



DIRECT SELLING UPDATES BY IDSA

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TELANGANA

STRONG GOVERNMENT
SUPPORT

SELLING ASSOCIATION (IDSA)



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Ms. Rini Sanyal, Chairperson, IDSA

Looking back to look ahead for a bright future

CHAIR SPEAKS

It is time to look ahead even as I recount some of the events that have shaped the two years for the industry. As an industry, we have learned and helped our stakeholders learn about ourselves, a process that will continue with our engagements.

As I assumed the onerous responsibility as the first woman chairperson of the IDSA in September 2019, the importance of the industry for India could not be overstated. As we put our heads together, we thought of broadening the appeal of the direct selling industry to the masses.

That was one of the core thoughts behind conducting the Bloggers Meet in Hyderabad on the sidelines of the Symposium on Annual Survey 2018-19 for Direct Selling in October 2019. With the collective effort from the partners and us, the blogging program helped us reach an audience that could be very important for tomorrow.

As the new year 2020 beckoned, we partnered with the West Bengal State Consumer Affairs Department to associate with the Kreta Suraksha Mela. The gathering of small businesses helps raise issues for consumer rights protection and awareness. Small businesses visit the fair to sell their wares and connect with the consumer directly. IDSA's presence at the fair also presented an opportunity for its members to showcase their products. This initiative was the first of its kind in IDSA's history.

We recognized the pioneering work done by the women leaders of Telangana in February 2020 in partnership with the Association of Lady Entrepreneurs of India. The forum felicitated 15 women achievers from different walks of life who have played a critical role in changing the economy and society.

All this was being done in addition to other on-line initiatives to reach out to consumers directly.

As it turned out to be, that became the way to do business for all of us. The pandemic took control of our lives, and, as it happened in the entire world, our members too learned that for businesses to thrive, going online was necessary.

As the lockdown took over in March-end, IDSA worked relentlessly to communicate to government across states to get their continued support in ensuring the smooth transport of goods across their borders. State governments were still trying to figure out the optimum process since it required close cooperation among members, IDSA, and the government authorities.

By now, the government too recognized the new normal. When it was time for the IDSA AGM, the Minister of State of the Department of Consumer Affairs, Shri Raosaheb Danve, sent his address to IDSA since he could not attend it in person. It was the first of its kind.

As things appeared to be returning to normal, IDSA released the Covid-19 Survey Report that had inputs from IDSA member companies for a period of 6 months between April-September 2020. The report confirmed that the industry grew at 4.7% during the period. Our untiring efforts were showing.

Earlier this year, the government of Punjab inducted IDSA as a 'subject matter expert' in the state's monitoring committee for direct selling. It was a notable development since IDSA will be able to present the position of its members from the proper perspective.

As we work to grow the industry, we have tied up with Shoolini University in Himachal Pradesh for setting up of Center of Excellence for Direct Selling in Academics (CEDSA). It will offer a year-long PG Diploma in Direct Selling, a first in the country and only the second in the world. We can look ahead to good quality professionals for the industry that will help it grow.

We can look forward to brighter times ahead by working closely with policymakers and preparing for quality professionals and business that is returning to normal.

Telangana assures help to direct selling industry in its next leg of growth



Principal Secretary Jayesh Ranjan addressed the Direct Selling Sammelanam 2021

The government in Telangana has assured representatives of the direct selling industry that it will extend help and support to set up manufacturing units in the state. Jayesh Ranjan, Principal Secretary, Industries, Commerce, and IT, assured the audience during the Direct Selling Sammelanam 2021 in Hyderabad.

The state is looking to begin the registration of direct selling companies shortly to move ahead. The state has already framed regulations for direct selling companies in 2017 to protect the interests of consumers.

“Registration of direct selling companies is to start soon by the Centre and will be looked after by Department for Promotion of Industry and Internal Trade. Registration and regulatory framework will be good for all stakeholders, including customers. Telangana has a good industrial policy and will always encourage companies with good quality products in direct selling,” Mr. Ranjan said while addressing the Direct Selling Sammelanam 2021.

While releasing the annual IDSA report for 2019-20, Mr. Ranjan shared highlights of the industry’s achievements.

Telangana contributed to the national sales in 2019-20 was an impressive Rs. 292.5 cr, and the IDSA has urged the State government to facilitate a registration mechanism for direct selling entities.

“The government cannot provide jobs for all. Youth can look to direct selling for employment and income generation. Earlier, direct selling was being a second income, but things are changing, and people are seeing it as a primary source of income. Mostly women were taking part in it, but now the trend is changing, and we see men taking the lead. He expressed happiness on seeing 84% of direct sellers were graduates,” V Prakash Rao, Adviser to CM and Chairman, Telangana Water Resources Development Corporation, said.

The government’s encouraging words and collaborative approach have the industry enthused. The industry is collectively working to contribute to the development of the state.

“The conducive business environment in the state could help the industry multiply in the coming years. The state contributed 13.15% to the share of business in the south with a turnover of Rs. 292.50 crore.

That amounted to 1.74% to national sales during 2019-20, according to the annual survey report released by the Indian Direct Selling Association (IDSA). To provide impetus to further growth, IDSA urged the state government to facilitate a registration mechanism for direct selling entities,” Mr. Ranjan added.

“We are thankful to the government of Telangana for providing regulatory clarity to the industry and urge the state government to facilitate a registration mechanism for Direct Selling entities operating in the state,” IDSA Vice-Chairman Rajat Banerji said.

Chetan Bhardwaj, GM, IDSA, highlighted some of the achievements of the people from the state. “Telangana has about 90,000 direct sellers, including 44,000 women. The top three direct selling segments are wellness and nutraceuticals, cosmetics - personal care, and home care. The industry is providing sustainable self-employment and start-up opportunities to millions of people in the state. It contributed significantly by way of taxes to the state exchequer,” he said.

According to the IDSA annual report, Telangana has 90,000 direct selling professionals engaged in the industry. The number of professionals is lower than other large south Indian states, which indicates the growth potential for Telangana. The union territory of Puducherry has 60,000, the lowest among southern states, while Karnataka has 250,000 professionals, the highest in the region.

The report also points out that India had 7.4 million direct sellers for the year ending March 2020 against 5.7 million the year before, registered a healthy growth of about 30%. During the last five years, there has been a noticeable increase in men working in the industry. The report states that health and wellness, cosmetics & personal care products are the top-selling segments for the industry. The industry is also moving from selling door to door to, now, mobile to mobile, with noticeable growth reported from tier II and tier III cities.

With a little under 100,000 direct sellers, including 44,000 women, Telangana has been a growth market. The top three products categories that people of state prefer to buy in the direct selling segment are wellness and nutraceuticals, cosmetics - personal care, and home care.



Trained direct selling professionals to roll out from 2022, a first for India

Shoolini University is launching the first of its kind professional course in the country for direct selling professionals. It could spark interest among other universities to offer the course too. Dr. Kamal Kant Vashisth explains the need for it and how it could change the face of the industry.

Q: What was the need that was felt for the course to be launched, the first of its kind in Asia?

Dr. Vashisth: Generally, what we see, during the period of my PhD research and before that I was associated with the direct selling industry, I worked pretty hard at it till I realised that I did not get the success that I anticipated. Somewhere I felt that whatever is being propagated by the direct selling leaders, and they call it core steps, I thought whether following those core steps would lead to success. (I thought) Are there any gaps, why are people not succeeding because if we see the attrition rate of distributors in direct selling, it is pretty huge. People drop out and only 2-3% of the people sustain over a period of five years. The success rate is also pretty low – less than 1%. That is what propelled us to think about what it takes to succeed at direct selling. And when we found that there are factors, which if followed properly, would definitely lead to success. There is a predictable success path. But it needs to be transmitted to the people. And I found that the perception around the industry is pretty imbalanced. This propelled us towards aligning direct selling with academia.



Dr. Kamal Kant Vashisth, who designed the course, hopes it will change the way the industry is perceived

Q: How does that help in changing the perception of the industry?

Dr. Vashisth: As I was mentioning that the attrition rate is high. One of the reasons for the attrition to be high is that the intake is very poor. There are no barriers to entry in the direct selling industry and, similarly, there are no barriers to moving out of it. We wanted to see how people who are well educated and carry the value system that we require, how they perform in direct selling industry. That's why we felt the need that something of this sort should be introduced. Over a period of time, if it starts to get taught in the universities and the higher education institutions,





Q: Can you detail what all the students will be taught during the course?

Dr. Vashisth: We have outlined an entire course structure and it is a six-month classroom course followed by a six-month internship. In addition, there will be some learning through MOOCs or massive open online learning course. In the first six months, the courses that we are teaching will be the fundamentals of direct selling. It will include everything around it – the legal framework, the guidelines, the rules, Consumer Protection Act and the critical success factors. We want people to have an understanding. Apart from that, we will also get into the history of direct selling and what it has been through. We will also have a course around tools and techniques of direct selling and get into details of all the scientific tools we have developed, processes that are required. A module for soft skills will also be included – people skills, presentation skills. There will also be a module on sales and entrepreneurship. The second part will have internships and learning through MOOCs. The students could be learning through MOOCs on any of the learning platforms and they will have to complete a research project as well, apart from the internship they will be doing.

the quality of the intake would improve considerably. Simultaneously, the success rate of the distributors plus the perception of the industry as a whole.

Q: How does this expand to other universities and institutions in India?

A: We have completed our intake for the first batch at the University. We have to focus on making them super successful. We have to set a benchmark for these 30 people. If we set the precedent right, and these are the people who can go out and say we got transformed by this education and our business took off, every university will want admissions (and launch the course). If people can spot and opportunity, they will want to learn and make a career for themselves. For me, it is a purpose for which I work and live. There is a limitation of how many jobs can be created in banks or other companies. But the direct selling industry does not have any limitation like that. So, scalability is not an issue. You can go to any of the companies and they will be willing to take on more distributors. If they can get a trained professional, and whose chances of succeeding is higher, they will be happy to hire such interns. I am sure more universities will look at the course since it will be one in which they will not have to worry about placements.

The one-year classroom course, industry learning and online courses will churn out the industry professionals of tomorrow

Direct selling takes root in Punjab; women could drive the future

Nearly half the direct sellers in the state are women. They are showing the way ahead, not just in the state but across the country for the entire industry

The direct selling industry in Punjab was destined for this!

23 years after the IDSA was formally set up, Punjab has crossed Rs. 500 crores in revenues. According to the annual survey report by the Indian Direct Selling Association (IDSA) released last month, the state recorded revenues of Rs.523 crores for the financial year ending March 2020.

The Punjab market has registered a 25 percent growth in the last four years. It has emerged as one of the largest markets for direct selling in north India. It recorded a six percent growth against the previous financial year.

Working in the direct selling industry has ensured sustainable self-employment and start-up opportunities for millions of people, including Punjab. Direct selling has also become a significant source of income, especially for youth and women in the state.

While Punjab has registered an impressive feat, the industry attracts women in large numbers in India. In the financial year ending March 2020, over 700,000 women, nearly 2,100 every day, joined the industry to seek a better future for themselves.

Raksha Malhotra, associated with the direct selling industry for over ten years, thanked the Punjab government for issuing the guidelines issued for the industry, which has provided livelihoods for many. "It makes sure we all feel comfortable doing the business because the rules are now in place," she said at the Punjab Direct Selling Conclave.

"We are thankful to the government of Punjab for notifying the Direct Selling Guidelines last year, which brought about a regulatory clarity for the business model in the state," IDSA Treasurer Vivek Katoch, said.





Punjab Government Additional Director Simarjot Kaur from the Food & Civil Supplies department assured the industry all the support from the government “at every step”. She was addressing the industry members at the Punjab Direct Selling Conclave 2021.

The Department of Food, Civil Supplies & Consumer Affairs of the Punjab government notified the Direct Selling Guidelines in November 2020 to further strengthen the regulatory mechanism for direct selling. The guidelines have also mandated the forming of a State Monitoring Authority, comprising senior officials of different state government departments and a subject matter expert nominated by the government. The Department has selected IDSA as the subject matter expert in the state Monitoring Committee.

“It is indeed a privilege to be part of the monitoring process. IDSA will extend all its expertise and support to strengthen further the regulatory mechanism of direct selling business in Punjab,” Chetan Bhardwaj, General Manager, IDSA, said.

The industry has been growing at a healthy clip over the last four years, growing at over 25% beginning April 2018 to March 2020. Maharashtra, West Bengal, UP, Bihar and Odisha among the top states where the industry registers its revenues. States like Haryana, Gujarat, Punjab, Karnataka, Tamil Nadu and others in similar higher income categories are still not among the top five states for the industry. The top 10 states accounting for 69%

of the industry turnover, it underlines the growth potential for the direct selling industry in new emerging markets.

Punjab is not among the top 10 markets for direct selling in the country, with Delhi just making it to the list at the bottom.

DIRECT SELLING REVENUE
In Million Rupees



Source: IDSA

Wellness and cosmetics & personal care are the two categories that register 80% of the sales for the industry across the country. Interestingly, women have traditionally dominated the industry though men are joining in large numbers now. The option to work from home has helped in increasing opportunities for the industry, with online meeting platforms allowing for more interaction with customers. Despite the impact of the pandemic, the industry registered an increase in the first six months of the last financial year.

EYE ON THE GLOBE

Asian women march ahead with a career in direct selling

More women around the world are making the decision to turn direct sales into an opportunity for personal success and leapfrog multiple barriers, according to the International Finance Corporation (IFC). These barriers include lack of capital, time, and skills. Direct selling registered sales of \$76 billion across Asia, a record, as countries like India and Kazakhstan saw strong growth. The convenience of technology and e-commerce provide women with more flexibility and independence as they build their direct selling networks. Many women entrepreneurs must split their time and attention between their business, family, school, social life, and other competing interests. The success of women has set the precedent for the future of direct selling. It has built a reputation for being businesses that empower women across the globe.

Direct selling proves its value to local economies even during pandemic

The latest Direct Selling Report, published by the World Federation of Direct Selling Associations (WFDSA), shows global direct sales increased by 2.3 per cent year-on-year, from US\$175.3 billion in 2019 to US\$179.3 billion in 2020, with a 3% growth in CAGR in the last 3 years. With the lockdown forcing social distancing and long periods of isolation, the direct selling industry did take a hit in the initial days of the pandemic. However, most companies made a recovery soon after as they quickly shifted to digital engagement tools and virtual events and training programmes. The pandemic forced many businesses to expedite their digital adoption. For the direct selling industry which has traditionally relied on in-personal interactions this was particularly critical. Those who made the shift quickly and were able to engage with and support their customers and distributors, didn't just survive, but thrived!

US Direct Selling Association to Support Reintroduction of Legislation Defining Direct Sellers as Independent Contractors

The US Direct Selling Association (USDASA) announced its support of the Preserving Direct Seller Independence Act of 2021 H.R. 5038. The legislation would "clearly define direct sellers as independent contractors under the Fair Labor Standards Act (FLSA) consistent with the Internal Revenue Service Code." The DSA believes that this reintroduced legislation would "incorporate the IRS Code language in the FLSA and reinforce the historical treatment of direct sellers as independent contractors under federal labour law."

DSA Canada Study Shows 3 in 5 Canadians Seeking Side Income

The Direct Sellers Association of Canada (DSA Canada) recently published a study by Abacus Data that reveals 31% of Canadians have sought supplemental income opportunities during the COVID-19 pandemic. The study also found that three in five survey participants intend to continue pursuing opportunities to make supplemental income throughout the next year. The key demographics within this figure include students (83%) and young Canadians ages 18-29 (75%). The research data also revealed that a commitment to consumer protection and ethics as well as measurable year-over-year growth contributed to positive impressions of the direct selling channel among Canadians.

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GALLERY



About IDSA

Incorporated in the year 1996, IDSA is an autonomous, self-regulatory body for the Direct Selling industry in India. The Association acts as an interface between the industry and policy-making bodies of the government facilitating the cause of the Direct Selling industry in India. IDSA strives to create and further an environment conducive to the growth of the Direct Selling industry in India, partnering industry and government alike through advisory and consultative activities.

IDSA MEMBERS




For more information,
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