



## **IDSA – Championing the Cause of Direct Selling Industry**

- ✓ **IDSA holds 2<sup>nd</sup> Knowledge Forum at Chandigarh**
- ✓ **Direct selling turnover to double in next 2 years**
- ✓ **Emergence of fraudulent pyramid schemes biggest threat to the direct selling industry**
- ✓ **The total size of the direct selling industry in India at Rs 3300 Crores for 2008-2009 (excluding insurance)**
- ✓ **Overall direct selling industry grew by 17% in 2008-2009**
- ✓ **Future growth in direct selling is also expected to be driven by the emerging markets in Tier 1 and Tier 2 cities.**

**New Delhi, July 1, 2010**

While addressing the press at the 2<sup>nd</sup> **Knowledge Forum** organized by **Indian Direct Selling Association** in Chandigarh, **Amarjit Ubhi, Chairman, Indian Direct Selling Association (IDSA)**, emphasized on the need for a regulatory framework governing the direct selling industry in India and its importance to harness the potential of the sector and to provide transparency.

**He stated**, “Growing at 17% annually, a definition of direct selling as a legitimate distribution and marketing model will ensure transparency and can accelerate the growth rate manifold”.

He enthusiastically added that the industry turnover would double in the next 2 years to Rs.5000 Crores approx. The total turnover of the industry for the fiscal year April 2008 to March 2009 stands at Rs 3300 Crores. He also mentioned that among cities, metros (comprising the top eight cities in the in the country) contribute 57% of the overall revenues of IDSA member companies. Tier 1 cities contribute 29% and Tier 2 cities the balance 14%. However tier 1 and tier 2 cities have recorded faster growth than the metros.

**He said** that growth value will have to be complemented by a parallel increase in sales force, which is also set to go up by 10%. Direct selling has successfully attracted women and new entrepreneurs to join the platform of gainful self-employment.

**Mr Ubhi stressed**, “The concern of increasing numbers of fraudulent schemes and fly-by-night companies makes the demand for an appropriate operational regulatory framework all the more pressing. This will not only protect the interests of legitimate direct selling companies but also that of the consumers at large”.

Mr. Ubhi underlined the fact that “Direct selling companies from USA, Europe and South East Asia are eyeing Indian potential. Newer products and services are ready to enter the Indian market and regulatory framework will definitely hasten the whole process”.

**Ms. Chavi Hemanth, IDSA Secretary General** at the outset of the conference stated that direct selling has emerged as another channel for the sale and marketing of products and services across a wide spectrum of consumer needs.

**She** further added, “The presence of a substantial base of sales consultants, compounded with high awareness levels of the direct selling concept and the training imparted by IDSA member companies have contributed to the burgeoning growth of direct selling in India.

Providing further insight into the direct selling industry **Ms Chavi Hemanth** pointed out that direct selling, a 14-year old industry in India, with a USP of low investments and commensurate greater returns, has the potential to become the key driver of entrepreneurial opportunity in the country. She discussed about similarities and differences between normal business and direct selling business along with an in-depth SWOT analysis on direct selling. She also stated that out of the total direct selling industry sales force at present nearly 68% of it constitutes women in India.

She informed media the year on year growth of the industry is very promising and gave the turnover details of the industry from the year 2006 till date( year 2006 - Rs.2315 Crores, year 2007 – Rs. 2522 Crores, year 2008 – Rs. 2851 Crores and year 2009 – Rs.3300 Crores). She mentioned that IDSA member companies control approximately **62 %** of the Indian market in direct selling”.

**Ms Hemanth** spoke about the activities of IDSA and the importance of the IDSA Authenticity Seal which is an assurance to every consumer and business entrepreneur of a legitimate direct selling company.

She informed **IDSA** this year has undertaken initiatives to create awareness on direct selling, like office based Interactive Consultation Services; Industry Survey and Socio Economic Impact Report, as these initiatives will support the industry to advocate with the government for the framing of appropriate regulation and will aid in combating the biggest challenge of the industry today i.e. fraudulent and illegitimate companies operating camouflage as direct selling.

In the end she emphasized that she feels that direct selling industry cannot spell success without the support of the media.

### **About Indian Direct Selling Association (IDSA)**

IDSA is the Indian counterpart of the Washington-based World Federation of Direct Selling Associations (WFDSA), which regulates, strengthens and promotes direct selling in over 59 countries. Formed in 1996, IDSA has been working with consumer groups and decision-makers to promote and create awareness about legitimate direct selling. The Association undertakes research and surveys that highlight the trends and issues related to the industry.

IDSA has currently 18 members representing both domestic and global companies of repute that include:

1. Altos Enterprises Limited, Ludhiana [www.altosindia.net](http://www.altosindia.net)
2. A M C Cookware (India) Pvt. Ltd., Bangalore [www.amc.info](http://www.amc.info)
3. Amway India Enterprises Pvt. Ltd., Noida [www.amway.com](http://www.amway.com)
4. Avon Beauty Products India Pvt. Ltd, Gurgaon [www.avon.com](http://www.avon.com)
5. CNI Enterprise (India) Pvt. Ltd., Bangalore [www.cni-india.com](http://www.cni-india.com)
6. Daehsan Trading (India) Pvt Ltd., Delhi [www.daehsanindia.com](http://www.daehsanindia.com)
7. Elken International Pvt. Ltd., Bangalore [www.elken.com.my](http://www.elken.com.my)
8. Forever Living Products (India) P. Ltd., Mumbai [www.foreverliving.com](http://www.foreverliving.com)
9. 4life Trading India Private Ltd., Mumbai [www.4life.com](http://www.4life.com)
10. Herbalife International India Pvt Ltd., Bangalore [www.herbalife.com](http://www.herbalife.com)
11. Hindustan Unilever Network, Mumbai [www.huln.co.in](http://www.huln.co.in)
12. Jafra Ruchi Cosmetics India P. Ltd., Delhi [www.jafra.com](http://www.jafra.com)
13. K-Link Healthcare (I) Pvt Ltd., Chennai [www.klinkindia.in](http://www.klinkindia.in)
14. Mary Kay Cosmetics Pvt Ltd., Gurgaon [www.marykay.co.in](http://www.marykay.co.in)
15. Max New York Life Insurance Co. Ltd., Gurgaon [www.maxnewyorklife.com](http://www.maxnewyorklife.com)
16. Modicare Limited, Delhi [www.modicare.com](http://www.modicare.com)
17. Oriflame India Pvt. Ltd., Delhi [www.oriflame.co.in](http://www.oriflame.co.in)
18. Tupperware India Pvt Ltd., Gurgaon [www.tupperware.com](http://www.tupperware.com)