



Amit Chadha

Message from Secretary General Indian Direct Selling Association (IDSA)

It gives me immense pleasure and proud to present to you the latest edition of the Annual Survey Report for the financial year 2015-16. Over the years, the Annual Survey Report of IDSA has gone on to become one of the most sought report on the Direct Selling Industry. It has become an important reference point for Industry Stakeholders, Direct Selling Entities, Scholars for their study, Sector Experts as well as by the Government for formulating policies. This report is a result of an in-depth research, both primary and secondary, and there is plenty of data on Direct Selling Industry for the readers to have first-hand information on.

The Indian Direct Selling Association celebrated its 20 years' celebration in October 2016. It has been a wonderful journey, which witnessed many highs while facing some lows also. However, the spirit at IDSA has always been high, with a single-point agenda of bringing the due recognition for the Direct Selling Industry. Direct Selling is still a relatively new phenomenon in the domestic sectoral set-up in the country. While, there are some prominent players like Amway, Tupperware, Oriflame, Avon, Modicare, Herbalife who have been in the doing business in the country for the last 20 years having many feats to their credit. Yet, as an Industry, there is a lot to be achieved by this Industry. Having said that, it is pertinent to mention that this Industry has been tremendously contributing to self-employment, entrepreneurship and women empowerment.

The Ministry of Consumer Affairs, Food & Public Distribution came up with Guidelines on Direct Selling Industry, giving the much-needed definitional clarity to the Industry. Not only that, these Guidelines also distinguished between legitimate Direct Selling and Fraudulent Schemes, operating under the guise of Direct Selling. These Guidelines are the first step towards the regulatory framework for this Industry. The absence of proper policy or regulatory framework has been adversely affecting the Direct Selling Industry as numerous fraudulent players have taken advantage of the situation. These Guidelines, apart from giving a statute back-up also address the current concerns of the Industry and provide much needed impetus.

The Indian retail industry one of fastest growing Industry in the world. The retail Industry is experiencing exponential growth by expanding not only in Tier I cities but also in the, Tier II, Tier III and rural areas. Increase in personal disposable income, increased awareness and changing consumer tastes and preferences are driving the growth in retail sector. In the midst of this interesting phase, various store and non-store formats have evolved to cater to the ever-growing demand in the retail sector in India. While e-commerce has emerged as a prominent segment of non-store retail distribution, Direct Selling has been another important mode of product marketing and distribution.

The Direct Selling industry has witnessed a steady growth in the last few years. The 8300 crore Industry (FY'2015-16) has provided self-employment opportunities to about 4.1 million people, out of which about 57 per cent are women. World over, women outnumber their men counterparts in Direct Selling. However, in India, share of men has been increasing over the years, with the current Survey showing 43 per cent men are associated with this Industry. It clearly states that Direct Selling, in India, is as much sought by men, as by women. I firmly believe that the Direct Selling Industry has the potential to become one of the major contributors to the GDP in the coming years. While the possibilities and probabilities are infinite, the Industry has to put in collaborative efforts to get regulatory framework.

I believe the Annual Survey Report 2015-16 will enlighten the readers about Industry's contribution to the economy, the industrial; scenario and to the country. I also believe that Direct Selling will continue to make progress on back of increased investments by companies and favorable policies by the government, making a conducive environment for Direct Selling. I take this opportunity to show our gratitude and thank PHD Chamber Secretary General, Mr. Saurabh Sanyal and Research Bureau head, Dr. S.P. Sharma along with his team members Surbhi Sharma, Rashmi Singh and Areesha for their dedicated study and efforts in making this report.

I would also like to thank all the survey participants who have spared their valuable time, providing necessary information. A special thanks to all IDSA member companies who have been supporting this report by sharing vital statistics and information required to formulate this report. IDSA's quest towards bringing regulatory clarity for the Industry will continue with the team being committed to not let any stone unturned towards its advocacy efforts.