

***DIRECT SELLING – A BOON TO MICRO ENTREPRENEURSHIP &  
WOMEN EMPOWERMENT***

**By Pooja Prasad Oak**

**Abstract**

Direct Selling is the marketing & selling of products directly to consumers away from a fixed retail location. Padding is the oldest form of direct selling. Modern direct selling includes sales made through the party plan, one-on-one demonstrations, and other personal contacts as well as internet sales. Direct selling is a relatively new industry in India, in less than two decades it has provided self-employment opportunities to more than 5 million people, out of which nearly 60 per cent are women. Besides providing additional income opportunities to direct sellers, the industry also generates direct employment. Majority of the direct selling companies outsource production, packaging and distribution of their products, thus generating direct employment across the value chain.

**Keywords**

SMEs, World Federation of Direct Selling Associations (WFDSA), Direct Selling Entrepreneur Program (DSEP), EDP

## **Introduction**

Marketing of goods & services is possible directly or indirectly. Direct selling is a part of direct marketing because it is about individual sales agents reaching and selling directly to the customers. Direct marketing is about business organizations seeking a relationship with their customers without going through an agent/consultant or retail outlet. Such direct selling is possible through the help of sales force. The salesman appointed for will move from door to door for selling goods & services. Direct selling is possible by establishing personal communication with the customers through circulars, letters, folders, booklets etc.

Modern direct selling can be considered to have been started in India in 1980s. The industry witnessed major growth post-liberalization with many global players entering the Indian market. Amway was one of the first major global direct selling companies to enter India in the year 1995, which was followed by popular companies like Avon, Oriflamme and Tupperware in 1996.

Many direct selling companies rely on SMEs for manufacturing their products. In a lot of cases, the direct selling companies impart the manufacturing know-how, technology and processes to enable the SMEs to produce excellent products.

The Direct selling itself has been determined by this assessment to be the industry's best strength. The potential to earn money, along with ease of entry and the offer of Personal Selling regarding products, services and the business opportunity are the industry's most unique features. This strength is a distinct asset and is not found in any other business model.

Another great strength of this technique is company provided basic skill training and a focus on personal growth for individuals. This training makes direct selling the most viable model for women on creating not only an income but an asset as well. Each company has its own process and methods as to how they position their products or services. However the main motive is how the trained staff respond to the market for the product or service being offered and in how independent sellers sells these goods and services to create income and build businesses.

### **Objectives**

- To know about Direct Selling Market.
- To know about Strength of Direct Selling.
- To know how direct selling helps in small entrepreneurship development & women empowerment.

Direct selling is one of the fastest growing non-store retail marketing parts in India. It has recorded double digit growth of more than 20% over the past five years. Besides, the industry also has a significant impact on socio-economic environment because of its nature. In less than two decades, it has provided self-employment opportunities to more than 50 lakh people in India as direct sellers. Nearly 60% of these direct sellers are women especially from housewife criteria, thus empowering them with additional income and transferable skills. The industry also generates direct employment through manufacturers and other service providers involved throughout the value chain of the industry. Many direct selling companies have been actively contributing towards social activities. Going forward, the industry has the potential to reach a size of INR 64,500 crores by 2025 in the consumer markets and increase in the penetration of direct selling to globally comparable levels. This will have an important effect on the socio-economic parameters associated with the industry.

The industry holds large potential not only for the economic, but also social development of India. With growth in the industry, it is projected to employ nearly 1.8 crore direct sellers, with almost 1.1 crore of them as women. Social & economic growth of economy is assured with such a considerable contribution of women in business and industry. Hence it is important that the growing economy like India should encourage rightful emerging businesses by creating a favorable policy environment. Direct Selling to consumers has been one of the oldest methods of distribution for FMCG and other consumer goods in India. Encouraging this business model would promote employment in India at the economic level where employment is most needed. Since most of the products sold through this channel are locally produced, this is also in connected with the 'Make in India' objective of the Government. The

direct selling industry is unique in the number of people it engages with directly. No other industry is able to touch so many lives, or is as close to its customers as direct selling. It works from the root level of the society. The benefits of the industry have been recognized globally, and it holds large potential in India as well. From the below overview, there will be a clear-cut idea about the developments and wide area coverage by direct selling market in India & worldwide.

**Consumer Goods & Services Offered through Direct Selling:**

<b>Products</b>	<b>Services</b>
Art & Craft	Financial planning & Investments
Beauty & Cosmetics	Health Insurance
Education	Home security
Food & Beverages	Life Insurance
Home Appliances	Natural Gas
Kitchen & Cook wear	Telecommunication
Home décor & Fragrance	Hospitality
Personal care	Medical Services

**Largest Direct Selling Companies:**

- Avon Products, founded 1886, U.S. \$ 11.3 billion
- Amway, founded 1959, U.S. \$ 10.9 billion
- Herba life, founded 1980, U.S. \$ 3.5 billion
- Natura, founded 1969, U.S. \$ 3.01 billion
- Forever Living Products International, founded 1978, U.S. \$ 1.7 billion
- Mi Lifestyle Marketing Pvt Ltd., founded 2013, 1200 crores.
- Oriflame, Founded in 1967

- Unicity , Founded in 1999.
- Hindustan Unilever Limited, founded in 1933, U.S. \$ 4.5 billion.

### **Strength of Direct Selling**

- Focus on products and personalized services.
- Minimum financial investment
- Minimum risk,
- Free training and the opportunity to earn and learn.
- Ease of entry into a business
- Relationship building
- Enhances Profit
- Less competition

This has formed the value proposition that has served direct selling companies for more than 150 years. Another great strength of the industry is company-provided basic skill training and a focus on personal growth for individuals. The direct selling industry has served millions of individuals and companies worldwide and contains strengths offered in no other business model. Additionally, most agree on the fundamentals that should remain consistent, even in ever-changing times. This leads us to discuss the opportunities that lie ahead. Successful direct sellers have always known they are in charge of their own professional environment. For decades, direct sellers have been walking on path that leads to a professional life marked by success and independence. At 16 million strong, today's ranks of direct selling professionals continue to grow as increasing numbers of individuals pursue entrepreneurship.

The Direct Selling Entrepreneur Program (DSEP) like EDP brings the world of direct selling together with the community college entrepreneurship environment to increase the number and scope of self-employment opportunities across the country. Through this program,

individuals learn the entrepreneurship skills they need to start or grow a successful business and gain confidence in their ability to thrive as independent business owners. No matter one's level of experience, the DSEP provides a new path forward for people seeking success as future independent entrepreneurs representing some of the world's most recognizable brands.

### **Women Empowerment**

Direct selling offers self-employment opportunities to a large number of people, especially women. Direct selling gives women the flexibility to manage their time and balance their work and personal lives. Direct selling is estimated to have provided self-employment to 3.4 million female distributors. Many direct selling companies work towards the empowerment of women. Direct selling industry intends to promote women entrepreneurship. It supports the concept of female entrepreneurship and reduces gender inequalities. In brief, direct selling fuels the freedom of entrepreneurship.

In India, the industry has contributed significantly towards women's empowerment, skill development, technology percolation and the growth of the SME sector, besides contributing to the economy. In addition, the industry also provides a supportive form of alternative income, which promotes self-employment. Over five million people are already associated with the industry as direct sellers. In most of the direct selling industry there is significant entry of housewives and educated unemployed women. This part of society was said to be unproductive though educated, so there is new social development with direct selling opportunity. It has got popularity more coz of mouth publicity and with the entry of this part of society; direct selling has reached to the middle and lower income group market.

Women started earning; entering in the market, developing them brought tremendous changes in the social and cultural economy. Development and training programs made the women more powerful and ultimate goal of women empowerment is succeeded by this direct selling enterprises. Making women as a part of the selling team, new ideas and new targeted group of customers came into existence. The interest areas of women like cosmetics & kitchen, seems to be more keen for direct selling as an example is Oriflame & Tupperware. Women started

making their own sales team first and then the whole sales department. The development itself turned into new horizons and career opportunities for middle age, smart women. Feedback system also made a significant impact as, women directly communicated with the customers and coming back with the complaints or problems. Those problems are solved by the enterprises and so that the retention of the customers increases on a large scale.

For small businesses, direct marketing is a particularly cost-effective option for driving sales. Direct marketing is manageable, which means that regardless of budget size any company can afford to mount an effective campaign. Direct marketing is also highly accountable; allowing companies to easily measure the number of sales generated by a given email or direct mail piece and determine the exact return on investment.

### **Conclusion**

Direct selling is a form of non-store selling, including direct selling & Direct Marketing. Direct selling plays an important role in developing countries for developing entrepreneurship as well as women empowerment. SMEs got the best tool in form of direct selling as this industry has limited opportunities in spending money on advertising the product. Through direct selling it is very easy to reach to the end customer and satisfy their needs & wants. Direct Selling ensures customer satisfaction as well as customer's specifications and this will lead to the success of SMEs in India. Being smaller level activity, direct selling proved best in overall development of a country.

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