

Pest control

Electrical/plumbing

Roofing

Carpentry

Painting and decorating

Carpeting

Security/alarms

Landscape gardening

Fitted bedrooms

Flooring

Driveways

Orthopaedic beds

Specialist goods for the disabled, e.g. scooters, baths

Double glazing/windows/conservatories

Loft conversions and extensions

General large scale building work.