

Leader of the Month

Fredric S.N. Widell

Vice President, Head of South Asia & Managing Director, Oriflame India

Oriflame; a renowned name in the world of direct selling. The company has gained immense popularity amongst the consumers, due to its international and unique quality products. That's not all, the entity has also been favourable by the distributors. In a conversation with Mr. Widell, he spoke about the initiative taken by Oriflame in order to train potential direct sellers. He says, "We have a strong Sales and Training team put together 40+ people to support our direct sellers on increasing their business acumen, product knowledge, skill development, leadership development and overall grooming. Approx. 250 hours per week trainings are conducted reaching to approximately 2600 per week and more than 10000 people in a month; therefore, we focus a lot on this area of development."

Mr. Widell also highlighted the advantages of working with Oriflame as a direct seller. He adds, "Oriflame offers important benefits to people who want an opportunity to build a business of their own; it meets needs of lots of different individuals and circumstances which allows people to create and set up their own working hours, schedule around existing priorities and responsibilities. The individual has full support and encouragement of many others, including Oriflame. We have a strong success plan or growth plan for an individual to grow / career progression as a Direct Seller. We have quality products at great pricing and over 52 years we have been empowering people to make a change in their lives by recommending and selling high quality products inspired by nature and powered by Swedish science. Achievements do not go unrecognized at Oriflame! We reward success with exciting events all over the world, people become part of something bigger together with amazing people from all over the world who represent a global beauty community with strong Brand values, attributes and culture of the organization."

Oriflame takes high pride in guiding people towards a better life. This entity has not only helped individuals by providing them with a career opportunity, adding to Oriflame's achievements Mr. Widell drew the attention towards the CSR activities conducted over the time. He said, "Oriflame has a long-term commitment towards CSR which encompasses Sustainability, Women Empowerment and Environmental Awareness to name a few. Our aim is to help children and young women via the Oriflame Foundation, global NGO partners, as well as local charity organizations that support vulnerable children and young women. Since 2009 the total amount raised is around €9 million. In 2017, 49 of Oriflame markets and three of our factories were involved in charitable activities globally. We have always believed in empowering children through education, such that they can turn their dreams into reality, Oriflame's association with Deepalaya dates to 2006. Till now, Oriflame has sponsored the education of more than 7000 girls. In addition to this, Oriflame has been helping Deepalaya in constructing the three-storey school building, in Nuh, one of the most backward districts of Haryana, this will support in providing education to over 3000 children in the coming years."

Speaking about digitalization, **Mr. Widell said "Digitalization attracts a lot of youngsters towards the business; they relate to many activities especially over many social media channels, we customize and scale up to new age stylized formats in our communication platforms as this resonates, attracts and builds a lot of engagement amongst these target audiences. Mobile interactive smart applications are used to engage for a lot of interactions along with experiential events which we conduct in the most world class magnitude and scale across our region of South Asia"**.

Oriflame has successfully taken over the hearts of people and will continue to empower people.



DIRECT SELLING: Products are Marketed through Explanation

For years, direct selling has empowered countless individuals which has ultimately made a difference in our communities. Direct selling comes with non-retail environment in which the product is sold directly to consumer. In this model of multi-level marketing, it has become important to involve training of direct sellers to enhance sales of the product. Unlike in retail, it is mainly dependent on communication and interpersonal skills of the direct seller who ensures the product quality. Often, the product knowledge training is about educating about the company product and creating personal connect with the consumer.

For a direct seller, product knowledge is core to boost the sales of the product. Direct selling witnessed growth due to its specialised nature which covers both the aspects of business to business and business to consumer model. Product knowledge ensures the direct sellers to enhance business revenue. One of the best ways of marketing in direct selling is through product explanations and demonstration. This provides an opportunity to direct seller to enhance his selling skills and communication value.

It also plays a crucial role in personality development and polishing their skills. The direct selling industry is majorly having salesforce of women and unskilled manpower which help them to grow as entrepreneur. The industry trains the direct sellers in salesmanship and soft skills. The salesforce undergoes the training session where the in-depth knowledge about the product is imparted. This helps to know about the specification and application of the product which subsequently result in generation of sales.

The training sessions instil self-confidence and marketing skills in the direct seller which help them to inculcate self-confidence. Due to the nature of personalised marketing of the products it helps the seller to get familiarise with the product with self-learning pace. It is very important to know the product related information and technical know-how of the product to have customer retention. The explanation of the product requires the product to be represented with full knowledge even if they are not the expert in the product. The industry is continuing to create skill enhancement of the retail partners and routine training through short, bite-sized videos with explanation and demonstration products.

The goal of explanation and demonstration is not simply gain knowledge and skill but also transfer the learning to performance which leads to achievement of the company goals. Thus, a structured direct selling training helps in successful professional development in marketing.



DIRECT SELLING: A Boon for Socio-Economic Transformation of the Country



Ramesh Sharma
Strategic Media Advisor, IDSA

At a time when India is struggling with problems like unemployment, less jobs & entrepreneurship opportunities, poverty, disparity in earnings and almost a shackled growth trajectory, it is somehow difficult to find sustainable answers to tackle effectively with these challenges. The answer however, lies in Direct Selling Sector(DSS) which is emerging as major component of mitigating such issues and becoming an important industry player in bringing socio-economic transformation in the society and as well in the country.

The Direct Selling Industry (DSI) is steadily broadening its spectrum in the country, particularly since last two decades therefore, generating huge self employment and entrepreneurship opportunities. DSI presently provides employment to over 55 lacs people as Direct Sellers in the country and these numbers are increasing year on year as the industry grows. It has also provided a space for those people who are employed but want to have additional source of income and work according to their will and wish in flexible hours as direct sellers. Anyone can venture in to this business model as a full time or part time career regardless of age, gender, educational qualification experience, without any hassles and investment. There are instances in present time when universities graduating students and small time workers have been frequently taking up their career as direct sellers and earning lucratively by proving their metal in the companies, they represent.

The business model has become even more conducive to housewives who have taken it up in large numbers in the country and earned paramount successes as 'start up' leaders. This has not only led to their economic independence but also made a way for their empowerment. Notably, females have continuously dominated and outclassed males as direct sellers and their proportional representation stands at 53% and 47% respectively in DSS.

There was a time in past when it was difficult to differentiate between Direct Selling, Multi Level Marketing (MLM) and Networking Marketing business models. To allay such confusions the Ministry of Food & Consumer Affairs, Government of India (GOI) has come forward and notified Direct Selling Guidelines clearly defining the Direct Selling Industry. The move of the government has brought a sigh of relief and regulative environment for the industry as well as direct selling force and protecting end users rights. The move has even provided safety shield for the industry, direct sellers and consumers from the MLM companies who operate under the garb of Direct Selling. So far thirteen state governments have also adopted and notified these Guidelines to ensure lawful operations of Direct Selling Industry(DSI) in the respective states. The other states have also realised the significance of the Guidelines and following the suit.

DSI has an immense contribution to the society by way of providing employment and as an additional source of income to lakhs of people, hail from different strata thus, raising their income levels, improving economic and living conditions in the country. The Industry at the same was also making sizable contribution to the government exchequer by way of taxes on the products they sell. It is also a fact that there are not as much as jobs & opportunities in Government and other industrial sectors which could meet the unemployed numbers. Hence, time is ripe for the youth and others, hunting for employment or careers, the Direct Selling Industry is definitely a platform for them to join and 'live life king size'.



Evolution of Food Regulatory Framework



Rini Sanyal
Vice Chairperson, IDSA

Indian Food is diverse, so is the Indian palate. While we have thousands of recipes for our daily diet, there are many more food products available in packaged forms. It is important to note that while the food cooked at home is not governed by any regulation, all food cooked or prepared outside the home, be it in a hotel or roadside or even in a place of worship or ceremonies like marriage, etc. are regulated by the Indian Laws. All packaged food products mandatorily fall under FSSAI's (**Food Safety and Standards Authority of India**), food regulatory framework. FSSAI is an autonomous regulator of all kinds of food products under the administrative control of the Ministry of Health.

Once we understand why does one need regulations and what to regulate, the matter becomes acceptable. Generally, "food law" means legislation which regulates the production, trade, and handling of food and hence covers the food safety and relevant aspects of food trade. Food is important for our existence and well being thus becomes an integral part of life.

Food regulation is dynamic and dependent on many factors like food consumption patterns, consumers need, present practice in food businesses, etc. Started with Prevention of Food Adulteration in 1955, the Indian food regulatory system has evolved over these years with the focus of food safety or process safety for safe food for consumers.

This Food Safety and Standards Act 2006, is a consolidated version of all the previously existing laws relating to various types of foods. It was enacted to establish the Food Safety and Standards Authority of India for laying down science-based standards for articles of food and to regulate their manufacturing, storage, distribution, sale, and import, to ensure the availability of safe and wholesome food for the consumers.

The FSSAI framework comprised of a Food Safety & Standards Act, 2006, Food safety Rules and a set of regulations (both vertical and horizontal) to regulate different kinds of food products. FSSAI also regulates products like health supplements, nutraceuticals, nutritional, specialty foods or special purpose foods including Food for special medical purposes except parenteral. The regulation related to special purpose foods has been notified in December 2016. Then onwards, it's a journey of evolution for better administration, implementation, and amendment towards securing the industry.

While we are heading towards India @75, I feel, it should be the responsibility of every citizen to pledge for health and opt for healthy and nutritious food to make a healthy and vibrant India.



International Update

- **WFDSA statement on Cryptocurrencies:**

Legitimate Direct Selling is about the sale of first class products or services with a high consumer demand, awarding the distributors of such products with a financial return which is based on and in direct correlation with the sales generated by the distributors and their teams. More specifically the WFDSA Code of Ethics states that the earnings of a direct seller shall be based on the sale of tangible and intangible consumer goods or services. While it can be debated whether Cryptocurrencies currently are to be classified as transactional currencies or perhaps rather as financial investments, it is in the opinion of WFDSA at least clear that Cryptocurrencies does not constitute consumer goods or services. Consequently, if a Cryptocurrency is the main product being promoted by a Direct Selling company, then this will be strictly against the WFDSA Code of Ethics. The WFDSA Code does not explicitly prohibit that a Cryptocurrency is used as a mean of payment/compensation to direct sellers for the sale of other consumer goods or services products. As with any direct selling opportunity, a prospective direct seller should be cautious if the product or service that is being marketed does not seem genuine, is vaguely described, appears speculative or where there appears to be little or no genuine consumer demand for the product or service. If this appears to be the case, then it is likely that it is instead the Cryptocurrency itself that is the main product being marketed in the direct selling scheme. Moreover, a Direct Selling company incorporating a cryptocurrency in their compensation plan must still satisfy all other WFDSA Code provisions, including but not limited to the conditions that earning representations must be truthful, accurate, and presented in a manner that is not false, deceptive or misleading, that they are based upon documented and substantiated facts in the relevant market, and that the direct seller must be provided with sufficient information to enable a reasonable evaluation of the opportunity to earn income.



Worldly Wisdom Spurs Local Momentum in Direct Selling



Pranjal R Daniel

Chief Strategist, Strategy India

Global players in the Indian market are providing a much-needed edge to the market competition in the retail segment and have helped create an increased consumer-friendly approach for the direct selling companies.

There is little doubt that the direct selling market space is booming. Today, we can easily say that direct selling companies are very close to becoming serious competition to not just retail outlets but e-commerce sites as well. This competitive edge, in part, can be attributed to some of the SOPs (standard operating procedures) brought to our domestic market by international players.

One of the most significant contemporary US digital marketing pioneers and best-selling author Anne Handley once said, “Make the customer the hero of your story.” Today, this is a reality in India, thanks to the assimilation of best practices of consumer-oriented policies adopted by direct selling companies. And one of the key influences has been the competition in this market segment from international players.

The introduction of features like “30-days money back” or “satisfaction guarantee” policies, has made shopping more attractive for consumers and have increased the confidence of the direct sellers. For direct selling firms, consumers are a critical part of the demand-supply chain because they go on to become sellers and promoters of the products and the brand. And that is why a direct selling firm needs to make the customer the hero of the story.

We all know that direct selling companies are a double boon for a country like India -- where unemployment and under-employment are perennial problems. With the introduction of more consumer/direct seller-oriented practices, easy and effective redressal systems, this sector could quickly become the solution to these two biggest problems plaguing our country.

Additionally, direct selling companies are, by nature, skilling enterprises. From the very moment a customer comes in contact with an enterprise involved in direct selling, he or she is exposed to learning numerous things from marketing, training, trading practices, new languages, sales terminology, and technical know-how to name a few. Thus, the contribution of direct selling companies goes far beyond their own business as they are creating a whole segment of skilled workers that impact the macroeconomy.

The online and offline infrastructure brought into place over the past decade has contributed to the ease of doing business, as never before. This logistical ease has increased the reach of direct selling companies and also simultaneously made the whole process more lucrative for the direct seller. Today, no individual is required to travel miles to acquire products from direct selling firms or to be trained and informed about the product. It can all be done with a simple click on a computer.

While some of the above-mentioned procedures may have been in practice for industry leaders in the past, we, at Strategy India have seen a spike in the adoption of such consumer-friendly policies and procedures post the increased participation of international players in the direct selling segment of the market. As a 15-year-old consultancy firm, we have an exhaustive list of over 600+ direct selling companies that have been vetted by our internal analysts. At Strategy India, we have closely followed the most minute changes in trends, practices, and procedures being adopted by all players in this market segment, given that we have close interaction with over 20 companies every week.

Pranjal R Daniel is associated with Strategy India – a Direct selling consulting firm. He specializes in **Business model sustainability, MLM Compensation plan refinements, Regulatory strategies, Policy tune up, Competitive Advantage, and Strategic capability enhancement.**

DIRECT SELLING:

An Alternative Source of Income

Direct Selling is an effective business model which provides platform to any individual to grow and earn. A dream to have a business of their own can be accomplished by getting the footsteps in this industry. The direct selling is one such flexible and part time work option where a person with minimal start-up cost can look for entrepreneurship opportunities.

An independent person indulged Direct selling business join hands with a network of people, working towards driving the business and achieve higher goals. In the process, the Direct Sellers face several challenges as well and learn how to tackle the same. This is because Direct Selling offers an 'on the go training' for Direct Sellers; they face challenges and learn come out of it. The Direct Selling entities also help their sales force enhance their skills by running training and conditioning programs which prepares them for the demanding task of selling to consumers.

Direct Selling has an edge over traditional employment where a person is bound to fixed working hours to meet targets as set by the seniors. Direct Sellers, on the other hand, set their own working hours and targets, as per the convenience of their schedule. Direct Selling allows them to design their own schedules, which also results in better work-life balance. Afterall, one works to live, not lives to work.

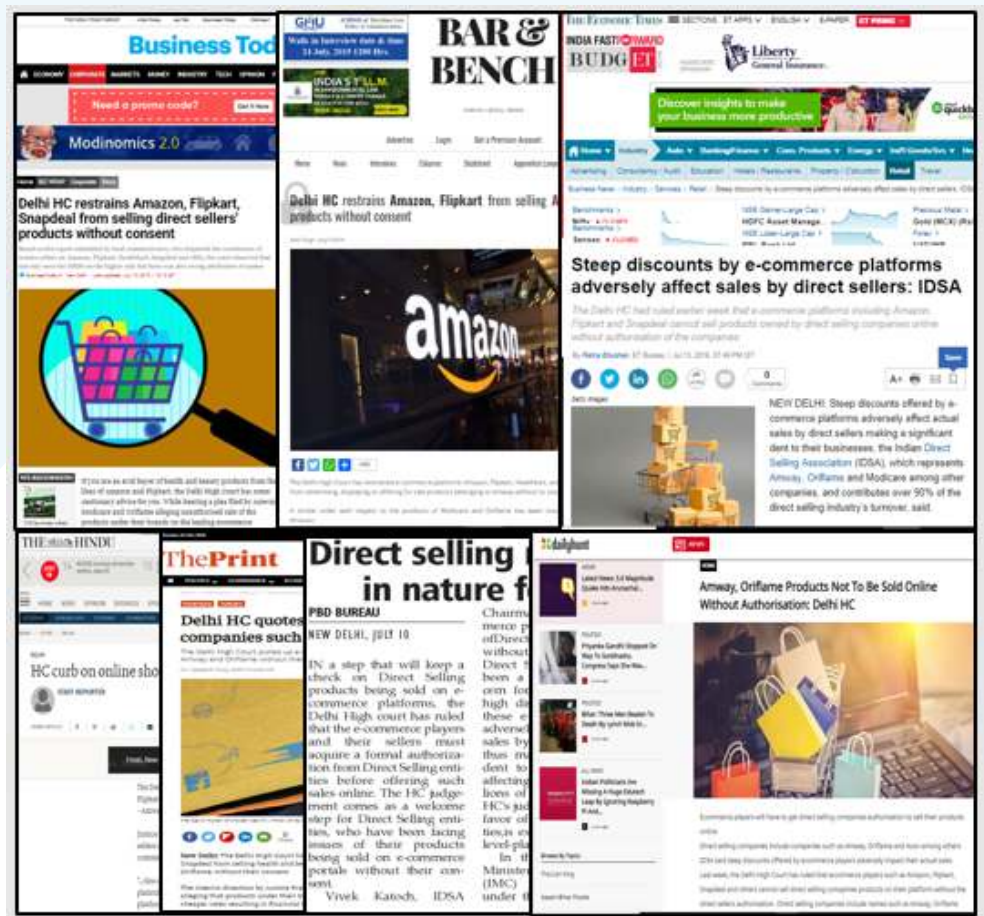
Direct selling is distribution pre-packaged products which helps in improvising social skills of a person. One gets to meet people from different walks in pursuit of selling and creating a sales network. Direct Selling is a best example if teamwork where team-members mentor, support, guide towards driving each other's sale. One's success replicates to other, so on and so forth. The motto in Direct Selling is 'One Succeeds when team succeeds'.

Direct Sellers pursue this business as fulfilling career in the pursuit of earning alternative income. The direct seller has no or very minimal risk while getting into this business by virtue of very low-investment business. They also have an easy-exit option, in case they find the business not being their cup of tea. The potential of Direct Selling industry is not just to providing employment but also encouraging women and unskilled people to learn and earn through, while being on the job, much on lines of apprenticeship learning. They learn with peers to become their own bosses.

This form of flexible, independent and low investment business compels the direct seller to strive in the business of direct selling. This has led to their unpredictable earning through sales and building up their own independent sales force in right direction by motivating and training the peer group. However, Direct Selling is not always the 'walk in the park' as it requires sustained effort to push for and grow sales..They also have to face multiple rejections or reluctance from potential consumers. The key factors here are 'persistence' and 'determination' that drives Direct Seller towards unmatched heights where the saying prevails "Sky is the limit".



Delhi HC Judgement to boost Direct Selling: IDSA



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