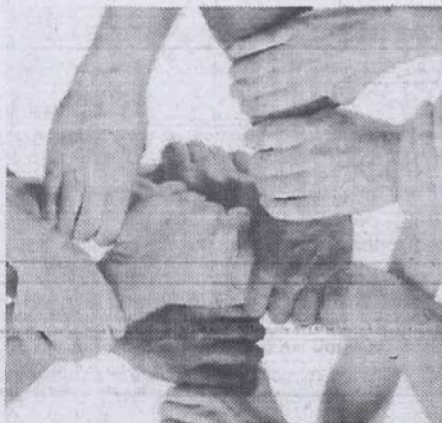


# 'Pink-slipped' find direct selling a lucrative option



Shobha Mathur | ENS  
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AS the number of pink slips rises commensurately with deepening recession, workers primarily from the finance, IT and BPO sectors are finding a lucrative option in direct selling jobs. Direct selling is marketing of goods directly to consumers in their homes or workplaces through selling agents.

As the economic slowdown took its worst toll in India during October and December this year, the direct selling sector witnessed a 10 to 15 per cent additional job creation and growth in sales during these months, compared to the rest of the year. This happened when other sectors were adopting lean management practices to ward off the ill effects of the downturn.

"In 2007-08, we had a manpower strength of 1.6 million direct sellers. A growth of 20 per cent will be notched in FY'09 over the previous fiscal, in terms of sales and recruitments," David Stanley, Chairman of the Indian Direct Selling Association told *Express*. Last fiscal, the sector posted a turnover of Rs 2,351 crore.

"This industry serves as the ideal alternative for those who have been pink slipped. With a very low start up cost and absolutely no risk of losing any money

whatsoever, the direct selling industry is the ideal way to beat the recession," said Bill Pinckney, Managing Director and CEO of Amway India.

The start up cost including starter kit for selling agents is believed to be in the range of Rs 1,500 with earnings varying between Rs 5,000 and Rs 2 lakhs per month for established sellers.

"After Citibank slashed jobs in its personal loan department in Chennai, many of the workers shifted to direct selling to make ends meet. Most of the workers jumping on the direct selling rolls from the banking sector were earlier marketing these products on weekends. Now they have taken it up as a full time occupation. IT and BPO staffers have entered direct selling for the first time and are working part time," said Stanley.

Major direct seller, Amway registered a 35 per cent growth in calendar year 2008 over the previous year, with sales crossing the Rs 1,000 crore mark. Tupperware India posted a 35 per cent growth in sales, Oriflame India 40 per cent and AMC Cookware 36 per cent during this period.

Nutritional supplements alone accounted for 30 per cent of the total sales of most of the direct sellers, followed by cosmetics. "The look good factor for interviews is spurring sales of cosmetics. Other consumer products like nutritional supplements are essentials and are priced in the mid-price segment. Hence, their increased demand," he added.

The recent World Congress of Direct Sellers in Singapore helped showcase India's potential in terms of markets and labour to multinational companies, particularly when the global markets are down.

To tap this advantage India, the IDSA has tabled a proposal with the Department of Industrial Policy and Promotion under the Ministry of Commerce and Industry for ushering in a regulatory regime on the lines of that existing in Singapore, Malaysia and UK.