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Resurgence of Direct Selling in India

ANNUAL SURVEY REPORT 2020-21

March 2022

IDSA
INDIAN DIRECT SELLING ASSOCIATION
WFDSA Member


24 hr

Message from the
Hon'ble Minister of State for
Consumer Affairs, Food & Public Distribution, Government of India

MR. ASHWINI KUMAR CHOUBEY

"I extend my best wishes to the Indian Direct Selling Association, its office bearers, member companies and lakhs of direct selling entrepreneurs associated with the direct selling industry, on the occasion of releasing the Annual Survey 2020-21 on the landscape and performance of direct selling in the country.

Direct Selling is a fast-growing sector in the country, which has achieved the highest growth rate year on year and has also established itself prominently on the world map by improving the global ranking. The entire credit goes to the association and the direct selling industry.

This survey pertains to the period when the country was grappling with the COVID19 pandemic. Now, while the government is working relentlessly to re-establish the country's economy, it also recognises that direct selling has become an essential means of livelihood for lakhs of people during the COVID19's difficult times.

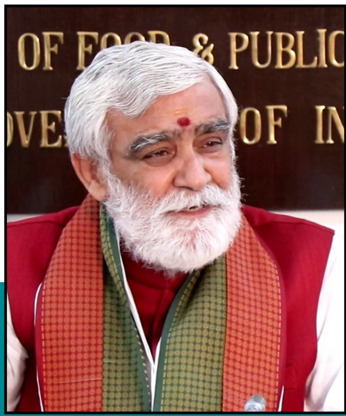
My Ministry acknowledges the role played by Direct Selling in terms of providing employment and contribution to the country's economy. I assure that all essential measures will be taken to safeguard the interests of the direct selling industry and consumers.

In the end, I once again convey my best wishes to the Association on the publication of the Annual Survey"

Excerpts from the Keynote Address of Shri Ashwini Kumar Choubey, Hon'ble Minister of State for Consumer Affairs, Food & Public Distribution, Government of India; on the occasion of the release of IDSA's Annual Survey 2020-21 for Direct Selling in India on March 31, 2022

The full version of hon'ble minister's address is available on the official YouTube channel of IDSA – https://www.youtube.com/c/IndianDirectSellingAssociationNewDelhi

माननीय उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री, भारत सरकार का संदेश



श्री. अश्विनी कुमार चौबे

मैं, इंडियन डायरेक्ट सेलिंग एसोसिएशन को देश में प्रत्यक्ष ब्रिक्री के परिदृश्य पर अधारित वार्षिक सर्वेक्षण २०२०-२१ जारी करने के अवसर पर इसके सभी पदाधिकारियों, सदस्य कम्पनियों और प्रत्यक्ष बिक्री से जुड़े लाखों उद्यमियों को अपनी शुभकामनाएं देता हूॅं ।

प्रत्यक्ष बिक्री देश मैं तेजी से उभरता उद्योग हैं जिसने वर्ष सर्वाधिक विकास दर हासिल कर वैश्विक रैंकिंग में भी सुधार करते हुये विश्व पटल पर भी अपनी विशिष्ट पहचान स्थापित की हैं । इसका सम्पूर्ण श्रेय एसोसिएशन और प्रत्यक्ष बिक्री उद्योग को जाता हैं ।

यह सर्वेक्षण उस अवधि का हैं जब देश कोरोना महामारी से जुझ रहा था । अब सरकार जहॉं एक और देश की अर्थव्यवस्था को पुनःप्रगति पथ पर अग्रसर करने हेतू कार्यरत हैं वही सराहना करती हैं कि प्रत्यक्ष बिक्री देश के लाखों लोगों के लिऐ कोरोना के कठिन समय में आजीविका का महत्वपूर्ण साधन बनी ।

मेरा मंत्रालय प्रत्यक्ष बिक्री के देश की अर्थव्यवस्था में योगदान एवं रोज़गार प्रदान करने में निभाई गयी भूमिका की सदैव सराहना करता हैं तथा विश्वास दिखाना हैं कि प्रत्यक्ष बिक्री उद्योग और उपभोक्ताओं के हितों की रक्षार्थ सभी आवश्यक कदम उठाएगा ।

अंत में मैं एक बार पुनः एसोसिएशन को वार्षिक सर्वेक्षण जारी करने पर अपनी शुभकामनाएं देता हूॅं ।

३१ मार्च, २०२२ को भारत में प्रत्यक्ष बिक्री के लिए आई.डी.एस.ए. के वार्षिक सर्वेक्षण २०२०-२१ के विमोचन के अवसर पर श्री. अश्विनी कुमार चौबे, माननीय उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मं़त्री, भारत सरकार के मुख्य संबोधन के अंश.

माननीय मंत्री जी के संबोधन का पूरा संस्करण आई.डी.एस.ए. के आधिकारिक यूटयूब चैनल पर उपलब्ध हैं — **https://www.youtube.com/c/IndianDirectSellingAssociationNewDelhi**

Message from Chairman

Indian Direct Selling Association

MR. RAJAT BANERJI

To begin with, I pray that everyone around us and their loved ones are in good health now that the effect and impact of the Covid19 pandemic has begun to diminish.

Further, I wish that everyone remains in good health and spirit to continue working, to be inspired and committed to our families, ourselves and to our work.

It is my privilege and great pleasure to present to you the latest edition of the Annual Survey Report on the Direct Selling Industry for the Financial Year 2020-21, based on rigorous research and data obtained from an intensive data gathering exercise which adequately reflects the current state of the Direct Selling Industry (DSI) in India.

It is our belief that this Survey will prove to be a significant document of data markers providing vital insight into the Direct Selling Industry's overall dynamics.

As we know, ever since the epidemic began in India in March 2020, business and industry across sectors has suffered and not all has gone according to plan. The national economy, domestic consumption as well as supply and demand cycles have been affected somewhat over the past two years.

Resultantly, even in the face of extreme adversity and challenges, the industry has been able to emerge stronger, and more strident on adoption of innovation and technology with growing participation of the younger generation.

Furthermore, Direct Selling has collaborated with several Micro, Small, and Medium Enterprises (MSMEs), located in various parts of the country, procuring the substantial quantum of items it has improved operational efficiencies and costs, thereby providing a much-required impetus to the Direct Selling /Non-Retail sector of the economy. It is pertinent to mention that Direct Selling comprises a very critical component to consumer economics but to the larger role of a contributing to India's economic growth and nation building.

Direct Selling has successfully provided excellent opportunities for livelihood generation both directly for over 8 million Indians as well as provide indirect employment to several service providers, vendors, suppliers et al.

Direct Selling continues to supplement incomes, grow the sphere of self-employment, develop micro-entrepreneurship as a powerful domain as well as ensured greater Gender Equality, Diversity, Women's Empowerment, and Socio-economic Inclusion – these are the mission goals of both the Government of India as well as of the United Nation's Sustainable Development Goals (SDGs).

At this point, I must focus upon an important piece of policy activity. During the period of FY 2020-21, the Ministry of Consumer Affairs enacted the Consumer Protection Act-2019, which went into effect in July 2020 with stated objectives of protecting rights. The Act broadened the scope of Consumer Rights and imposed a more scrutiny intensive regulatory framework on Direct Selling, thus posing new challenges.

The Department of Consumers Affairs finally notified the Consumer Protection (Direct Selling) Rules-2021 on December 28, 2021 in the Gazette of India; a result of decade-long efforts that reached fruition.

This is THE moment we in the industry have tirelessly worked for and now that the DS Rules have finally been notified, it places a huge responsibility on the industry to co-operate and comply with the Rules. Not only are DS businesses required to ensure total compliance, but also ensure ethical sales behavior and conduct business under the set policy framework. This also places Direct Selling companies, entities and individuals with its own set of challenges.

I would like to sum up by saying that we are at the verge of achieving greater growth and the realization of the industry's true potential. However, in order to do that it is incumbent upon us to deliver on our business goals with ethics and compliant conduct. I must call upon DS entities to discourage Dream Selling and to take a more constructive positive approach towards the achievement of our common goals in line with laid down government policies and the DS Rules.

On behalf of IDSA, I wish to take this opportunity to appreciate the immense contribution of Ipsos Strategy3 for its diligence and alacrity in delivering this Survey well in time.

Message from Partner & India Head
Ipsos Strategy3

MR. DEEPAK H

The period April 2020 to March 2021 (FY 21), was one of the toughest phases in the world economy, due to the COVID-19 pandemic. India was no different and saw one of the biggest economic hits in the country's history. In fact, the Indian Economy (GDP) contracted by 7.3% in 2020-21, after 4 decades of growth. The last India saw a negative growth (5.24%) was in 1979.

Being "Agile" & "Resilient" were critical during this toughest phase to navigate through the uncertain period which saw lockdowns, supply-chain disruptions, uncertain consumer behaviors etc. The impact on various industry has been different, with varying recovering periods.

The Direct Selling Industry was extremely agile & resilient during this tough period to demonstrate a growth of 7.7% (FY 20 to FY 21), at an industry level. The industry which comprises of over 400 companies saw both positive & negative growth at an individual company level, but at an aggregated level, it was positive.

The major companies were quick to adapt to digital means through the value chain and adjusted to the changing market conditions. Even the Active Direct Sellers seems to have transitioned within no time & indicated during the survey that they would like to get online support & training. This trend is likely to continue in the future & a hybrid model is likely to evolve.

The Direct Selling Industry also played a critical role in providing an additional source of income & only source of income in many instances. During FY 21, the industry added, 5 Lakh Active Direct Sellers, taking the total count to 79 Lakh.

This report covers many more facts on the industry performance, key trends, growth areas, consumer behaviors & Active Direct Sellers views.

We would like to acknowledge & thank all the Direct Selling Companies, Active Direct Sellers & Consumers, who have taken out time to participate in the survey. We would also like to take this opportunity to thank the IDSA management and its team members for choosing Ipsos as their knowledge partner.

Executive Summary

Direct Selling is a method of marketing and retailing goods or services directly to consumers, through personal contact away from permanent retail premises. The products or services are sold through Active Direct Sellers who act as individual representatives of the Direct Selling entities. These sellers carry out product demonstrations while making such sales.

The Global direct selling industry stood at around USD 186.1 bn in 2021 showcasing a growth of 1.5% from USD 183.3 bn in 2020. The growth is because of the cumulative increased sale value in North, South Americas, and Europe regions.

The United States had a share of 23% in the global direct selling business with a sales value of USD 42,670 mn in 2021. It was closely followed by Korea with a share of 10.4% with a total direct selling sales value of USD 19,421 mn in 2021.

China's sale value in 2021 stood at USD 17,961 mn which has decreased 12.5% compared to the previous year's sale value of USD 20,206 mn and one of the evident reasons is due to a 13.6% dip in salesforce which stood at 3.1 mn compared to 3.5 mn in 2020.

The Indian Direct Selling industry stood at around INR 18,000 Crores in 2020-21. The industry has grown at approximately 7.7% from INR 16,800 Crores in 2019-20.

The industry showed a Compounded Annual Growth Rate (CAGR) of approximately 15.7%, growing from INR 11,700 Crores in 2017-18 to INR 18,000 Crores in 2020-21. The share of IDSA members in the total sales of the Direct Selling industry stood at 54% in 2020-21. Wellness & Nutraceuticals products contributed ~58% of the Indian Direct Selling sales, followed by cosmetics and personal care which contributed 22% of the sales by Indian Direct Selling Industry 2020-21.

The number of Active Direct Sellers in the country stood at around 79 lakhs registering a growth of ~7% from 74 lakhs in 2019-20. There is an increase in the number of people turning to Direct Selling as jobs with reasonable disposable incomes were hard to find because of the COVID impact. The industry comprised 53% of Male and 47% of Female Active Direct Sellers. Almost 50 percent of the Female Active Direct Sellers are housewives. The topmost reasons for being an Active Direct Seller are "Earning extra income and Willingness to become a self-employee".

North region contributed to around 29% of the Direct Selling sales in the country in 2020-21. This was followed by the East with approximately 26% of the Direct Selling sales.

Maharashtra had the highest share of sales across the country with 12% of the gross sales in 2020-21, closely followed by West Bengal contributing 11% of the Direct Selling sales in the country.

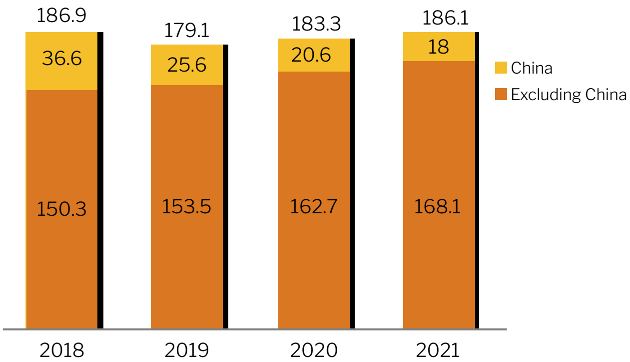
According to the Survey report conducted among Active Direct Sellers, 66% of them have said that their sales are improved in the range of 1% to more than 20% compared to the pre-COVID period. This states that Direct Selling Business flourished during COVID.

Fact Sheet

GLOBAL DIRECT SELLING INDUSTRY 2021

The World Federation of Direct Selling Associations represents more than 60 Direct Selling Associations and their member companies around the world. In 2021 the global sales force of 128.2 mn generated estimated retail sales of USD 186.1 bn.

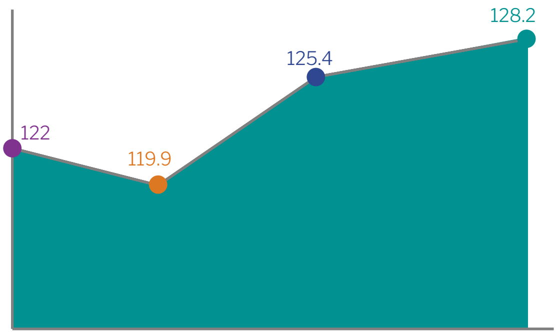
Direct Retail Sales Growth 2018-21 (usd bn)



CAGR including China = -0.1%
CAGR excluding China = 3.8%

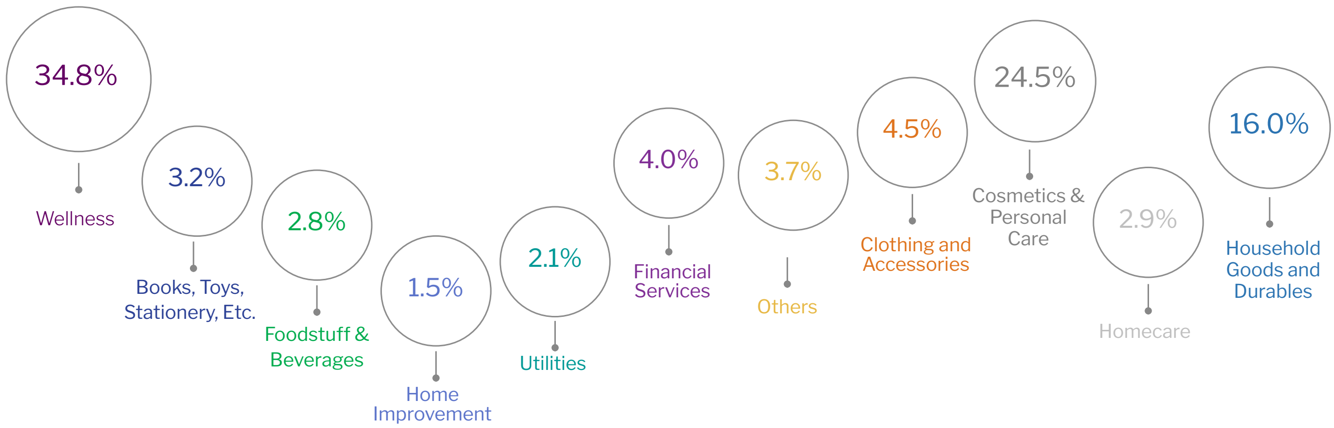
Sales figures are expressed in 2021 constant USD
at estimated retail, less value-added tax

Number Of Direct Sellers Globally 2018-21 (mn)



CAGR = 1.7%

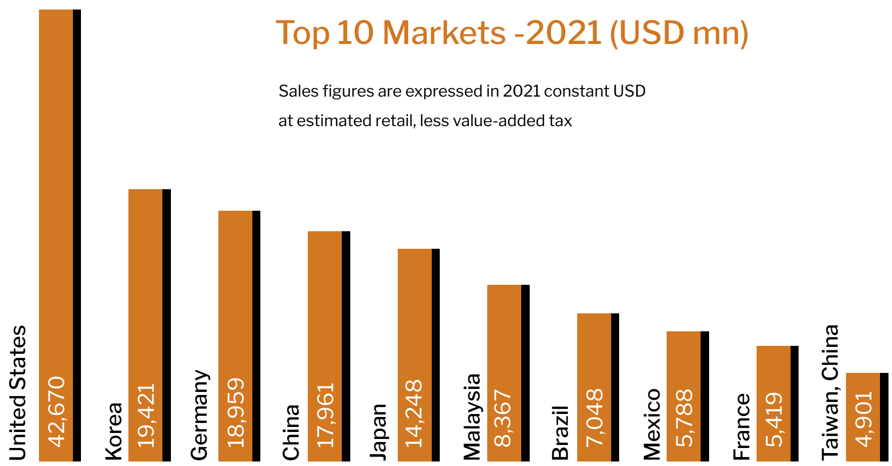
Global Product-wise Direct Selling Industry-2021



Total Sales = $186.1 bn

Top 10 Markets -2021 (USD mn)

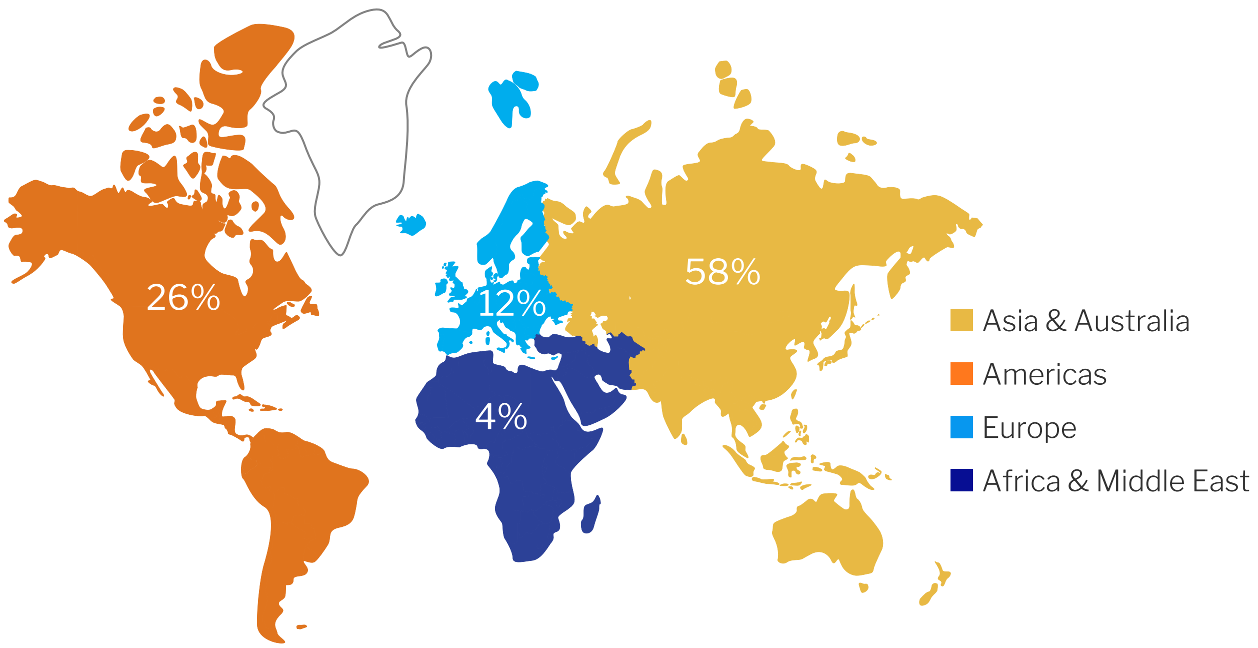
Sales figures are expressed in 2021 constant USD
at estimated retail, less value-added tax



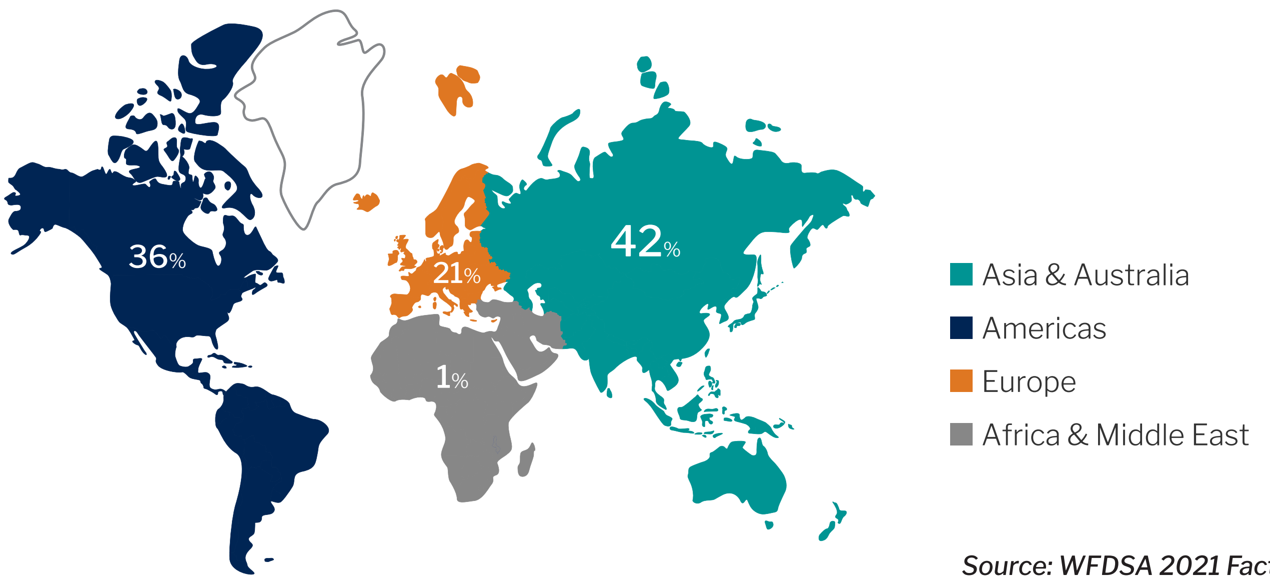
Source: WFDSA 2021 Fact Sheet

GLOBAL DIRECT SELLING INDUSTRY 2021

Global Sales Force -2021 (128.2 mn)



Global Sales-2021 (186.1 USD bn)

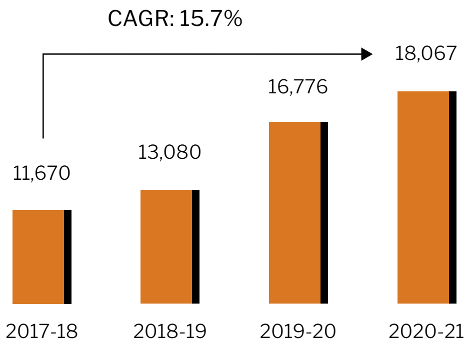


Source: WFDSA 2021 Fact Sheet

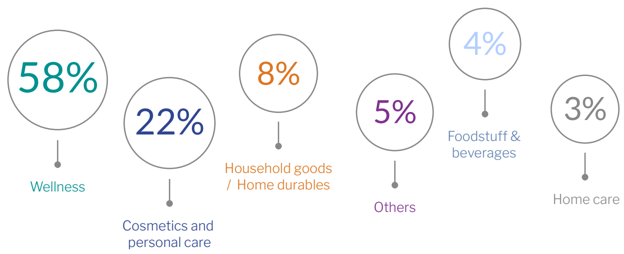
- The Global Direct Selling industry registered a growth of ~1.5% over the previous year and the number of active Direct Sellers registered a growth of 2.2% year-on-year.
- Excluding China, the industry continued growth with a 3-year CAGR of 3.8% for the 2018-21 period. (CAGR including China was -0.1%)
- Global sales were generated by 128.2 mn independent representatives, an increase of 2.2% from 2020. The sales force has increased at a 3-year CAGR of 1.7% for the 2018-21 period.
- Top 3 categories Wellness, Cosmetics & Personal Care, Household Goods & Durables accounted for ~75.3% of Global Direct selling sales.
- Top 10 countries cumulatively accounted for ~78% of the Global industry turnover

Indian Direct Selling Industry at A Glance

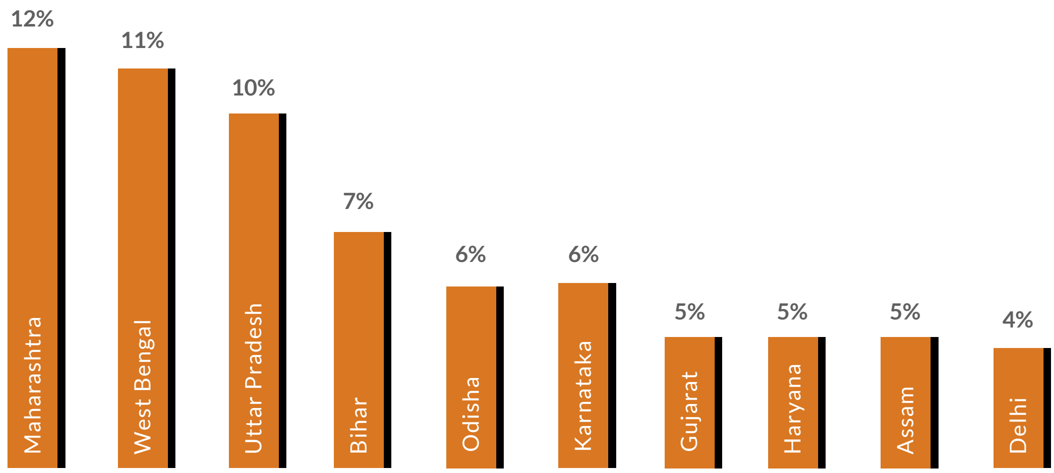
Direct Selling Industry Size, India (INR Crores)



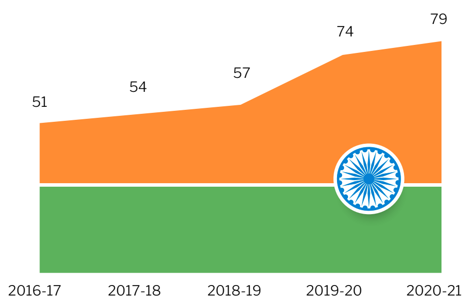
Product-wise Direct Selling Industry, India 2020-21



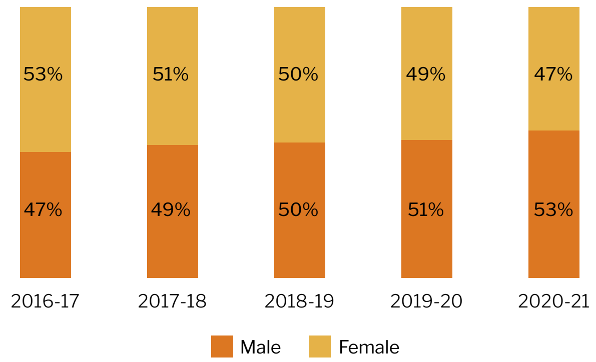
Top 10 States Contributing to Direct Selling Turnover (2020-21)



No.of Direct Sellers, India (INR Lakhs)



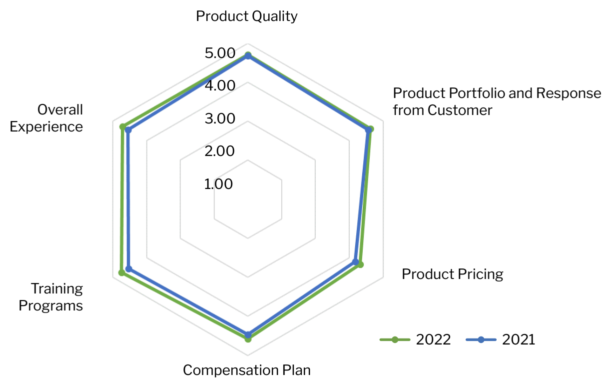
Gender -wise Split of Direct Sellers, India



- The Indian Direct Selling industry registered a growth rate of ~7.7% over previous year and the number of active Direct Sellers registered a staggering growth of ~7% year-on-year
- Top two categories Wellness and Cosmetics & Personal care accounted for ~80% of Direct Selling sales
- Top 10 states cumulatively accounted for ~71% of the industry turnover.
- Females dominate the industry, but males surpassed females in terms of absolute number of Direct Sellers

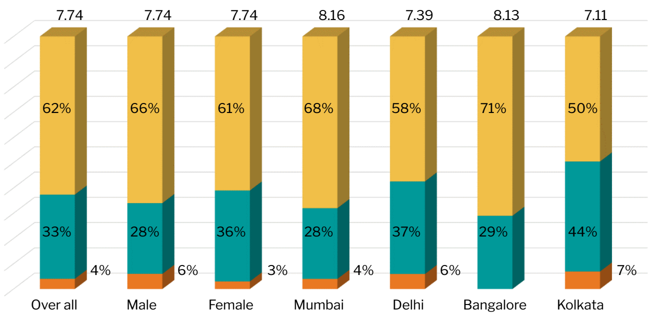
Indian Direct Selling Industry at A Glance

Satisfaction Mapping of Direct Sellers



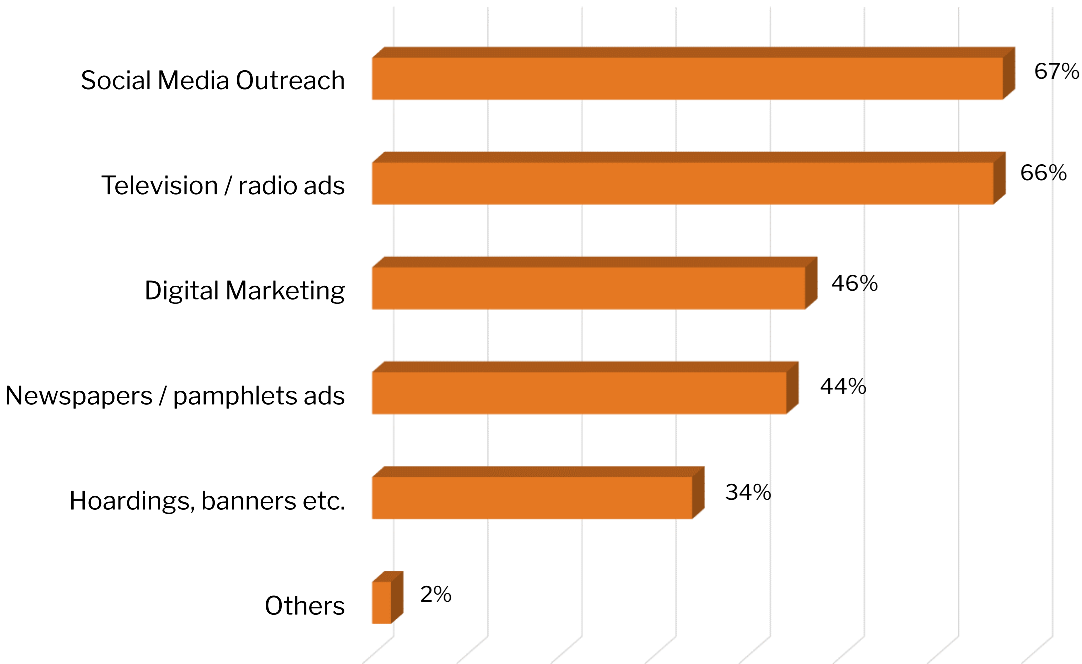
Product Category	Most Preferred in 2022
Wellness	31%
Clothing (without accessories)	18%
Home Care	17%
Cosmetics and Personal Care	16%
Clothing accessories	8%
Household Goods / Home Durables	7%
Foodstuff and Beverages	3%

CONSUMERS AWARENESS SURVEY 2020-21

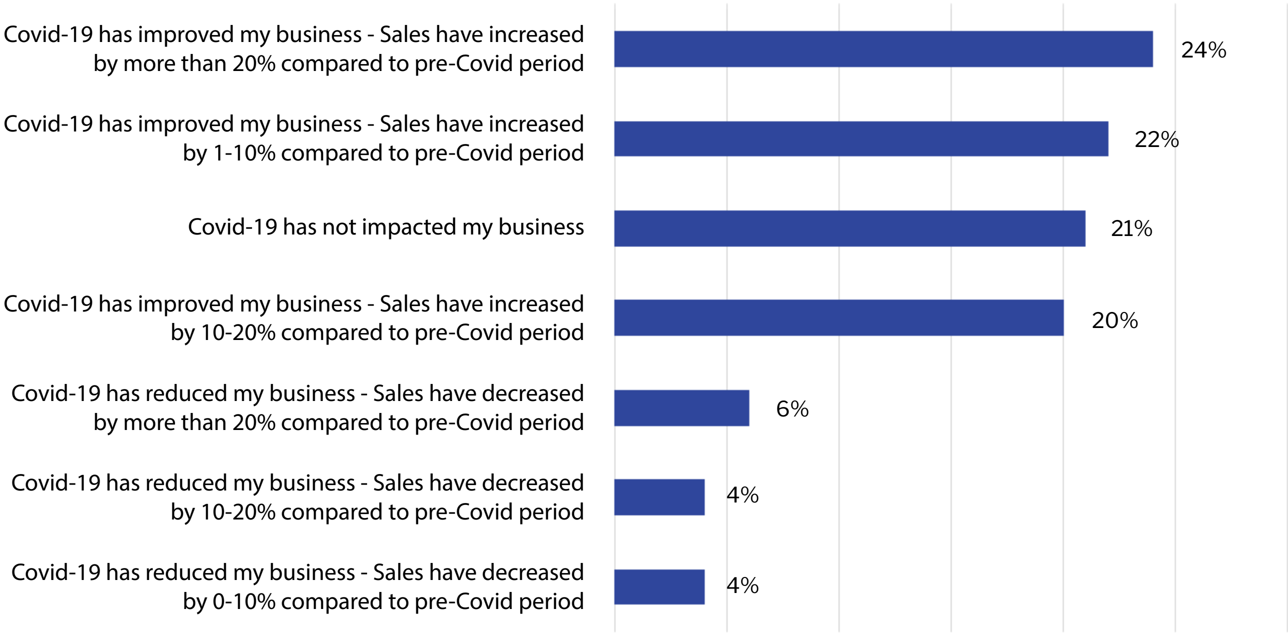


- The Direct Selling industry is perceived to be highly trustworthy, across gender and cities
- The overall rating for the trustworthiness stands at 7.74
- Women perceive the industry to be more trustworthy as compared to men.
- On overall level, 2/3rd of the respondents feel that Social Media Outreach and TV / Radio ads can be used to increase awareness of the Direct Selling industry
- Top 2 suggestions among Mumbai respondents to increase awareness Social Media Outreach followed by Digital Marketing. Delhi, Bangalore, and Kolkata spoke about Television/ Radio ads followed by Social Media Outreach
- In cities, newspaper/pamphlet ads, as well as hoardings and banner ads are not regarded as a major source of increasing awareness of the Direct Selling industry.

Sources to Increase Awareness of Direct Sellers Industry



Impact of COVID on Direct Selling Industry



Key Reasons for Growth - Key Reasons behind the growth of Direct Selling Industry during the otherwise recessive period

- **Consistent Awareness about Health & Nutrition:** Approx. 58% of the gross Direct Selling Turnover in India comes from the Wellness category which proved that people are still being consistent of their healthy lifestyle as the variation compared to the previous year is +1%
- **Adoption of Technology:** Direct Selling Entities adopted technologies like Zoom, WebEx etc. which greatly increased the reach and capacity to address new prospects, Additionally, the entities were able to increase the frequency and number of meetings
- **Emergence of 'Work from Home' Concept:** The emergence of Work from Home concept has enabled people to explore options where they can have an additional source of self-sustainable income, while doing work from home
- **Robust Distribution Network:** Over the years, Direct Selling Entities have created a robust delivery system which helped in home delivery of goods during the pandemic

CONTENTS

CONSUMER SURVEY – PREFERENTIAL CUSTOMERS

CONSUMER AWARENESS SURVEY

Indian Direct Selling Industry at A Glance

Direct Selling Industry in India

The Indian Direct Selling industry was valued at INR 18,000 crores in 2020-21 (FY21) as compared to INR 16,800 crores in 2019-20, thereby registering a growth rate of ~7.7% on a year-on-year basis. The industry grew at a CAGR of 15.7% from 2017-18 to 2020-2021.

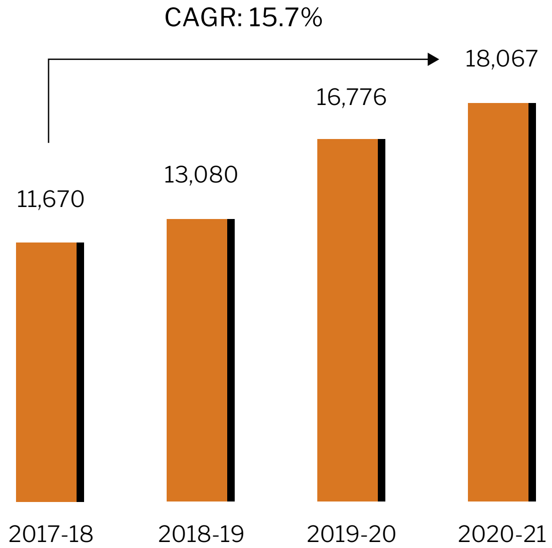


Figure 1 - Industry Turnover (in INR Crores)

Indian Direct Selling sales: Product Categories (2020-21)

Wellness contributed more than half of the total Indian Direct Selling sales. This was followed by **cosmetics and personal care** which contributed nearly one-fourth of the sales in 2020-21. The two categories combined contributed ~80% of the Direct Selling sales.

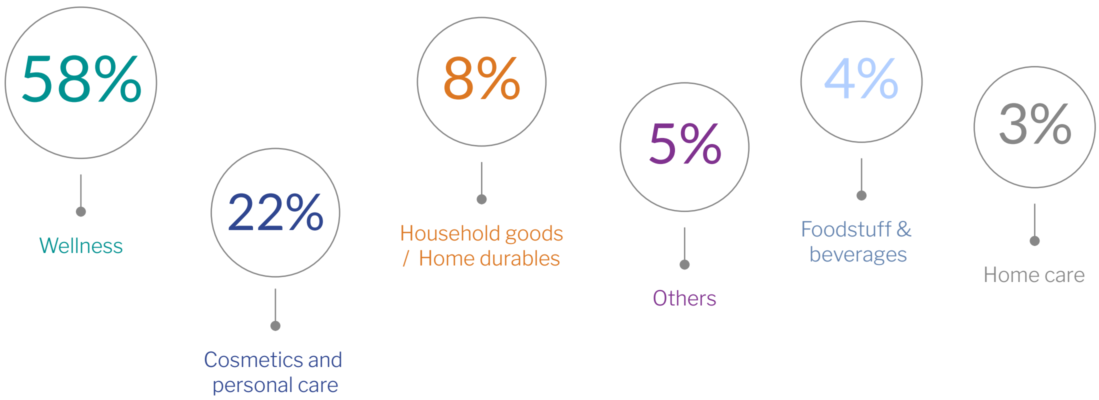


Figure 2 – Product contribution (%)

Indian Direct Selling Industry at A Glance

Region-wise Direct sales in India

The Northern region contributed the most to the total gross sales of Direct Selling products with a share of 29% in 2020-21. The region includes the states of Uttar Pradesh, Rajasthan, Punjab, Haryana, Uttarakhand, Delhi, Himachal Pradesh, Jammu & Kashmir, Ladakh and Chandigarh.

The Eastern region, with a share of 26%, was the second biggest contributor to the gross sales of Direct Selling products. This was largely attributable to West Bengal which contributed 11% to the national turnover. Other states in the east include Bihar, Jharkhand and Odisha.

The Western region, which includes the states of Maharashtra, Madhya Pradesh, Goa, Gujarat, Chhattisgarh and the Union Territories of Dadra & Nagar Haveli and Daman & Diu had a share of 23% of the Direct Selling market in 2020-21.

South had a 14% share in the total gross sales. The region includes the states of Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala and the Union Territories of Andaman & Nicobar, Pondicherry and Lakshadweep.

The North-Eastern region consisting of the 8 states namely Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura together accounted for 8% of the total gross sales.

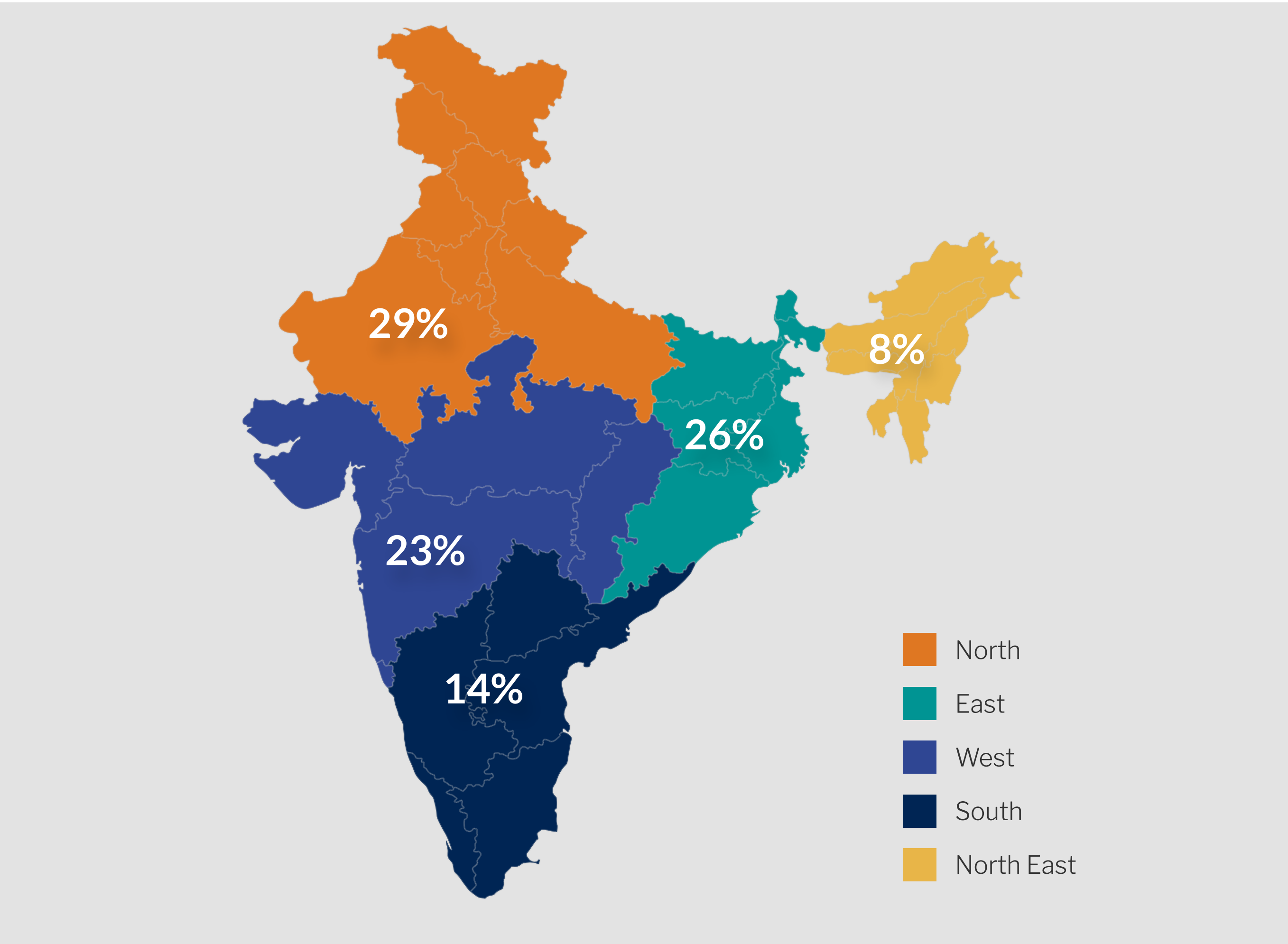


Figure 3 – Region wise Direct sales contribution (%)

Indian Direct Selling Industry at A Glance

Indian Direct Selling sales and Number of Active Direct Sellers: State-wise (2020-21)

State/ Union Territory	Direct Selling Sales (INR Crores)	Share in National TurnOver	Number of Active Direct Sellers (lakhs)
Uttar Pradesh	1,780	9.86%	17.11
Haryana	893	4.94%	1.32
Delhi	757	4.19%	0.6
Rajasthan	713	3.94%	3.4
Punjab	540	2.99%	1.41
Uttarakhand	443	2.45%	0.66
Jammu & Kashmir and Ladakh UTs	59	0.33%	0.27
Chandigarh UT	44	0.24%	0.11
Himachal Pradesh	34	0.19%	0.22
Total North Region	**5,263**	**29.13%**	**25.1**
West Bengal	1,970	10.90%	3.8
Bihar	1,300	7.20%	14.9
Odisha	1,033	5.72%	3.34
Jharkhand	402	2.22%	4.51
Total East Region	**4,705**	**26.04%**	**26.57**
Maharashtra	2,116	11.71%	6.61
Gujarat	945	5.23%	2.55
Madhya Pradesh	549	3.04%	4.03
Chhattisgarh	441	2.44%	1.99
Goa	24	0.13%	0.12
Dadra & Nagar Haveli, and Daman & Diu UTs	1	0.01%	0.49
Total West Region	**4,076**	**22.56%**	**15.79**
Karnataka	1034	5.72%	0.8
Kerala	471	2.60%	1.7
Tamil Nadu	463	2.56%	1.9
Telangana	387	2.14%	0.6
Andhra Pradesh	206	1.14%	1.6
Andaman & Nicobar Islands and Lakshadweep UT	8	0.04%	0.08
Pondicherry UT	8	0.04%	1.19
Total South Region	**2,573**	**14.25%**	**7.83**
Assam	818	4.53%	2.53
Manipur	220	1.22%	0.24
Nagaland	156	0.86%	0.16
Mizoram	108	0.60%	0.22
Arunachal Pradesh	70	0.39%	0.08
Tripura	61	0.34%	0.3
Meghalaya	14	0.08%	0.3
Sikkim	3	0.02%	0.34
Total North-East Region	**1,450**	**8.02%**	**4.17**
Grand Total	**18,067**	**100%**	**79.46**

Table 1 – State-wise Direct Selling Sales and Sellers

Indian Direct Selling Industry at A Glance

Top 10 States contributing to Direct Selling turnover

The states of Maharashtra, West Bengal, Uttar Pradesh, Bihar, Karnataka, Odisha, Gujarat, Haryana, Assam, and Delhi were among the 10 biggest states by the contribution of the total Indian Direct Selling sales turnover. These 10 states cumulatively accounted for about 71% of the industry turnover.

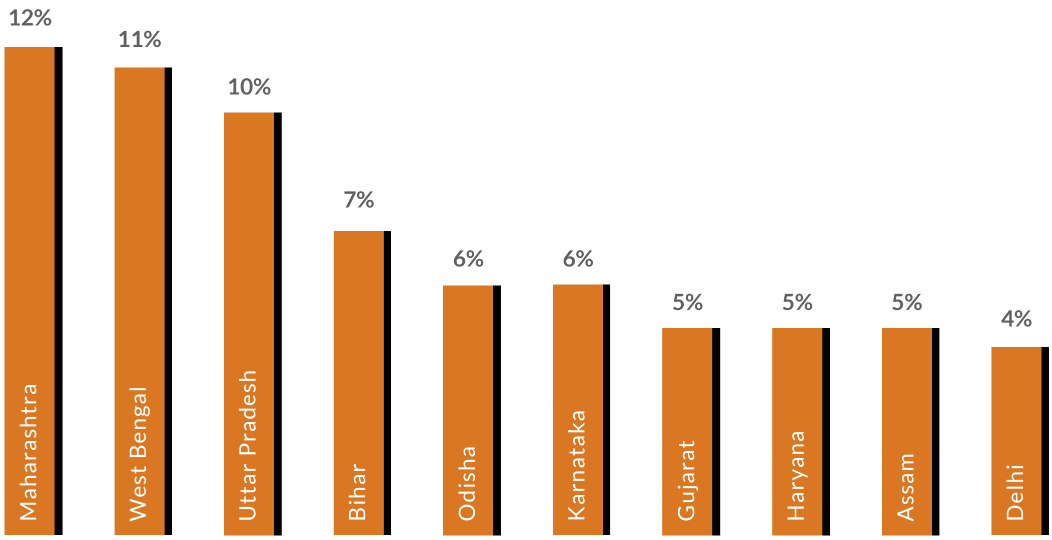


Figure 4 – Direct sales contribution for Top 10 States (%)

Indian Direct Selling sales – North region

In the North region, Uttar Pradesh contributed 34% of the Direct Selling sales followed by Haryana with 17%, Delhi and Rajasthan both at 14% each.

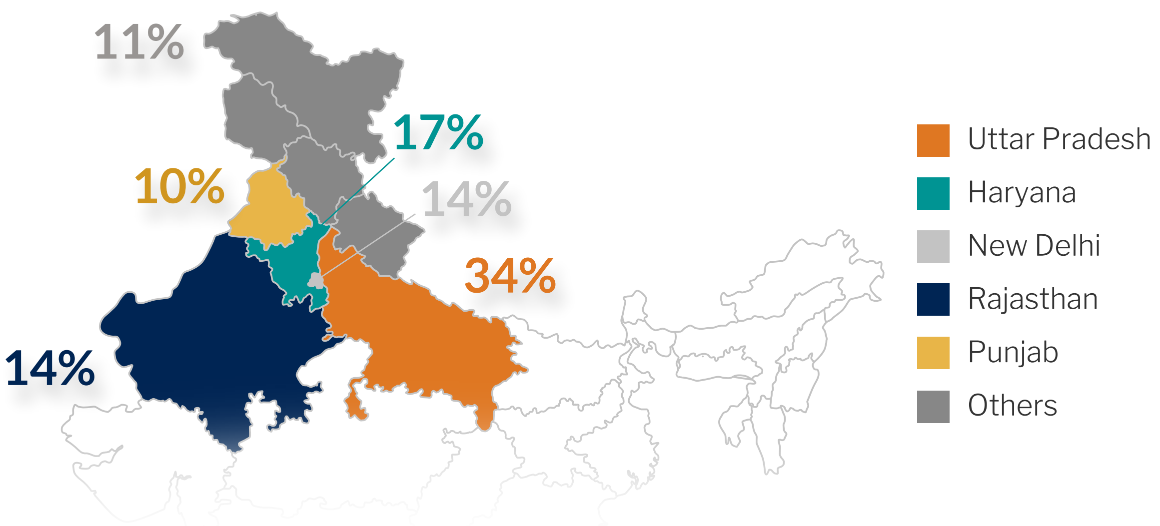


Figure 5 – Direct sales contribution for North Region (%)

Indian Direct Selling sales – East region

In the East region, West Bengal garnered a lion's share of 42% of the region's Direct Selling sales in 2020-21. It was followed by Bihar, Odisha and Jharkhand with shares of 28%, 22%, and 9% respectively.

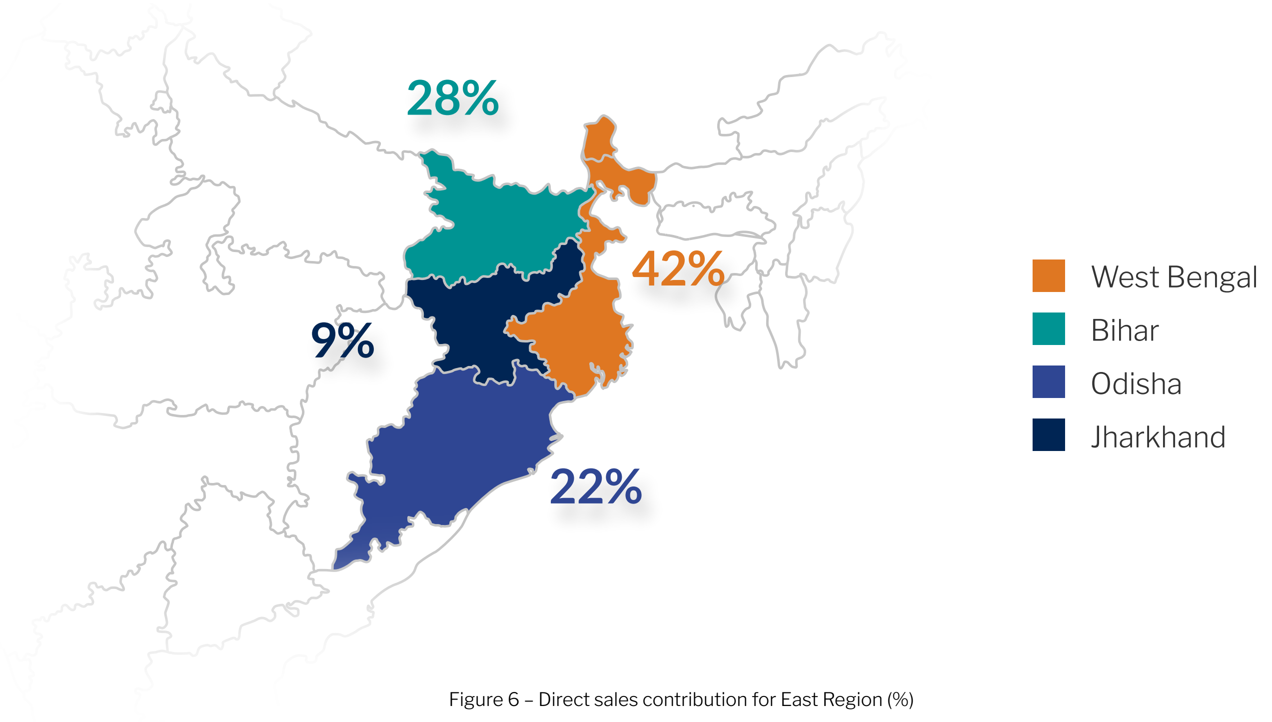


Figure 6 – Direct sales contribution for East Region (%)

Indian Direct Selling sales – West region

In the West region, Maharashtra amassed more than half of the Direct Selling sales in the region. Gujarat contributed 23%, holding onto the second spot in the region.

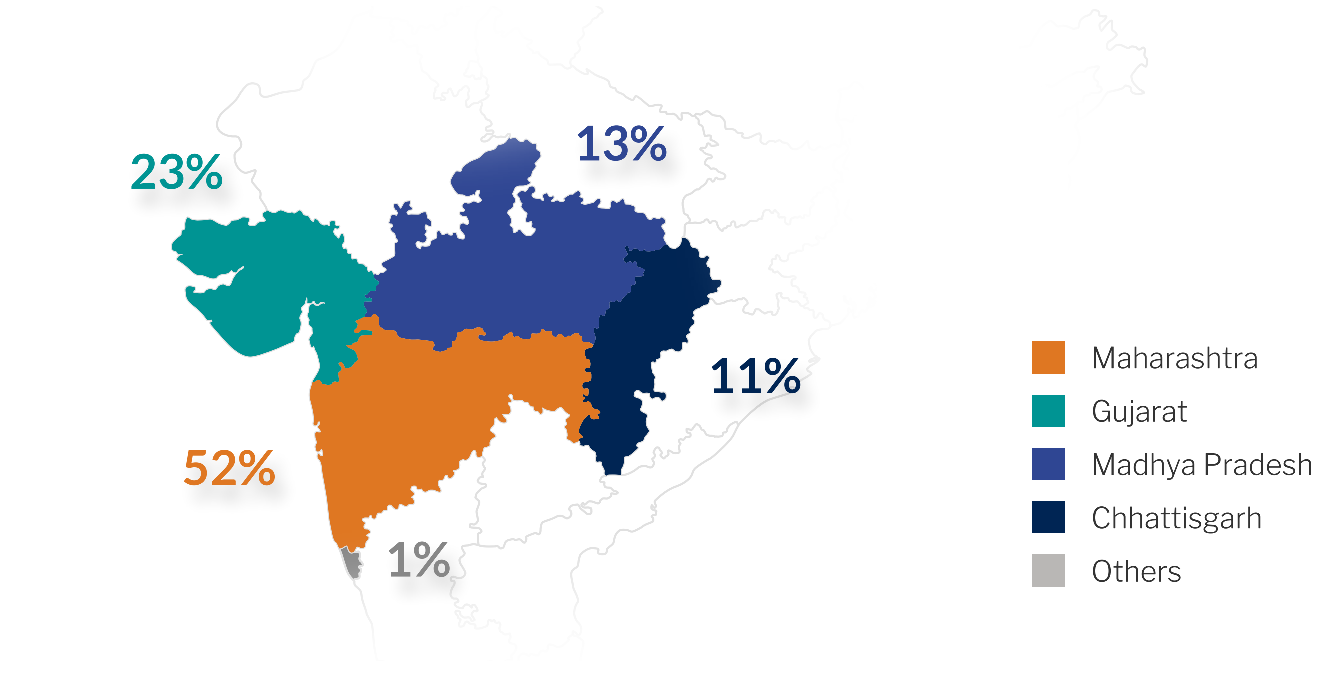


Figure 7 – Direct sales contribution for West Region (%)

Indian Direct Selling Industry at A Glance

Indian Direct Selling sales – South region

Among the Southern states, Karnataka, Tamil Nadu and Kerala accounted for more than 75% of the region's sales with contributions of 40%, 18% and 18% respectively. Telangana stood fourth with a 15% share.

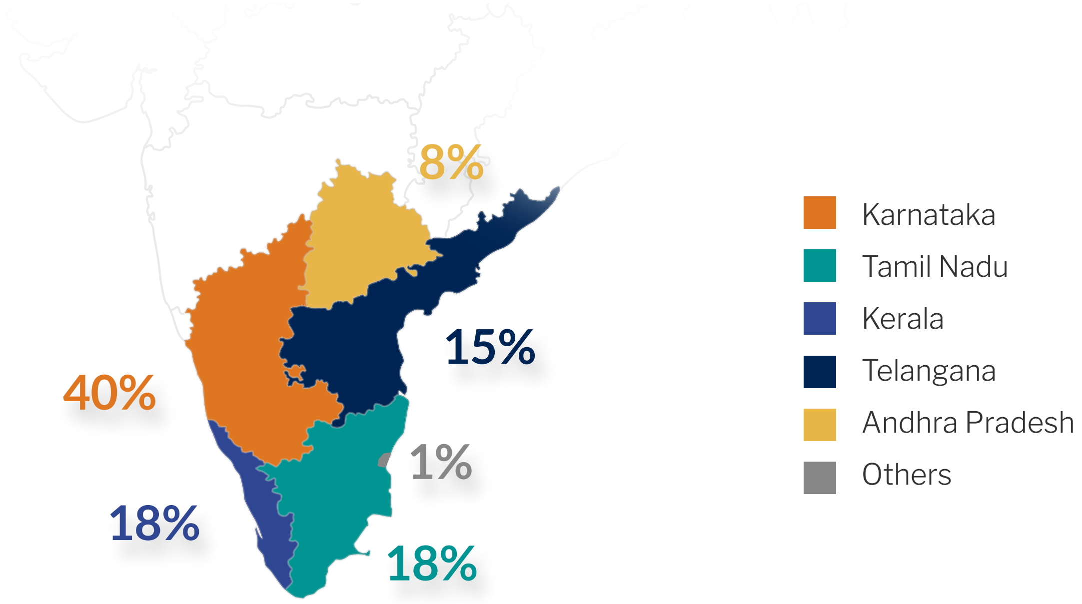


Figure 8 – Direct sales contribution for South Region (%)

Indian Direct Selling sales – North-East region

In the Northeast region, Assam contributed 56% of the region's gross sales followed by Manipur and Nagaland with 15% and 11% respectively.

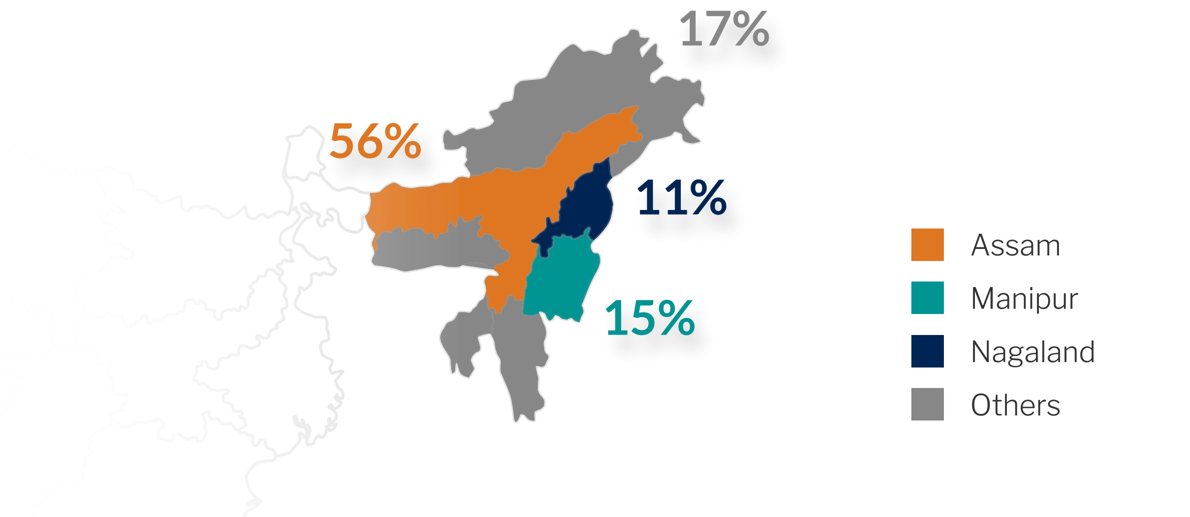


Figure 9 – Direct sales contribution for North-East Region (%)

Indian Direct Selling Industry at A Glance

Number of Active Direct Sellers in India

The number of Active Direct Sellers in India increased from 74 lakhs in 2019-20 to about 79 lakhs in 2020-21, registering a growth of ~7% year-on-year. Over the last 4 years, there has been a steady growth in the number of Active Direct Sellers in India.

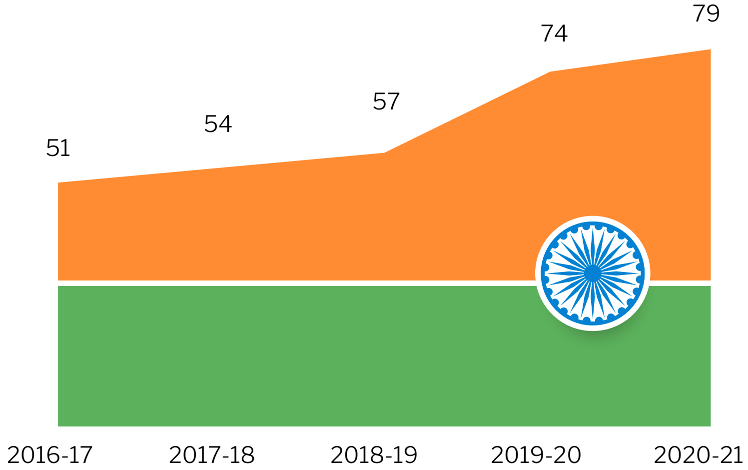


Figure 10 – Number of Active Direct Sellers in India (lakhs)

Gender-wise split of Active Direct Sellers in India

Males surpassed females in terms of the absolute number of Active Direct Sellers. Females who have dominated the Direct Selling industry in India over the years accounted for a 47% share of the total 79 lakh Active Direct Sellers in India.

There has been a noticeable increase in the number of men participating in Direct Selling over the last 5 years.

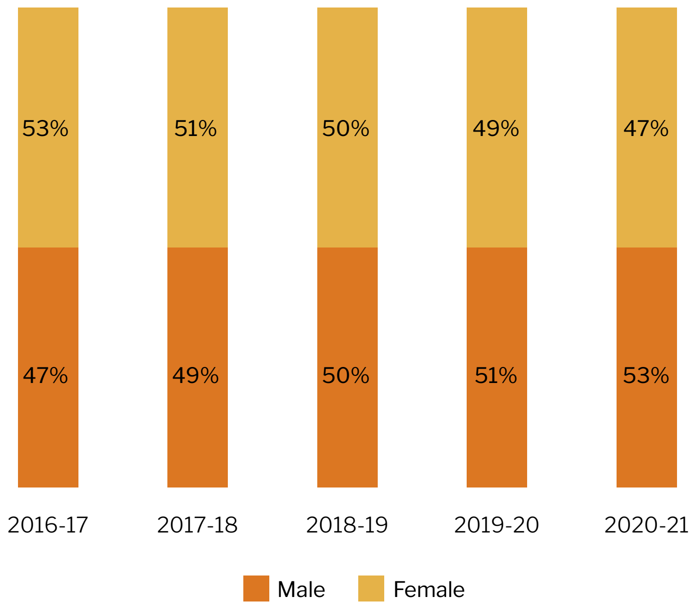


Figure 11 – Gender split of the Active Direct Sellers in India

Age-wise split of Active Direct Sellers in India

Around two-thirds of 79 lakh Active Direct Sellers belong to the age group of 25 to 44 years. The age group of 45 to 65 years accounted for 22% followed by 18 to 24 years which accounts for around 18%. Direct selling appears to be popular among the youth and mid-age group in 2020-21.

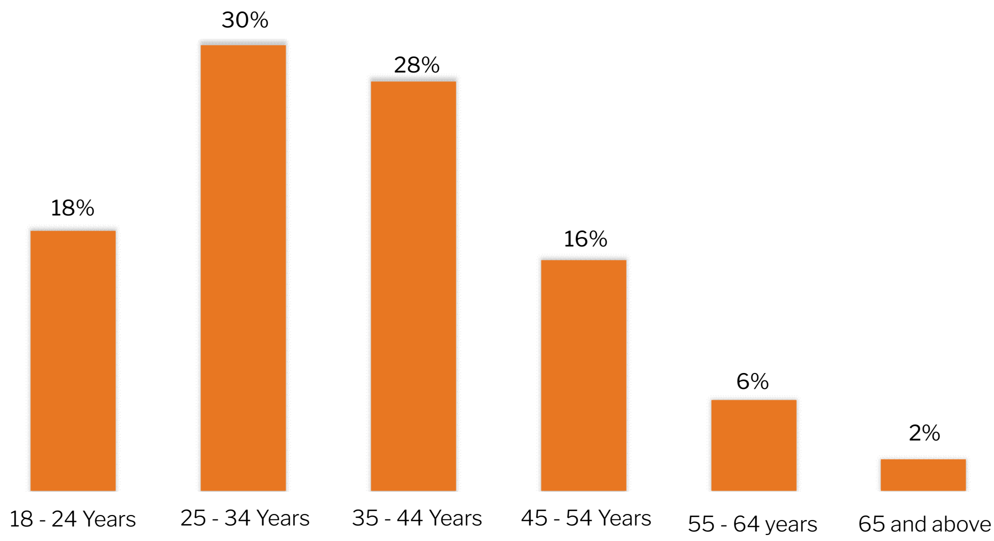


Figure 12 – Age split of the Active Direct Sellers in India

Key Trends in Indian Direct Selling Industry in 2020-21

The Indian Direct Selling at an overall level has done well, despite the various challenges in FY 21. The industry has been agile and resilient to the pandemic and has come out strongly. There have been several trends that have impacted, here are a few important ones:

Mixed bag in terms of growth among various companies operating in the segment

The Direct Selling industry has grown at a lower rate of 7.7% compared to 28.4% in FY 20. Nearly, half of the companies analyzed showed negative growth in FY 21 due to multiple challenges, but the other half of the companies have demonstrated significantly higher growth. The high growth is attributed to digital adoption, product mix, new category additions, etc.

Growth was driven by Wellness, Cosmetics & Personnel Care Segment

The pandemic strengthened the conviction of prioritizing health over convenience. Consumers increasingly recognize their own responsibility towards maintaining health and need to do more. The ongoing pandemic, especially in the initial phase saw a boost in this mindset & has led to an increased demand for health-based products, immunity boosters & supplements. This trend has also found favor with brands rushing to create variants incorporating these consumer attributes.

Indian Direct Selling Industry at A Glance

Tier 2, 3 cities driving growth

Driven by reverse migration, increase in work from home adoption, and travel restrictions, the consumers spending locations shifted to tier 2, 3 & below cities. These city categories have shown significant growth in many consumer-driven businesses & similar phenomena have been noticed in the Direct Selling Industry as well. The industry also had the advantage of the vast Direct Delling network.

Enhanced focus on digital adoption

The 'New Normal' has reinforced the increasing need for digital integration/transformation of business. It is imperative for the Direct Selling industry to continue working on a hybrid model & leverage technology to their benefit. Players in the industry will continue to focus on faster digital adoption of their processes and overall approach for convenience.

In today's scenario, a lot of the interactions of the Direct Sellers with consumers happen digitally, reducing the facetime and the ability to increase the frequency of interaction. Their tasks have become easier and fewer as they can today share a video of the product with the consumer and if the consumer is interested, then one can directly purchase the product from the Direct Seller's personal webpage resulting in a Direct Sale.

Social media becoming an integral part of company's growth plans

Post-lock-down consumers have started spending 2x the time on social media platforms (vs. pre-lock down). This coupled with an increasing number of active internet users (1.6x increase between 2017 to 2020), is influencing Direct Selling companies to make social media an integral part of the strategy. Influencer-led marketing is gaining traction in the industry & likely to see a major shift soon.

Direct Sellers Survey

Context

Ipsos, on behalf of the Indian Direct Selling Association (IDSA), conducted a survey among active Direct Sellers associated with the member companies. The main objective of the survey was to understand the overall background of the Direct Sellers and how Direct Selling has helped them from an economic as well as social standpoint.

Inputs were taken on how they were introduced to Direct Selling, the major drivers which led them to join the Direct Selling industry, how long they have been associated with the industry, their experience and loyalty to the Direct Selling entity, support provided by member entities during lockdown, and key pain points which result in shifting to a new entity.

The Direct Sellers were asked to rank the perceived sales potential of the various product categories. They were also asked to enlist the critical pain points in the industry which affect their business and livelihood. Finally, their awareness of IDSA and source of awareness was captured.

A total of 2650 active Direct Sellers were considered for this exercise. 60% of the respondents were male while the remaining 40% were female.

An online survey link was generated and circulated amongst the respondents via WhatsApp groups and social media handles of the IDSA and member companies. Some of the member companies had hosted the survey link on their website so that Direct Sellers associated with these companies could access and provide their input.

Age group of Direct Sellers

2/3rd of the respondents surveyed were above 35 years. The age group of 25-34 years accounted for 25% of Direct Sellers, while those below 24 years accounted for 8% of Direct Sellers. Direct Selling in India appears to be popular amongst the older age group as people look to supplement their primary income through Direct Selling activities.

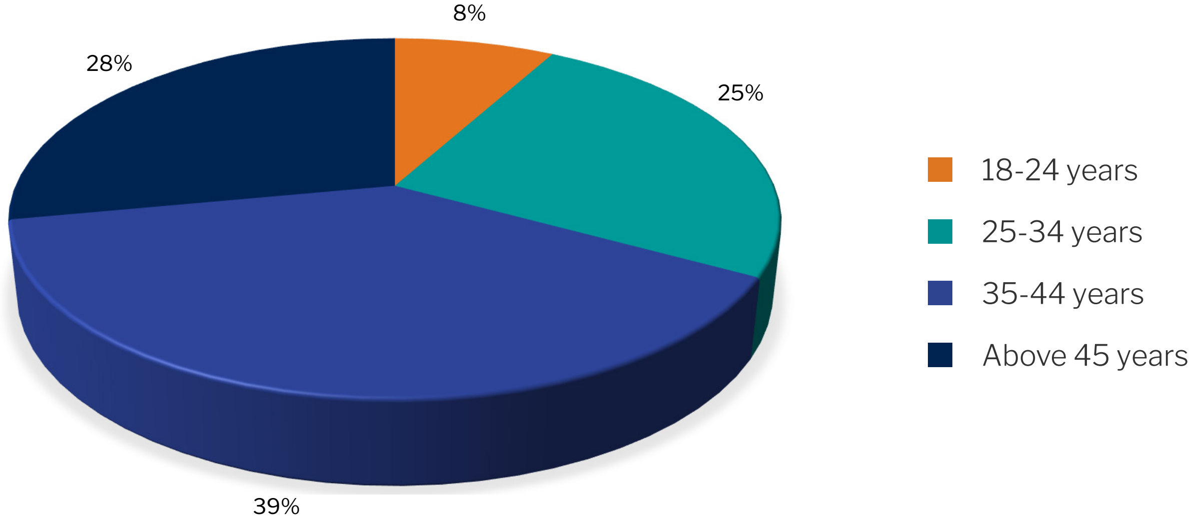


Figure 13 – Age split of the Direct Sellers

Education background of the Direct Sellers

About half of the respondents surveyed were Graduates. 24% were Postgraduates and the rest were Matric / Intermediate pass. There is an increase in the number of people turning to Direct Selling possibly because jobs with reasonable disposable incomes were hard to find in addition to Covid impact on jobs & hence earning.

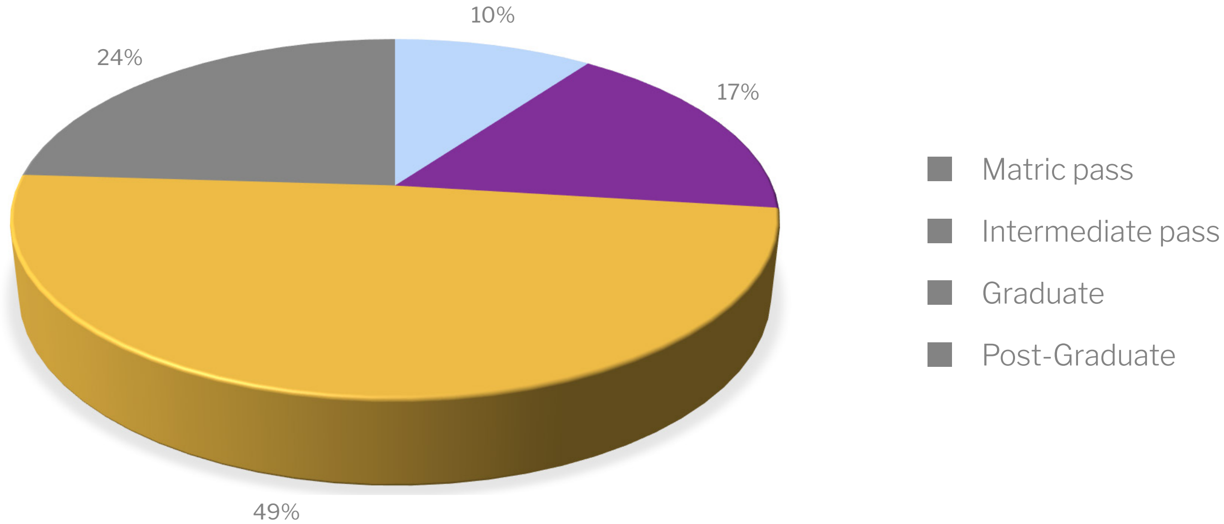


Figure 14 – Educational background of the Direct Sellers

Occupation status of the Direct Sellers

Half of the respondents surveyed were self-employed or had proprietary businesses. 19% of the respondents were Homemakers/Housewives. It is safe to derive that half of the female respondents randomly surveyed were housewives/ homemakers. Private Employees and Students accounted for 14% and 6% respectively.

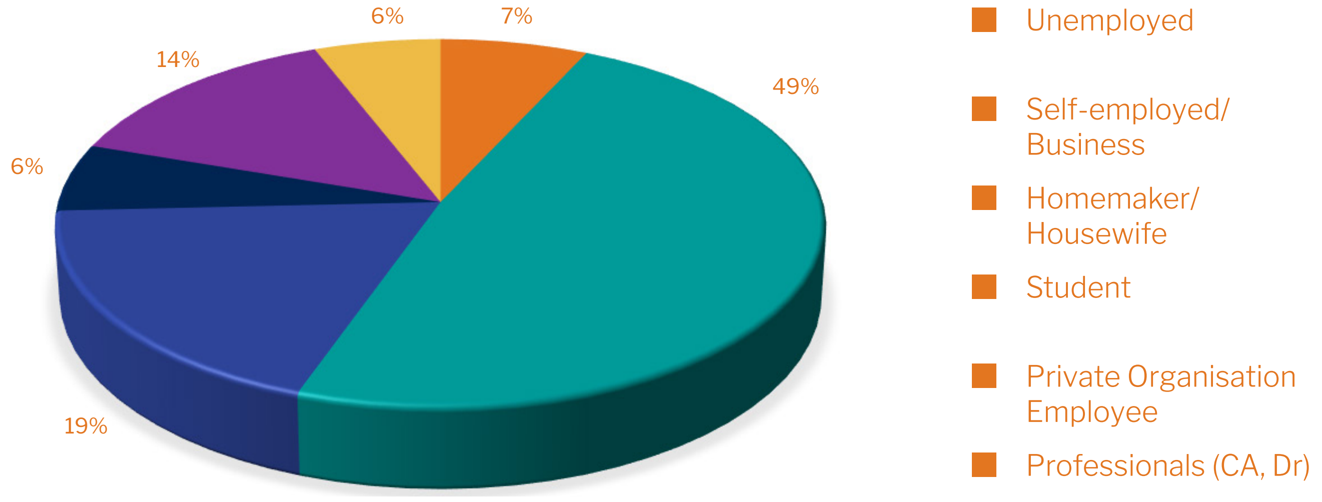
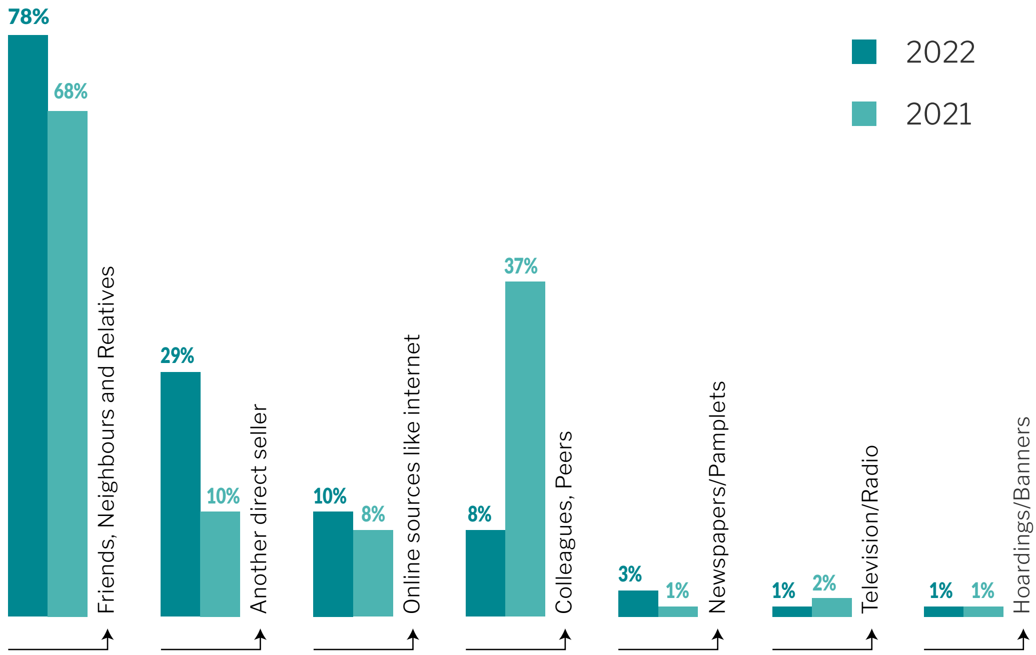


Figure 15 – Occupational status of the Direct Sellers

Source of awareness about Direct Selling

Introduction and recommendation by 'friends, relatives and neighbors' remains the most popular source of awareness of the Direct Selling industry with around 78% of the Direct Sellers surveyed quoting it this time, with an upward jump of 10% from last year. 29% of the Direct Sellers were introduced to Direct Selling by other Direct Sellers, this approach to increasing awareness has gained significant traction compared to last year. On the other hand, awareness through colleagues and peers has declined drastically from 37% to 8% this year. This could also be attributed to lockdown, with less peer / coffee break interaction in person. 10% of the respondents came to know about Direct Selling through online sources such as the Internet.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 16 – Source of Awareness about Direct Selling

Experience in Direct Selling

About half the respondents surveyed have been active Direct Sellers for more than 3 years. 33% mentioned that they have been active for under 2 years, while 19% have been active since 2-3 years.

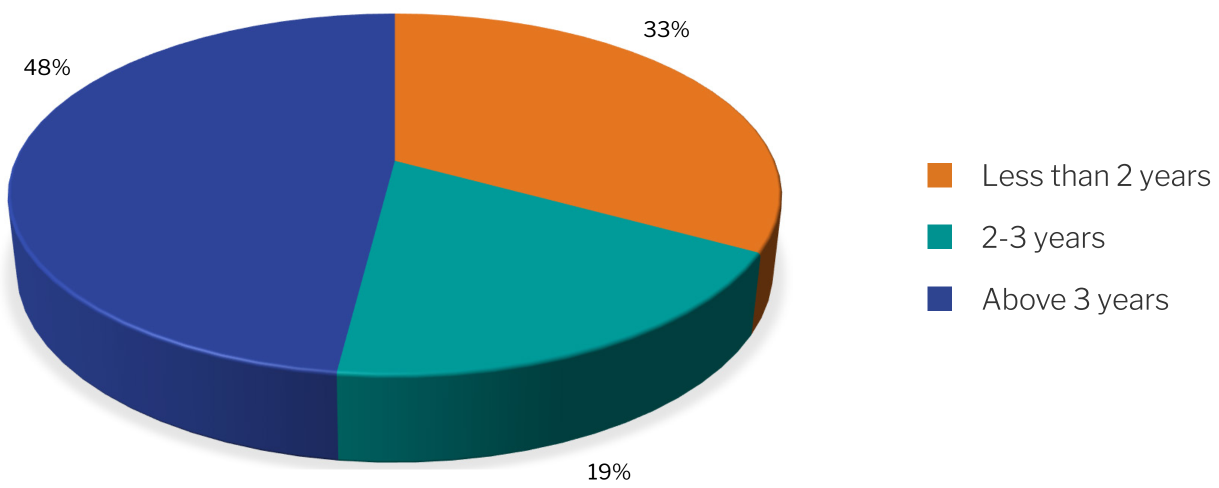


Figure 17 – Experience in Direct Selling

Purchase intentions of Direct Sellers

86% of the respondents mentioned that they purchased products with the intention of both self-consumption as well as reselling. 3% mentioned that they purchased the products with the sole intention of reselling, while 12% mentioned they purchase it for self-consumption.

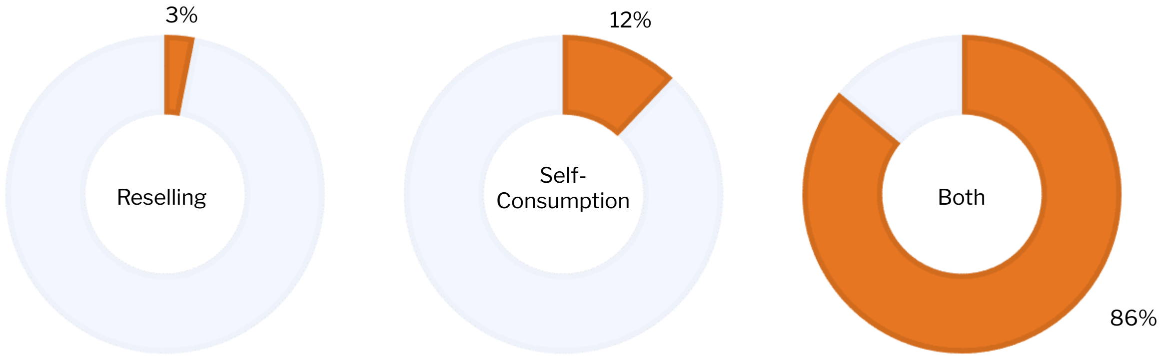
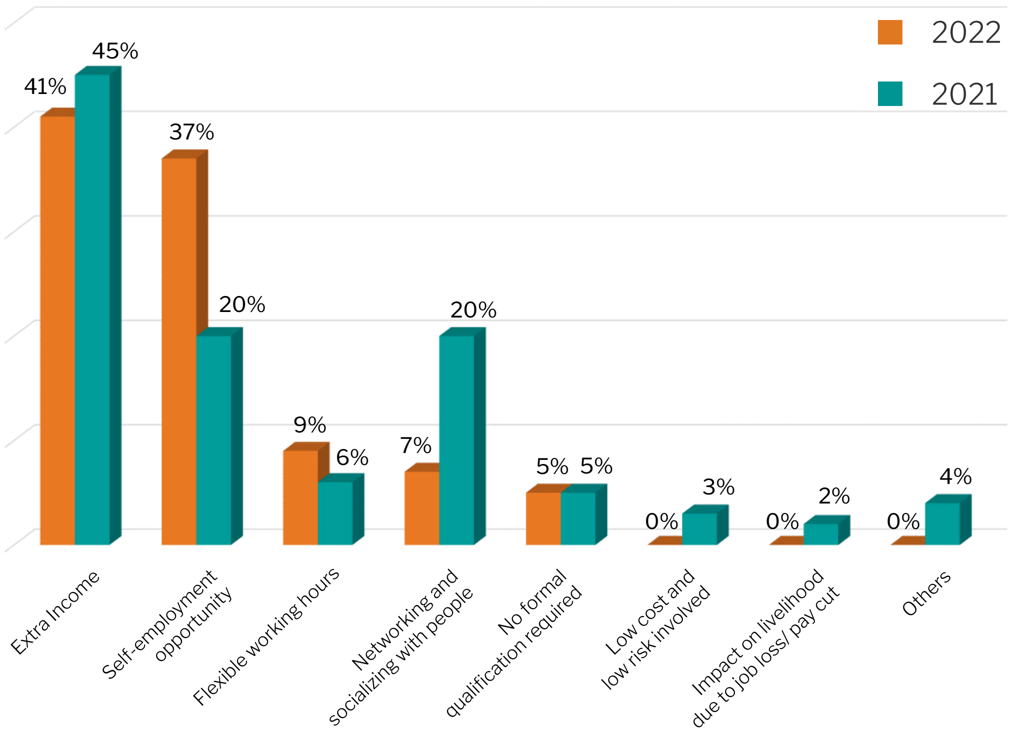


Figure 18 - Purchase Intentions of the Direct Sellers

Most important reason for becoming a Direct Seller

The ability to earn additional income and self-employment opportunities together draw people into Direct Selling. Perception of Direct Selling as a self-employment opportunity has almost doubled as compared to last year (from 20% to 37% this year); while networking and socializing with people has seen a decline (from 20% to 7% this year).



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 19 - Most Important Reason to join Direct Selling

Product Categories with the Highest Sales Potential

As per the Direct Sellers surveyed, **Wellness** products have the highest sales potential, although the extent of call outs were lesser this time as compared to last year. The **Wellness** category includes products like weight management supplements, nutritional supplements, juices, etc. **Clothing, Homecare and Cosmetics/ Personal Care** are the next 3 categories with considerable sales potential; an upward movement seen from last year.

The below table shows the elaborated results for ranking different product categories in terms of their sales potential.

Product Category	Most Preferred in 2022	Was Most Preferred in 2021
Wellness	31%	56%
Clothing (without accessories)	18%	7%
Home Care	17%	8%
Cosmetics and Personal Care	16%	10%
Clothing accessories	8%	2%
Household Goods / Home Durables	7%	6%
Foodstuff and Beverages	3%	2%
Utilities	-	4%
Books, Toys, Stationery & Audio-Visual Materials	-	1%
Home Improvement	-	1%
Others	-	2%

Table 2 - Product Category Sales Potential

Involvement in Direct Selling

A majority, 79% of the Direct Seller respondents have been associated with the same Direct Selling entity from the time they entered this industry, while 21% of Direct Seller respondents mentioned that they moved to a different Direct Selling entity over time. This reflects a significant loyalty by Direct Sellers towards their Direct Selling entities with Direct Sellers being satisfied with their entity's products and business terms.

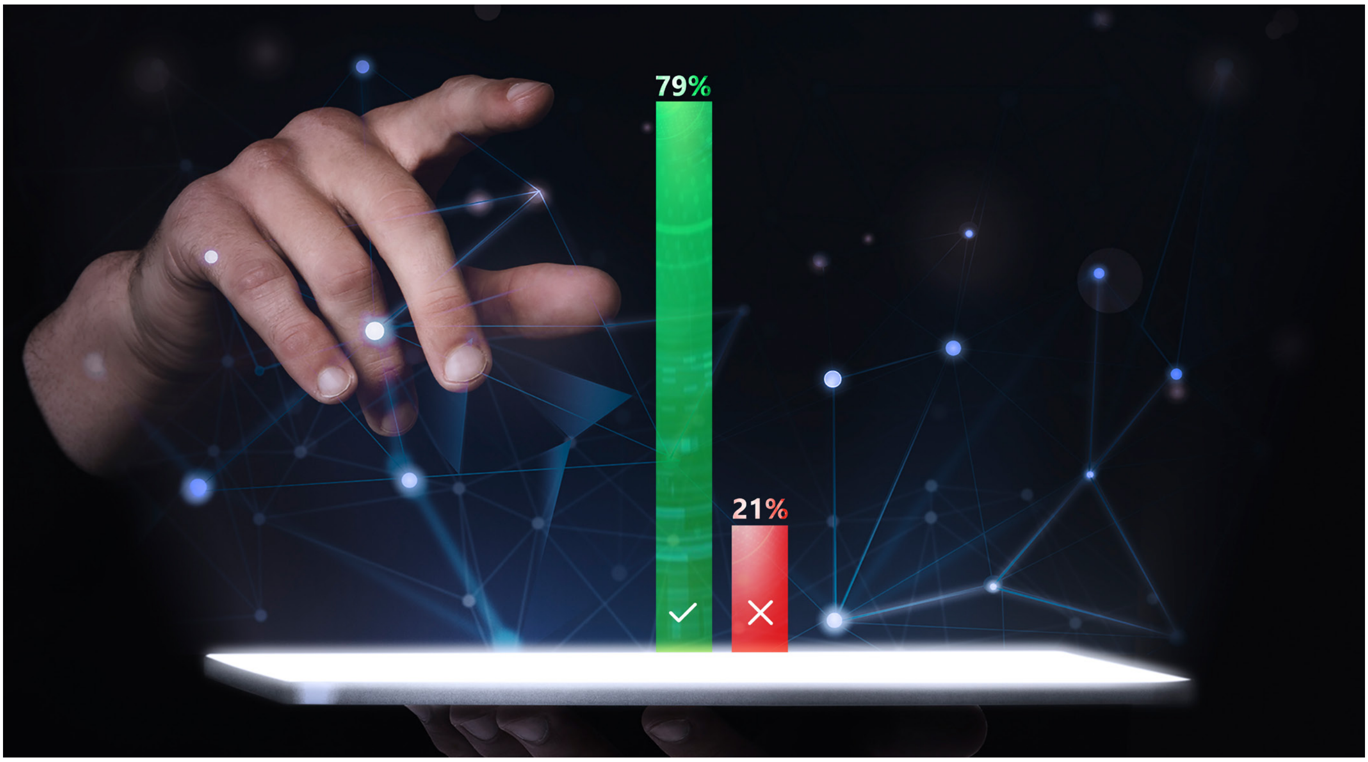


Figure 20 - Association with the same Direct Selling Entity

Reasons for switching to a new Direct Selling entity

47% of the Direct Sellers, who mentioned they had shifted to a new entity, mentioned better product / service portfolio as the key reason for the change. 45% stated that a better compensation and payout structure was a motivator to shift to a new Direct Selling entity.

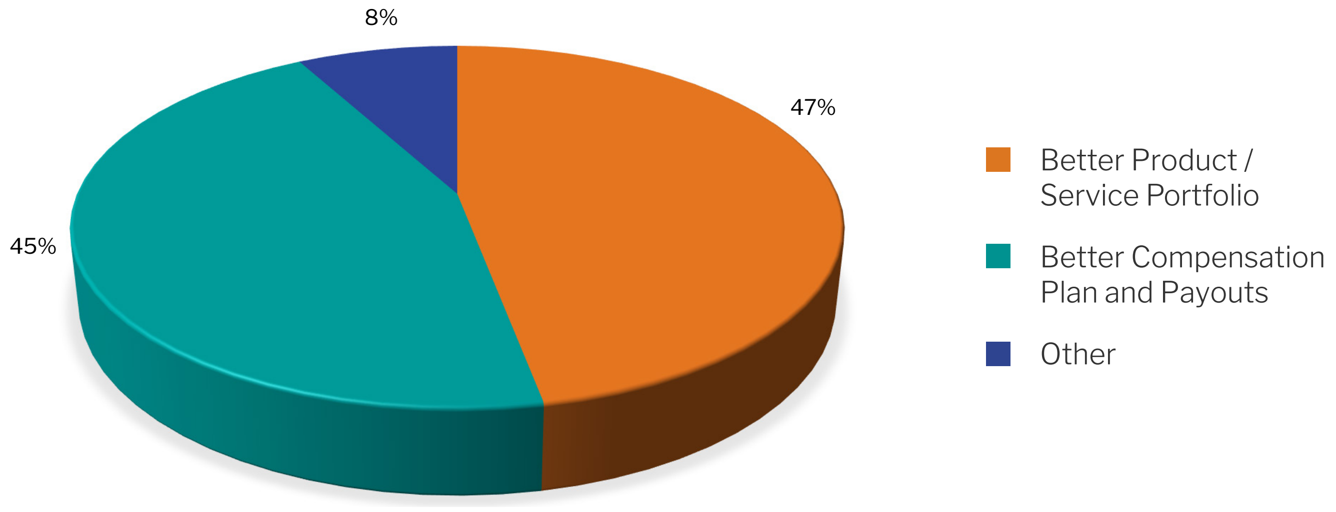


Figure 21 - Reasons for switching

Covid Impact on Direct Selling Industry:

According to 66% of the respondents, Direct Selling Business improved during COVID as compared to pre-COVID period. Of these, 24% indicated that sales have improved by more than 20%, 20% indicated it has improved by more than 10%-20%, while 22% indicated it has improved by 1%-10%.

21% of the total respondents indicated there was no major impact seen on Direct Selling during COVID, while 14% indicated they incurred losses during the COVID. In a nutshell, Direct Selling Business has flourished during COVID.

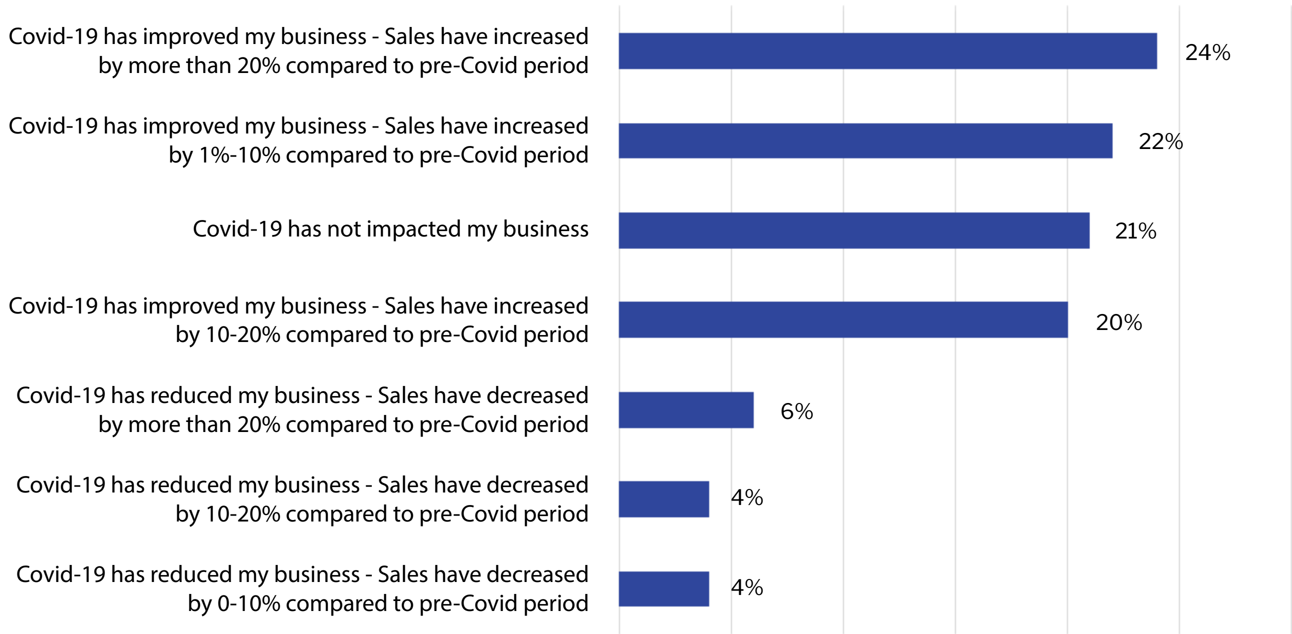
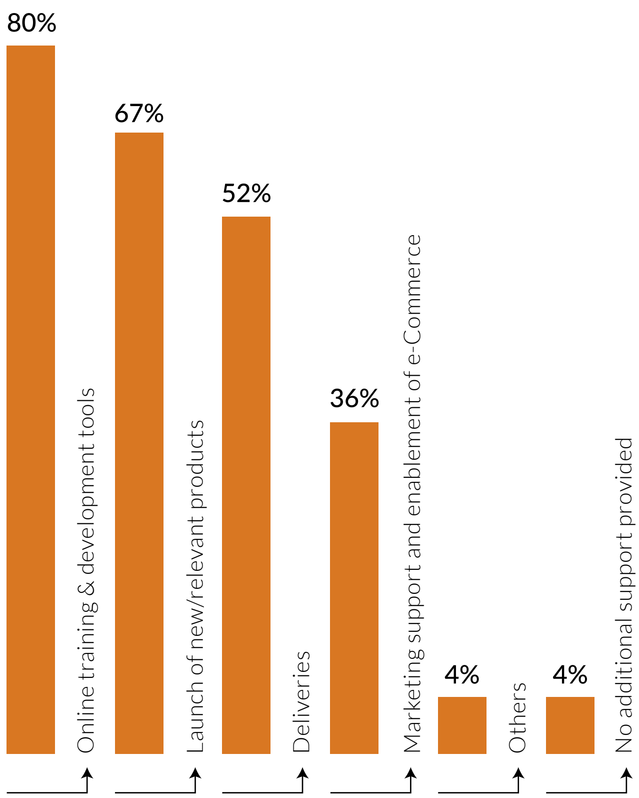


Figure 22 - Impact of Covid on Direct Selling Industry

Support needed from the Direct selling Company:

Online Training and Development Tools, New Product Launch and Improved Deliveries are key asks from Direct Sellers. About 80% of them stated that they want Direct Selling Companies to support them by providing Online Training and Development Tools. 67% indicated Launch of New Products and 52% indicated support through Improved Deliveries. About a third of the respondents also seek Marketing Support and E-commerce Enablement.

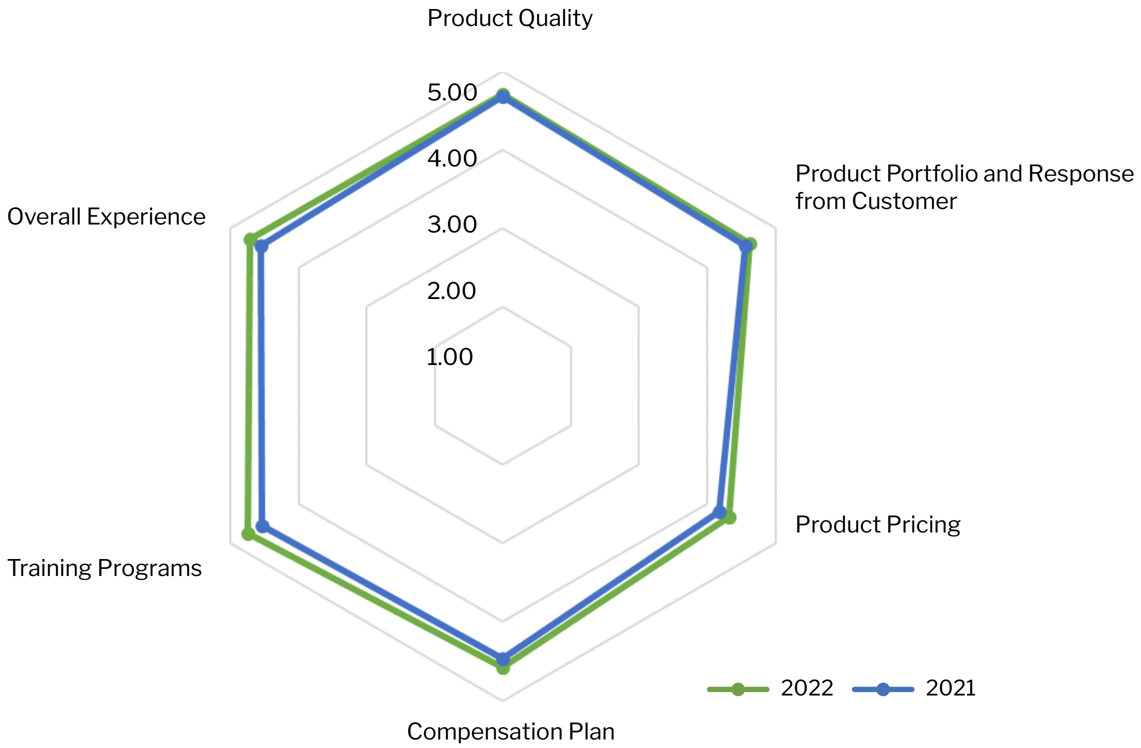


Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 23 - Important Reasons for Changing the Company

Satisfaction mapping of Direct Sellers

Direct Sellers seem to be satisfied with the Direct Selling entities they are associated with. Most of the critical performance parameters score well with Training programs and Product pricing scoring good (4.74 and 4.32 respectively). Scores for Training Programs have further improved from last year. Scope to improve perception around Product Pricing (4.32), followed by Compensation Plan (4.58) and Product Portfolio (4.62). Product Pricing seems to be a concern mostly among Females and Homemakers. Compensation Plan is an ask mostly from Female Direct Sellers.



Note: Plotting is done basis mean scores on a 5-point scale

Figure 24 - Satisfaction mapping of the Direct Sellers

Critical challenges in Direct Selling

Availability of products on e-Commerce platforms continues to be the most critical pain point, this has been called out by 36% respondents. Mentions around non availability of products and product quality issues have gone up (23% and 22% respectively).

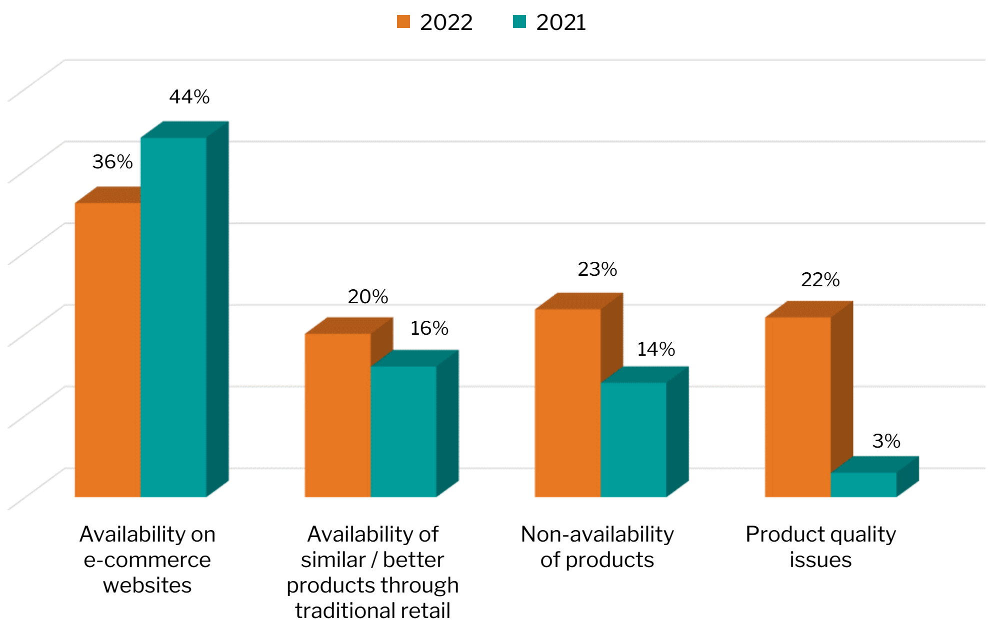


Figure 25 - Most Critical Challenges faced by the Direct Sellers

Benefits derived from the Direct Selling business

Financial support was called out as the biggest benefit to Direct Sellers this year as against Skill Development last year. 50% of the respondents indicated that Financial Support was the biggest benefit they derived from Direct Selling Business, whereas 36% considered skill development as a major benefit.

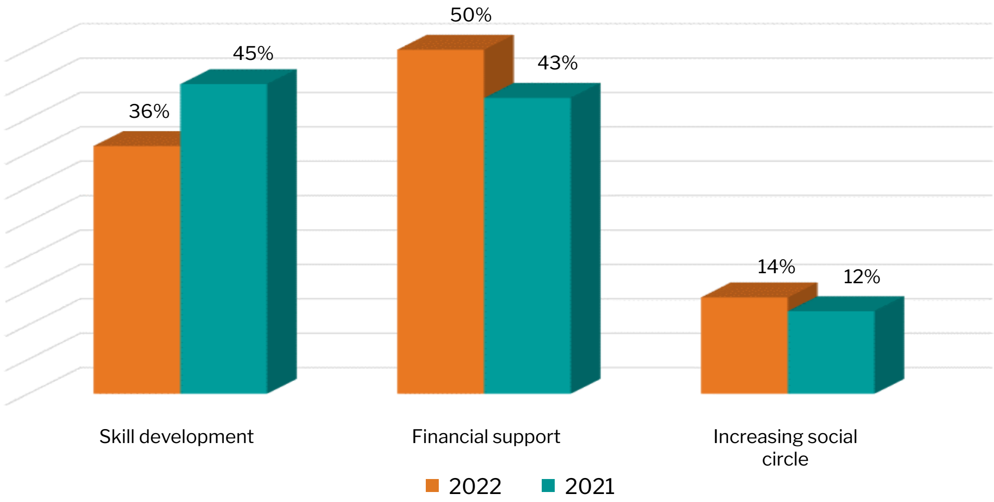


Figure 26 - Benefits of Direct Selling to the Direct Sellers

Awareness about IDSA

90% of the Direct Sellers surveyed were aware about Indian Direct Selling Association (IDSA).

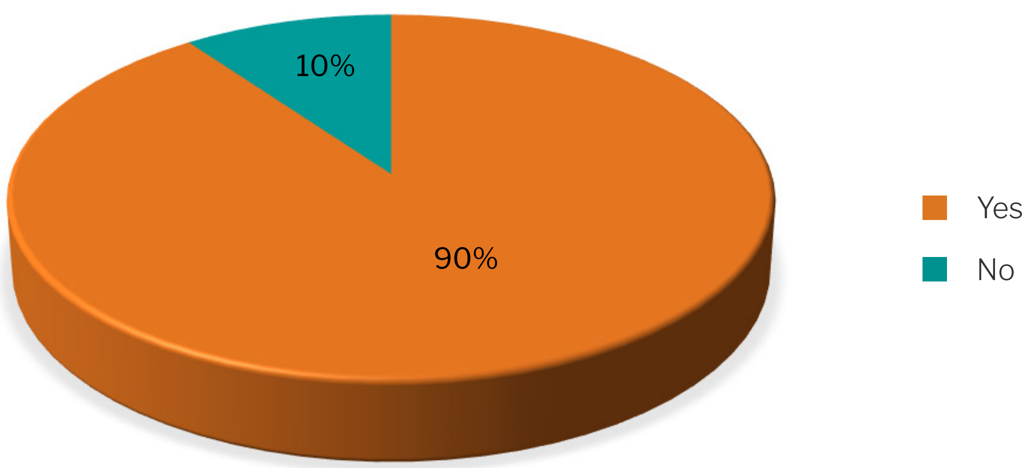
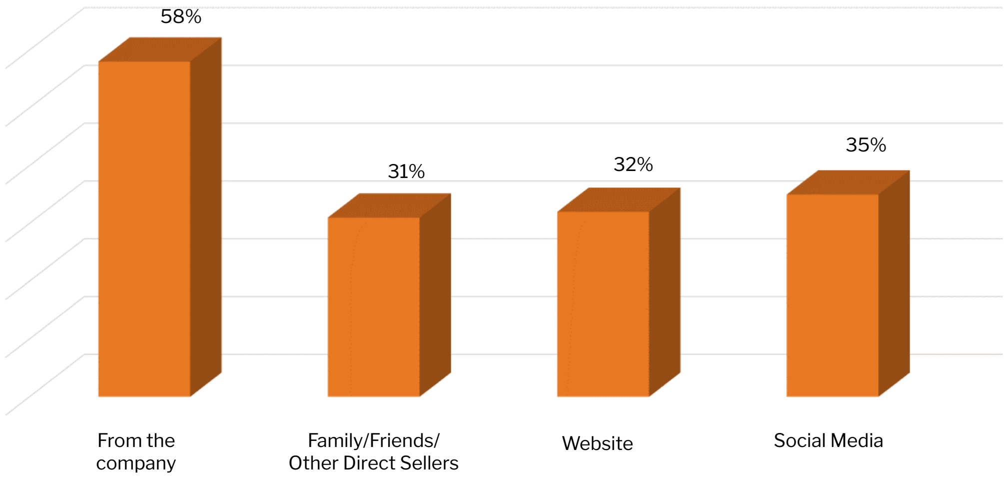


Figure 27 - Awareness about IDSA

Source of awareness about IDSA

58% of the Direct Sellers have knowledge about IDSA from their respective Direct Selling entities. 35% of the respondents became aware of IDSA through various social media platforms. 31% mentioned that families, friends and Direct Sellers enlightened them about the association while another 32% became aware from the association's website.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 28 – Source of Awareness about IDSA

CONSUMER SURVEY - Preferential Consumers

Context

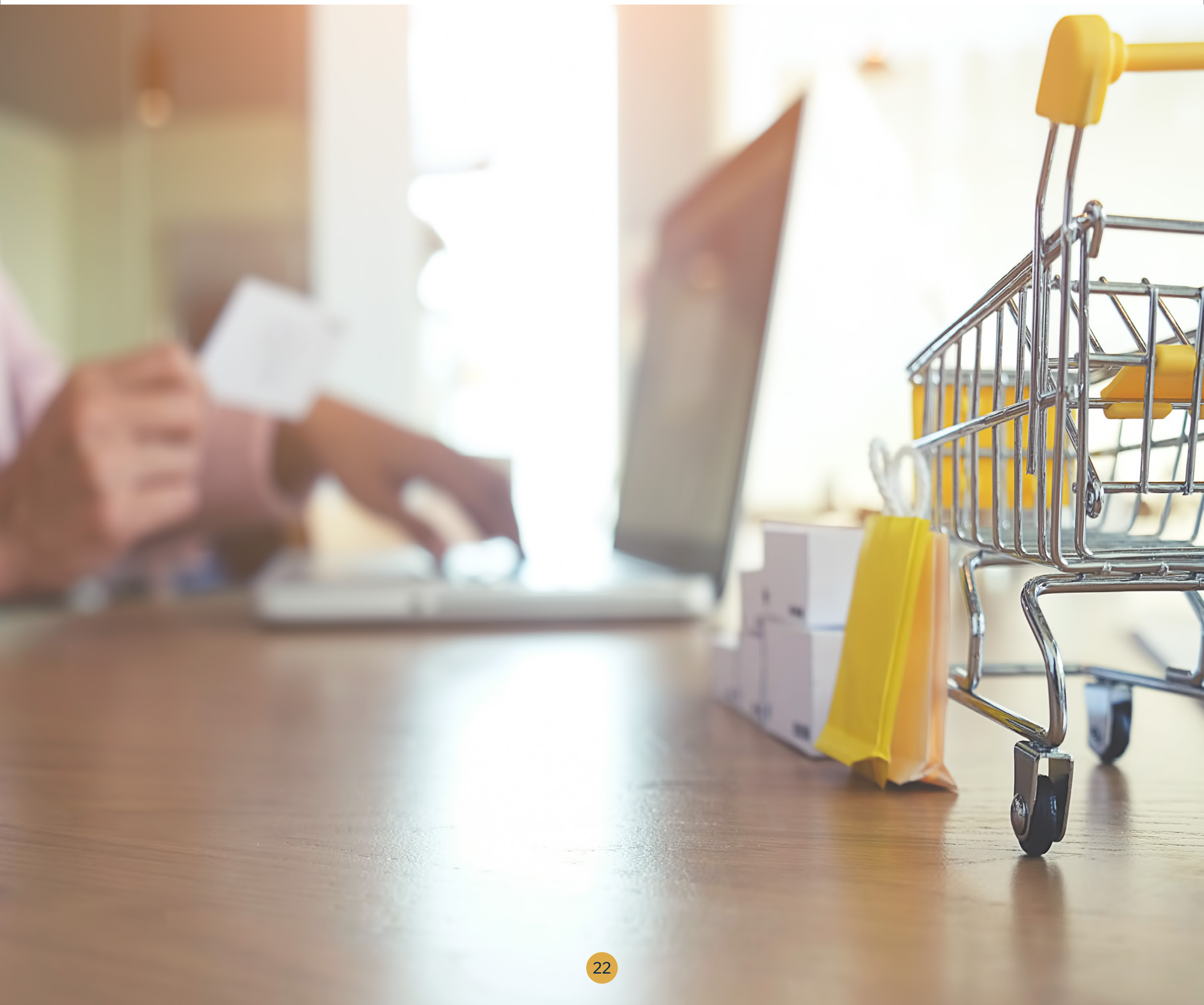
Ipsos, on behalf of the Indian Direct Selling Association (IDSA), conducted a survey amongst 'preferential consumers' who buy products directly from Direct Selling entities for self-consumption.

Inputs were taken on how they were introduced to Direct Selling products, the major drivers which led them to purchase products from Direct Sellers and for how long they have been purchasing from Direct Sellers.

The respondents were asked to give inputs on the popular product categories they purchased from Direct Sellers in the last one year.

A total of 477 customers were considered for this exercise.

An online survey link was generated and circulated amongst the respondents via WhatsApp groups and social media handles of the IDSA and member companies. Some of the member companies had hosted the survey link on their website so that consumers could access and provide their inputs.



CONSUMER SURVEY - Preferential Consumers

Age group of customers

About 2/3rd of the respondents belonged to the age bracket of 35 years and above, with 35-44 years age bracket being the top contributor.

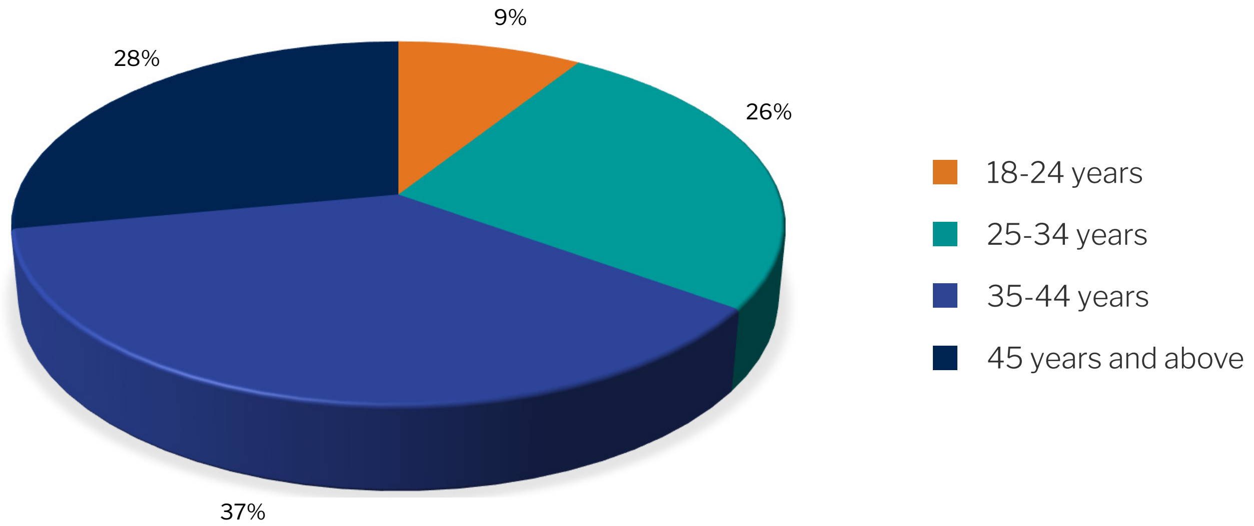


Figure 29 – Age Group of preferential customers

Education background of the customers

2/3rd of the customers surveyed were graduates and post-graduates.

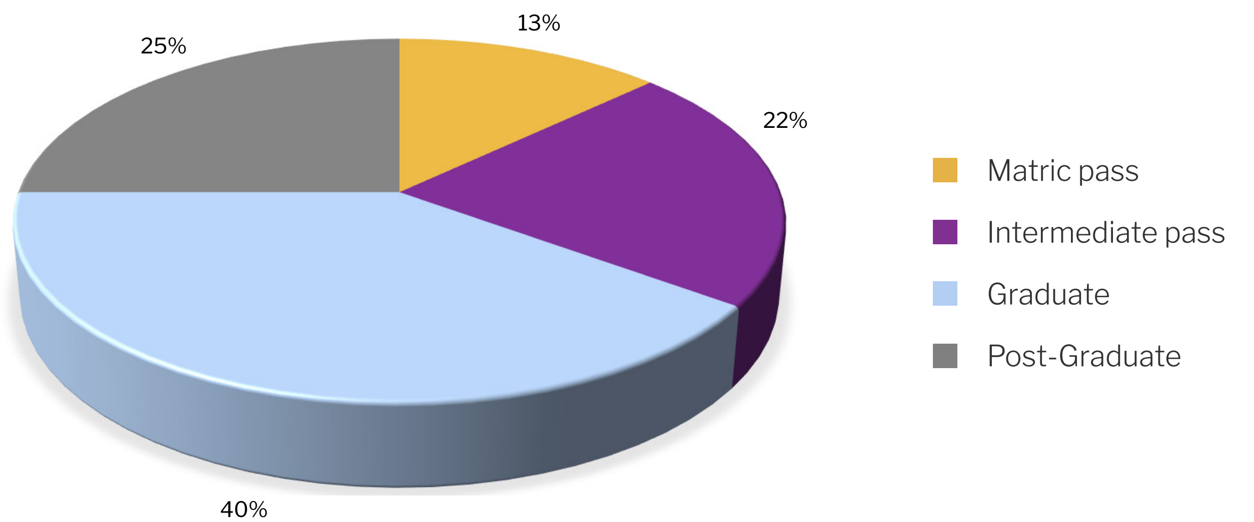


Figure 30 – Educational background of preferential customers

Occupation status of the customers

31% of the customers surveyed were Self-Employed individuals, followed by 22% each of Homemakers and Private Organization Employees. Higher representation of Homemakers in the data as compared to last year (3% vs 22%). 11% were Professionals (CA/ Dr), 7% were students, while the rest (8%) were unemployed.

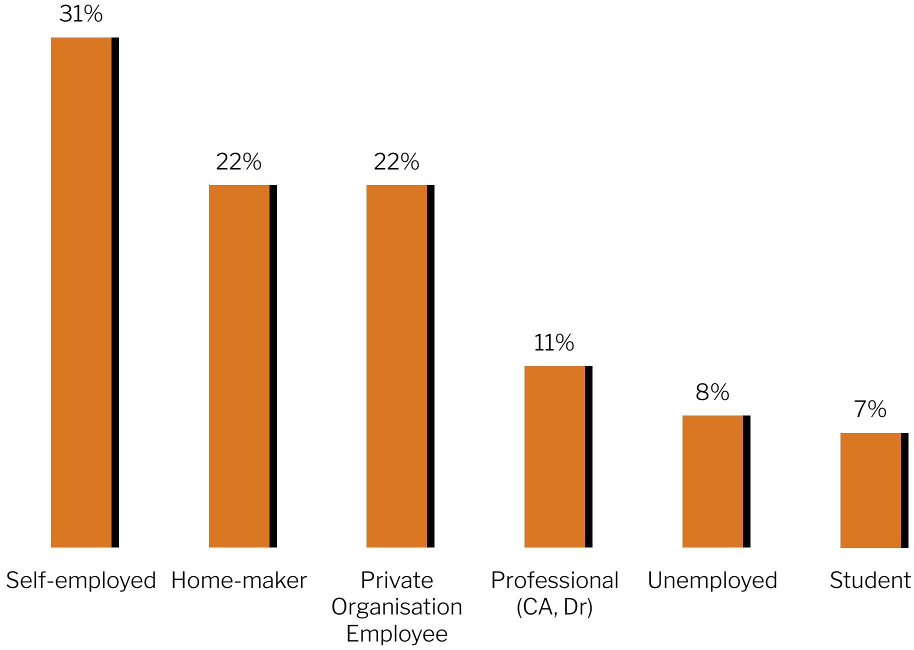


Figure 31 – Occupation status of preferential customers

Experience in usage of Direct Selling Products

More than half the respondents having been using Direct Selling Products since less than 2 years. 30% have been using it since more than 3 years.

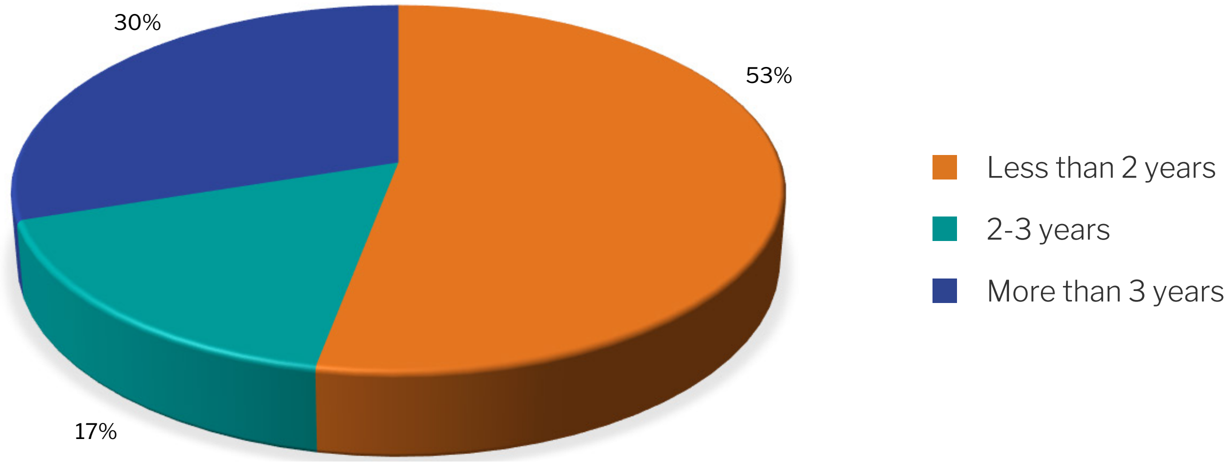
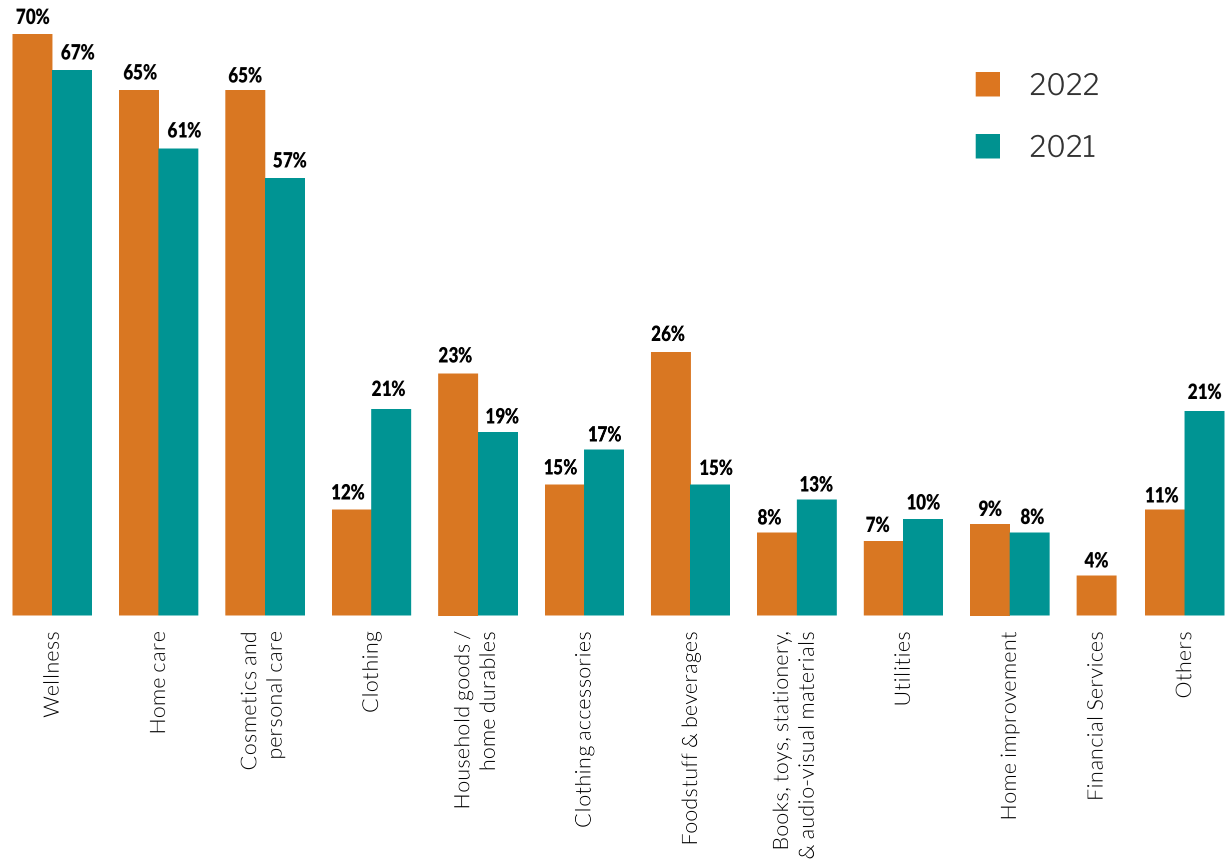


Figure 32 – Years of Association with Direct Selling Products (Using since when)

Product categories purchased by customers

Wellness category tops the product category list purchased by the customers (70%) from Direct Sellers, closely followed by Home Care and Cosmetics/ Personal care products (65% each). Purchase of Cosmetics & Personal Care products as well as Food & Beverages has increased significantly compared to 2021, while that of clothing has seen a significant decline.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 33 – Product categories purchased by preferential customer through Direct Sellers

Promotional schemes offered by the Direct Sellers

71% of the customers surveyed mentioned that they have received promotional offers from Direct Sellers; this implies that benefits designed by Direct Selling entities are being passed on to customers by Direct Sellers.

CONSUMER SURVEY - Preferential Consumers

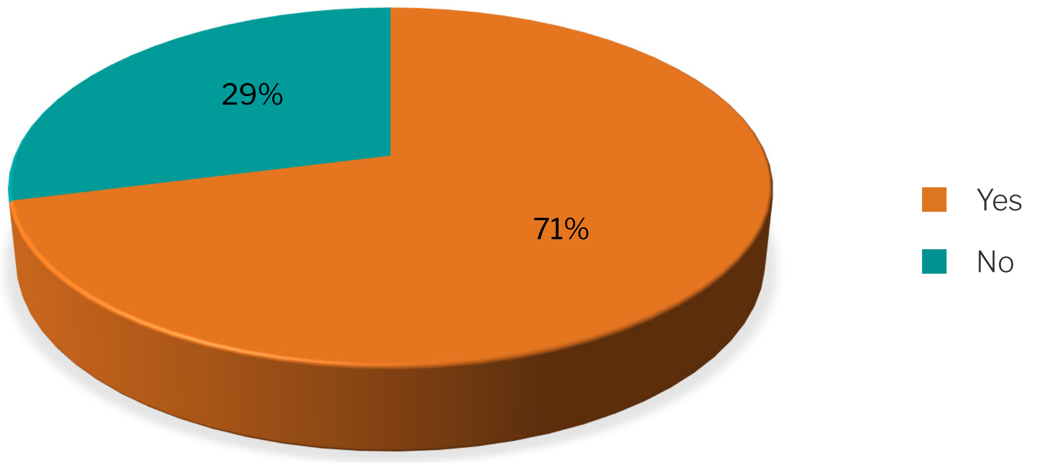
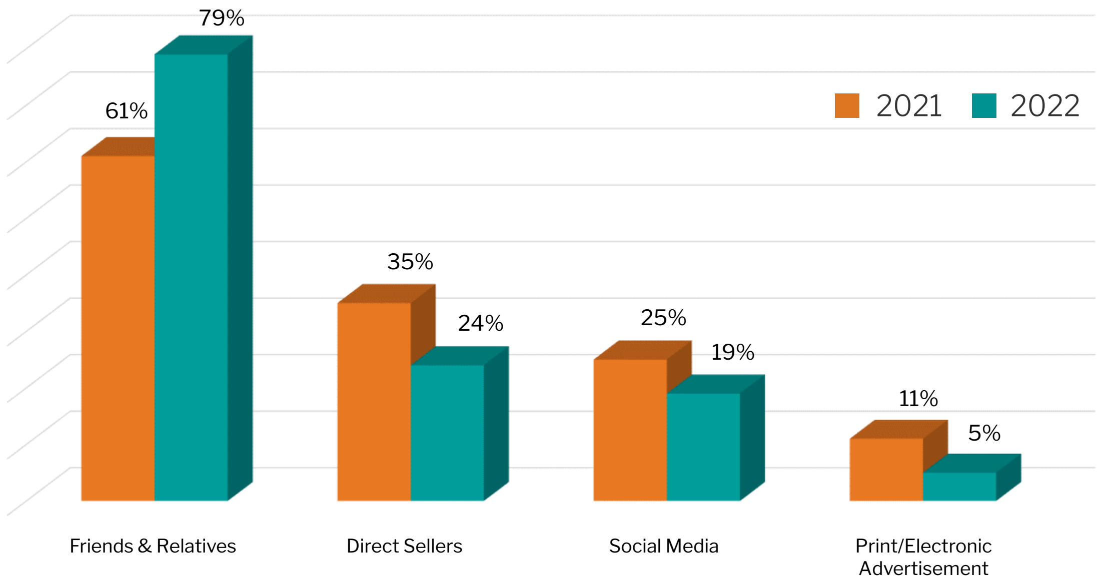


Figure 34 - Promotional schemes offered by the Direct Sellers to the preferential customers

Source of awareness about Direct Selling

Word of mouth (recommendation by relatives/ friends etc.) is the biggest source of awareness and has increased significantly from 2021. Apparently, awareness through Direct Sellers has reduced from last year. Close to a fourth of respondents got to know about Direct Selling through social media or print/e-advertisements.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 35 - Source of awareness about Direct Selling among preferential customers

Critical reasons for preferring products from Active Direct Sellers

A significant 74% % of the customers indicated Product Quality is the most important reason for purchasing products from Direct Sellers followed by Refund or Money Back Policy that was quoted by 6% of the respondents. Mentions around Refund/ Money Back Policy is mostly coming from those:

- Falling in relatively older age groups (>45 years)
- Those associated with Direct Selling products since more than 3 years
- Those who have purchased Financial Services, Utilities, Clothing Accessories and Foodstuff & Beverages through Direct Selling

Clearly, the expectations are to be a bit more flexible in terms of monetary policies with customers who have been loyal to Direct Selling products.

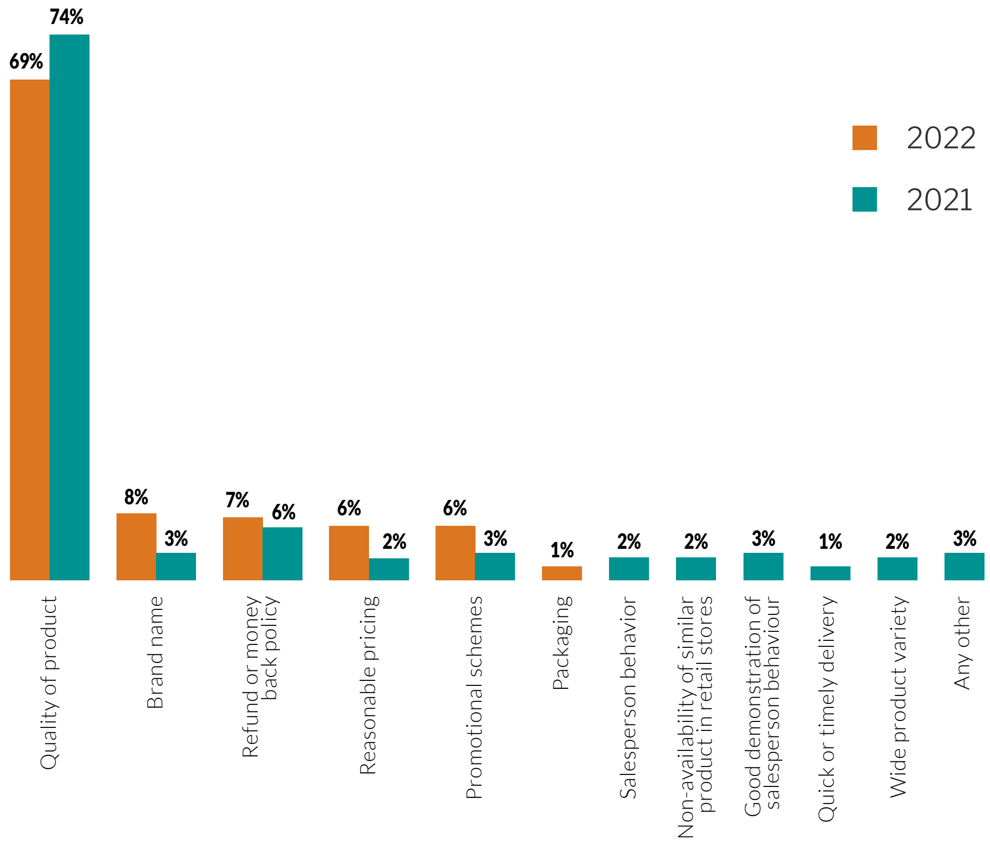


Figure 36 - Most Important reasons for purchasing products through Direct Selling

Context

Ipsos, on behalf of the Indian Direct Selling Association (IDSA), conducted a survey amongst a random population set to gauge awareness of the Direct Selling industry amongst the masses.

A total of 761 respondents were reached out to randomly with nearly equal distribution across 4 Indian cities – Mumbai, Delhi, Kolkata, and Bangalore. 66% of the respondents were female while 34% were male.

Face-to-face (F2F) interviews were conducted outside shopping malls, at shopping places, street markets, etc.

The responses have been analyzed at a gender and city level to understand the nuances.

The input was gathered to better understand the respondents' educational and professional backgrounds. They were asked to enlist their sources of awareness and the top Direct Selling entities known or associated with and years of association.

One of the key input areas was the trustworthiness of the Direct Selling industry in the minds of people. They were further asked about their triggers for purchasing Direct Selling products, apprehensions and what the industry can do to increase awareness and trust.

Cities covered

Almost equal representation at a city level to ensure statistically sound data

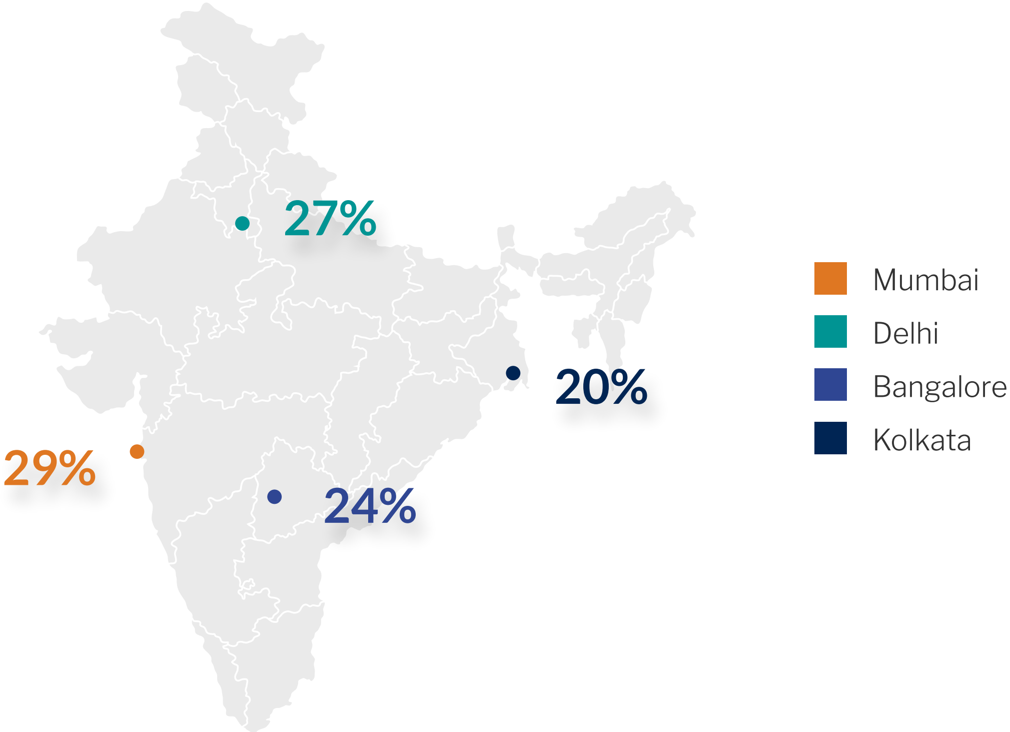


Figure 37 - Cities covered

Gender of respondents

Nearly 2/3rd of respondents were females and the rest males.

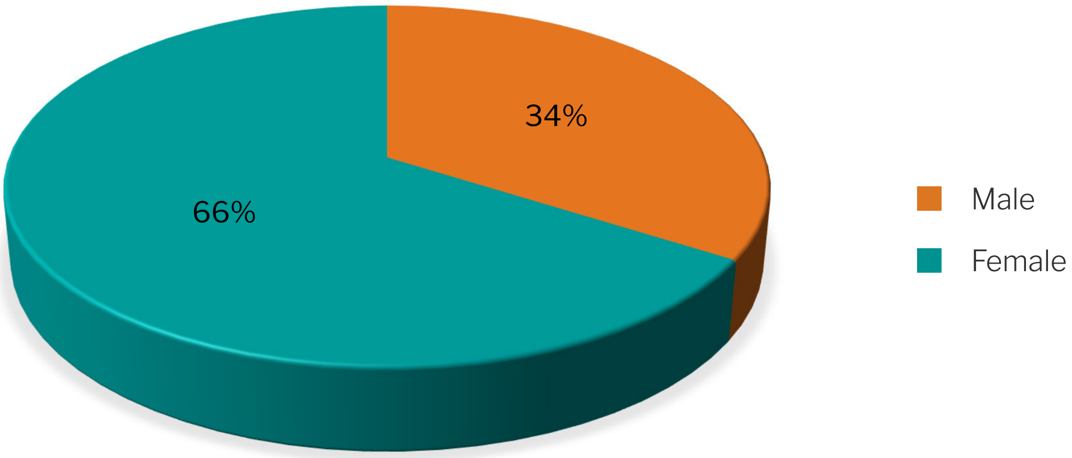


Figure 38 - Gender of respondents

Age group of consumers

Maximum participation was observed from age groups 25-44 years. About 20% each from the 18-24 years and 45-54 years age groups were observed and 7% of respondents were under 18 years.

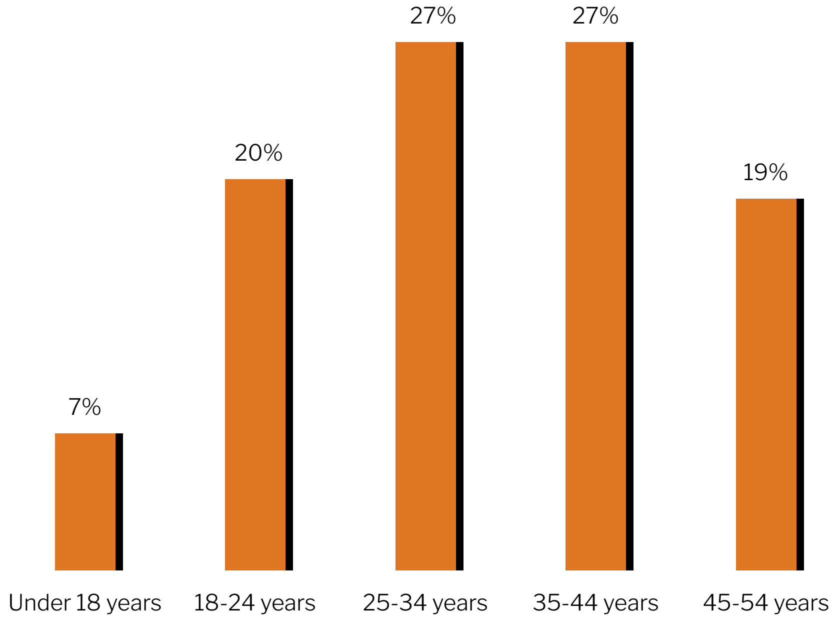


Figure 39 – Age group of consumers

Educational background of consumers

About 1/3rd of the respondents surveyed were Graduates and Postgraduates, 37% intermediate pass while 28% were matric pass.

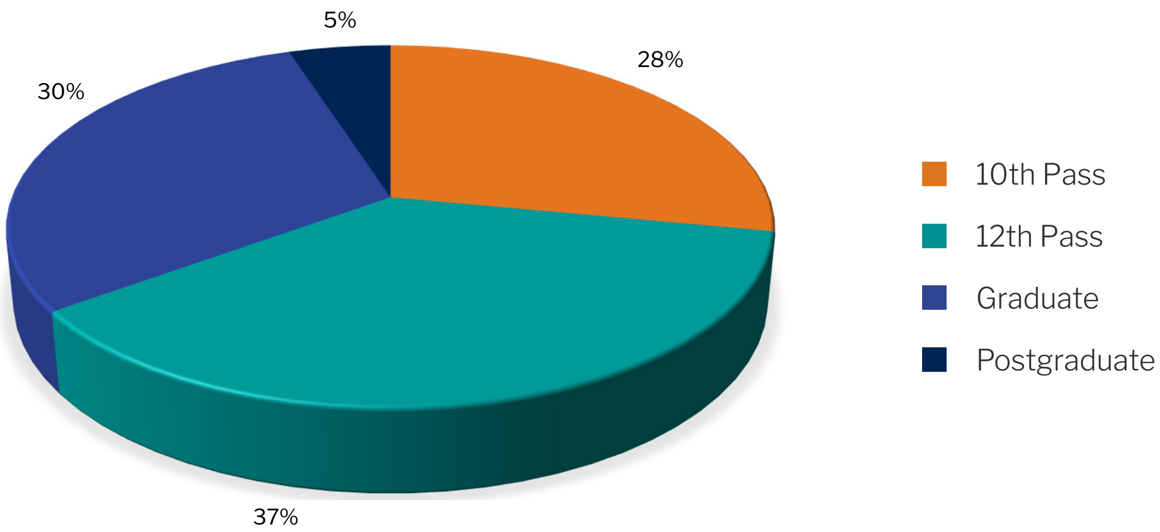


Figure 40 - Educational background

Occupation status of the consumers

43% of the customers surveyed were housemaker/housewives, followed by 20% students, 18% in the private sector, 15% self-employed or run a business and 3% are government employees. 1% of the respondents were unemployed.

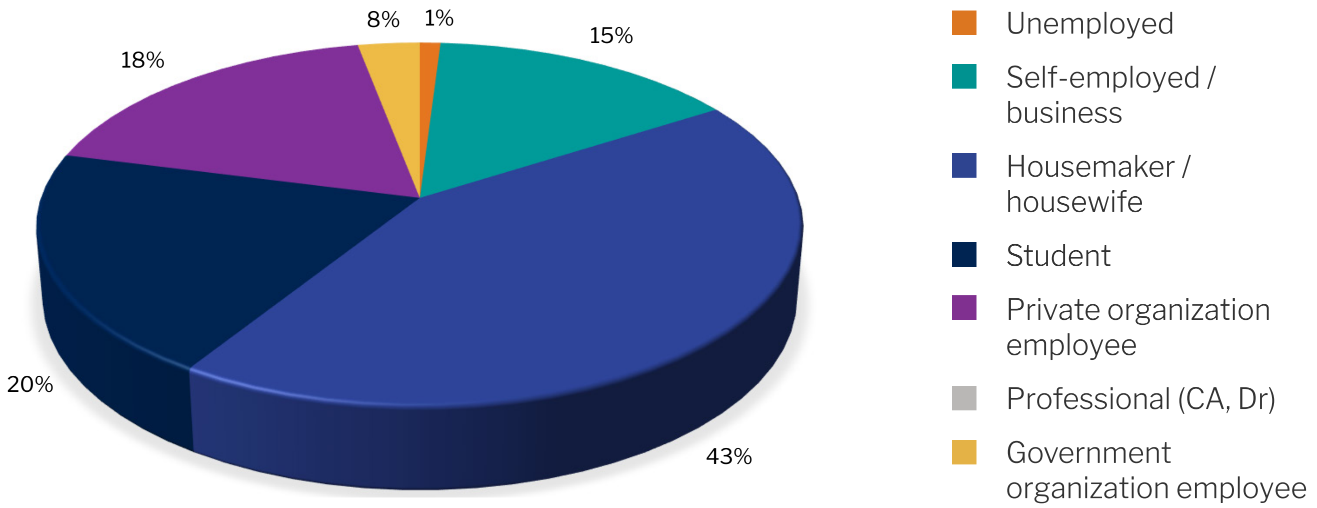


Figure 41 - Occupation Status

Consumer purchase history from a Direct Seller

At an overall level, 57% of the respondents have purchased products from Direct Sellers whereas the remaining 43% of the respondents have never purchased any Direct Selling products.

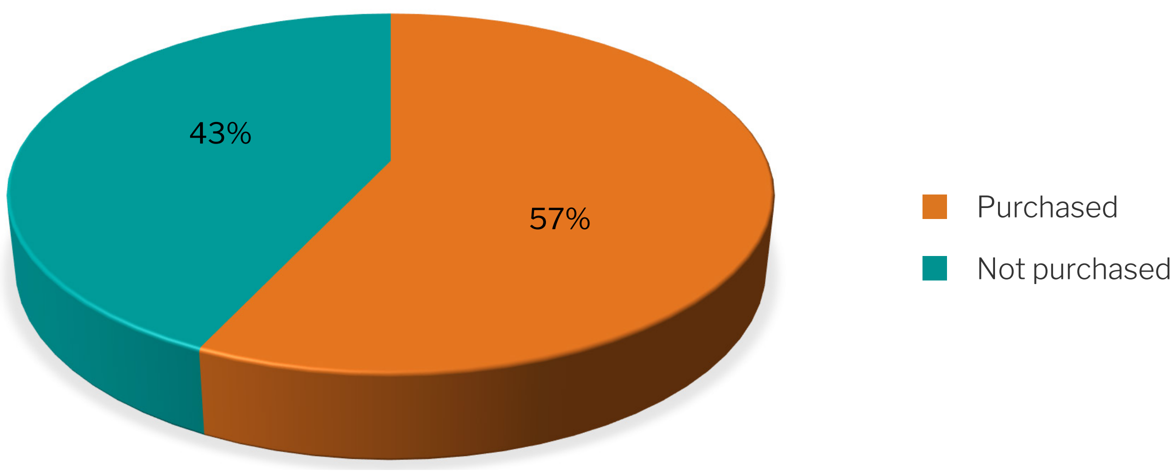


Figure 42 – Purchased from Direct Seller

Among the male respondents surveyed, 51% have purchased products from Direct Sellers. whereas remaining have never purchased Direct Selling products.

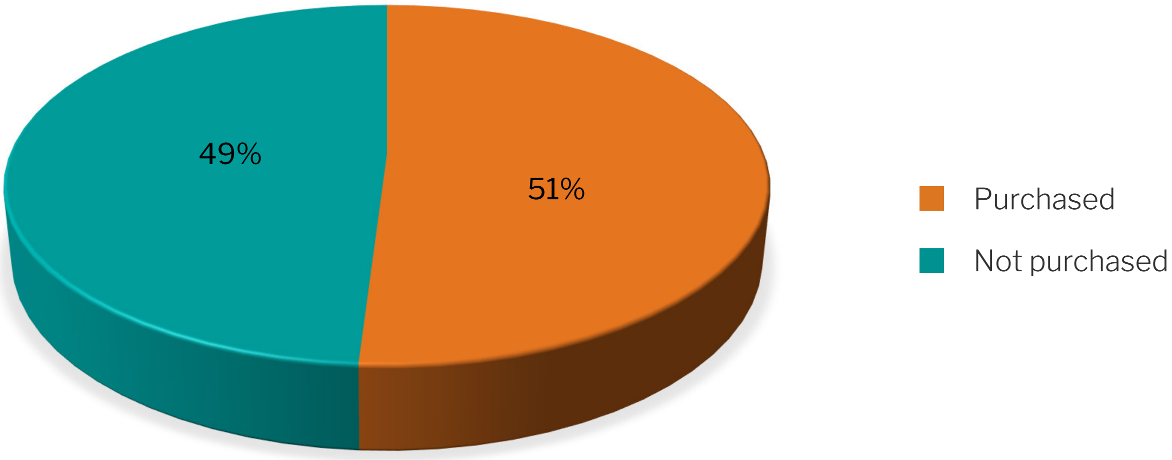


Figure 43 – Purchased from Direct Seller (male segment)

Among female respondents, 61% have purchased products from Direct Sellers whereas remaining have never purchased Direct Selling products.

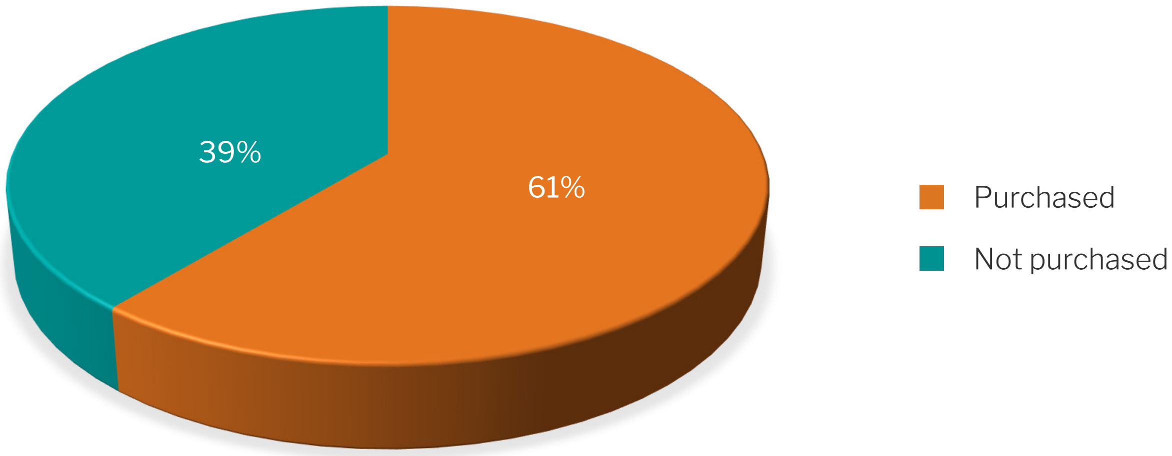


Figure 44 – Purchased from Direct Seller (female segment)

Bangalore and Kolkata see relatively higher proportion of respondents (68% and 61%) who have ever purchased Direct Selling products.

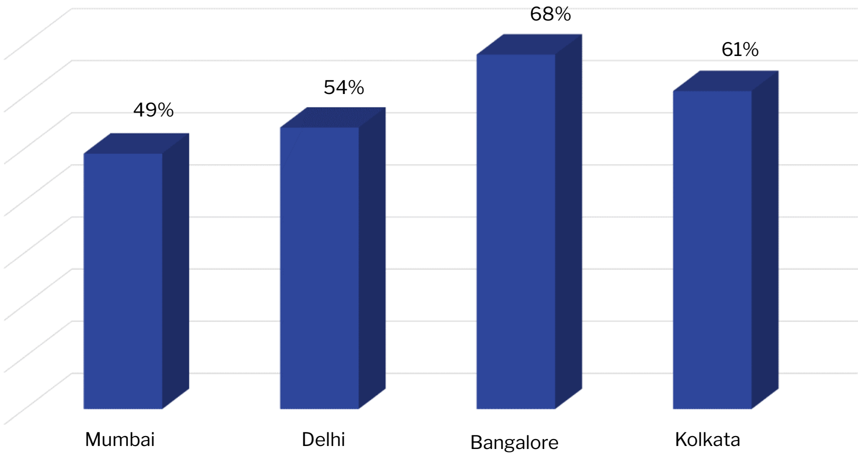


Figure 45 – Purchased from Direct Seller (by cities)

Experience in buying from Direct Sellers (tenure)

At an overall level, 44% of the respondents who have purchased products from Direct Sellers have been doing so since less than 2 years, 30% have been buying from Direct Sellers since the last 2-3 years, and the remaining 26% have been involved in purchasing through Direct Sellers for more than 3 years.

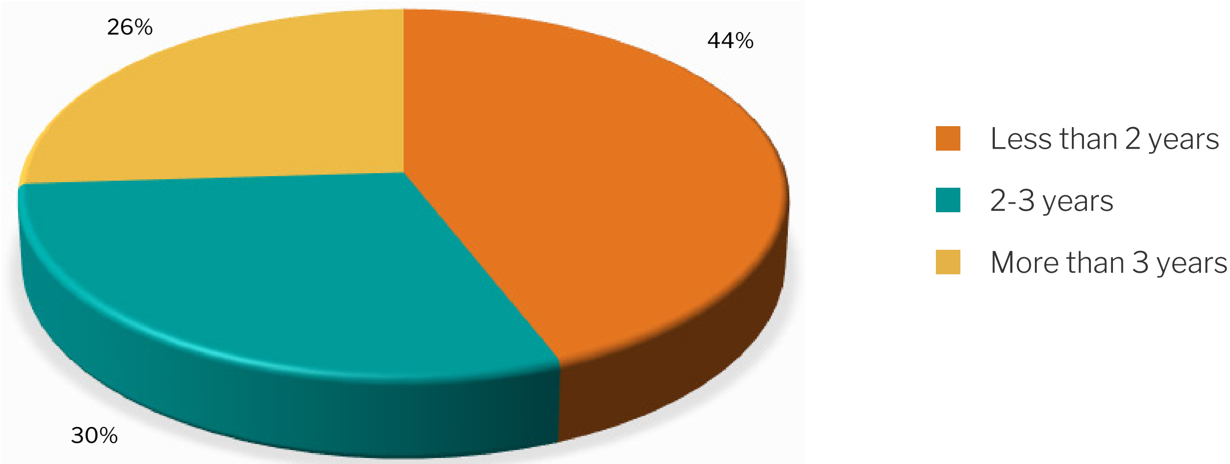


Figure 46 - Experience in Buying from Direct Sellers (tenure)

Among the male segment, 53% of the respondents who have purchased products from Direct Sellers have been doing so for less than 2 years, 24% of the male respondents have been buying from Direct Sellers for the last 2-3 years, while the remaining 22% have been involved for more than 3 years.

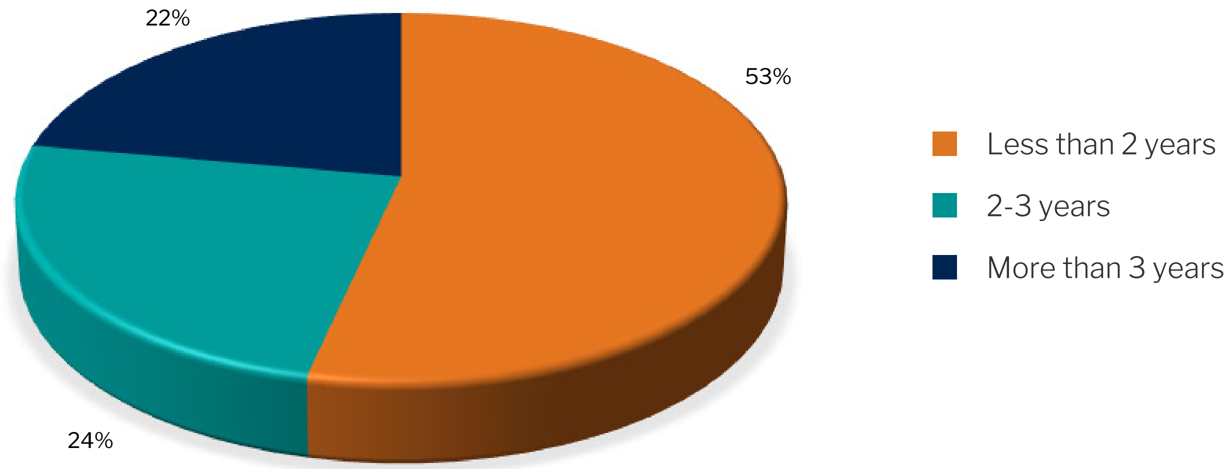


Figure 47 - Experience in Buying from Direct Sellers (male segment)

Among the female segment, 40% of the respondents who have purchased products from Direct Sellers have been doing so for less than 2 years, 33% of the female respondents have been buying from Direct Sellers for the last 2-3 years, while the remaining 27% have been involved for more than 3 years. This indicates that women have been involved for longer time as compared to male, or in other words more of male have recently started purchasing products from Direct Sellers.

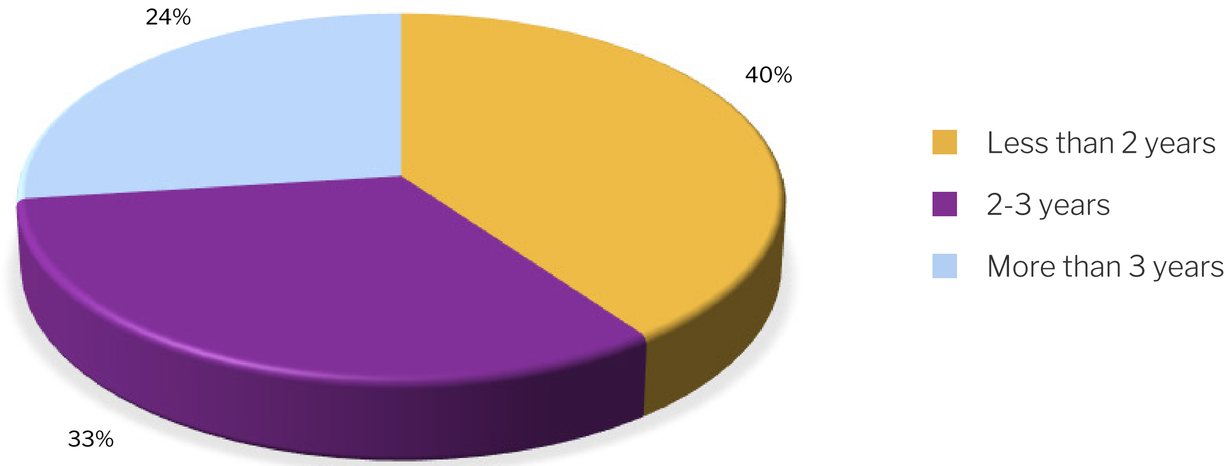


Figure 48 - Experience in Buying from Direct Sellers (female segment)

Purchasers of Direct Selling products in Kolkata seem to have been buying for a longer period as compared to other regions. 53% of the buyers in Kolkata have been purchasing Direct Selling products since more than 3 years. Whereas most of the buyers in Delhi and Bangalore are more recent, 80% and 49% of them respectively have purchased Direct Selling products within the last 2 years. 59% of Mumbai buyers have been purchasing since 2-3 years.

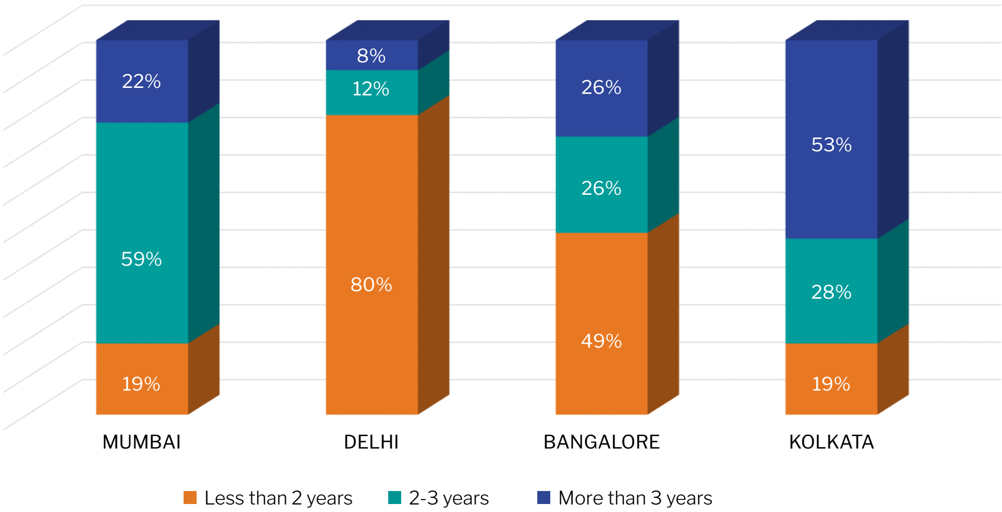
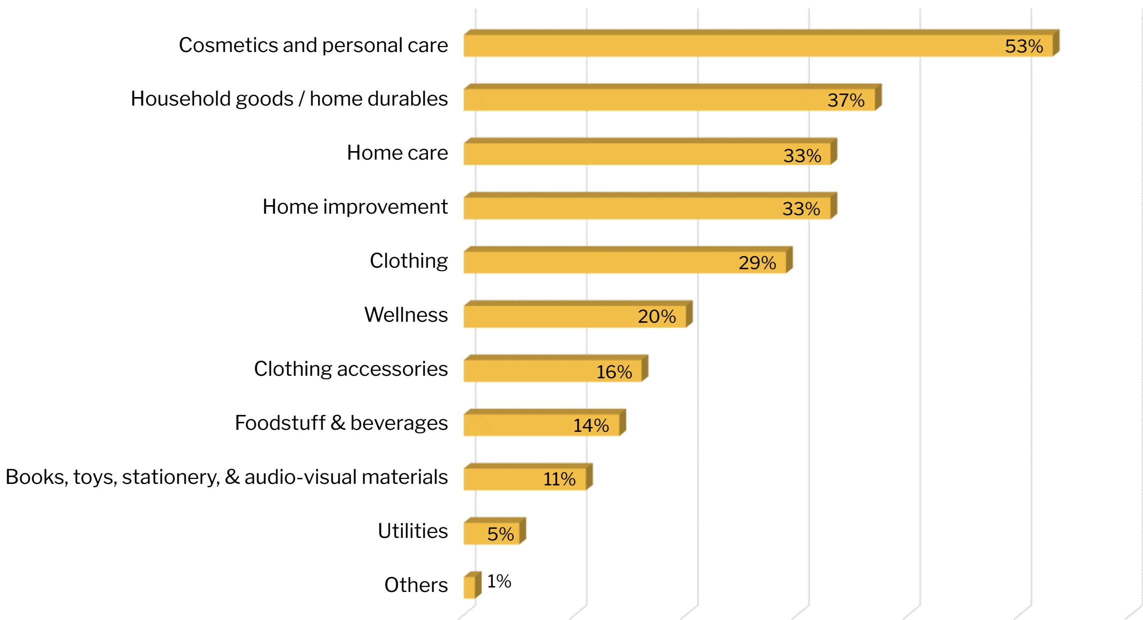


Figure 48 - Experience in Buying from Direct Sellers (by cities)

Product Categories Purchased in last one year

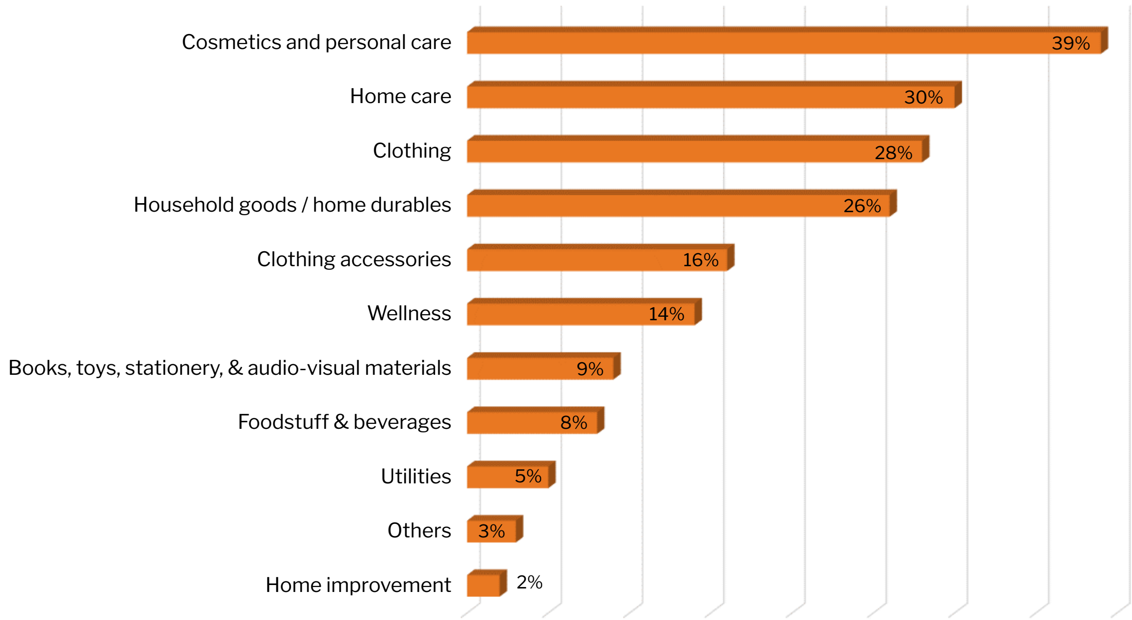
Cosmetics and personal care products were the most purchased in last one year. Household good/ home durables, Home care (cleaning products, auto care, animal/pet care etc.) and Home Improvement (Fitted kitchens, window frames, refurbishing works, doors, security systems, heating systems and other related products etc.) follow next.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 49 – Product Categories Purchased

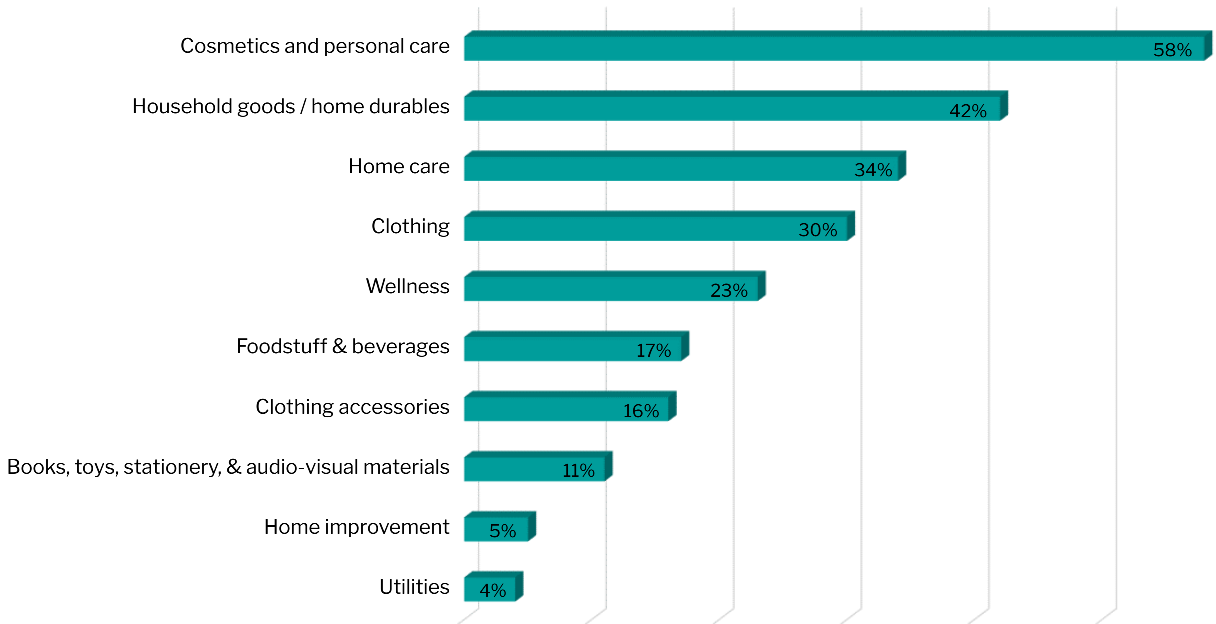
Among the male segment, 39% of respondents have purchased Cosmetics and Personal Care products from Direct Sellers in the last one year. Homecare (Household cleaning products, auto care, animal/pet care etc.), Clothing and Household Goods follow.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 50 – Product Categories Purchased (Male)

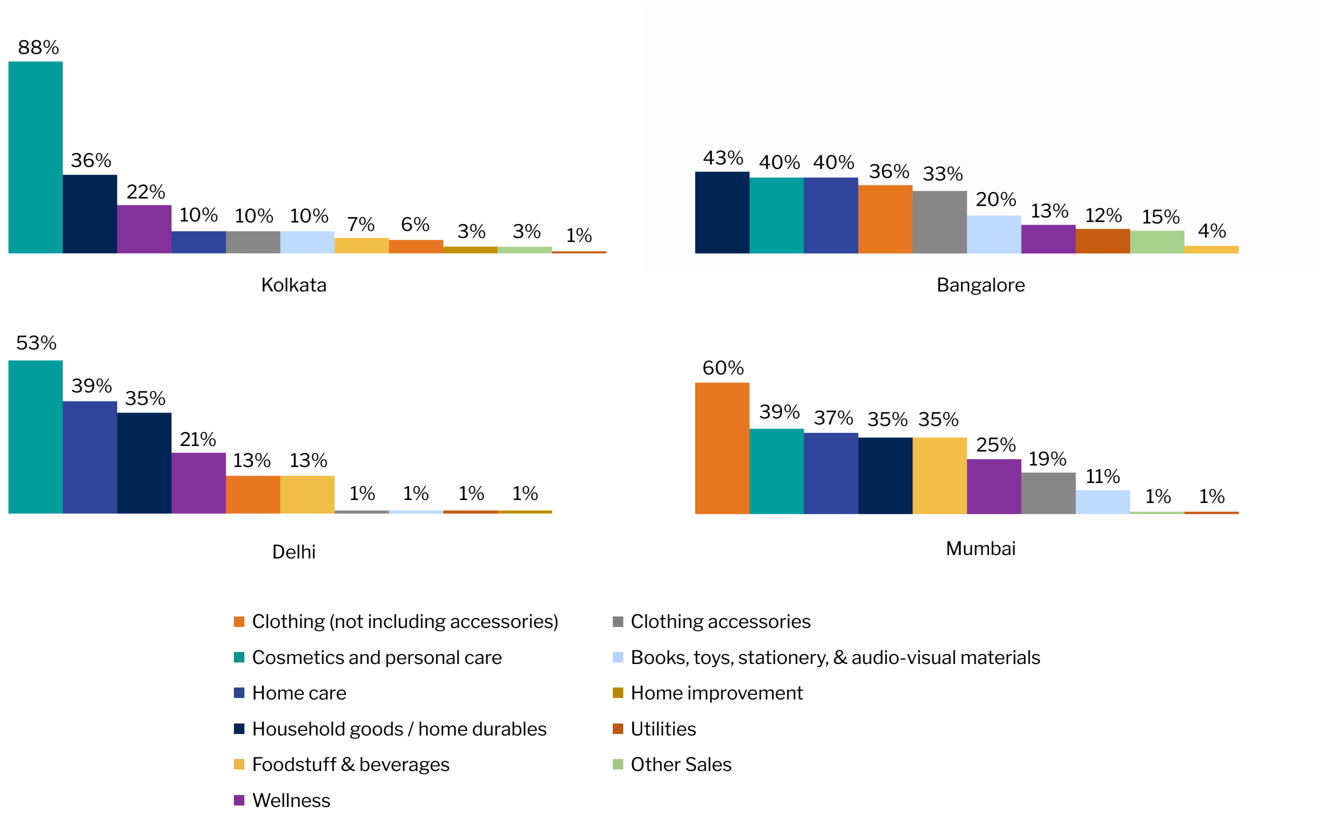
Among the female segment, 58% of respondents have purchased Cosmetics and Personal Care products from Direct Sellers in the last one year. Household goods / Home Durables, Home Care and Clothing follow.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 51 – Product Categories Purchased (Female)

Clothing was the most purchased Direct Selling product in Mumbai, Delhi and Kolkata saw more of Cosmetics and Personal Care, while Bangalore had Household good and Home Durables followed by Home Care and Cosmetic/ Personal Care Products.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 52 – Product Categories Purchased (cities)

Promotional Schemes Offered by Direct Sellers

55% of the total users of Direct Selling products indicated that Direct Sellers offer Promotional Schemes.

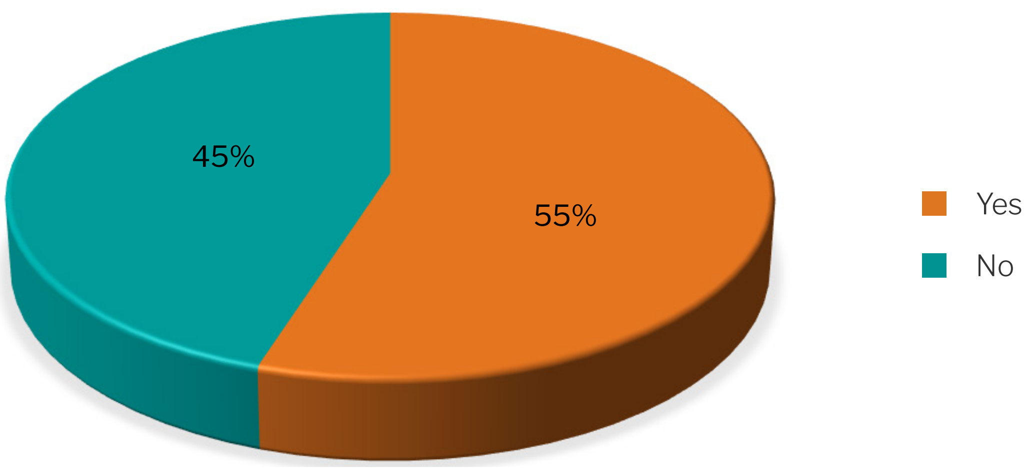


Figure 53 – Promotional Schemes Offered

Higher instances of Promotional Schemes observed in Mumbai followed by Kolkata.

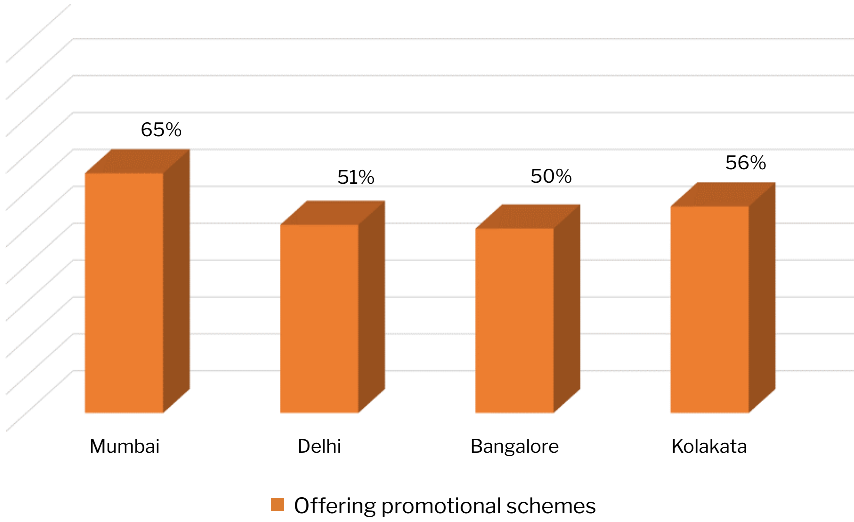
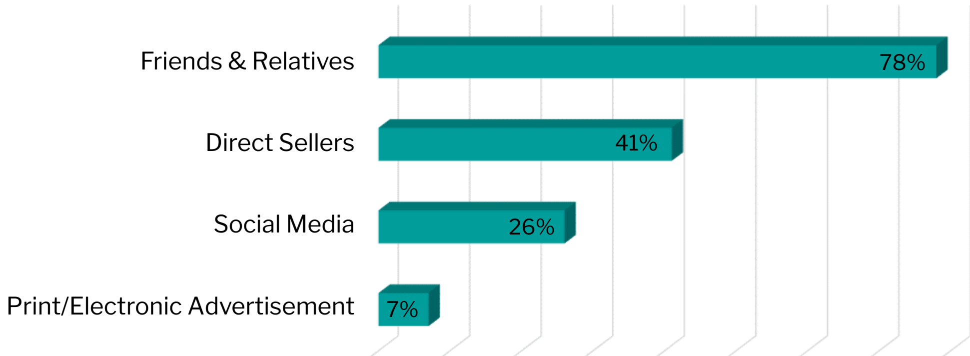


Figure 54 – Promotional Schemes Offered (cities)

Source of awareness of Direct Sellers among consumers

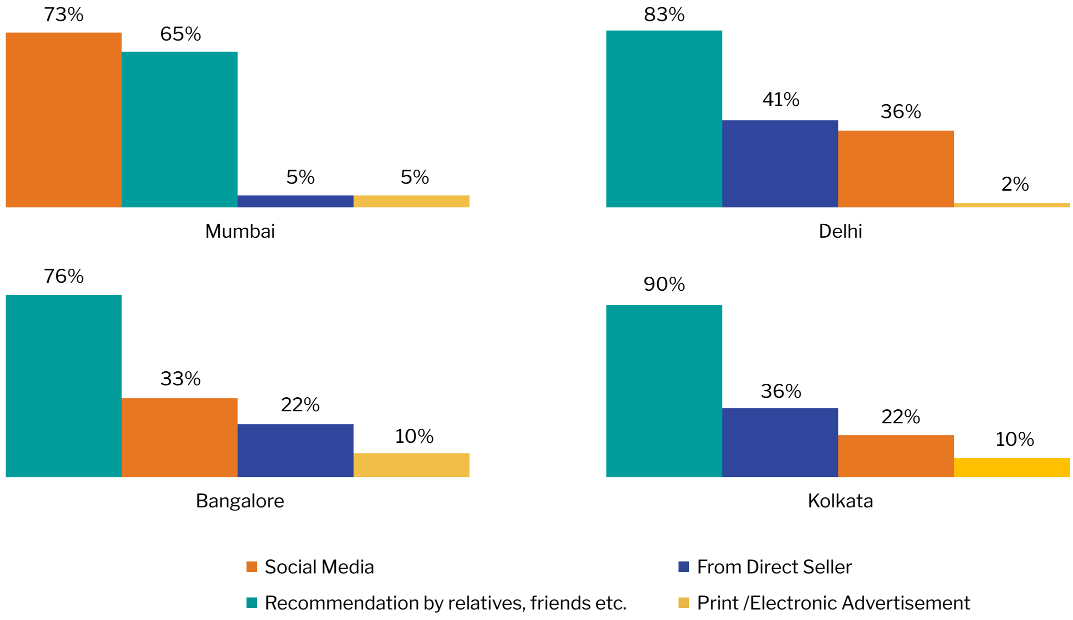
78% of the total users of Direct Selling products indicated that they were made aware of Direct Selling products by Friends and Relatives, 41% indicated they were made aware by Direct Sellers.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 55 – Source of Awareness Among Users

Awareness among consumers in Delhi, Bangalore and Kolkata was majorly from friends and relatives while that among Mumbai consumers was more because of Social Media followed by Word of Mouth through Friends and Relatives.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

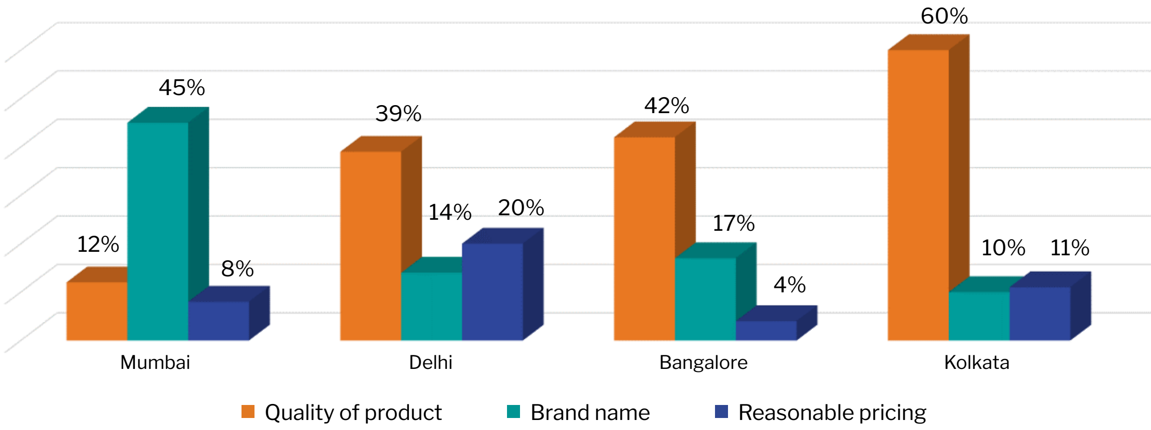
Figure 56 – Source of Awareness Among Users (Cities)

Most Critical Reason for Using Direct Selling Products

38% of the total users of Direct Selling products mentioned Product Quality as the most important reason for using Direct Selling products, followed by Brand Name.

Figure 57 – Most Critical Reason for Purchasing Direct Selling Products

Brand Name cited as the most important reason in Mumbai for using Direct Selling Products while Delhi, Bangalore and Kolkata cited Product Quality as the most important reason.



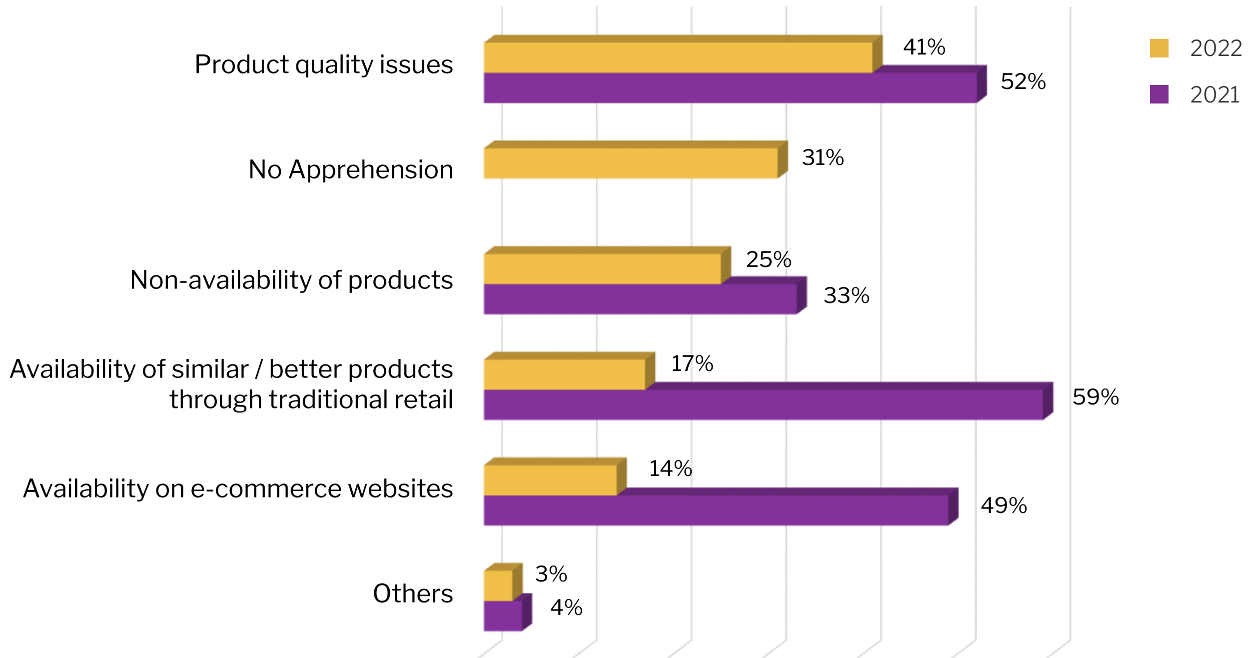
Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 58 – Most Critical Reason for Purchasing Direct Selling Products

Apprehensions in buying products from Direct Sellers

Note: This section includes the entire sample of 761 respondents irrespective of whether they have purchased products from Direct Sellers or not.

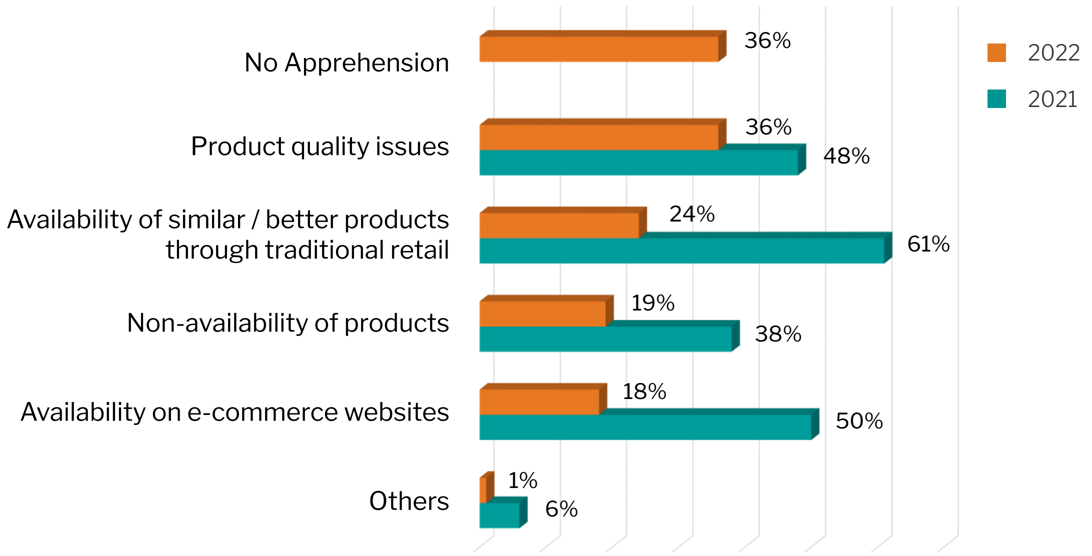
31% respondents cited they have no issues or apprehensions in buying from Direct Sellers. 41% respondents cited apprehensions around Product Quality issues while 25% cited availability issues. Apprehensions around Similar or Better Products available through traditional retail or Availability on e-commerce websites have reduced significantly as compared to last year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 59 – Purchase Restraints

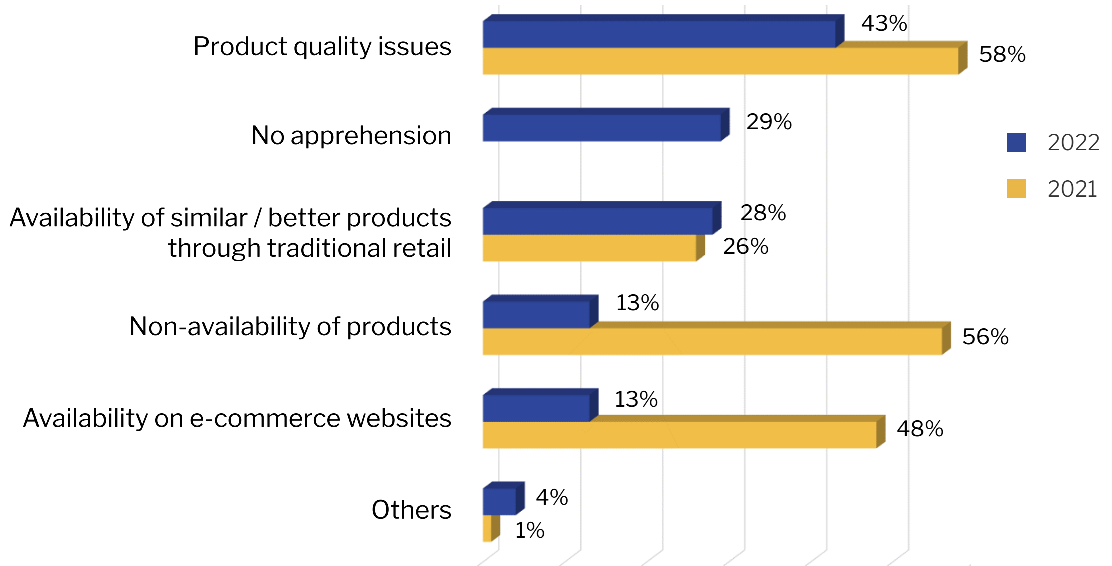
36% of male respondents have no apprehensions in buying products from Direct Selling agents. Another 36% of male respondents have cited apprehensions around Product Quality. Mentions around Similar or Better Products available through traditional retail or Availability on e-commerce websites have reduced significantly as compared to last year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 60 – Purchase Restraints (male segment)

29% of female respondents have no apprehension in buying products from Direct Sellers. 43% have apprehensions in purchasing products from Direct Sellers because of Product Quality issues and 28% have concerns around Non availability of products. Call outs around Similar or Better Products available through traditional retail or Availability on e-commerce websites have gone down significantly as compared to last year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 61 – Purchase Restraints (female segment)

Awareness about the Direct Selling Industry

At an overall level, 80% of the respondents are aware about the Direct Selling industry whereas the remaining 20% are not aware.

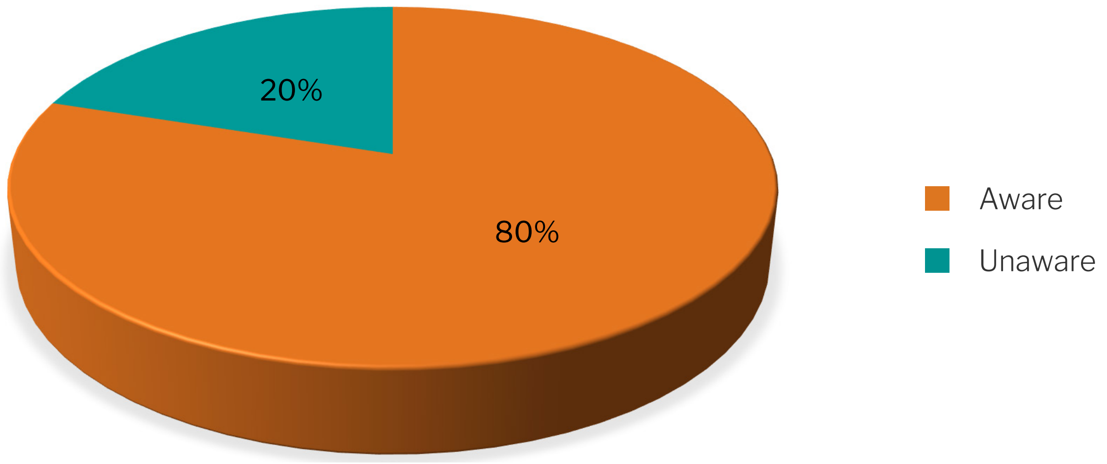


Figure 62 – Overall customers on awareness on Direct Selling industry

Among the male segment, 74% of the respondents are aware of Direct Selling industry whereas the remaining 26% are not aware of it.

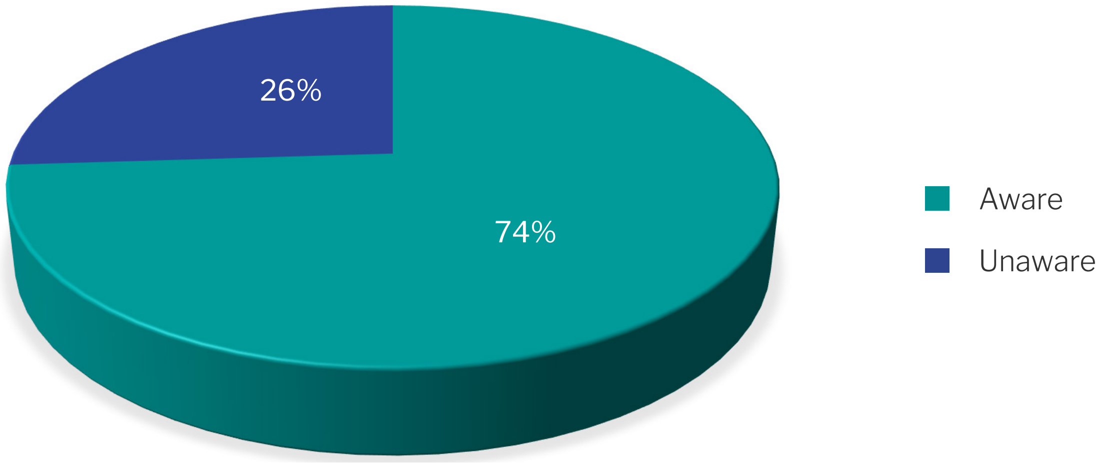


Figure 63 – Male customers on awareness of Direct Selling industry

In the female segment, 83% of the respondents are aware about the Direct Selling industry whereas the remaining 17% of the respondents are not aware about the Direct Selling industry.

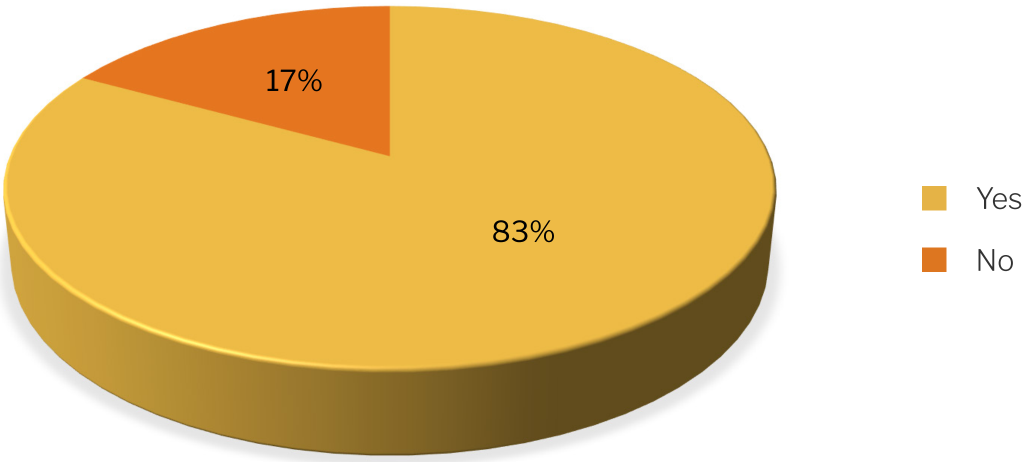


Figure 64 – Female customers on awareness of Direct Selling industry

Awareness close to the levels of 80% across cities.

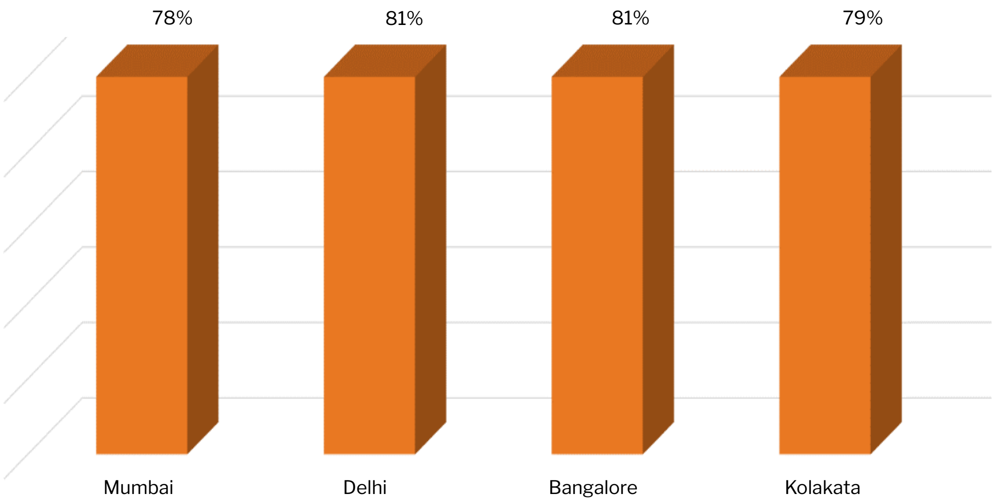
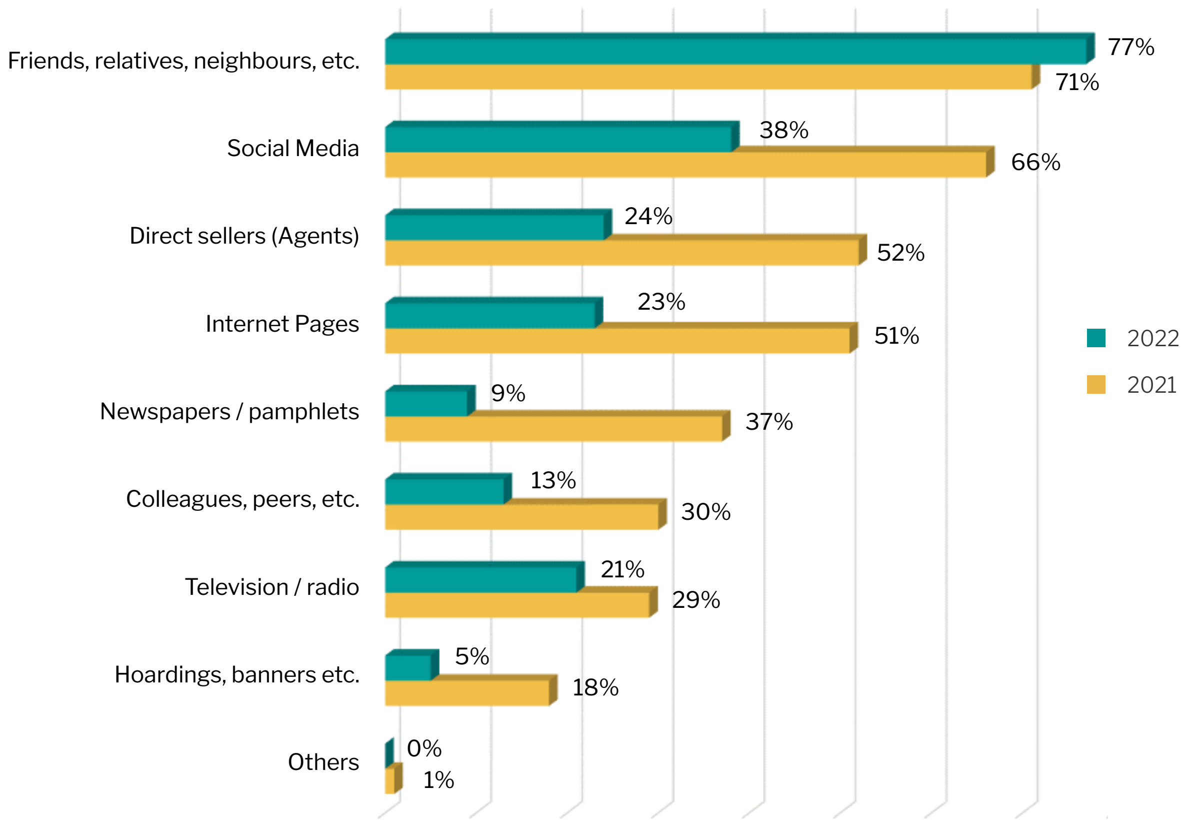


Figure 65 - Awareness of Direct Selling industry (by cities)

Source of awareness about Direct Selling

Note – this was asked to the entire sample

At an overall level, a majority 77% of the respondents' main source of awareness came from friends, relatives, and neighbours. Friends and relatives tend to share their experiences of Direct Selling products, Direct Sellers, and the benefits received with others leading to increased awareness. 38% of the customers came to know about Direct Selling from social media through digital ads. While awareness through social media, Direct Sellers and internet pages has declined as compared to last year, awareness through word of mouth has increased this year.

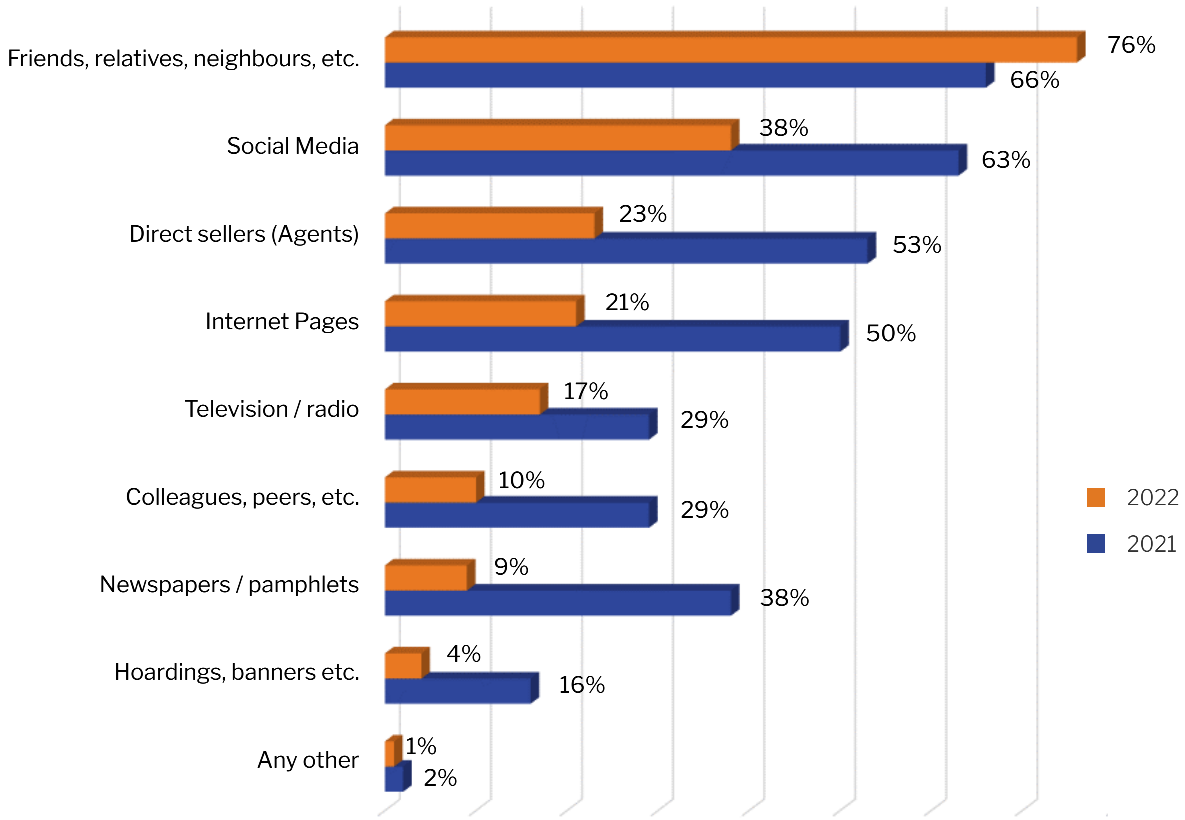


Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 66 – Source of awareness on Direct Selling industry

Consumer Awareness Survey 2022

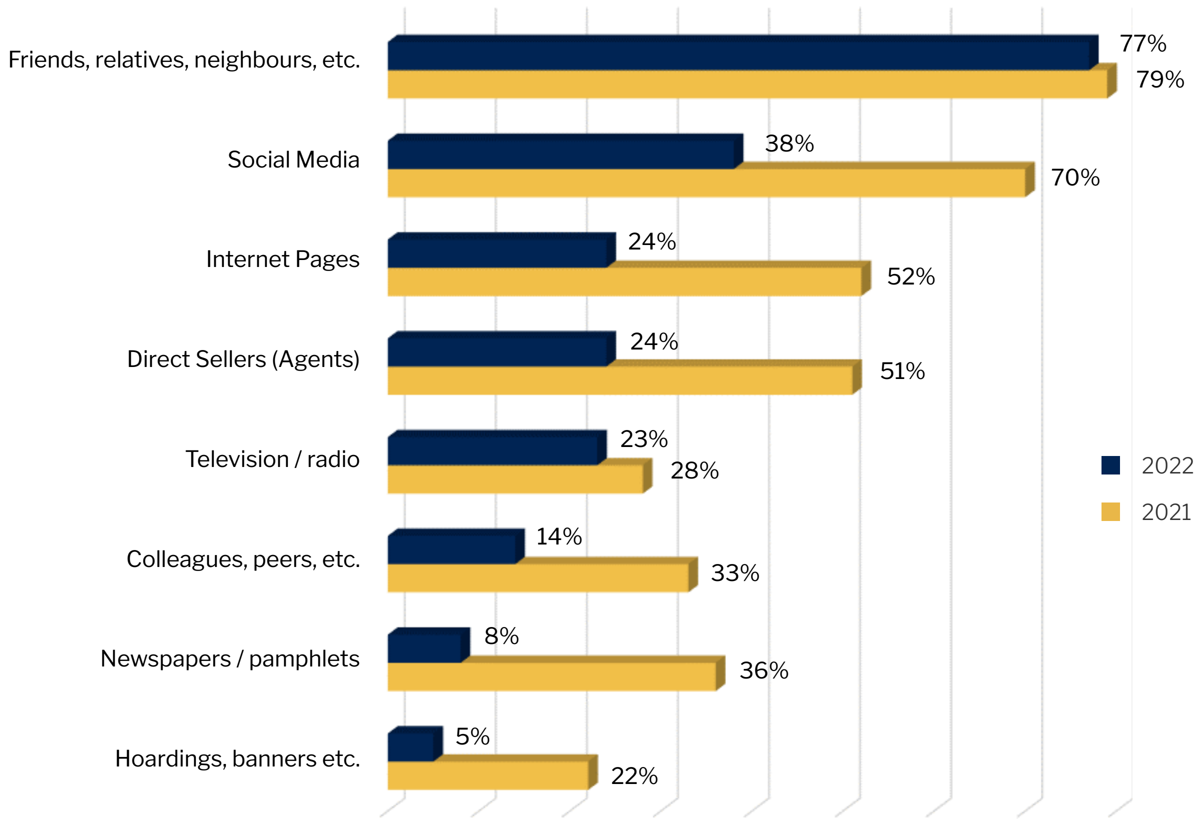
Within the male segment that is aware of Direct Selling products, 38% of the customers came to know about Direct Selling from social media whereas in 2021 it was 63%. 76% of the male customers' main sources of awareness came from friends, relatives, & neighbours and this has only increased compared to last year. Awareness through Direct Selling agents, internet pages, ads and colleagues has gone down compared to last year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 67 – Source of awareness of Direct Selling industry (male segment)

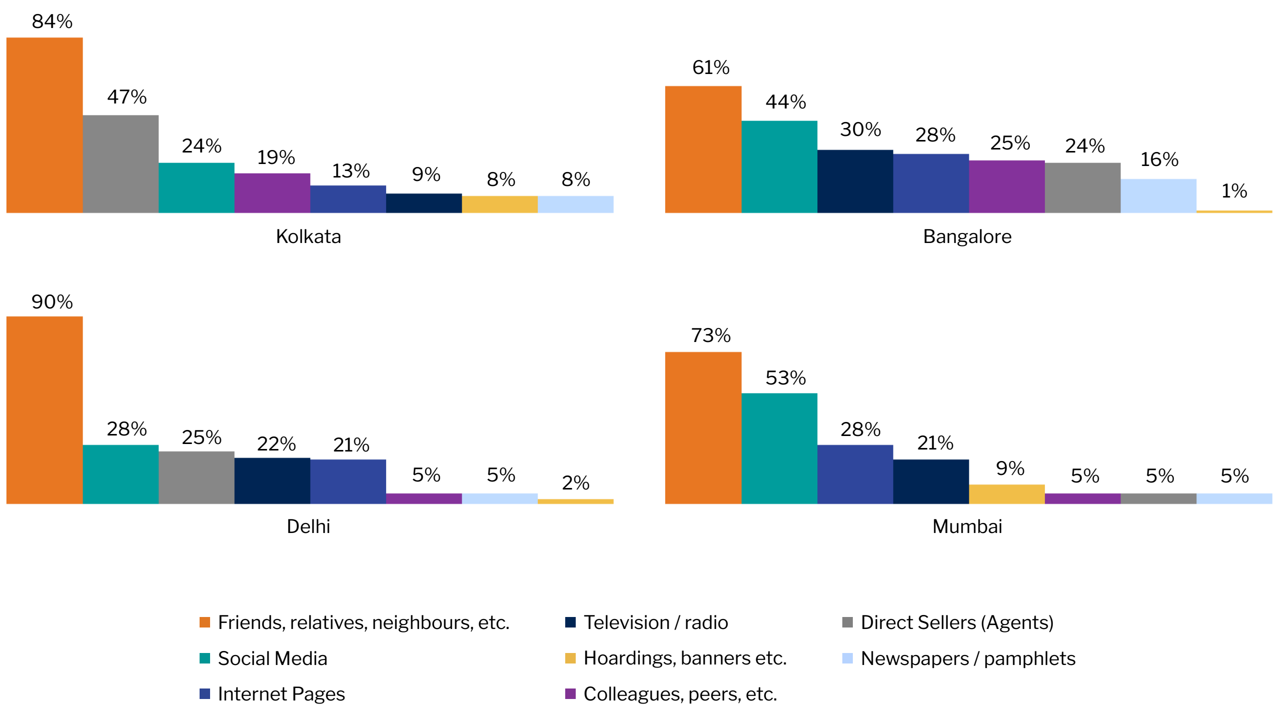
Within the female segment that is aware of Direct Selling products, 70% came to know about Direct Selling from social media in 2021, which has been reduced to 38% in 2022. Majority (79%) of the customers' main source of awareness came from friends, relatives, & neighbours this year too. 14% of female customers came to know about Direct Selling from colleagues and peers. Internet pages account for 24% of customers in building awareness about Direct Selling industry. Awareness through Direct Selling agents, internet pages, ads and colleagues has done down compared to last year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 68 – Source of awareness on Direct Selling industry (female segment)

Word of mouth awareness through friends, families and relatives was very high in Delhi and Kolkata, followed by Mumbai. Awareness through social media was relatively higher in Mumbai and Bangalore. Direct Sellers have also contributed significantly (47%) in creating awareness among Kolkata respondents.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 69 – Source of awareness on Direct Selling industry (cities)

IDSA Members Recalled

Below are the Direct Selling companies that the respondents recalled

- Amway (53%)
- Modicare (51%)
- Oriflame (50%)
- Tupperware (34%)
- Herbalife (23%)
- Avon (21%)
- Vestige (16%)
- Others (40%) – 4Life, RCM, Blulife, Glaze, K-Link, IMC, PM International, Altos, DXN, Mi Lifestyle

Perceived trustworthiness of the Direct Selling Industry

The respondents were asked to rate the trustworthiness of Direct Selling on a scale of 1 to 10 with 1 being least trustworthy and 10 being most trustworthy.

The Direct Selling industry is perceived to be highly trustworthy, across gender and cities. The overall rating for the trustworthiness stands at 7.74. Women perceive the industry to be more trustworthy as compared to men.

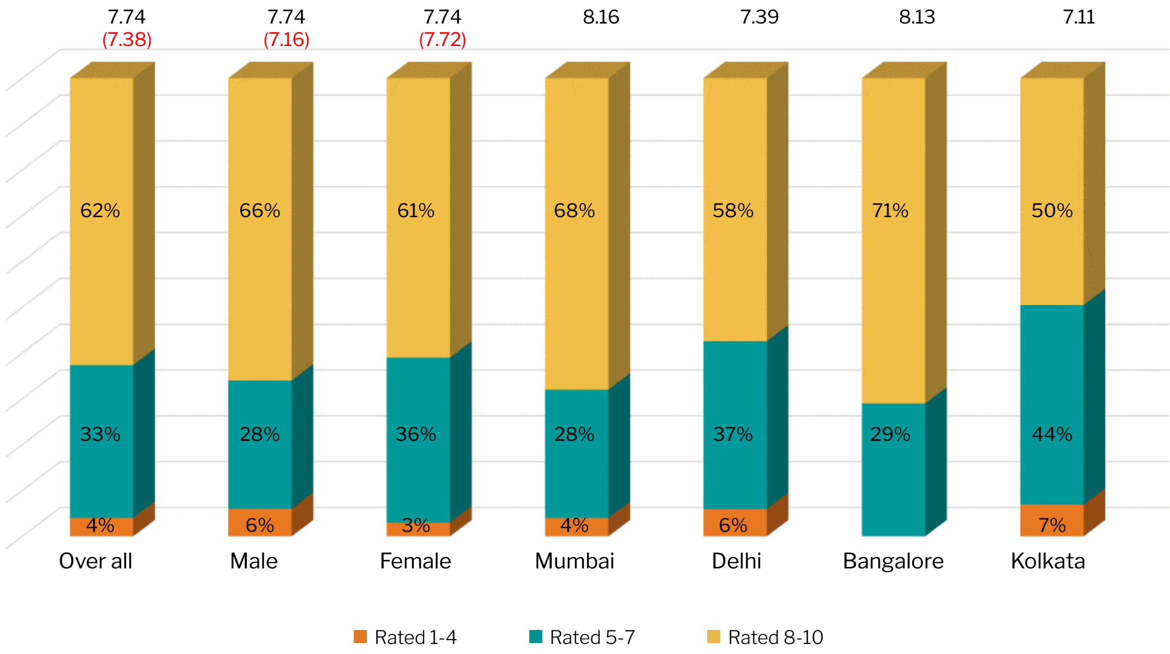
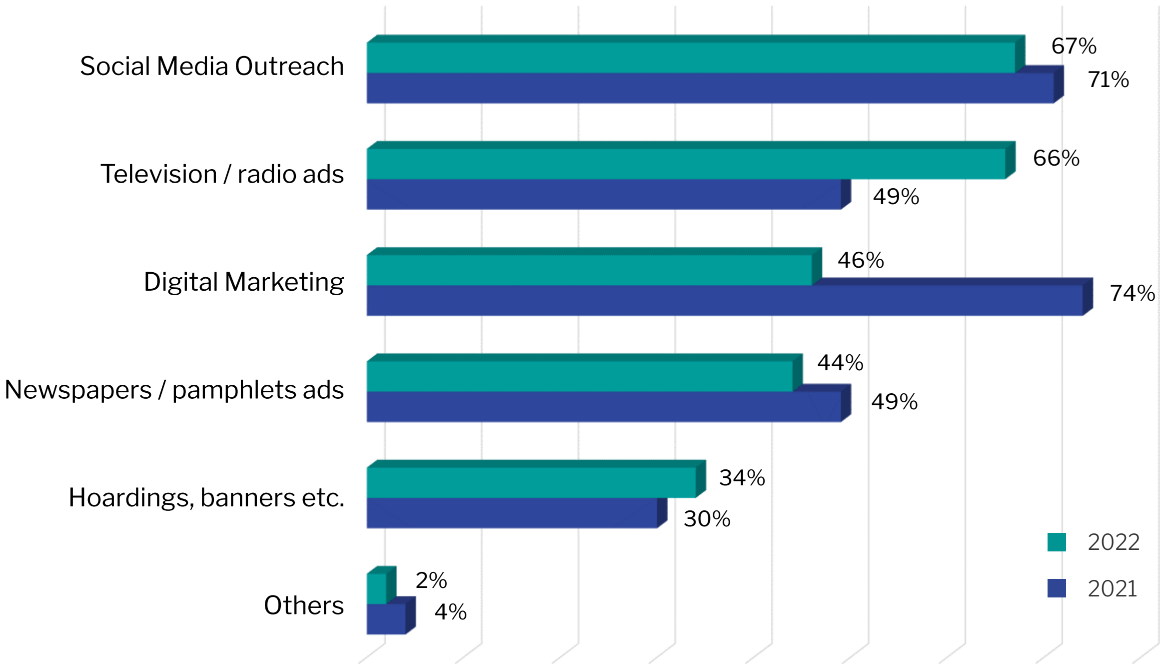


Figure 70 – Perceived trustworthiness on Direct Selling industry
(Mean scores in brackets are from last year)

How can the Direct Selling Industry increase awareness?

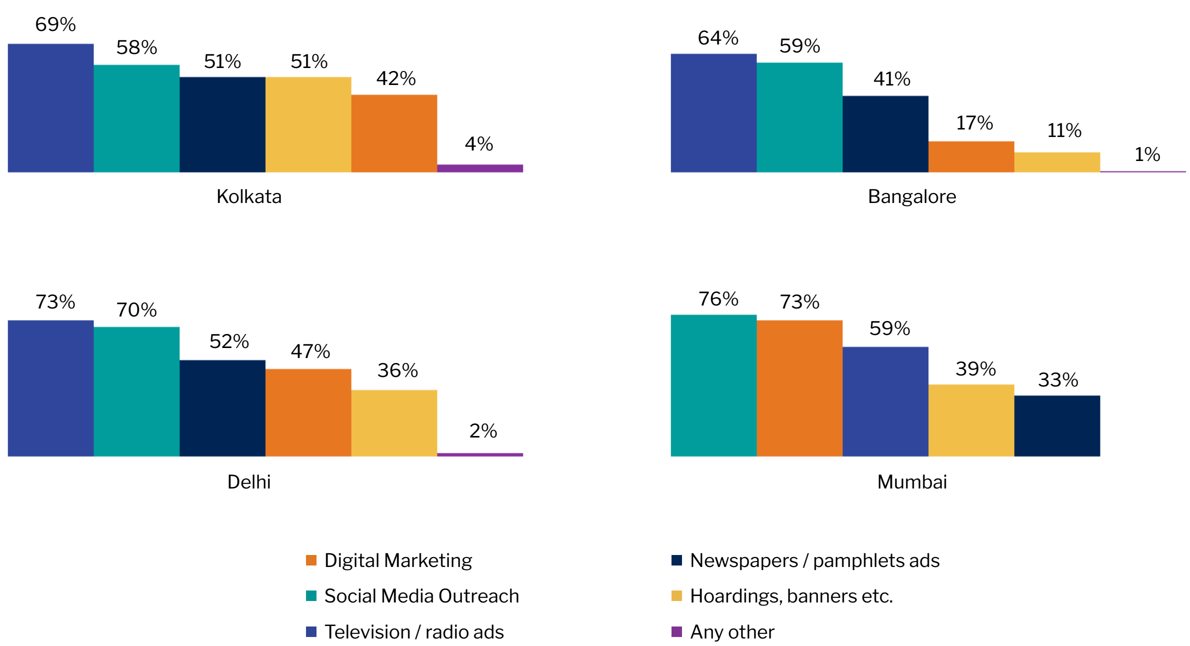
2/3rd of the respondents feel that Social Media Outreach and TV/ Radio ads can be used to increase awareness of the Direct Selling industry. Digital Awareness, which was called out by maximum respondents last year as the best way to increase awareness, has been mentioned by lesser proportion of respondents (46%). This could indicate that substantial efforts have been put around Digital Marketing in the last one year.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 71 – Sources to increase awareness of Direct Selling industry

Top 2 suggestions among Mumbai respondents to increase awareness were Social Media Outreach followed by Digital Marketing. Delhi, Bangalore and Kolkata spoke about Television/ Radio ads followed by Social Media Outreach.



Note: Multiple-choice question. May not add up to 100%. Percentages reflect total responses to a given choice.

Figure 72 – Sources to increase awareness of Direct Selling industry (By Cities)

Willingness to purchase products from Direct Sellers in future

At an overall level, 70% of the respondents willing to buy products from Direct Sellers in the future as against 18% last year.

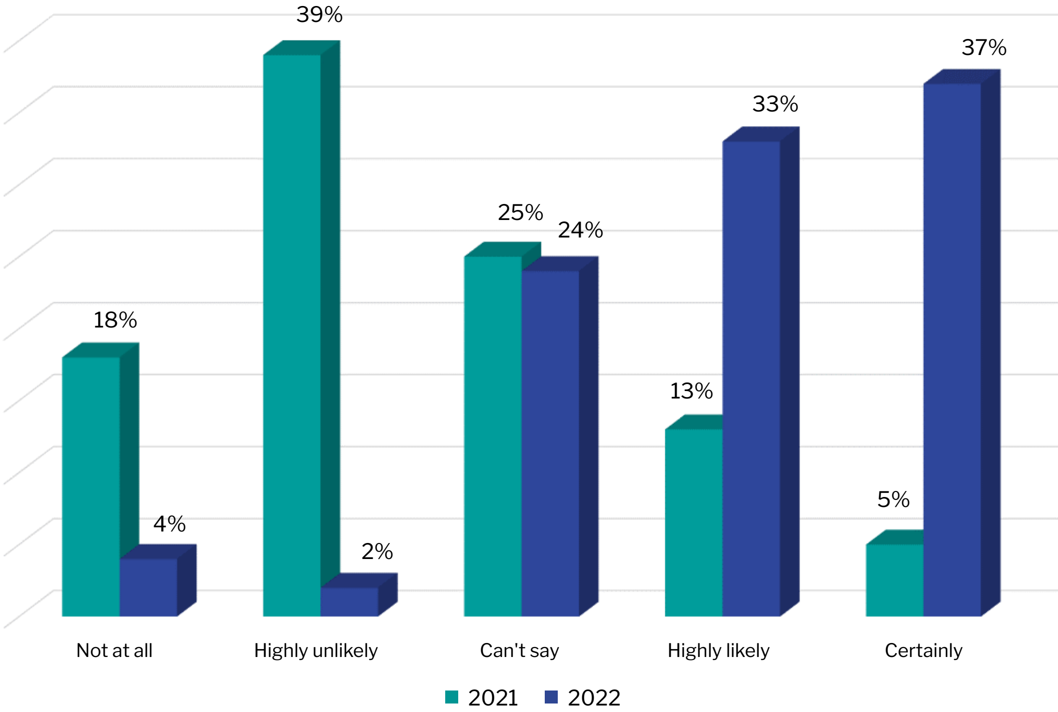


Figure 73 - Willingness to buy from Direct Sellers in future

In the male segment, 61% of the respondents mentioned that they were likely to buy as against 15% last year.

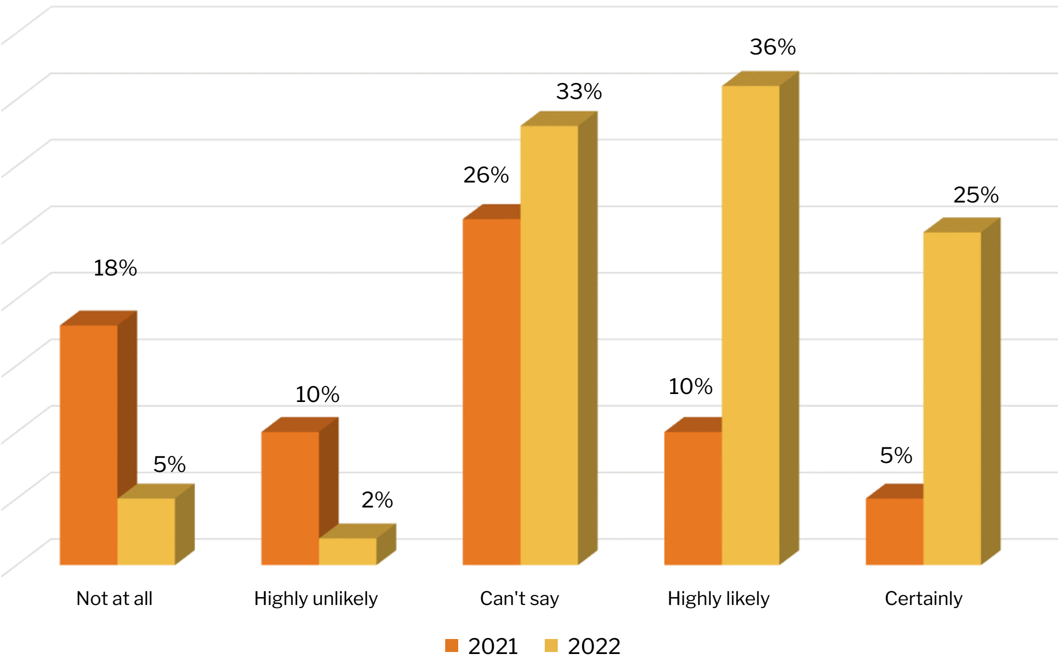


Figure 74- Willingness to buy from Direct Sellers in future (male segment)

In the female segment, 75% of the respondents mentioned that they were likely (Highly Likely + Certainly) to buy Direct Selling products in future as against 20% from last year.

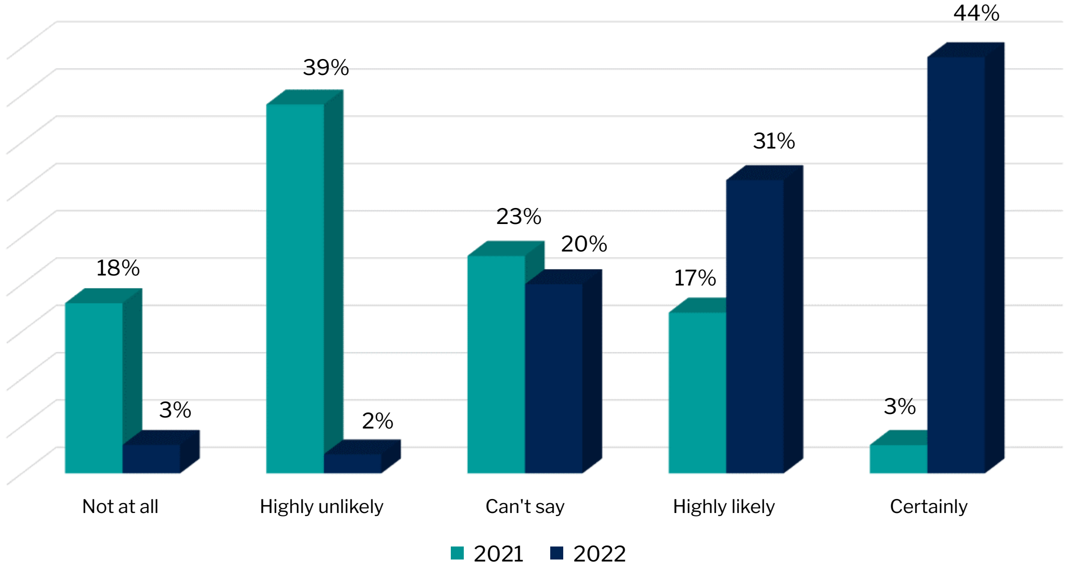


Figure 75 - Willingness to buy from Direct Sellers in future (female segment)

Very high willingness among Mumbai and Delhi respondents to buy Direct Selling products in future. Moderate willingness among Bangalore and Kolkata. Slightly higher proportion of indecisive respondents in Kolkata.

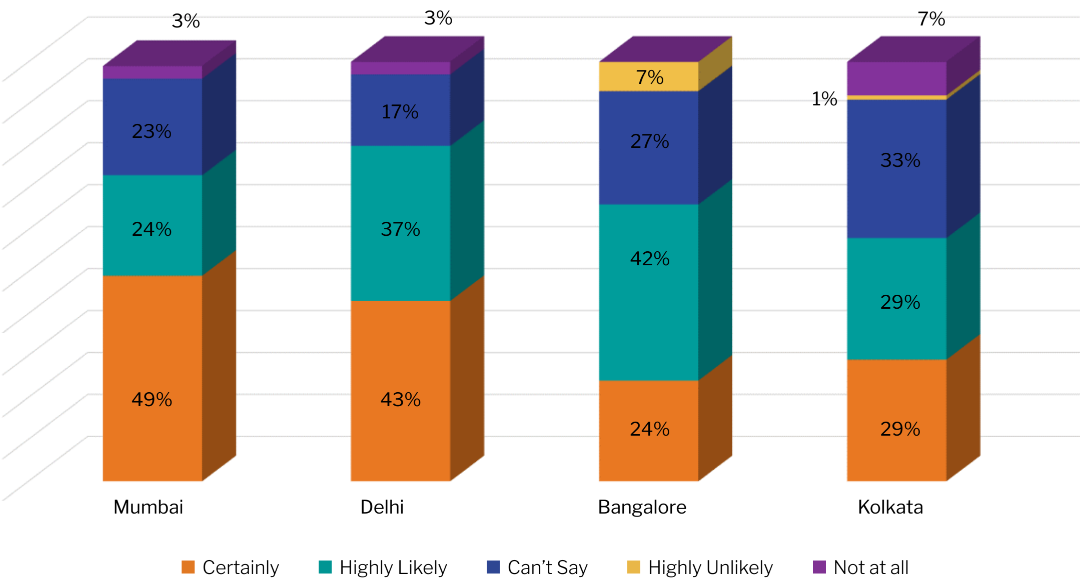


Figure 76 - Willingness to buy from Direct Sellers in future (Cities)

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