



For Immediate Release

## **Direct Selling Industry expected to reach INR 3,40,000 Million by 2019-20**

### **PHD Chamber & IDSA hosts Discussion Forum to create awareness on the Direct Selling Industry in Jaipur**

**Jaipur, 9 May 2013:**

#### **Key Statistics**

- Direct Selling Industry market size INR 63,851 Million for 2011-12, which grew at 22%;
- Expected to reach INR 1,08,436 Million by 2014-15;
- Expected to attain INR 3,40,000 Million by 2019-20;
- Average turnover of Northern region reaches at 20% in 2011-12 from 15% in 2010-11;
- Average turnover of Southern region has reduced to 39% in 2011-12 from 44% in 2010-11;
- Total distributor base reported 25% growth in 2011-12 over 2010-11 and reaches approx. 50 Lakhs distributors;
- Wellness continues to contribute highest to the sales revenue at 44%;
- Fiscal contribution touches at INR 8,212 Million from the Direct Selling firms;
- Ask for centralized guidelines and regulation felt by 94% of the Direct Selling Companies;
- Expected to grow at 20% YOY for the overall industry in the next four years.

In a joint initiative to create awareness on the Direct Selling sector, **Indian Direct Selling Association (IDSA)** in association with PHD Chamber hosted Discussion Forum today in Jaipur. The forum was inaugurated by **Rajesh Yadav**, IAS, Commissioner Industries Department, Government of Rajasthan and others present at the event includes **J M Saksena**, Director States, PHD, **Ms Chavi Hemanth**, Secretary General, IDSA, **Mr Amarnath Sengupta**, Chairman, IDSA, and **Dr. S.P. Sharma**, Chief Economist & Head of Research, PHD Chamber.

**Dr Rajesh Yadav, IAS, Commissioner Industries Department, Government of Rajasthan** said, "Direct Selling has emerged as a new avenue of employment across India and India can benefit from it to overcome economic slowdown. Impressive growth of Direct Selling Industry has led to the overall improvement in infrastructure development of the country, it has supported large number of ancillary units and has also led to increase in investments."

He further stated that this nascent industry is facing many challenges and it adversely gets affected by pyramid scheme companies. We extend our support to the industry and also expect that Central Government proactively comes up with enactment which will regulate the trade to harness the potential of the sector and keep the fraudulent schemes at bay.

**Chavi Hemanth, Secretary General, IDSA** highlighted that the industry has continued to show remarkable growth and reached at 22% during 2011-12, expanding from INR 52,294 Million in 2010-11 to INR 63,851 Million in 2011-12. The robust growth in the segment has been contributed to 22.5% growth in organized sector and 17.68% growth in the unorganized segments of the industry during 2011-12. The industry grew at 24% during 2009-10, 17% during 2008-09 and 13% during 2007-08.



**Dr. S P Sharma, Chief Economist & Head of Research, PHD Chamber of Commerce and Industry**, “The Indian Direct Selling Industry has scaled remarkable growth over the years and has been expanding its horizons in India as a rapidly emerging alternate distribution channel.” The industry is estimated to grow upto INR 3,40,000 Million by 2019-20. Direct selling companies have been active in contributing to the social and economic development of the country.”

The discussion forum brought to attention the growth potential within this industry for the entrants and also the unexplored potential India has for this industry. The annual survey reveals that the concentration of sales of Direct Selling Industry in the Southern region has now started diversifying to the other regions of the country. Average turnover of Northern region reaches at 20% in 2011-12 from 15% in 2010-11; Average turnover of Southern region has reduced to 39% in 2011-12 from 44% in 2010-11; The Northern Eastern region has exhibited remarkable growth at around 43% Sharma said. As the survey has already shown that, the main drivers of growth in this sector are high quality standards of products, reliability/durability, promotional schemes and good simple and clear demonstrations, among others.

**Ms Chavi Hemanth** expressed that the industry is exploring new opportunities using the social media tools and a lot of networking is going on the internet to reach out to large consumer base.

**Chavi Hemanth** also said added that Direct Selling has emerged as a predominant medium for the sale and marketing of product and services across a range of consumer needs, with the industry encompassing a size of Rs 63,851 Million for 2011-12. It has come a long way by generating self employment opportunities to almost 50 Lakh distributors in India and of course the count goes on.

**Mr Amarnath Sengupta**, Chairman, IDSA said, “As per the survey, female distributors for the year stands at 30, 33, 270 where male distributors stood at 18,19,962.” And India being male dominated country where women are the backbone of the domestic support, this industry can give excellent edge to their confidence and fill them with further more support.

He also elaborated on the aspect of women empowerment- a key aspect of direct selling industry worldwide. In the Indian context, the share of women distributors has always been more than 50% in India. However, the men folk in India are also looking at the sector for supplementary income. In the FY 2011-12, the share of men (distributors) has increased to 37.5% in 2011-12 from 36% in 2010-11 wherein many of them are looking at it as a full time career option.

**Chavi Hemanth** stated “IDSA collaborated with PHD Chamber in furthering an on-going process of monitoring the direct selling sector in India. The report assesses the current state of the direct selling industry in India across several key parameters encompassing revenues, sales force employed, product category coverage, distribution reach and most importantly the contribution of this industry to the government exchequer. The Report also addresses the challenges faced by this sector and the overall future outlook.

The forum was concluded by Dr Firoza Bano, Chairperson, Raj Laxmi presenting the vote of thanks.

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