

# DIRECT SELLING IN INDIA

## ANNUAL SURVEY REPORT 2018-19

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Indian Direct Selling Association

Research Partner

# KANTAR

## Message from Hon'ble Minister for Consumer Affairs, Food & Public Distribution

राम विलास पासवान  
RAM VILAS PASWAN



उपभोक्ता मामले,  
खाद्य और सार्वजनिक वितरण  
मंत्री  
भारत सरकार  
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**MINISTER  
FOR CONSUMER AFFAIRS,  
FOOD & PUBLIC DISTRIBUTION  
GOVERNMENT OF INDIA  
NEW DELHI-110 001**

### MESSAGE

30 AUG 2019

I am glad to learn that the Indian Direct Selling Association is releasing its Annual Survey for the year 2018-19 for the Direct Selling industry in India.

Indian Direct Selling Association is doing a commendable job of raising the legitimate concerns of the Direct Selling industry by way of organizing various workshops, seminars, conferences etc. The Ministry of Consumer Affairs acknowledges the role of Direct Selling industry in promoting Consumerism.

I am sure that the findings of the Annual Survey Report 2018-19 will provide the correct guidance that will lead the Direct Selling industry in India to achieve new horizons of growth.

My sincere and best wishes for the success of entire endeavour.

  
(RAM VILAS PASWAN)

## Message from Senior Executive Director, Kantar

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**Mr. Puneet Avasthi,  
Senior Executive Director  
Insights Division, Kantar**

Every year Indian Direct Selling Association (IDSA) comes out with a “State of the Industry” report as part of its efforts to keep key stakeholders and policymakers updated on the state of the direct selling industry in India. Kantar is proud to partner with IDSA in putting together this report basis a detailed market study that Kantar has conducted for IDSA in 2019. The report shares industry insights on key challenges that need to be overcome and drivers that will fuel this industry’s growth, to realise its potential.

The Direct Selling Industry has consistently fostered entrepreneurship particularly among women, retirees and young adults – segments that are otherwise under represented in entrepreneurship. This is on account of key attributes of the industry i.e. low upfront investments and flexible working hours, with the added advantage of financial independence.

We have observed that over the last couple of years, the growth of the Direct Selling Industry has been fuelled by a commensurate growth in the number of Direct Sellers. Hence, it is vital for Direct Selling Entities to strive for an environment that aids retention of its current base of Direct Sellers while sustaining its direct seller recruitment programmes. This can be achieved through:

- a) Greater consumer acceptability of products of a direct selling entity
- b) Lucrative incentivisation of direct sellers
- c) Training support/sales support for direct sellers

Following the notification of Direct Selling Guidelines by the Ministry of Consumer Affairs in 2016, many states have followed suit. Direct Selling Entities and Direct Sellers see this as a positive development since it improves consumer awareness and credibility of Direct Selling Entities.

An expected outcome of the implementation of Direct Selling Guidelines is the reduction in incidence of fraud. Fraudulent organizations operating in the guise of legal Direct Selling Entities are a key barrier to the growth of the Direct Seller base. Incidents of fraud create doubts amongst prospective direct sellers about the safety of their investments, thus inhibiting the industry from realising its potential in India.

A key challenge faced by the Direct Selling Industry are unauthorised sales of Direct Selling products through E-commerce websites. These sales are made without the consent of Direct Selling Entities and often result in poor customer experience. Further, such unauthorised sales impact the earnings of a genuine Direct Seller. A regulatory framework which restricts the unauthorised sale of merchandise of a Direct Selling Entity on E-commerce platforms, would help in curbing this malpractice.

I appreciate the efforts of the Kantar team led by Mr. Shailendra Gupta, Executive Vice President, assisted by his team members – Mr. Rahul Bharadwaj, Account Director, Mr. Rajat Pratap Singh, Account Manager and Mr. Pankaj Tuteja, Senior Research Manager.

I would like to also express my gratitude towards the IDSA team and IDSA’s member organizations for their continued co-operation and support, by providing valuable insights and information to help prepare the Annual Survey report 2018-19.

## Message from Chairman, IDSA

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**Mr. Vivek Katoch,  
Chairman, IDSA**

I am delighted to share the latest edition of the annual survey Report for the financial year 2018-19. It was indeed an eventful year as we have clocked substantial growth.

The Annual Survey Report comes out with the state of Direct Selling sector to access the overall dynamics of the sector. IDSA again partnered with Kantar and the survey represents results of in-depth research and data on Direct Selling Sector. The report showcases a positive side that the sector is making steady progress and contributing to self-employment, entrepreneurship, skill India and women empowerment.

Pertinent to mention, past few years have been of extreme importance to the Direct Selling Sector. While in 2016, the Ministry of Consumer Affairs notified Direct Selling Guidelines, bringing much needed recognition to Direct Selling industry, 13 Indian states so far have adopted the Guidelines, fuelling further growth. The Model Guidelines drew a clear line between Direct Selling and that of Fraudulent Players running Pyramid Schemes.

The year 2019 has witnessed a major confidence booster for Direct Selling in form of the Consumer Protection Act 2019, which paves the way for specific regulatory framework for the Direct Selling Sector. The Act duly recognizes the Direct Selling and at the same time has strong provisions to protect the interest of the consumers.

'Direct Selling business' success is highlighted with the continuous efforts of Direct Sellers, who are the backbone of the sector and their hard work is driving the sales of a direct selling entity. It is indeed a true recognition of their sheer efforts and hard work as the sector continues its register an incline in growth with every passing year.

Direct Selling has provided an apt platform to millions of Indians through entrepreneurial opportunities to showcase their potential, especially the women and millennials who, by virtue of their sheer talent, have been able to achieve extraordinary success. We can proudly say that the Sector has not only encouraged them to dream big, but also helped them in achieving them. Direct Selling has been a perfect blend for the Indian market for Consumers and Direct Sellers alike.

Direct Selling being a labour-intensive sector, it has already made its presence felt in the Indian context with important socio-economic contributions. Apart from making significant contributions to women empowerment and self-employment, Direct Selling has become a major partner to the MSME sector of the country. Today, maximum products being sold through Direct Selling channel are procured within the country by domestic manufacturers, thus giving a strong boost to 'Make in India' and encouraging the MSME sector. Thus, Direct Selling has been a key contributor in generating alternate and indirect employment in the country.

The Annual Survey Report aptly touches upon the key topics of the concern areas, the possible solutions and the road ahead for the Direct Selling sector. We remain hopeful that with backing of exhaustive regulatory framework coupled with progressive and business boosting approach of the current government, Direct Selling will witness unprecedented success in the times to come. The future is indeed bright, and the onus is on the stakeholders to drive the sector towards greater heights.

On behalf of Team IDSA, I take this opportunity to express our gratitude to Kantar Senior Executive Director, Mr. Puneet Avasthi, Executive Vice President, Mr. Shailendra Gupta, along with his team members Rahul Bharadwaj- Account Director, Rajat Pratap Singh- Account Manager and Mr. Pankaj Tuteja- Senior Research Manager for their relentless efforts to put together this report.

I would also like to thank all the survey participants who participated in the survey and shared valuable information towards the cause. My special thanks to all IDSA members who extended their wholehearted support to team IDSA and Kantar to put together this report. IDSA will continue its endeavour to work towards betterment of Direct Selling in the country.

## Executive Summary

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Direct Selling is selling of goods and services to consumers away from fixed retail outlet, generally at their homes or work places, through appointments, referrals. The products are sold through individual representatives of Direct Selling entities called Direct Sellers who carry out thorough demonstration while making such sales.

The global Direct Selling industry stood at around USD 192.9 billion in 2018 showcasing a growth of 1.2% from the industry value USD 190.5 billion in 2017.

China is the leading country in terms of Direct Selling sales in 2018 with a Direct Selling sale of USD 35,732 million contributing around one-fifth of the Direct Selling sales globally. It is closely followed by the United States of America having a Direct Selling sale of USD 35,350 million in 2018. China along with the USA contribute more than one-third of Direct Selling sales globally in 2018.

Amway continues to be the leading Direct Selling organization with a global revenue of USD 8.8 billion in 2018. Avon Products Inc., Herbalife, Infnitus and Vorwerk along with Amway comprise of the top 5 Direct Selling organizations in 2018 based on their global revenue.

The Indian Direct Selling Industry stood at around INR 1,30,800 million in 2018-19 growing at approximately 13% from INR 1,16,700 million in 2017-18.

The industry showed a Compounded Annual Growth Rate of approximately 16% growing from INR 83,085 million in 2015-16 to INR 1,30,800 million in 2018-19. The share of IDSA members in the total sales of the Direct Selling Industry in India stands at approximately 60% as compared to 40% share of non-members in 2018-19. Wellness products (which include products such as weight management supplements, meal replacement bars & drinks etc.) contribute more than half of the Indian Direct Selling Sales by IDSA members. This is followed by cosmetics and personal care (which include products such as cosmetics, skin care, fragrances etc.) which contributes more than one-fourth of the sales by IDSA members during 2018-19.

The Indian Direct Selling Industry's contribution to the exchequer stood at around INR 2,500 crores in 2018-19.

The number of active direct sellers (i.e. those who have ordered atleast once in the last 3 months) in the country were around 5.7 million growing at ~6% from 5.4 million in 2017-18. The industry comprised of almost equal number of male and female direct sellers in 2018-19.

North region contributed to around 27% of the Direct Selling sales in the country in 2018-19. This was closely followed by the West region with approximately 25% of the Direct Selling sales.

Maharashtra has the highest share of sales across the country with 13.3%, of the gross sales in 2018-19, followed by West Bengal contributing more than 9% of the direct selling sales in the country in 2018-19.

The **key drivers** of the growth in Indian Direct Selling industry are:

Direct Selling Guidelines implemented by different states

Recognition of Direct Selling as non-store retail model

Entrepreneurship / employment opportunity

Additional source of income / financial independence

Adequate training and support from direct selling organizations

Focus on Women Empowerment

However, there are **few inhibitors** that are limiting the growth of direct selling, especially the unauthorized sales of direct selling products through e-commerce platforms such as Amazon, Flipkart etc.



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## Background of the study

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Indian Direct Selling Association (IDSA), is an autonomous self-regulatory body for the Direct Selling industry in India. The Association acts as an interface between the industry and policy-making bodies of the Government facilitating the cause of Direct Selling Industry in India. IDSA actively works towards bringing about growth enabling policy changes by working closely with the Government bodies and facilitating the Direct Sellers. IDSA comes out with a “state of the industry” report on an annual basis as part of its focus to keep stakeholders both within the ecosystem and those beyond updated on the Direct Selling industry. The annual report provides an overall perspective on the industry – size of the industry, trends, growth drivers, prevalent regulatory framework etc. IDSA approached Kantar, world’s leading market research, insights and consultancy organization for carrying out a detailed study to bring out the report on the Annual Survey 2018-19 in continuation with the report on Annual Survey 2016-17 prepared by Kantar.

The key objectives of the study were:

- To understand the current market landscape for Direct Selling industry in India
- To understand the competitive landscape in Direct Selling industry in India
- To identify the key driving factors for the growth of industry
- To identify the emerging trends in Indian Direct Selling industry
- To identify the key challenges and sensitivities involved with respect to Indian Direct Selling industry

Both primary and secondary research methods were used to meet the objectives of the study. Secondary research involved extracting financial information of Direct Selling organizations from Ministry of Corporate Affairs Website. Other secondary research sources included publically available articles such as news clippings etc. to understand the current scenario of Direct Selling industry in India.

To understand the global Direct Selling industry in detail, the data available on World Federation of Direct Selling Associations (WFDSA) website was used. Only secondary research was done for the top performing non-member organizations of IDSA to understand the contribution of these non-member organizations towards the Indian Direct Selling Industry. For primary research, the Direct Selling organizations, IDSA members, were the target segments to understand the current Direct Selling Market. Information regarding the current regulatory framework, drivers, barriers etc. was also sought from these IDSA members.

# Global Direct Selling Industry at a Glance

This chapter presents detailed findings from secondary research done on the global Direct Selling industry, the figures for which have been sourced from World Federation of Direct Selling Association (WFDSA). The chapter captures the growth of Direct Selling, share of product categories in global Direct Selling sales, along with growth of the Direct Sellers globally and top fifteen countries of Direct Selling as per sales volume globally.

## Global Direct Selling Industry<sup>1</sup>

Chart below shows the value of global Direct Selling industry in terms of global retail sales through direct selling from 2015-18.

Global Direct Selling Industry in USD millions

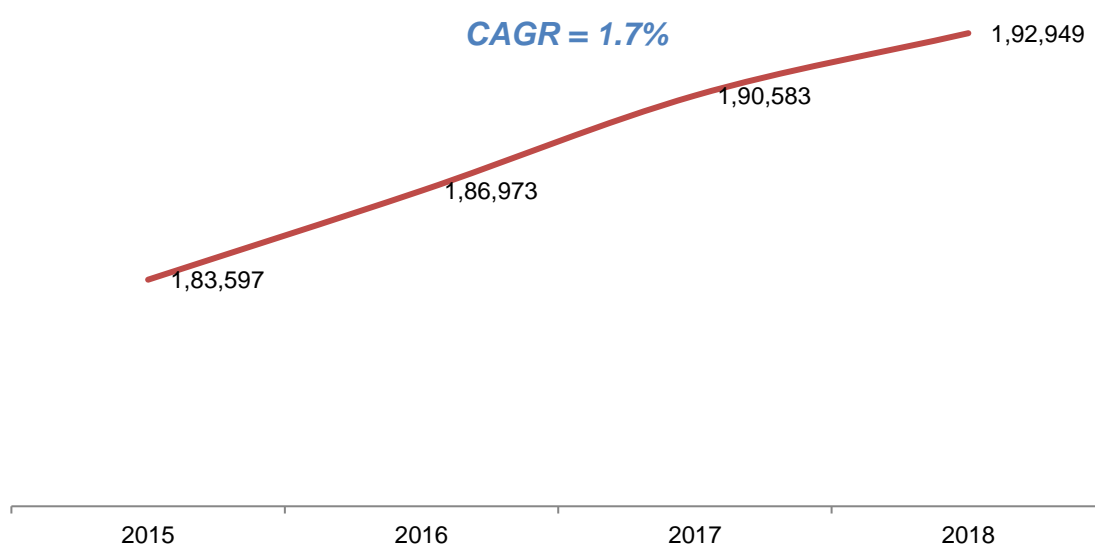


Figure 1 : Global Direct Selling industry in USD millions

The global Direct Selling industry stood at around USD 192.9 billion in 2018 showcasing a growth of 1.2% from the industry value USD 190.5 billion in 2017. The global Direct Selling industry has displayed sustained growth over time with a Compounded Annual Growth Rate (CAGR) of 1.7% for the 2015-2018 period growing from USD 183.5 billion in 2015 to USD 192.9 billion in 2018.

<sup>1</sup> [https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018\\_F.pdf](https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018_F.pdf) accessed in September 2019

## Direct Selling Industry Region-Wise (2018)<sup>2</sup>

Chart below shows the share of various regions towards global Direct Selling industry in 2018.

### Direct Selling Industry Region-Wise (2018)

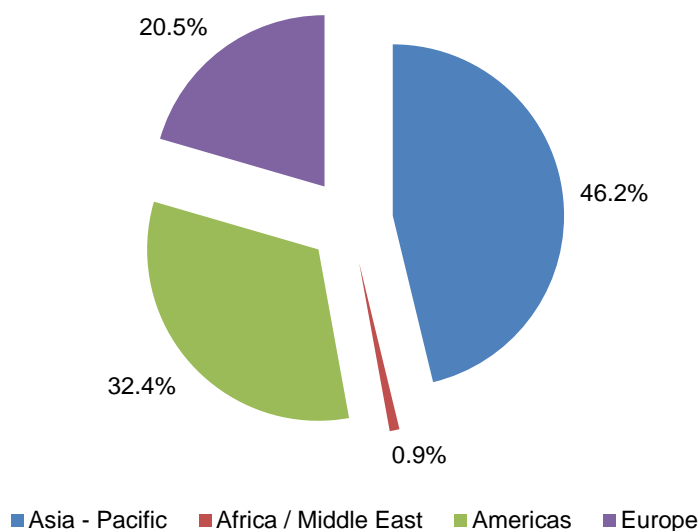


Figure 2 : Direct Selling Industry Region-wise (2018)

Asia-Pacific continues to be the largest contributor towards the global Direct Selling industry with a share of around 46% with USD 89.2 billion business, Americas (North and South America) which contributes around one-third of the global Direct Selling industry at USD 62.4 billion. Europe accounts for around one-fifth of the global Direct Selling industry whereas Direct Selling is a nascent industry in Africa / Middle East with the region contributing less than 1% of the global Direct Selling sales.

<sup>2</sup> <https://wfdsa.org/wp-content/uploads/2019/06/Sales-Seller-Report-FINAL.pdf> accessed in September 2019

## Direct Selling Industry Region-Wise<sup>3</sup>

Chart below shows the share of various regions towards global Direct Selling sales from 2015 to 2018.

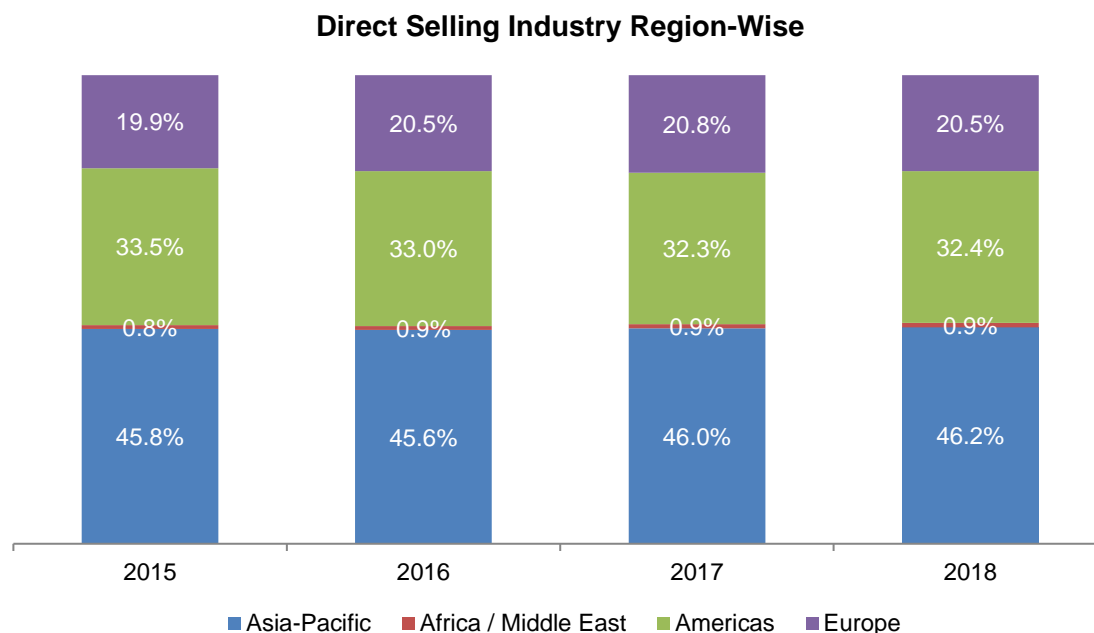


Figure 3 : Direct Selling industry region-wise

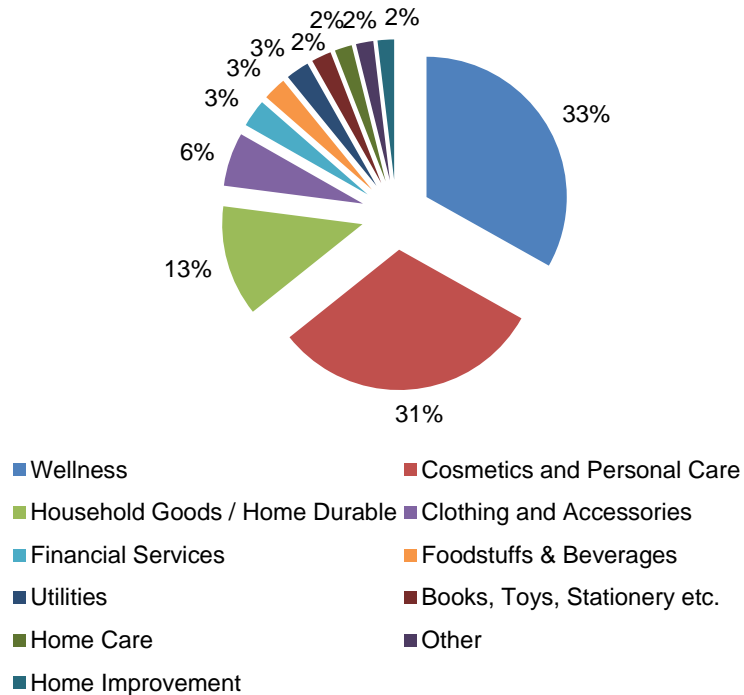
While Asia Pacific and Europe have increased their share towards global Direct Selling industry during 2015 to 2018, there has been drop in the share of Americas in global contribution. However, even though Americas region has seen a drop in the share during 2015-18, it still continues to be the second largest region in terms of share in global Direct Selling sales with its share in the global industry increasing marginally.

<sup>3</sup> <https://wfsa.org/global-statistics/> accessed in September 2019

## Global Direct Selling Sales: Product Categories<sup>4</sup> (2018)

Chart below shows the share of different product categories in the global Direct Selling industry in 2018.

**Global Direct Selling Sales by Product Categories (2018)**



*Figure 4: Global Direct Selling Sales by Product Categories*

Wellness category which includes products such as weight management supplements, nutritional supplements & juices etc. is the largest product category in Direct Selling globally contributing one-third of the global Direct Selling sales in 2018. Wellness category is closely followed by Cosmetics and Personal Care which includes products such as cosmetics, skin care, fragrances etc. contributing 31% of the global Direct Selling sales. These two categories combined contribute around two-thirds of the global Direct Selling sales in 2018.

<sup>4</sup> <https://wfdsa.org/wp-content/uploads/2019/06/Product-Report-FINAL-v2.pdf> accessed in September 2019

## Global Direct Selling Sales: Product Categories<sup>5</sup>

The table below shows the share of different product categories in the global Direct Selling sales from 2015 to 2018.

Table 1 : Global Direct Selling Sales: Product Categories

	Share in global Direct Selling sales (in %)			
	2015	2016	2017	2018
Clothing & Accessories	6.5	7.3	7.2	6.2
Cosmetics & Personal Care	31.6	29.9	30.4	31.2
Home Care	2.1	2.6	2.5	2
Household goods / home durables	11.4	11.5	11.2	12.8
Wellness	33.3	34.5	34.6	33.2
Books, stationery, toys etc.	2.0	2.1	2.2	2.3
Foodstuff & Beverages	1.6	2.1	2.0	2.7
Home Improvement	2.7	2.2	1.7	1.9
Utilities	2.9	3.0	3.1	2.7
Financial Services	3.0	3.1	3.5	3.2
Others	3.0	1.7	1.5	2

Wellness products which include weight management supplements, nutritional supplements and juices etc. continue to be the topmost product category sold through Direct Selling in terms of value. This is closely followed by cosmetics & personal care product category which includes product categories such as cosmetics, skin care, fragrances etc. These two categories along with household goods / home durables contribute around three-fourths of the global Direct Selling sales in 2018. Household goods / home durables consists of cookware, cutlery, tableware, housewares etc.

<sup>5</sup> <https://wfdsa.org/global-statistics/> accessed in September 2019

## Number of Direct Sellers globally<sup>6</sup>

Chart below shows the number of Direct Sellers all over the world from 2015 to 2018.

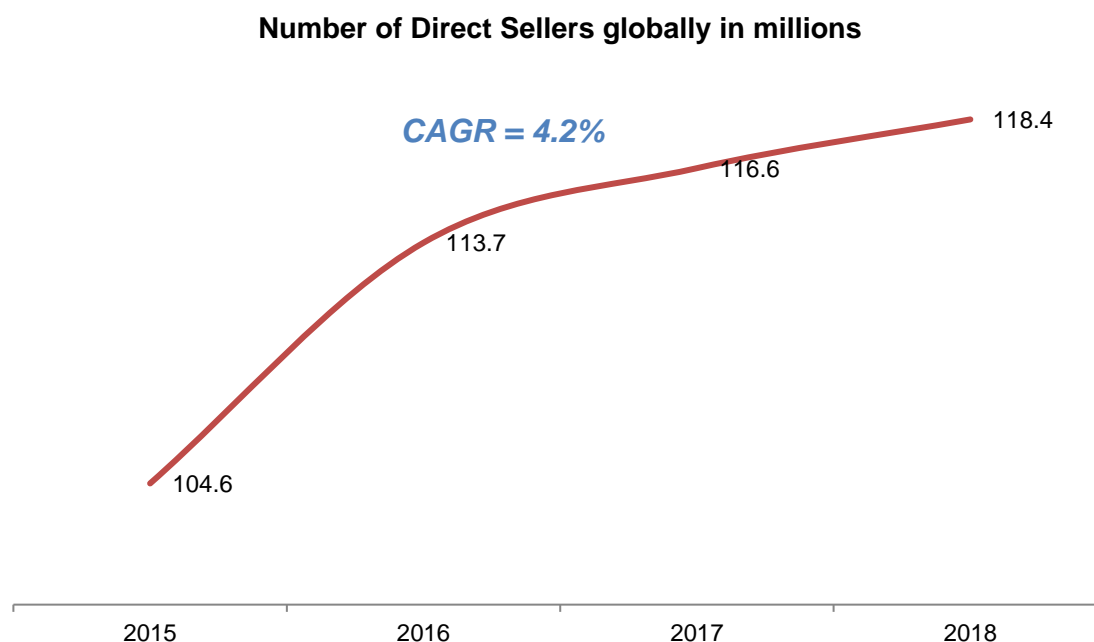


Figure 5: Number of Direct Sellers globally in millions

As of 2018, there are 118.4 million Direct Sellers across the globe registering a growth of 1.6% from 116.6 million Direct Sellers in 2017. The growth in global Direct Selling industry can be accounted to the increase in the number of Direct Sellers globally since Direct Sellers are considered as the “backbone of the direct selling industry.” During 2015-2018, the number of Direct Sellers showed a Compounded Annual Growth Rate (CAGR) of 4.2% growing from 104.6 million in 2015 to 118.4 million in 2018.

<sup>6</sup> [https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018\\_F.pdf](https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018_F.pdf) accessed in September 2019



## Gender-wise split of Direct Sellers globally<sup>7</sup>

Chart below shows the gender-wise split of Direct Sellers in the world from 2015-18.

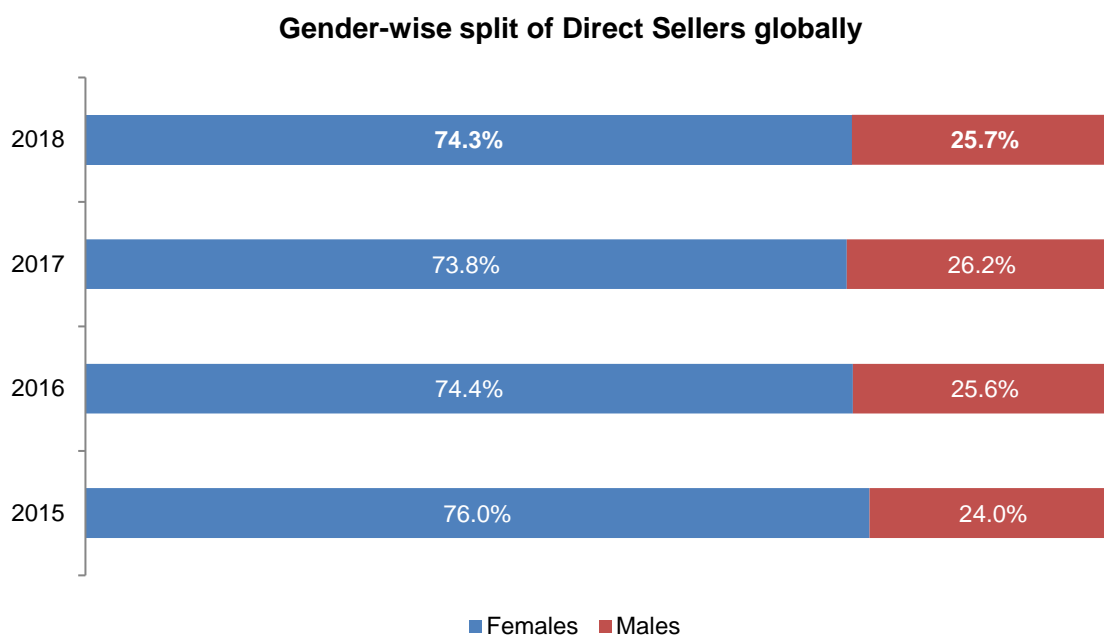


Figure 6: Gender-wise split of Direct Sellers globally

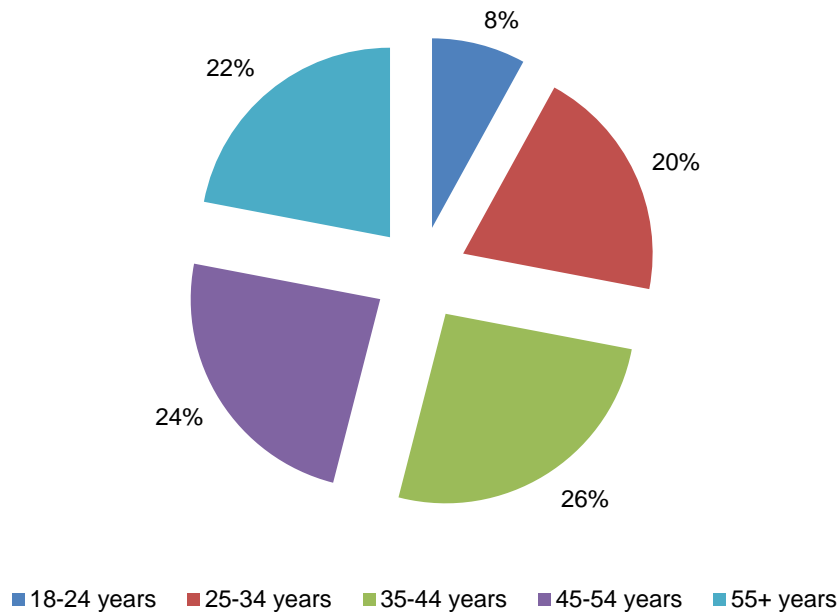
Direct Selling continues to be a female-dominated industry however from the above pictorial representation, it could be ascertained that over the period of time it is also becoming an industry which is attracting males as well. In 2018, around one-fourth of the total Direct Sellers globally were males.

<sup>7</sup> <https://wfsa.org/global-statistics/> accessed in September 2019

## Age-wise split of Direct Sellers globally<sup>8</sup> (2018)

Chart below shows the age-wise split of Direct Sellers in the world in 2018.

**Age-wise split of Direct Sellers globally (2018)**



*Figure 7: Age-wise split of Direct Sellers globally (2018)*

Around one-fourth of the Direct Sellers i.e. around 31 million Direct Sellers are aged 35-44 years old. This age segment combined with 35-44 years old contribute to half of the Direct Sellers around the world. 8% of the Direct Sellers globally in the age band 18-24 years old also indicates that Direct Selling is considered as a source of income by students.

<sup>8</sup> [https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018\\_F.pdf](https://wfdsa.org/wp-content/uploads/2019/06/WFDSA-Fact-sheet-2018_F.pdf) accessed in September 2019

## Top 15 countries: Direct Selling sales globally (2018)<sup>9</sup>

Chart below shows the top 15 countries across the world in terms of Direct Selling sales in USD million in 2018.

Table 2: Top 15 countries: Direct Selling sales globally (2018)

Country	Direct Selling sales (in USD million)	Share in global Direct Selling sales	Year-on-Year sales change in 2018	Number of Direct Sellers
China	35,732	18.5%	2.0%	5,58,000
United States of America	35,350	18.3%	1.3%	1,65,40,000
Korea	18,044	9.4%	2.4%	86,99,339
Germany	17,520	9.1%	0.2%	8,89,004
Japan	15,608	8.1%	0.2%	32,57,663
Brazil	10,198	5.3%	-1.5%	38,20,000
Mexico	5,865	3.0%	1.3%	27,70,000
France	5,385	2.8%	3.0%	6,98,378
Malaysia	5,287	2.7%	0.6%	42,50,000
Taiwan	3,894	2.0%	-0.6%	28,65,000
United Kingdom	3,575	1.9%	-7.6%	5,63,120
Italy	3,311	1.7%	-2.0%	5,44,000
Thailand	2,880	1.5%	-1.9%	1,11,02,209
Colombia	2,489	1.3%	4.3%	22,76,225
Russia	2,488	1.3%	-5.0%	47,21,663

China is the leading country in terms of Direct Selling sales in 2018 with a Direct Selling sale of USD 35,732 million contributing around one-fifth of the Direct Selling sales globally. It is closely followed by the United States of America having a Direct Selling sale of USD 35,350 million in 2018. China along with the USA contribute more than one-third of Direct Selling sales globally in 2018.

<sup>9</sup> <https://wfsa.org/wp-content/uploads/2019/06/Product-Report-FINAL-v2.pdf> accessed in September 2019

## Top 15 Direct Selling organizations: Revenue wise (2018)<sup>10</sup>

Table below shows the top 15 Direct Selling organization as per their global revenue in 2018.

Table 3: Top 15 Direct Selling organization: Revenue wise

Rank	Direct Selling organization	Global Revenue (in USD billion) (2018)
1	Amway	8.80
2	Avon Products Inc.	5.57
3	Herbalife	4.90
4	Infinitus	4.50
5	Vorwerk	4.30
6	Natura	3.67
7	Nu Skin	2.68
8	Coway	2.50
9	Tupperware	2.00
10	Young Living	1.90
11	Oriflame Cosmetics	1.55
12	Rodan + Fields	1.50
13	Jeunesse	1.46
14	Ambit Energy	1.30
15	DXN Marketing Sdn Bhd	1.25

Amway continued to be the leading Direct Selling organization with a global revenue of USD 8.8 billion in 2018, followed by Avon Products Inc., Herbalife, Infinitus and Vorwerk, who, along with Amway comprise of the top 5 Direct Selling organizations in 2018 bases on their global revenue. These five Direct Selling organizations have a combined global revenue of USD 30 billion in 2018.

<sup>10</sup> <https://www.directsellingnews.com/dsn-announces-the-2019-global-100/> accessed in September 2019

# Indian Direct Selling Industry at a Glance

This chapter presents detailed findings from secondary research done on the Indian Direct Selling industry and basis the inputs from the Direct Selling Entities present in India. It presents the growth of Indian Direct Selling industry, share of product categories in Indian Direct Selling sales, growth of the Direct Sellers in India. The study also analyses and considers the figures of previous years' IDSA Annual Reports viz-a-viz the figures collected in 2018-19 from the Direct Selling organizations.

## Growth of sales of Direct Selling Industry in India

Chart below shows the trend in growth of sales of Direct Selling Industry in India from 2015-16 to 2018-19.

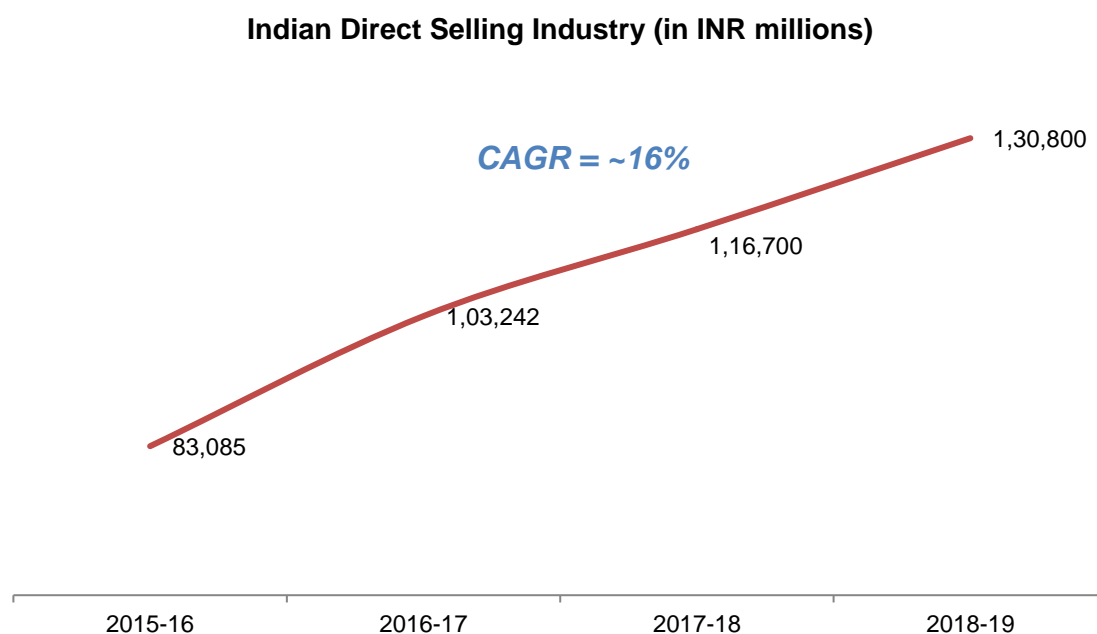
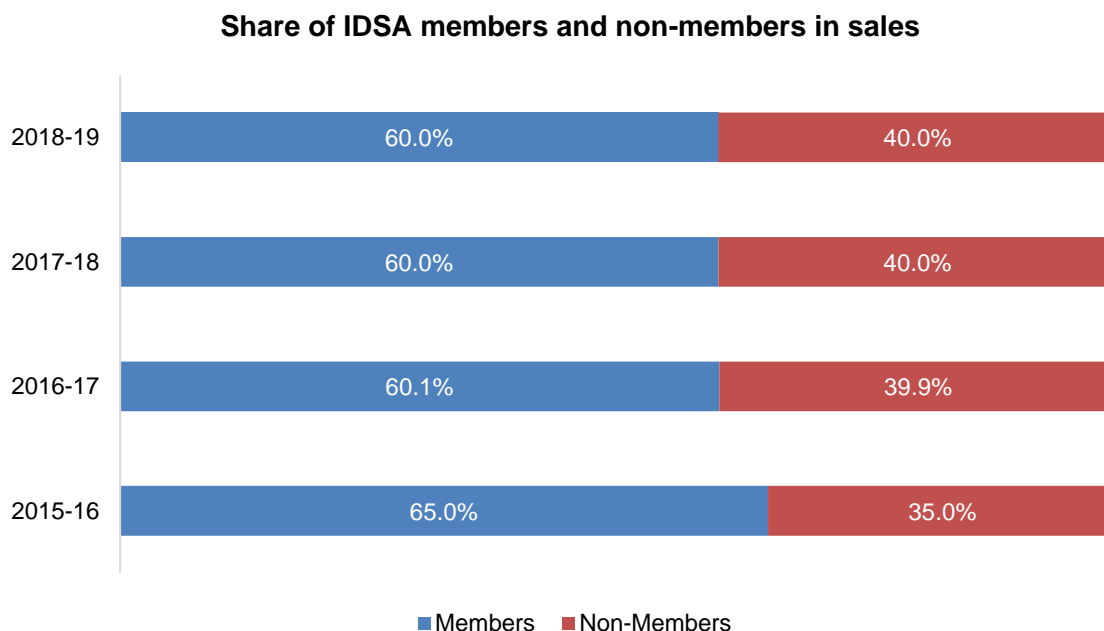


Figure 8: Sales of Direct Selling Industry in India (in INR millions)

The total sales of Direct Selling Industry in India grew to INR 1,30,800 million (INR 13,080 crores) in 2018-19 from INR 1,16,700 million (INR 11,670 crores) in 2017-18 registering a ~13% year-on-year growth in the sales. The Direct Selling Industry showed a CAGR of ~16% from 2015-16 to 2018-19. These figures include the sales of 21 members of Indian Direct Selling Association (IDSA) and the non-member Direct Selling entities.

## Share of IDSA members and non-members in sales

The chart below shows the share of IDSA members and non-members in Direct Selling sales in India from 2015-16 to 2018-19.



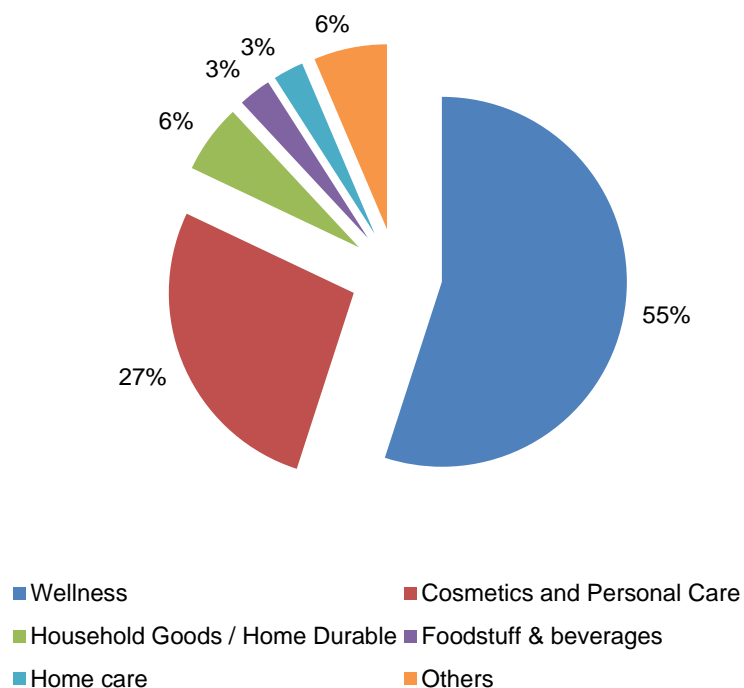
*Figure 9: Share of members and non-members of IDSA in sales*

The share of IDSA members in the total sales of the Direct Selling Industry in India stands at approximately 60% as compared to 40% share of non-members in 2018-19. This has remained somewhat constant in the last couple of years.

## Indian Direct Selling Sales: Product Categories<sup>13</sup> (2018-19)

Chart below shows the share of different product categories of the IDSA members in the Indian Direct Selling industry in 2018-19.

**Indian Direct Selling Sales by Product Categories (2018-19)**



*Figure 10: Indian Direct Selling Sales by Product Categories*

Wellness products (which include products such as weight management supplements, meal replacement bars & drinks etc.) contribute more than half of the Indian Direct Selling Sales by IDSA members. This is followed by cosmetics and personal care (which include products such as cosmetics, skin care, fragrances etc.) which contributes more than one-fourth of the sales by IDSA members during 2018-19. These two categories combined contribute more than 80% of the Direct Selling Sales by IDSA members in 2018-19.

<sup>13</sup> <https://wfdsa.org/wp-content/uploads/2019/06/Product-Report-FINAL-v2.pdf> accessed in September 2019

## Indian Direct Selling Sales: Region-wise (2018-19)

Chart below shows the Indian Direct Selling sales in different regions in 2018-19.

### Indian Direct Selling Sales by different regions (2018-19)

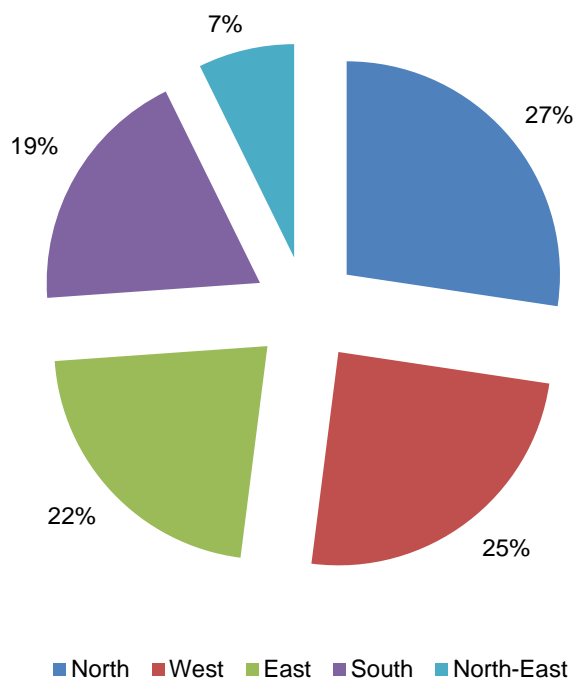


Figure 11: Indian Direct Selling Sales by different regions (2018-19)

North region (which comprises of states such as Uttar Pradesh, Haryana, Rajasthan) contributed to around 27% of the Direct Selling sales in the country in 2018-19. This was closely followed by the West region which comprises of states like Maharashtra, Gujarat, Goa having one-fourth of the Direct Selling sales in the country. East region (which comprises of states such as West Bengal, Bihar, Jharkhand) contributed around approximately 22% of the Direct Selling sales in the country. Southern Region and North Eastern Region accounted for 19% and 7% respectively.



## Indian Direct Selling Sales and Direct Sellers: State-Wise (2018-19)

Table below shows the Indian Direct Selling sales and number of direct sellers from different states from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

Table 4: Indian Direct Selling Sales and Direct Sellers: State-Wise (2018-19)

State / Union Territory	Direct Selling Sales in INR millions	Share in Indian Direct Selling Sales	Number of Direct Sellers in Millions
Uttar Pradesh	9,950	7.6%	0.72
Rajasthan	4,450	3.4%	0.21
Punjab	4,950	3.8%	0.17
Chandigarh	700	0.5%	0.01
Haryana	5,500	4.2%	0.14
Delhi	8,100	6.2%	0.18
Jammu and Kashmir	450	0.3%	0.04
Uttarakhand	1,400	1.1%	0.06
Himachal Pradesh	270	0.2%	0.03
<b>Total North Region</b>	<b>35,770</b>	<b>27.3%</b>	<b>1.56</b>
Bihar	7,750	5.9%	0.69
West Bengal	12,150	9.3%	0.55
Odisha	6,200	4.7%	0.31
Jharkhand	2,470	1.9%	0.25
<b>Total East Region</b>	<b>28,570</b>	<b>21.8%</b>	<b>1.79</b>
Madhya Pradesh	3,650	2.8%	0.20
Chhattisgarh	2,500	1.9%	0.17
Maharashtra	17,350	13.3%	0.56
Goa	320	0.2%	0.01
Gujarat	8,350	6.4%	0.24
Dadra and Nagar Haveli	-	-	0.00
Daman and Diu	50	0.0%	0.00
<b>Total West Region</b>	<b>32,220</b>	<b>24.6%</b>	<b>1.17</b>
Tamil Nadu	7,200	5.5%	0.24
Karnataka	8,650	6.6%	0.30
Andhra Pradesh	2,500	1.9%	0.11
Telangana	3,050	2.3%	0.12
Kerala	2,850	2.2%	0.10
Puducherry	250	0.2%	0.01

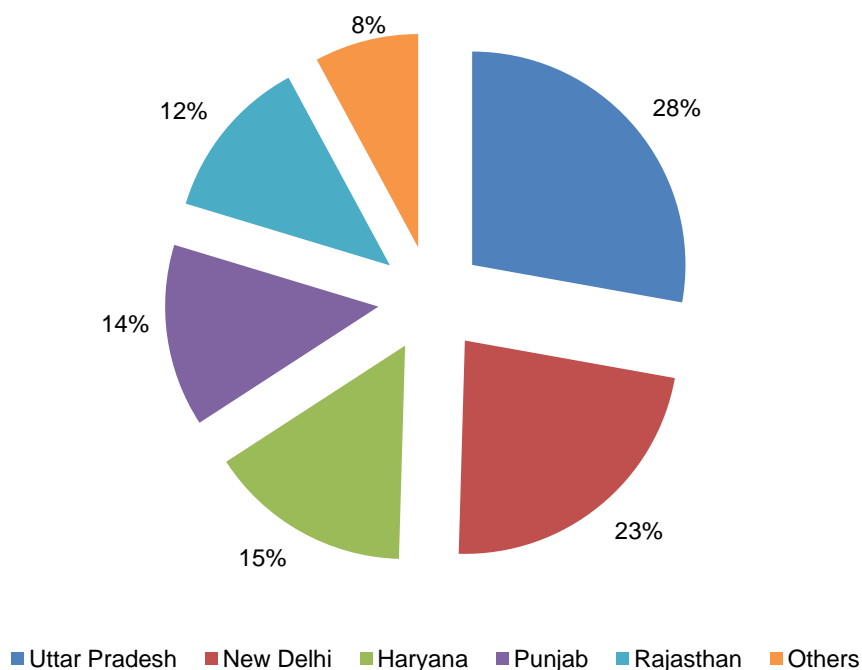
State / Union Territory	Direct Selling Sales in INR millions	Share in Indian Direct Selling Sales	Number of Direct Sellers in Millions
Andaman and Nicobar Islands	120	0.1%	0.00
Lakshadweep	-	0.0%	0.00
<b>Total South Region</b>	<b>24,620</b>	<b>18.8%</b>	<b>0.87</b>
Assam	4,150	3.2%	0.17
Tripura	350	0.3%	0.02
Meghalaya	650	0.5%	0.02
Manipur	1,500	1.1%	0.05
Nagaland	1,000	0.8%	0.04
Arunachal Pradesh	400	0.3%	0.02
Mizoram	1,200	0.9%	0.04
Sikkim	270	0.2%	0.01
<b>Total North-East Region</b>	<b>9,520</b>	<b>7.3%</b>	<b>0.36</b>

Maharashtra has the highest share of sales across the country with 13.3%, of the gross sales in 2018-19, followed by West Bengal contributing more than 9% of the direct selling sales in the country. Uttar Pradesh, the top contributor from the North region, contributed more than 7% of direct selling sales in the country in 2018-19. Karnataka, the top contributor from the South region, contributed more than 6% of direct selling sales in the country in 2018-19.

## Indian Direct Selling Sales: North region (2018-19)

Chart below shows the Indian Direct Selling sales in North region from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

**Indian Direct Selling Sales : North Region (2018-19)**



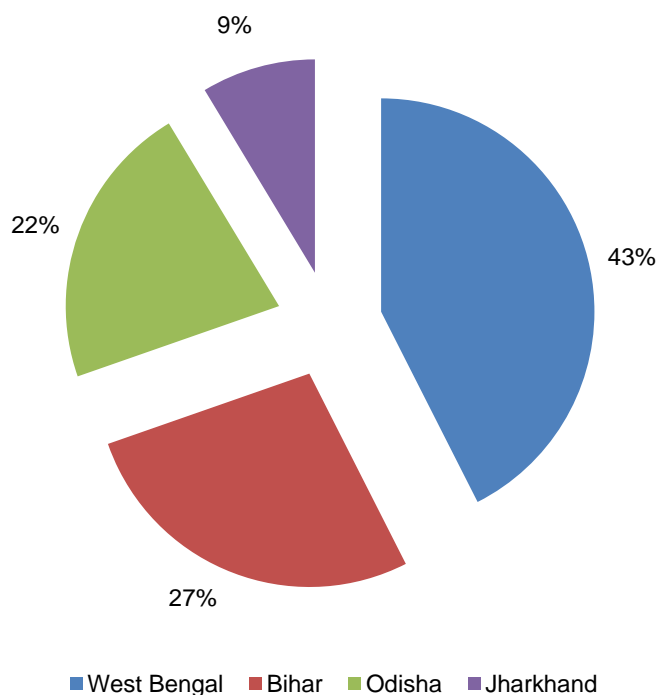
*Figure 12: Indian Direct Selling Sales: North Region (2018-19)*

Among the states in the Northern region, Uttar Pradesh contributed to about 28% of the Direct Selling sales followed by Delhi with around 23% of share. These two regions combined contribute to more than half of the direct selling sales in the region in 2018-19.

## Indian Direct Selling Sales: East region (2018-19)

Chart below shows the Indian Direct Selling sales in East region from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

**Indian Direct Selling Sales : East Region (2018-19)**



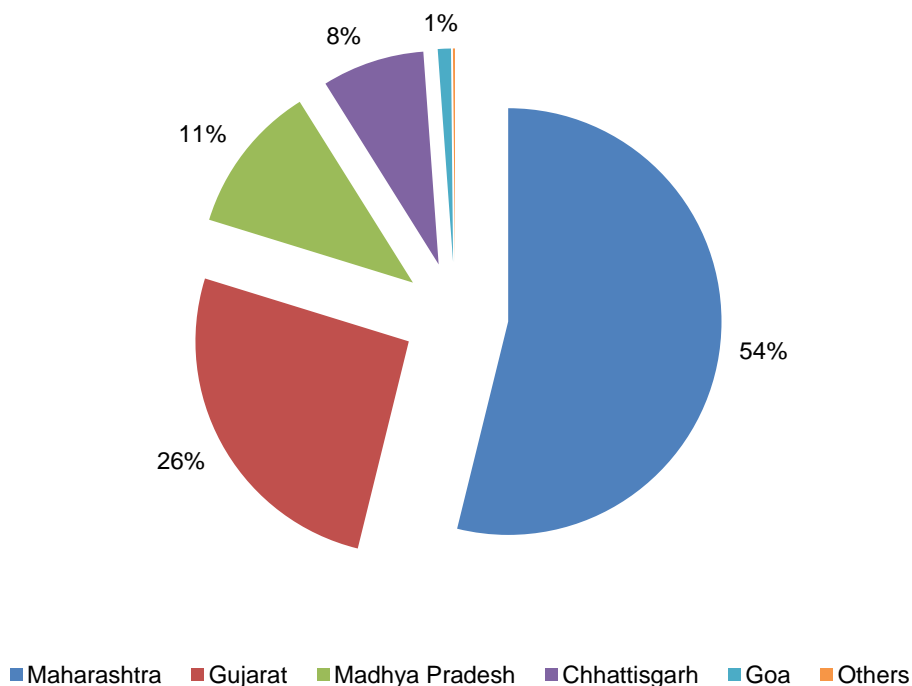
*Figure 13: Indian Direct Selling Sales: East Region (2018-19)*

Among the states in the Eastern region, West Bengal contributed approximately 43% of the Direct Selling sales followed by Bihar with almost 27% of share. These two regions combined contribute to around three-fourth of the direct selling sales in the region in 2018-19.

## Indian Direct Selling Sales: West region (2018-19)

Chart below shows the Indian Direct Selling sales in West region from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

**Indian Direct Selling Sales : West Region (2018-19)**



*Figure 14: Indian Direct Selling Sales: West Region (2018-19)*

In the Western region, Maharashtra contributes to more than half of the Direct Selling sales in 2018-19. Gujarat contributed more than one-fourth of the Direct Selling sales in the western region in 2018-19. These two states combined contribute to more than 80% of the Direct Selling sales in the region.

## Indian Direct Selling Sales: South region (2018-19)

Chart below shows the Indian Direct Selling sales in South region from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

### Indian Direct Selling Sales : South Region (2018-19)

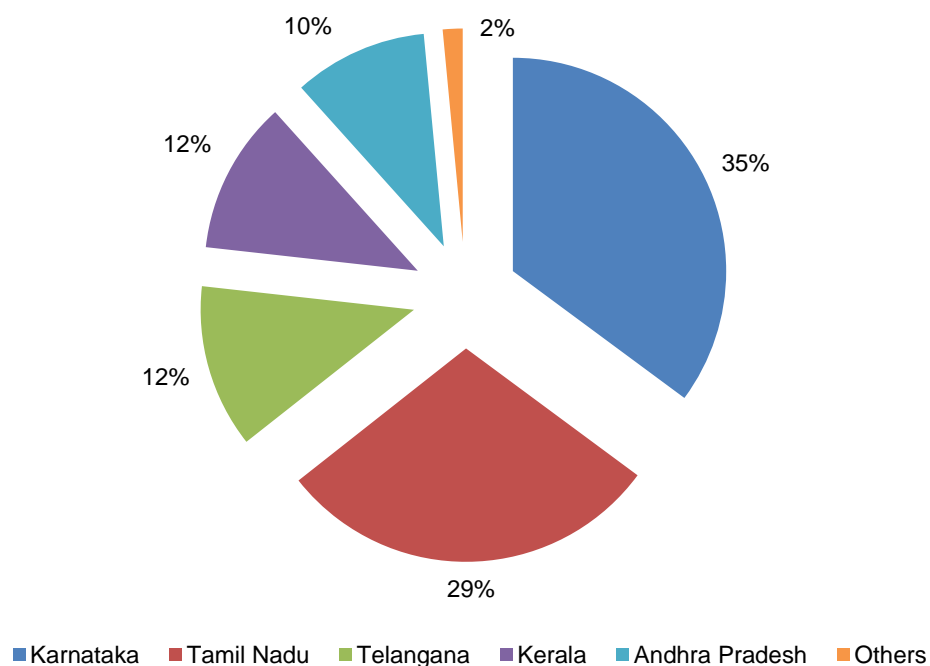


Figure 15: Indian Direct Selling Sales: South Region (2018-19)

Among the Southern states, Karnataka contributed to more than one-third of the region's Direct Selling sales in 2018-19, closely followed by Tamil Nadu with almost 30% contribution. These two states combined contributed around two-thirds of the region's Direct Selling Sales.

## Indian Direct Selling Sales: North-East region (2018-19)

Chart below shows the Indian Direct Selling sales in North-East region from 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019.

### Indian Direct Selling Sales : North-East Region (2018-19)

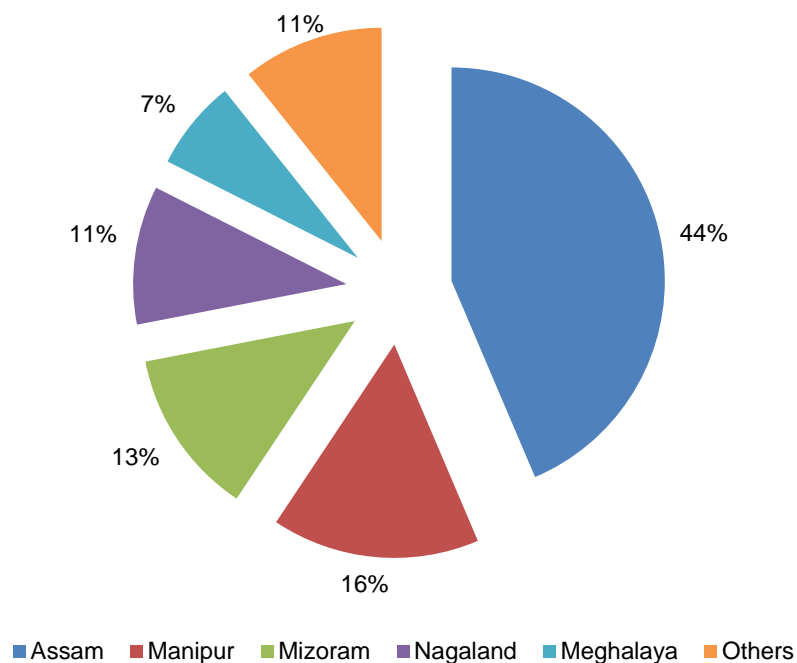


Figure 16: Indian Direct Selling Sales: North-east Region (2018-19)

In the North-East region, Assam lead the way with more than 40% of Direct Selling sales in 2018-19. Manipur captured around one-sixth of the Direct Selling pie whereas the contribution of Mizoram and Nagaland stood at around one-fourth of the Direct Selling sales in the region.

## Number of Direct Sellers in India

Chart below shows the trend in number of Direct Sellers in India from from 2015-16 to 2018-19.

### Number of Direct Sellers in India in millions

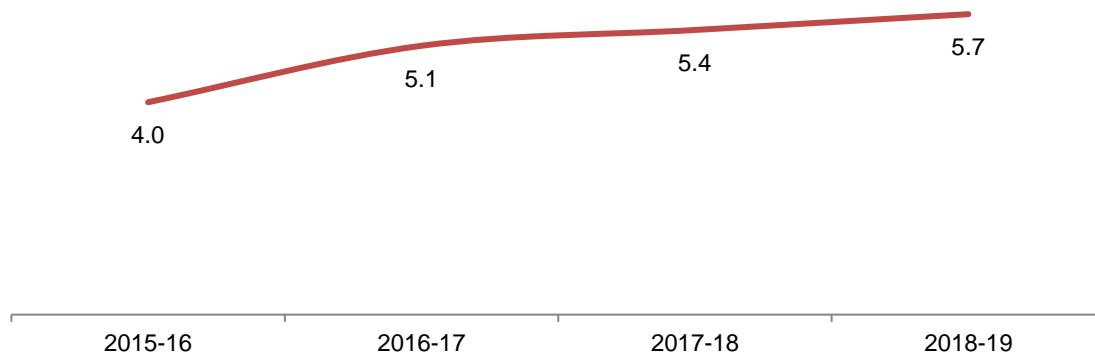


Figure 17: Number of Direct Sellers in India in millions

The number of direct sellers in India were around 5.7 million growing at ~6% from 5.4 million in 2017-18. These figures include only active direct sellers i.e. those who order atleast once in three months.



## Gender-wise split of Direct Sellers in India

Chart below shows the gender-wise split of Direct Sellers in India from 2015-16 to 2018-19.

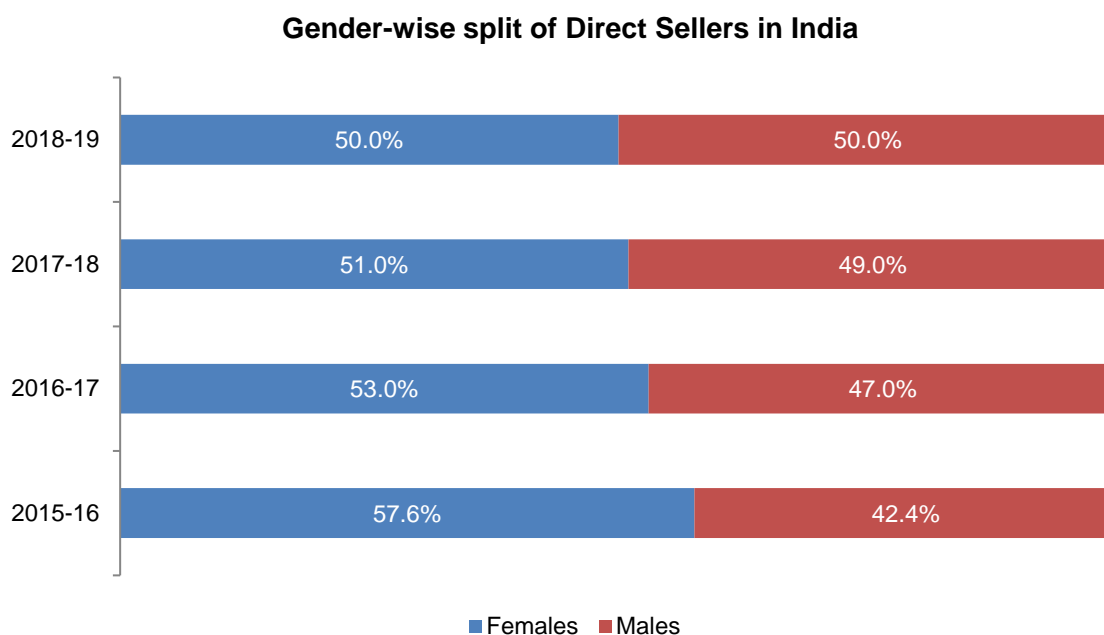
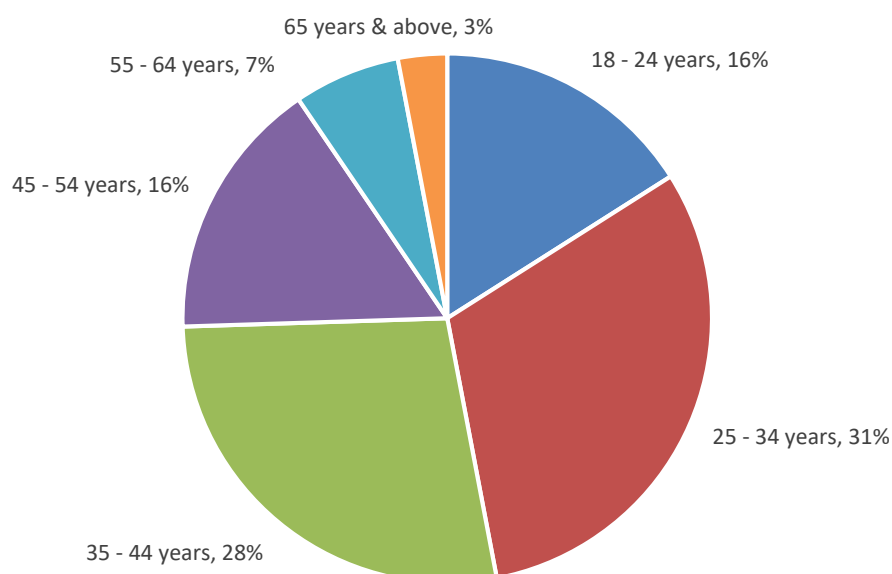


Figure 18: Gender-wise split of Direct Sellers in India

The industry comprised of almost equal number of male and female direct sellers in 2018-19. The trend in the last few years has witnessed share of female direct sellers dropping down, from around 57% in 2015-16 to around 50% in 2018-19. The increasing proportion of male direct sellers in the industry indicate that Direct Selling has been continuously attracting males who have taken up Direct Selling as full-time income opportunity.

## Age-wise split of direct sellers



Direct selling in India is largely practiced by young Indians typically between 25 – 45 years of age. This segment comprises of around 60% of the total direct selling workforce.

## Drivers behind growth of Indian Direct Selling Industry

**Direct Selling Guidelines implemented by different states** – Post the notification of Direct Selling Guidelines by the Ministry of Consumer Affairs in 2016, a total of 13 states have so far notified the Guidelines, giving recognition clarity to the Direct Selling business model. This has been one of the major factors in boosting the confidence of the Direct Sellers in these states. Because of the recognition of Direct Selling, the Direct Sellers have also been able to reach out to more consumers and potential Direct Sellers, resulting in growth of business.



**Recognition of Direct Selling as non-store retail model** – The consumers enjoy the luxury of 'shopping at doorstep' through Direct Selling. In addition, they also get the benefit of look and feel of the product and its feature thoroughly explained by the Direct Sellers. These factors play a crucial role in helping a consumer to make right choices. Direct Sellers also conduct thorough demonstrations of the products, which also helps consumers understand the quality as well as the utility of the products.

**Entrepreneurship / employment opportunity** – Direct selling provides an additional employment opportunity to the people with no formal education qualification. This industry also provides an opportunity to people to work for themselves and become an entrepreneur and not working for someone else as compared to regular jobs. The advantage of flexible working hours over regular jobs works in the favour of direct selling. Direct selling organizations also provide adequate training and support, especially product information training and sales techniques training, once a direct seller gets associated with the organization.

*“The key driver for growth of the industry in India is that it enables entrepreneur thinking and freedom to execute. Direct sellers are their own bosses and can work as per their convenience.”*

*“Direct selling enables one to become an entrepreneur. Also, increasing unemployment rate is also helping in the growth of direct selling since people are looking at direct selling as a career opportunity.”*

**Additional source of income / financial independence** – Direct selling enables an individual to earn more while working part-time and hence direct selling acts as an additional source of income. It also provides financial independence especially for women and provides them an opportunity for recognition in the society. Direct selling also provides an advantage of earning when the direct sellers under your network (i.e. introduced by you to direct selling) sell further to other customers / direct sellers. Hence, there is always a continuous flow of income depending upon the sales made by the Direct Sellers and others in the group.

*“Indian people have always been aspirational and want a little extra. Direct selling gives them the opportunity of supplementing their income. Job prospects are shrinking very fast and hence people want more than one income avenue. Direct selling is just the right thing for them.”*

**Adequate Training and Support from Direct Selling Organizations** - The direct selling organizations in India arrange for regular interactive sessions which are usually addressed by the successful direct sellers to motivate new people to join their organization and motivate the existing direct sellers. The success stories of the direct sellers who have been able to earn a substantial amount of money through direct selling are used as a medium to motivate the people to be actively engaged in direct selling. The direct selling organizations also identify the key performers who are awarded with recognition awards. These direct selling organizations also publish videos of how direct selling has changed the lives of the successful direct sellers on their Youtube page to reach out to a large number of people.

*“The growth of the industry is directly linked to the number of direct sellers who are the backbone of this industry. Regular counselling and training by the organizations to their direct sellers on products and business practices plays a key role in motivation of these direct sellers.”*

**Focus on Women Empowerment** – Direct selling has traditionally been a female-dominated industry since it provides advantages such as financial independence, low / no entry barrier, flexible working hours and societal recognition especially in the case of females. Engaging in direct selling allows women an avenue to earn money and gain financial freedom while not being formally employed. With not much initial investments required in terms of infrastructure or manpower, Direct Selling has made earning money more attractive especially for women who want to be part-time entrepreneurs.

*“In a society, where predominantly, women stay at home, Direct selling gives them an excellent opportunity to support their family.”*

*“Women find direct selling very convenient since it provides them financial independence and earning opportunity. Also, they can easily sell the products within their social circle and expand their network.”*

## Major Challenges for Indian Direct Selling Industry

**Misconception about the Direct Selling market** – Even after getting definitional recognition through the Central Guidelines and various states also implementing Direct Selling Guidelines, still there is much apprehension in the minds of people getting associated with Direct Selling organizations. They perceive Direct Selling business to be risky and unapproved by the Government. This has been one of the factors, according to the Direct Selling organizations, that has had a negative impact on the Industry. Much of this misconception can be attributed to rumors and lack of knowledge about legitimate Direct Selling business.

*“There is negative perception about direct selling. There are a lot of fraudulent organizations / fly by night operators claiming them to be direct selling organizations. This impacts the confidence of people in the entire industry.”*

**E-commerce selling direct selling products** – The key challenge faced by majority of the Direct selling organizations is the illegal / unauthorized selling of direct selling products through E-commerce platforms like Amazon etc. To add to this issue, these products are sold at a high discount rate which directly affects the sales of these direct sellers. The advantage of home delivery as well as cash on delivery options on e-commerce platforms have diluted the sales of Direct Selling organization through their Direct Sellers. Even though these e-commerce websites have been banned from selling direct selling, the practice of unauthorized sales of direct selling products through E-commerce continues. The need of the hour is to have proper regulations prohibiting e-commerce websites from selling products sold by Direct Selling organizations, which can result in a much faster growth of Direct Selling Industry in the country.

## Flipkart, Amazon Restrained by Delhi High Court From Selling Direct Sellers' Products Without Consent

The interim direction by Justice Pratibha M Singh came on the pleas of the three direct sellers.

By Press Trust of India | Updated: 10 July 2019 18:50 IST

*Few examples of direct selling products being sold through e-commerce:*



Nutri Lite Daily120 Tablets

₹1,500 ~~₹2,229~~. Save ₹729 (33%)  
Save extra with Cashback



Avon tea tree purifying cleanser  
(pack of 2) each 100g

★★★★☆ 8  
₹272 ~~₹398~~. Save ₹126 (32%)



Herbalife Formula 1 Shake for  
Weight Loss (500 g,Mango)

★★★★☆ 531  
₹1,225 ~~₹1,790~~. Save ₹565 (32%)

*“Unauthorized sales of our products through e-commerce portals impacts the confidence of the direct seller. These e-commerce portals provide our products at discounted rates due to which many customers do not buy from direct sellers.”*

*“Misuse and mishandling of our products through e-commerce portals has inhibited the growth of direct selling in the country.”*

**Negative impact of fraudulent organization running in the guise of direct selling organization –**

Even though the Direct Selling Guidelines have been issued by the Central Government and are also implemented by various state governments, there are still instances of fraudulent organizations running in the name of direct selling organizations which impacts the trust factor of the people on genuine Direct Selling organizations. The fraudulent activities of these Pyramid Schemes have made an impact on the Direct Selling market in terms of demotivation to the Direct Sellers, bringing bad reputation to legitimate Direct Selling entities. At the same time, their activities have affected the confidence of the consumers who would otherwise had explored the business propositions of Direct Selling. All these factors have adversely affected the Direct Selling Industry in the country.

## 3 arrested for Ponzi scheme via multi-level marketing business

TNN | Updated: Jan 27, 2019, 8:36 IST



*“Even though Direct Selling Guidelines clarifies and distinguish between genuine direct selling organizations and pyramid / ponzi scheme, enforcement of Direct Selling Guidelines in the absence of a regulator has not been much successful.”*

*“We have a lot of organizations who get into the trade but are not able to provide right atmosphere, business model and ethics because of which people lose trust in the model. Absence of industry status does not make people see the vastness of this opportunity.”*

*“The key challenge for the industry is the presence of unethical players claiming themselves to be Direct Selling organizations. Also, there is lack of awareness about direct selling among regulators in differentiation of genuine direct selling organizations from the fraudulent ones.”*

**High Attrition of Direct Sellers** – Direct selling organizations also feel that retention of direct sellers is a very difficult task even though this industry provides them multiple opportunities. Majority of the direct sellers do not perceive this as a full-time opportunity and hence engaged in part-time direct selling activities. This is because direct sellers need to reach out to new customers to explain the benefits and qualities of the product and these new customers would usually be available during weekends or after their working hours. Also, there have been instances where people join direct selling initially but do not remain “active” in the system for various reasons such as high-priced products, inability to sell, inability to form a network of direct sellers. Many direct sellers come from a social group where the customer base is very low. This requires them to move up the social ladder to build the network. This is usually a difficult task considering social structures in India.

*“Many times, it is difficult to keep up the mindset of direct sellers and constantly motivate and push the direct sellers towards their goal of selling more and building a network. There are a lot of direct sellers who want quick money in no time, but they do not realize they need to invest their time and efforts to earn a lot through direct selling.”*

*“The direct sellers that are engaged with our organization are regularly poached by illegal money circulation companies. Hence, it becomes difficult to retain them even though we conduct regular training sessions and leadership programs.”*



## Direct Selling's Contribution to the Indian Economy

**Make in India-** About 70% of the products are manufactured and procured from domestic market, giving boost to Indian manufacturers. Amway, Oriflame and many other companies have their manufacturing plants in the country. Many Direct Selling companies rely on SMEs for manufacturing their products. Direct Selling companies impart the manufacturing know-how, technology and processes to enable the SMEs to produce excellent products.

**Start-Up India-** Being low-cost business opportunity, the industry promotes entrepreneurship at micro level, giving a boost to many start-ups. The industry players manufacture and distributes fast moving products which have a high demand among the consumers. These products come with 100% buy-back guarantee from Direct Selling entities, hence making this industry Direct Sellers friendly. The Direct Sellers receive continuous support from their mentors / leaders / superiors towards performance enhancement. They also receive vital trainings from their respective Direct Selling organizations and mentors.

**Skill India-** Direct Selling Industry imparts training to its salesforce / Direct Sellers, thus resulting in creating a pool of skilled personnel in the country. Also, the Direct Selling model is such that the Direct Sellers are not required to have any formal qualification and this industry provides employment opportunities to millions of people every year in the country.

**Financial Inclusion-** The Industry is in sync with the Government of India's Financial Inclusion model since all the payments are made through cheque / drafts in the bank account of Direct Sellers. This enables transparency of payments between the Direct Sellers and Direct Selling Entities. Direct Sellers are also encouraged to open bank accounts, getting covered under the 'Suraksha Bima' and 'Jeevan Jyoti' policies.

**Boost to MSME-** Majority of companies outsource production, packaging and distribution of their products, thus generating direct employment across the value chain while enabling the development of the MSME sector. Several big companies rely on MSMEs for manufacturing their products. In a lot of cases, they impart the manufacturing know-how, technology and processes to enable the MSMEs to produce excellent products.

**Generation of Self-Employment-** Direct Selling has always been at a forefront of creating self-employment opportunities in the country. Over the years, the sector has witnessed a healthy surge in the number of people opting to start their own business through Direct Selling business model. By 2022, India aims to create a pool of 500 million skilled workers and the Direct Selling would surpass several prominent sectors in providing job opportunities both directly and indirectly to millions of people.

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# Members of Indian Direct Selling Association (IDSA)

The following table depicts the members of the IDSA which were covered as part of the survey.

Table 5 : List of existing IDSA members

S.No.	Name of Member Organization	Headquarters	Organization Logo
1	Altos Enterprises	Ludhiana	
2	AMC Cookware India	Bengaluru	
3	Amway India Enterprises	Gurugram	
4	Avon Beauty Products India Pvt. Ltd.	Gurugram	
5	DXN Marketing India Pvt. Ltd.	Chennai	
6	ForLife Trading India Ltd.	Mumbai	
7	Glaze Trading India Pvt. Ltd.	New Delhi	
8	Herbalife International India Pvt. Ltd.	Bengaluru	
9	K-Link Healthcare (India) Pvt. Ltd.	Chennai	
10	Modicare Ltd.	New Delhi	
11	Oriflame India Pvt. Ltd.	New Delhi	
12	Tianjin Tianshi India Pvt. Ltd.	Chennai	

S.No.	Name of Member Organization	Headquarters	Organization Logo
13	Tupperware India Pvt. Ltd.	Gurugram	
14	Unicity Health Pvt. Ltd.	Bengaluru	
15	PM-International India Pvt. Ltd.	New Delhi	
16	Jeunesse Global India Pvt. Ltd.	New Delhi	
17	ZillonLife Global Pvt. Ltd.	New Delhi	
18	Lyconet India	New Delhi	
19	Blulife Marketing Pvt. Ltd.	Bengaluru	
20	Enagic India Pvt. Ltd.	Bengaluru	
21	International Marketing Corporation Pvt. Ltd.	Ludhiana	

# Annexure: Research Instruments used

The research instruments (questionnaires) used for the study were finalized basis discussion with IDSA. There were two research instruments used for the study:

1. **Industry & Company insights** – This document comprised of open-ended questions about direct selling industry in India in general and the IDSA members in specific. Information was largely centered around such as growth drivers and barriers of the industry, industry SWOT analysis, organizational growth drivers and barriers, outlook, training (to direct sellers/ partners) etc.

## Section B: Outlook of the Direct Selling Industry in India Scenario

*"We would now discuss in brief about the direct selling industry scenario in India."*

01. Can you please tell me?
  - a. What have been the drivers of the growth of direct selling industry in India? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

- b. Has anything inhibited this growth? What are those factors? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

02. According to you,
  - a. What would be the growth of the direct selling industry in the country in this year i.e. 2019-20 over 2018-19? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

	%	Expected Growth Rate In 2019-20 over 2018-19
--	---	---

- b. What would be the key drivers for the growth of direct selling industry in India? [RECORD VERBATIM]

- c. Do you foresee anything inhibiting this growth? What would be those factors? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

**Section C: Outlook of your organization in India**

03. Can you please tell me?

- a. What have been the drivers of the growth of your organization in India in the last couple of years? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

--

- b. Has anything inhibited this growth? What are those factors? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

--

04. According to you,

- a. What would be the growth of the net sales of your organization in this year i.e. 2019-20 over 2018-19? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

	%	Expected Growth Rate in 2019-20 over 2018-19
--	---	---

- b. What would be the key drivers for the growth of your organization in India in the next couple of years? [RECORD VERBATIM]

--

- c. Do you foresee anything inhibiting this growth? What would be those factors? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

--

**Section D: Training Related Information**

05. Please tell me, what are the different training programs for your direct sellers? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW] [PLEASE DESCRIBE THE TYPE AND CONTENT OF TRAINING IN BRIEF]

No.	Description of Training
Program 1	
Program 2	
Program 3	

**Section E: Use of own E-commerce for selling products**

06. Do you have your own e-commerce platform to sell your products?  
 a. **[IF YES]** What is the website name or link of this e-commerce platform?  
 b. **[IF NO]** Do you plan to launch your own e-commerce platform? Why or why not?

Yes	
No	

**Section H: CSR Initiatives by the Organization**

07. Is your company engaged in corporate social responsibility i.e. CSR activities? **[PLEASE HIGHLIGHT THE OPTION APPLICABLE AS "BOLD"]**

	RESPONSE (YES / NO)	Instructions
Is your company engaged in CSR activities?	Yes	<b>CONTINUE</b>
	No	<b>PLEASE GO TO Q10</b>

08. Please tell me,  
 a. Which contribution methods have been adopted by your company for CSR activities? **[PLEASE WRITE YES WHEREVER APPLICABLE]**

+	Contribution Methods	RESPONSE (YES / NO)
	Cash / monetary donations	
	In-kind donations	
	Sponsorships	
	Cause-related programmes	
	Voluntarism	
	Any other, please specify	

09. Please tell me,  
 a. Which were the areas supported by your company for CSR activities during April 2018 to March 2019? **[PLEASE WRITE YES WHEREVER APPLICABLE]**  
 b. Which of these areas was the focus of your company for CSR activities during the period? **[PLEASE WRITE YES WHEREVER APPLICABLE]**

Area	(a) Areas Supported (Yes / No)	(b) Focus Area (Yes / No)
Environmental protection		
Education		
Health and human services		
Girl child promotion and education		
Women empowerment		
Supporting disabled / specially-abled people		
Old age / orphanages		
Any other, please specify		
Any other, please specify		



- c. Does your company have a focus or theme for its corporate social responsibility or CSR initiatives in India for 2018-19? What is the theme? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

**Section I: Views on Global, Indian & Local Macro-Economic and Policy Scenario**

10. What is your view on the regulations for direct selling across the globe and in India? Why do you say so? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

11. Please tell me,

- a. What has been the impact of Direct Selling Guidelines issued by the Government of India on your organization?

- b. Has it created any positive impact in terms of ease of doing business, better clarity on direct selling among the masses etc.? Why / Why not? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

12. What are the areas or sectors where direct selling industry requires support from the government? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

13. What are your views on a separate legislation for Direct Selling? What impact would it have on the industry? [PLEASE MENTION YOUR RESPONSE IN THE BOX BELOW]

14. I would now list out some of the issues and challenges which direct selling industry faces. You may also list other challenges which the industry faces. For each, please tell me,
- What has been the impact on your business operations due to these?

Issues and challenges	IMPACT
Unclear regulations, including that in The Prize Chits & Money Circulation (Banning) Act	
Police actions in various states	
Scams and scandals in the guise of Direct Selling	
Any other, please specify	
Any other, please specify	

- What is the impact of the fraudulent companies that operate in the guise of direct selling on the industry in general and your business in specific? [PLEASE WRITE YES WHEREVER APPLICABLE]

Impact of fraudulent companies	RESPONSE (YES / NO)
It adversely affects the business of the overall direct selling industry	
It shakes buyer confidence	
Unwanted police harassment	
Demotivation of the sales force	
All the above	
Any other, please specify	

2. **Industry & Company Fact Sheet** – This sheet consisted of factual information pertaining to industry size, structure, company information (revenue, product mix, direct seller) and other relevant factual information. Bulk of this information was used to provide information to WFDSA as well as used, in an aggregated manner, for this report.

### Industry Value

*Here, we will talk about the size of the direct selling industry in India and the growth rate of the industry in 2018-19.*

**Industry Size as on 31st March 2019 in INR**   
*Please fill the value in numbers. Do not write Lacs or Crores or Millions. For e.g. in case of INR 1 lac, please write 1,00,000*

**Growth Rate of Industry in 2018-19 over 2017-18 in %**   
*Please fill the value in %*

**Expected Growth Rate of Industry in 2019-20 over 2018-19 in %**   
*Please fill the value in %*

### Organization Sales

*Here we will talk about the net sales and retail sales of your organization for financial years 2018-19 and 2017-18*

	Current Year 1st April 2018-31st March 2019	Previous Year 1st April 2017-31st March 2018
<b>Net sales (without tax) (in INR)</b> <i>Please fill the value in numbers. Do not write Lacs or Crores or Millions. For e.g. in case of INR 1 lac, please write 1,00,000</i>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>
<b>Net sales (with tax) (in INR)</b> <i>Please fill the value in numbers. Do not write Lacs or Crores or Millions. For e.g. in case of INR 1 lac, please write 1,00,000</i>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>
<b>Estimated retail sales (without tax) (in INR)</b> <i>Please fill the value in numbers. Do not write Lacs or Crores or Millions. For e.g. in case of INR 1 lac, please write 1,00,000. <u>Please</u> note that Estimated retail sales without tax = 1.33* Net Sales without tax.</i>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>
<b>Growth Rate in net sales (without tax) in 2018-19 over 2017-18</b> <i>Please fill the value in %</i>	<input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/>	

### Share of Product Categories in Net Sales without Tax

Please enter the share of different product categories in your organization's **total net sales without tax** from 1st April 2018-31st March 2019  
Please enter all the values in %

Product Category	% of net sales without tax from 1st April 2018-31st March 2019
<b>Clothing (not including accessories)</b>	
<b>Cosmetics and personal care</b>	
<b>Home care</b>	
<b>Household goods / home durables</b>	
<b>Wellness</b>	
<b>Books, togs, stationery &amp; audio-visual materials</b>	
<b>Foodstuff &amp; beverages</b>	
<b>Home improvement</b>	
<b>Utilities</b>	
<b>Financial services</b>	
<b>Others</b>	
<b>Total</b>	0.0%

### Product Procurement for your Organization

Please provide a split between products manufactured by your organization, outsourced to external vendors in India and products imported by your organization into India

Please enter all the values in %

<b>% of Products Manufactured in India by your company without outsourcing</b>	
<i>Please provide the % of products manufactured in India by your company without outsourcing.</i>	
<b>% of Products Outsourced to External Vendors for Manufacturing in India</b>	
<i>Please provide the % of products outsourced by your company to external vendors for manufacturing in India</i>	
<b>% of Products Imported into India</b>	
<i>Please provide the % of products imported by your company into India</i>	
<b>Total</b>	0.0%

**Number of Direct Sellers Associated with your Organization**

Please enter the relevant values below regarding the count of direct sellers associated with your organization, joined the organization and left the organization during the given time periods.  
Please enter the value in numbers. Please do not write Lacs or Crores or Millions. For e.g. in case of 1 Lac, please enter 1,00,000

<input type="text"/>	+	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>	+	<input type="text"/>	-	<input type="text"/>	=	<input type="text"/>
Number of Direct Sellers associated with your organization as on 31st March 2017		Number of Direct Sellers which joined the organization during 1st April 2017-31st March 2018		Number of Direct Sellers which left the organization during 1st April 2017-31st March 2018		Number of Direct Sellers associated with your organization as on 31st March 2018		Number of Direct Sellers which joined the organization during 1st April 2018-31st March 2019		Number of Direct Sellers which left the organization during 1st April 2018-31st March 2019		Number of Direct Sellers associated with your organization on 31st March 2019

### Split of Direct Sellers Engaged with your Organization

Please provide the split of direct sellers engaged with your organization as per gender, age and segment

Please enter all the values in %

<b>Gender-wise</b>	
Number of Female Direct Sellers as on 31st March 2019	<input type="text"/>
Number of Male Direct Sellers as on 31st March 2019	<input type="text"/>
<b>Total</b>	0.0%

<b>Age-wise</b>	
Direct sellers aged 18-24 years as on 31st March 2019	<input type="text"/>
Direct sellers aged 25-34 years as on 31st March 2019	<input type="text"/>
Direct sellers aged 35-44 years as on 31st March 2019	<input type="text"/>
Direct sellers aged 45-54 years as on 31st March 2019	<input type="text"/>
Direct sellers aged 55-64 years as on 31st March 2019	<input type="text"/>
Direct sellers aged 65 years and above as on 31st March 2019	<input type="text"/>
<b>Total</b>	0.0%

**Segment-wise**

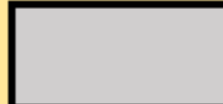
**Business builders - Full Time**



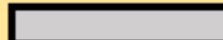
**Business builders - Part Time**



**Other Engaged Independent Representatives**



**Unengaged**



**Total**

**0.0%**

**State wise Sales value of Net Sales without tax**

State / UT	Value of Net Sales without tax from 1st April 2018-31st March 2019
Andhra Pradesh	
Arunachal Pradesh	
Assam	
Bihar	
Chhattisgarh	
Goa	
Gujarat	
Haryana	
Himachal Pradesh	
Jammu and Kashmir	
Jharkhand	
Karnataka	
Kerala	
Madhya Pradesh	
Maharashtra	
Manipur	
Meghalaya	
Mizoram	
Nagaland	
Odisha	
Punjab	
Rajasthan	
Sikkim	
Tamil Nadu	
Telangana	
Tripura	
Uttar Pradesh	
Uttarakhand	
West Bengal	
Andaman and Nicobar Islands	
Chandigarh	
Dadra and Nagar Haveli	
Daman and Diu	
New Delhi	
Lakshadweep	
Pondicherry	
<b>Total</b>	<b>0.0%</b>

**Number of Direct Sellers in each state / UT as on 31st March 2019**

State / UT	Number of direct sellers as on 31st March 2019
Andhra Pradesh	
Arunachal Pradesh	
Assam	
Bihar	
Chhattisgarh	
Goa	
Gujarat	
Haryana	
Himachal Pradesh	
Jammu and Kashmir	
Jharkhand	
Karnataka	
Kerala	
Madhya Pradesh	
Maharashtra	
Manipur	
Meghalaya	
Mizoram	
Nagaland	
Odisha	
Punjab	
Rajasthan	
Sikkim	
Tamil Nadu	
Telangana	
Tripura	
Uttar Pradesh	
Uttarakhand	
West Bengal	
Andaman and Nicobar Islands	
Chandigarh	
Dadra and Nagar Haveli	
Daman and Diu	
New Delhi	
Lakshadweep	
Pondicherry	
<b>Total</b>	<b>0</b>

**Number of Employees in each department**

*Please provide the number of employees in various departments of your organization  
Please enter the values in numbers.*

Department	Number of Employees in your organization
Research & Development	
Manufacturing/Quality Assurance	
Supply Chain/Distribution (warehousing, shipping, logistics)	
Procurement	
Marketing	
Sales	
Information Technology	
Administration (Human Resources, Legal, Executive Management)	
Finance	
Others	
<b>Total</b>	<b>0</b>

## **Preferred Customer and Registered Customer Program in your organization**

Please provide the below details with respect to Preferred Customer and Registered Customer Program in your organization

**Does your organization have a Preferred Customer Program?**

*A preferred customer is defined as those who have signed up or renewed as a preferred customer with a direct selling company in the past 12 months. They can purchase company products / services and may or may not be eligible to pay wholesale or discounted prices, depending on each company's program. They are NOT eligible to sell products/services to others. They are NOT eligible to earn. Please fill Yes / No*

**Number of People who have signed a preferred customer agreement as of 31st March 2019**

*Please enter the value in numbers. Do not enter Lacs or Crores or Millions. For e.g. if the value is 1 Lac, please enter 1,00,000*

**% net sales without tax in 1st April 2018-31st March 19 from preferred customers**

*Please enter the % of net sales without tax of your organization from 1st April 2018-31st March 2019 from preferred customers*

**Number of People who are registered customers**

*Please enter the value in numbers. Do not enter Lacs or Crores or Millions. For e.g. if the value is 1 Lac, please enter 1,00,000. Please note that **All Preferred Customers are also Registered Customers, but the reverse is NOT true.***

## **Corporate Social Responsibility (CSR)**

Please enter the below values regarding the Corporate Social Responsibility done by your organization during 1st April 2018-31st March 2019

**% of revenue spent on CSR activities**

**Total money, in INR, of monetary donations during April 2018-March 2019**

**Total value, in INR, of in-kind donations during April 2018-March 2019**

**Total number of cause-related programmes held during April 2018-March 2019**

**Total expenses of cause-related programmes held during April 2018-March 2019**



## **Team IDSA**

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***Mr. Vivek Katoch,  
Chairman, IDSA***



***Ms. Rini Sanyal,  
Vice-Chairperson, IDSA***



***Mr. Jitendra Jagota,  
Treasurer, IDSA***



***Mr. Rajat Banerji,  
Secretary, IDSA***



***Mr. Chetan Bhardwaj,  
General Manager, IDSA***



***Mr. Abhishek Kumar,  
Assistant General Manager, IDSA***

## Team Kantar

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