

## Direct Marketing Best Practices

### Billing Practices

#### I. Terms Disclosure

- a. The terms of billing must be clearly disclosed on the website.
  - The terms must be appended adjacent to the “call-to-action” or “submit” button confirming the order. This price must be within 100 pixels in numbers between the top and bottom edges of the “call-to-action” or “submit” order button
  - The terms must be in a minimum of 12-point easy to read font.
  - There must be no visually distracting graphics from the display of the terms.
- b. Verbiage must plainly state the enrollment into the membership without distraction.
  - *Acceptable disclosure: “By Clicking “Order” you agree to be enrolled in the \_\_\_\_\_ day trial for \_\_\_\_\_, and after the trial expires, you agree that your card will be charged \$\_\_\_\_\_ per month until you cancel.”*
  - Pre-checked boxes as terms and conditions must never be used. The consumer cannot proceed with order without checking this box.
- c. The price point for the product(s) sold must be within reasonable “fair market value.”
- d. Any trial period must be a minimum of 10 days.
- e. Billing cycles must not bill the customer the “core” price point twice in a 30-day span.
  - Example of an acceptable billing cycle. Day-1 Customer signs up for a 14-day trial and is charged the initial S&H. Day -15 customer is billed for the initial trial shipment. Day-45 customer is billed for the second month shipment of the product.
- f. False guarantees about full money back or full satisfaction are prohibited unless the offer provides a full refund on all merchandise, including but not limited to shipping and handling.
- g. Double Validation – The consumer must accept terms & conditions with pricing twice during order submission. For example, once on the initial landing page and again when checking out and submitting their credit card information. Additionally, the confirmation order page must also disclose that they have agreed to these Terms & Conditions and authorized the charge on their credit card.

#### II. Up sell Policies:

- a. Up-sells or Cross-sells are prohibited

## **Advertising Practices**

### III. Marketing

- a. Marketing of a product as “Free”, “Risk-Free” or stating that the product(s) marketed doesn’t cost anything is prohibited if customers will be paying at the end of a trial for the product or entered into a membership program that has recurring billing.
- b. Images of celebrities are prohibited from use without express legal written consent of the entity being published.
- c. By law, product claims must be truthful and not misleading. Claims made must be substantiated by the formulas used in the product(s) marketed and the clinical research conducted to support it.
  - Claims prohibited from use include: “Flushes Pounds”, “Flushes Toxins”, “Builds Muscle”
  - Additional examples of phrases prohibited from use include:
    - Stating a product will cause permanent weight loss.
    - Stating a product will cause substantial weight loss no matter what or how much the consumer eats.
    - Stating a product will make you lose a specific amount of weight in a specific amount of time.
    - Causes weight loss or muscle growth in specific body parts.
    - Can substitute a full income job.
    - Can earn you money with little to no effort at all.
    - Can earn you a specified amount of money in a specified amount of time.
    - Will instantly earn money with no investment or effort.
    - Will give you access to “free money.”
    - Is endorsed or at all associated with Obama or the government.
    - Will secure a job for you at another company or at the product’s company.
    - Has been successfully used by an unrealistic amount of people.
    - Stating a product will earn you hundreds of thousands or millions of dollars.
    - Stating a product will instantly earn you money with no effort or investment.
  - Blogs used, as a promotion means must be honest and accurate of the endorsee in compliance with FTC guidelines. Otherwise, clearly and conspicuously

shown as an advertisement or that the story is fictional in the event the blog is fake.

- News Sites used as a promotion means must follow FTC guidelines and clearly and conspicuously alert the consumer that it is an advertorial.
- The use of a false sense of urgency is prohibited unless the customer's ability to order is genuinely taken away.
- Countdown clocks and tickers or offer expires today is prohibited.
- Qualifications for trials should follow pre-determined rules that disqualify customers who don't meet such parameters including but not limited to: Age, Weight, Height, and Location.

#### IV. Endorsements/Testimonials

- a. Any endorsement/testimonials relaying the experience of a user must reflect the true and honest opinions of the endorsee.
- b. Endorsements/testimonials provided must provide a clear picture of what users of the product will generally achieve, if the advertiser does not have substantiation for that claim, then the advertiser must clearly disclose what the generally expected results would be, and have substantiation for those claims.

### **Customer Support Practices**

#### V. Customer Support

- a. Merchants must provide customers with multiple outlets for cancellation.
  - Phone
  - Email
  - Mail
- b. Customer support must operate within reasonable hours in the region the product was sold.
- c. Customer support must have hold times less than 120 seconds.
- d. After hour voice greetings should be recognizable by the consumer.
- e. Customer support should be easily accessible.
- f. Customer support must follow the Refund/Cancelation Policy as disclosed on the website.

### **Fulfillment Practices**

#### VI. Fulfillment Services

- a. Products ordered must be executed for fulfillment in a timely manner. As a general rule, product must be shipped within 48 hrs (business days) from the date ordered.
- b. A customer service number must be clearly included in the invoice sheet or confirmation email.

- c. Cancellation/refund policy must be included with product on shipment.
- d. Delivery confirmation with tracking is recommended.
- e. Merchants should strive to provide a product that provides tremendous value perception to the consumer.