

HAZARDS OF DOOR-TO-DOOR SELLING

DID YOU KNOW?

- The pay for door-to-door selling is generally low. People are often blinded by the promise of huge commissions and then become disillusioned when they find out how hard it is to make a sale.
- The hours are long and it is tiring work. Some door-to-door selling is done in the evenings.
- People often don't want to buy the products and you will receive plenty of rejections.
- People tend to get annoyed if they feel they are being disturbed, particularly if they are then confronted with a rehearsed sales pitch. They get even more annoyed if you are arranging an appointment for a sales consultant to call.
- Even when a sale is made, people often change their minds and cancel the contract. Some companies will not pay commission until they are sure that a sale will not be cancelled. This means you may wait for many months before your commission is paid.



Job Watch Inc is

an independent, not for profit, employment rights legal centre. It provides a free, confidential telephone information and referral service and other assistance to Victorian workers.

Hours:- Monday – Friday 9am-5pm
(Closed Tuesday 12.00 noon-2pm)

Phone: (03) 9662 1933 or
1800 331 617

Website: www.jobwatch.org.au

The Advertisement – Things to lookout for

A genuine advertisement will clearly state:

- what the job is, for example “door to door sales” rather than “management opportunity” or “trainee manager”;
- who the employer is;
- where the job is located (the street address);
- what the pay is; and
- if you are an employee, what the retainer (wage) is and what commission is paid on top of that.

Avoid ads that appear in the paper every week or every day. This usually indicates that there is a high turnover of staff because it might be difficult to make enough sales and earn money to make it worthwhile.

When you phone up it is a good idea to:

- confirm the above information; and
- ask whether you will be required to purchase anything (for example, the products or a selling kit).

You should receive direct answers to your questions. If the employer is avoiding answering any of these questions then take this as a warning signal.

If you are unsure about something you have been asked to sign, **get advice before you sign the document**. The Federation of Community Legal Centres can refer you to your closest community legal centre or the Law Institute of Victoria can refer you to a specialist lawyer (see over for contact details).

Phone your union or Job Watch for more information.

The Interview Process - a few tips

Try to avoid group interviews - It is very hard to get any real information at a group interview. You

will be pressured to make decisions there and then based on very little information but lots of wonderful sounding promises. If you are asked to sign a contract during an interview it will probably be a sub-contract agreement (see “Types of Working Arrangements” below).

Do not sign any contract at a first interview. Take it away, think about it and, if necessary, get advice about it. Always keep a copy of anything you sign.

Remember, sales jobs which enable you to earn a decent living are with companies which:

- provide a sales area for each salesperson;
- conduct promotion and advertising campaigns for the product being sold;
- have a good quality product which is reasonably priced; and
- provide administrative and clerical back-up for sales staff.

The interview is your chance to find out if this employer meets the above criteria. If they don't then it is unlikely that you will be able to earn a reasonable living despite the promises they may make.

It is important at this stage to check out the **quality** of the product you are required to sell. You will find it very hard to make sales if the product is not good. Ask to see the full range of products and prices, make a comparison between what you'll be selling and what's available in the shops.

- **Do not** be pressured into buying products at an interview.
- **Go home** and think about what you've been offered.
- **Get advice**, check out the company and above all compare products.
- **Do not** get talked into buying products that you don't want and then cannot sell. You could end up with no job and less money than before you started.

Types of Working Arrangements

EMPLOYEE

Employees perform duties under the direction and control of an employer and receive a wage in return. They may also be entitled to other employment

conditions or entitlements such as paid annual (holiday) leave, sick leave, travel allowances etc. These entitlements may vary depending on the employment status and whether an employee is covered by an Award, a Workplace Agreement or an individual common law employment contract.

You should telephone the Workplace Infoline to confirm your entitlements, including the minimum rate of pay. As an employee you are covered by WorkCover for work-related injuries, your employer usually makes superannuation contributions on your behalf and is responsible for deducting tax from your pay.

CONTRACTOR

Contractors are self-employed. The law treats contractors as essentially running their own business. This means you usually give the person you work for an invoice with your ABN or ACN number so they can pay you. You must pay your own tax. You do not get paid sick leave, holiday pay or travel allowances, and usually the company you work for will not make superannuation payments on your behalf. Also, you may not be covered by the company's WorkCover insurance policy.

Dubious operators advertise for employees, and then ask applicants to sign a contract at the interview which makes them sub-contractors or independent contractors. If you are a genuine sub-contractor or independent contractor you have control and direction of your own work, the way you do it and when you do it (see *Job Watch's "Independent Contracting Traps" Information Sheet for further information*).

- **If you do sign a sub-contract or independent contract agreement, make sure you are entering into a viable business.**
- **Do not get conned by the advertisement and do your own research.**
- **Before you sign anything take it away and think about it.**
- **If you are unsure about the contract, get legal advice.**
- **Always keep a copy of any contract you have signed.**

COMMISSION

Some companies offer commission on top of a guaranteed basic wage, others pay commission only. Check out all claims made about commission and how realistic they actually are. For example, find out these things:

- What is the average commission per employee?

- How many people have worked for this company in the past 12 months?
- How many of those people still work for them?
- How many appointments were made?
- How many resulted in sales?
- What is the exact commission rate?
- Is the commission payable for appointments made or actual sales?
- Do you get paid your commission when a sale is confirmed or only when the client has actually paid?

Remember: Always keep your own precise records of sales (including how many, how much each sale was worth, clients' name and contact details of each client, the hours and dates you worked etc.)

CONSIGNMENT

Another method of arranging door to door selling is to 'consign' the goods to the worker. Under this method you are given goods in the morning which you take out to sell. The company gets you to sign a contract for the goods and you must pay the company a certain amount for all goods not returned. Also, you are free to sell the goods at whatever price you decide. **Beware, this system is designed to protect the company.**

Firstly, you are responsible for the goods, so if anything happens to them, regardless of whether any sales have been made, you must pay for the goods. Also, you are not entitled to any of the benefits of being an employee, the goods can be very hard to sell and very little money may be made. The company makes its money by the sheer volume of workers it has on the streets every day.

Where to get help

Job Watch Inc

(03) 9662 1933 (metro);

1800 331 617 (rural)

www.jobwatch.org.au

ACTU Worker Connect

1300 362 223

for referral to relevant union

www.actu.asn.au

Federation of Community Legal Centres

(03) 9654 2204

for referral to closest community legal centre

Law Institute of Victoria Legal Referral Service

(03) 9607 9550

for referral to a lawyer

www.legalreferrals.liv.asn.au

Fair Work Infoline

(Office of the Fair Work Ombudsman)

13 13 94

www.fwa.gov.au

www.fwo.gov.au

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