

Indian Direct selling industry may touch Rs 25,000 crore mark, provide huge jobs: IDSA

The Indian Direct Selling Association is optimistic about huge growth potential of direct selling in view of good performance witnessed in the preceding years. The year 2016-17 saw a double-digit growth of about 24 per cent and value wise it stood at Rs 10,342 crore.

The KPMG report suggests that the direct selling industry would reach a level of Rs 25,000 crore by year 2024-25. It provided Self-employment opportunities for 51 lakh Direct Sellers in 2016-17. Of this, about 53 per cent of Direct Sellers are women and 47 per cent are men. Globally the women-men ratio is about 80:20 per cent. Men's share has been increasing in the last 5 years in India. About 68% of Direct Sellers are from the age group of 25-44 years.

Interestingly, Wellness and Cosmetics & Personal Care products account for over 80 per cent of the Direct Selling Sales in the country. Northern region leads with 26.3 per cent share, followed by Western & Southern region with 24.6 per cent & 23.6 per cent market share respectively. Eastern and North-Eastern region have 18.8 per cent & 6.7 per cent respectively. Direct Selling is a form of retail trade practiced in more than 170 countries, with a turnover of \$190 billion. Globally, around 117 million persons are engaged in direct selling: around 5.1 million in India earn their livelihood from Direct Selling. This industry plays an important role in transforming lives millions including unskilled work-force.

Vivek Katoch, Chairman and Rajat Banerji, Secretary of IDSA told that Direct Selling is marketing and distribution of consumer products and services, directly to consumers, away from permanent retail locations, through explanation or demonstration of products by an individual representative called Direct Sellers/Distributors. It does not require a huge investment to start Direct Selling business, and every Direct Seller is a micro-entrepreneur. The direct selling is a step in the direction of Prime Minister, Narendra Modi's avowed mission of Make in India because Direct Selling Entities' in India import only about 30 per cent of the total produce and the remaining 70 per cent are produced through contract manufacturing particularly through MSMEs in India.

The Consumer Protection Bill 2018, which was tabled in Parliament in January 2018, has enabling clause, which would empower Ministry of Consumer Affairs to formulate 'Rules'. The Bill has strong provision for Consumer Protection and Complaint Redressal Mechanism.

Banerji and Katoch opined that Ponzi and Pyramid Schemes are fraudulent financial schemes and it was due to lack of understanding and lack of regulatory clarity that investigating agencies view Direct Selling with the same lenses. In fact the Direct Selling is a 'Trade & Commerce' activity where emphasis is on sale of products and is sustained through repeat sales. Ponzi and Pyramid schemes are financial frauds which last till the subscribers keep joining. Also called as 'fly-by-night-operators' the promoters of Ponzi and Pyramid vanish with hard earned money of consumers. Direct Selling is a non-store distribution model offering international standard FMCG products to consumers at competitive prices. In the meanwhile, the IDSA is in process of joining hands with Ministry of Skill Development to facilitate training & certification of Direct Sellers of its member companies. It is an industry that has silently contributed to the Economy by providing livelihood alternatives to 5.1 million (51 lakh) Indians: majority of whom are women.

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