Direct Sellers Survey 2018

October 2018

Ipsos

seldia The European Direct Selling Association

Sampling

DS Survey

- Robust samples achieved across all 11 markets, with interview totals outlined below
- This report includes a selection of mainly country-specific differences, with these results shown on the right or bottom of each chart
- Global data have been weighted back to direct seller population data (taken from 2016 Seldia statistics)

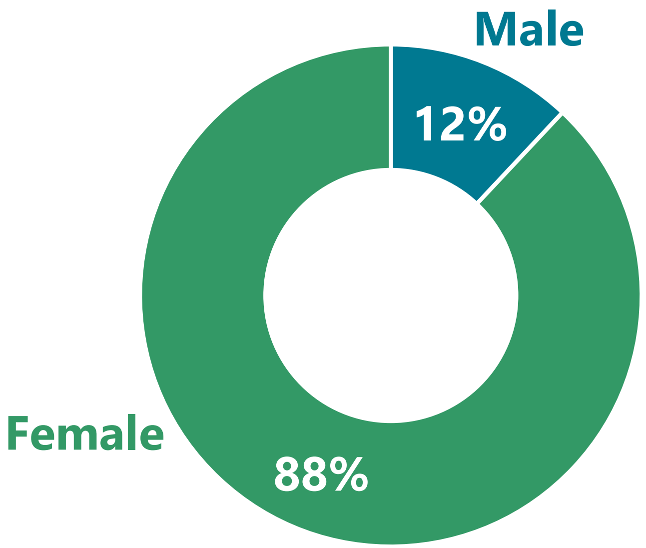
Italy (IT)	8,200
UK	3,311
Germany (DE)	3,002
Slovakia (SK)	1,847
Czech Republic (CZ)	1,164
Netherlands (NL)	935
Poland (PL)	3,563
France (FR)	3,146
Spain (ES)	2,061
Lithuania (LT)	1,742
Sweden (SE)	1,156

Who are Direct Sellers?

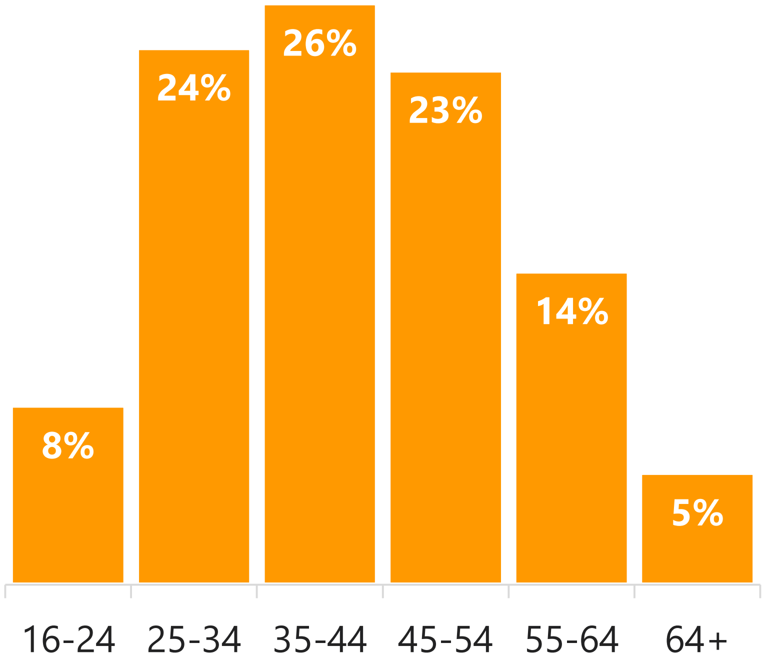
Gender, age and education of Direct Sellers

DS is mostly done by women, but is undertaken by all age ranges and all levels of education (over two-thirds have completed higher education or above).....

Gender

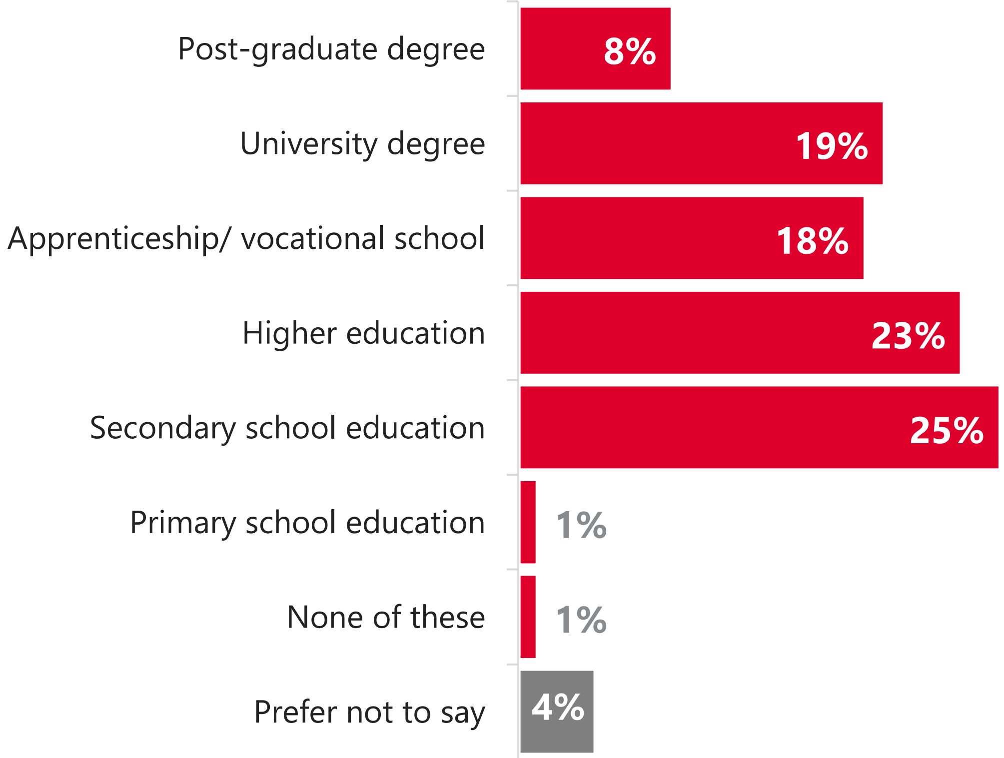


Age



Mean: 43 years old

Education

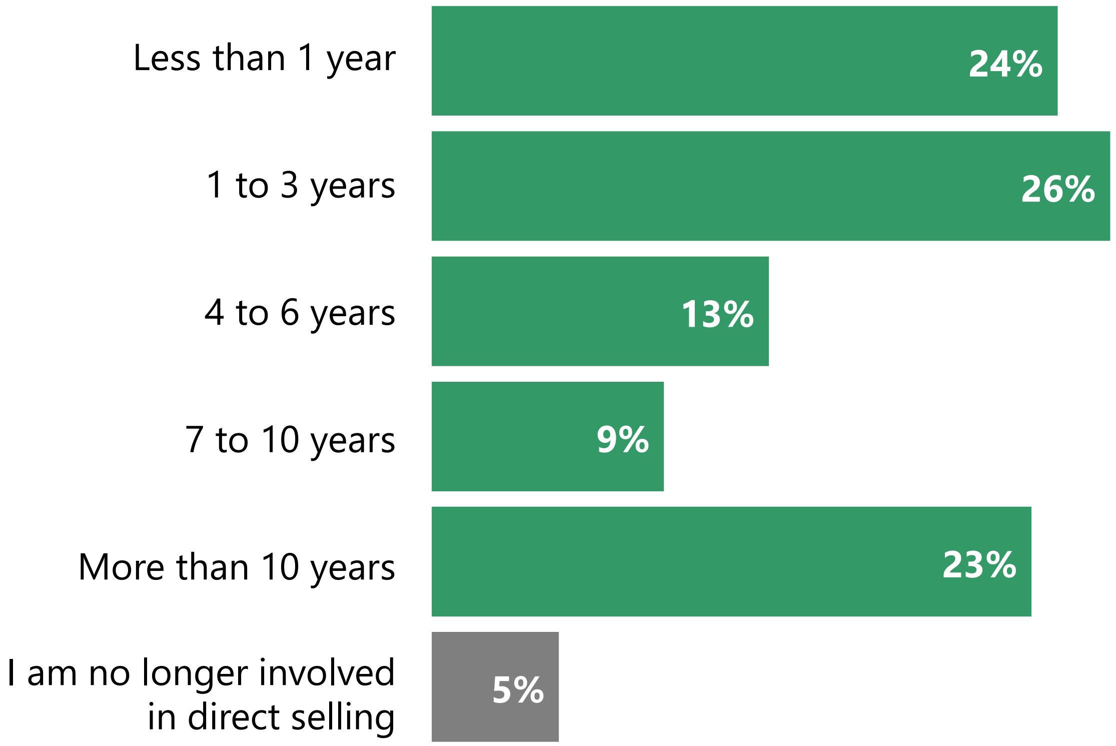


C1/ Gender (n=28439); C2 Age group (n=28439); C6 Highest level of education attained (n=28439)

Length of involvement in DS and current working status

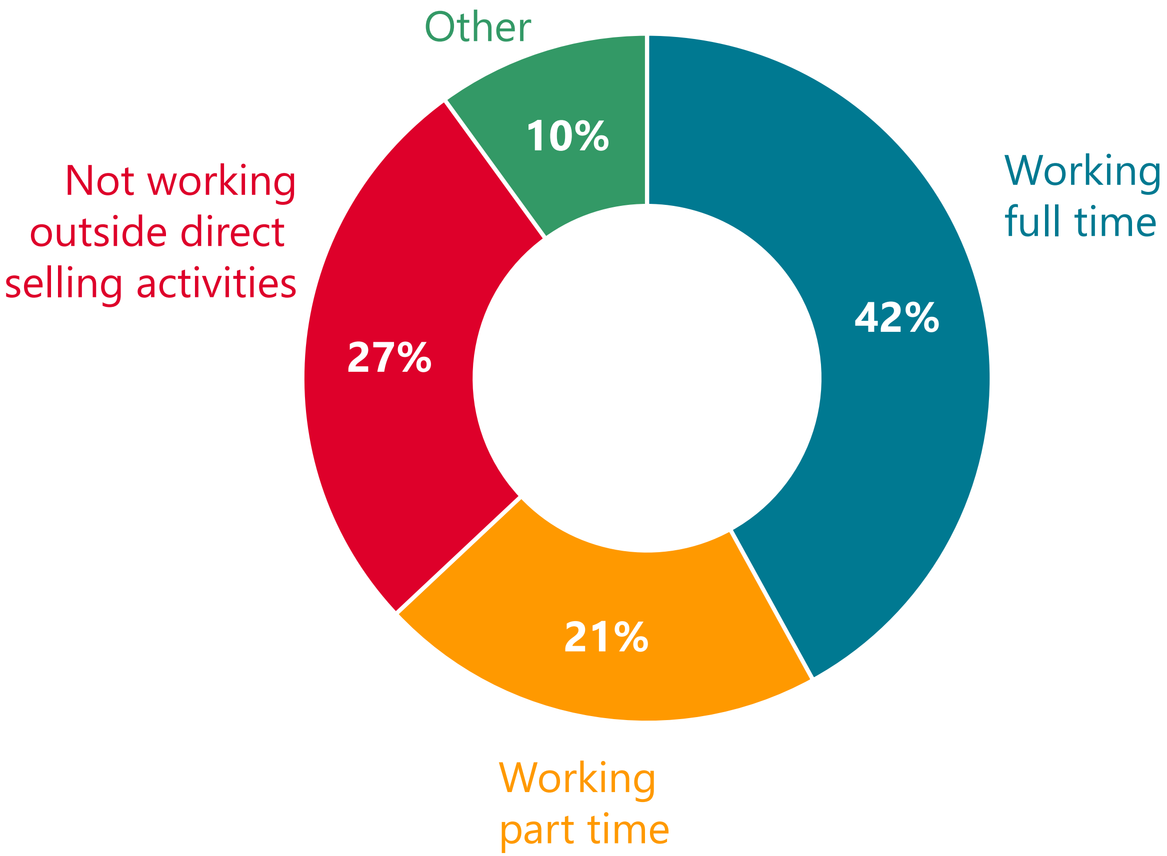
.....on average they have been direct selling for c. 6 years and most often combine it with full time work

Length of time involved in DS



Mean: 5.9 years

Main activity outside DS

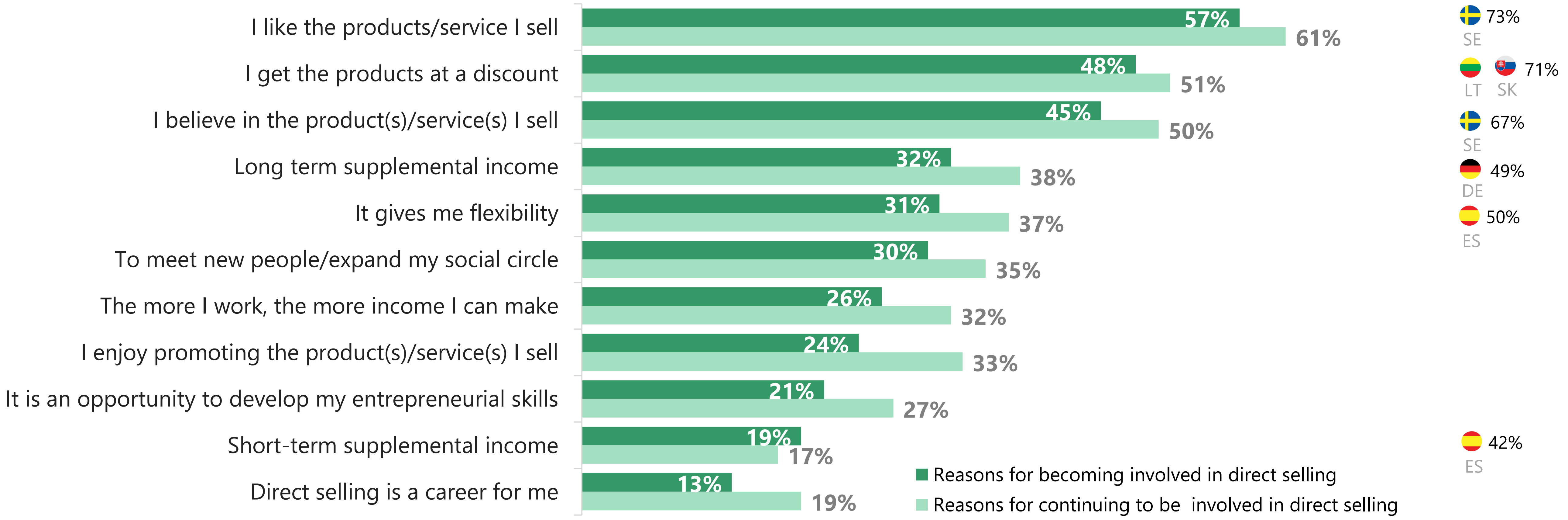


Q1 How long have you been involved in your direct selling activity? (n=29828); Q4 Which one of the options below best describes your activities outside direct selling? (n=28439)

What motivates Direct Sellers?

Reasons for DS – past and present

Above all, a real affinity and love of their products is what motivates direct sellers, closely followed by the pragmatic financial benefits that DS can offer. This is as true now as it was when they first started



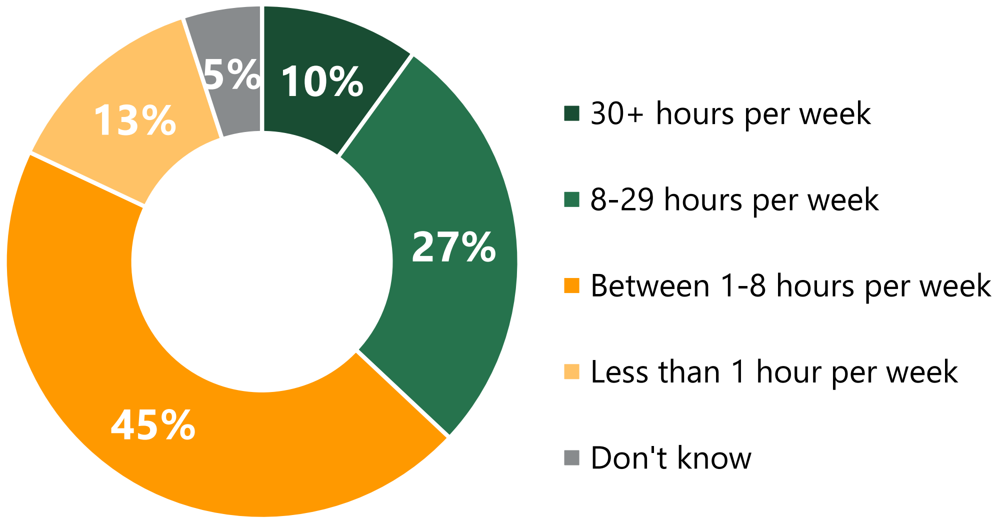
Q5a Please indicate from the list below why you first became involved in direct selling (n= 28439); Q5b And using the same list, please indicate why you continue to be involved in direct selling (n=28439)

A day in the life of a Direct Seller

Time spent & methods used for existing and potential customers

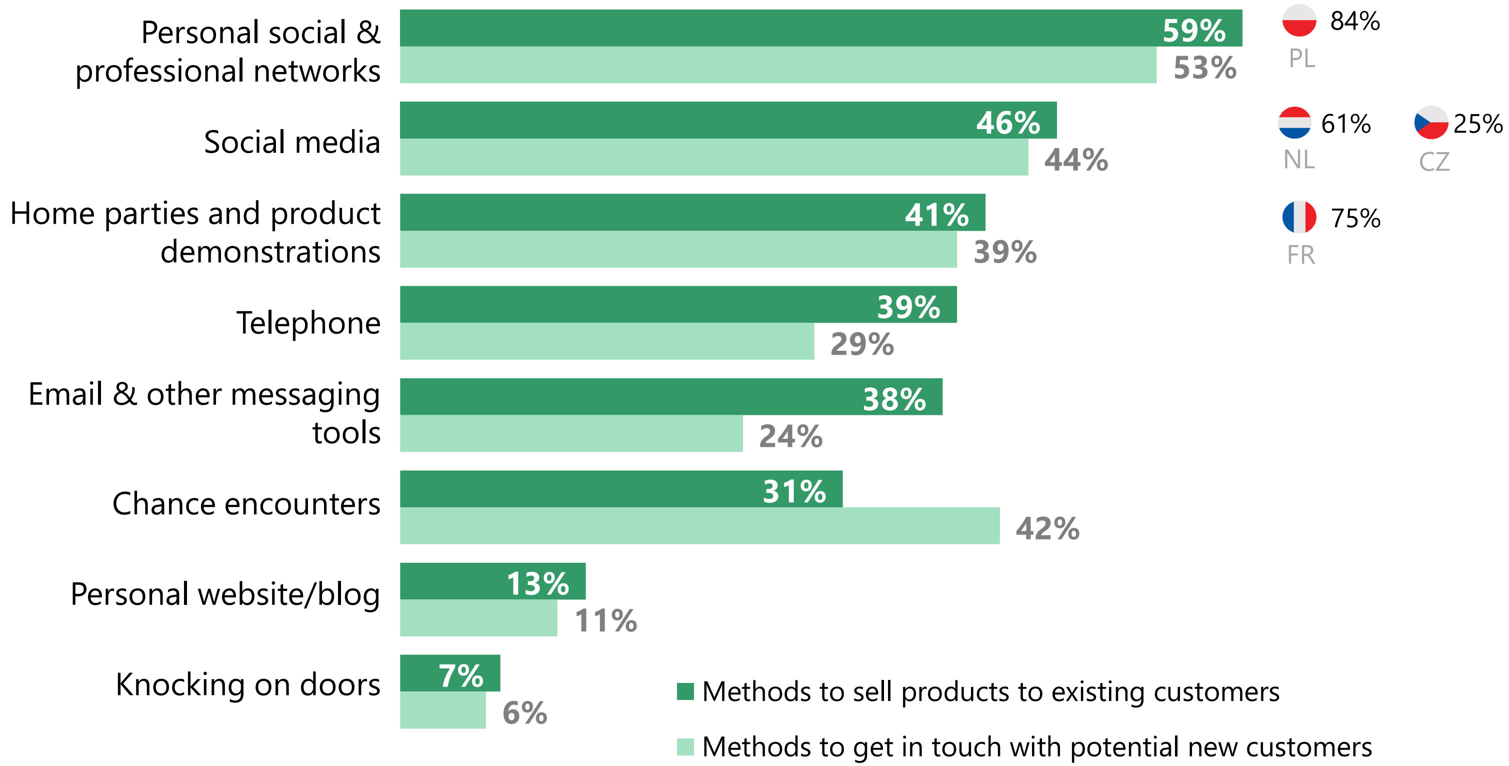
On average, direct sellers spend c. 12 hours a week on DS. F2F networking is the most popular but ‘traditional’ methods like this and home parties are being challenged by social media. Direct sellers are taking advantage of the range of channels now available to them

Time spent on DS



Mean: 11.6 hours per week

Main methods used – existing / new customers

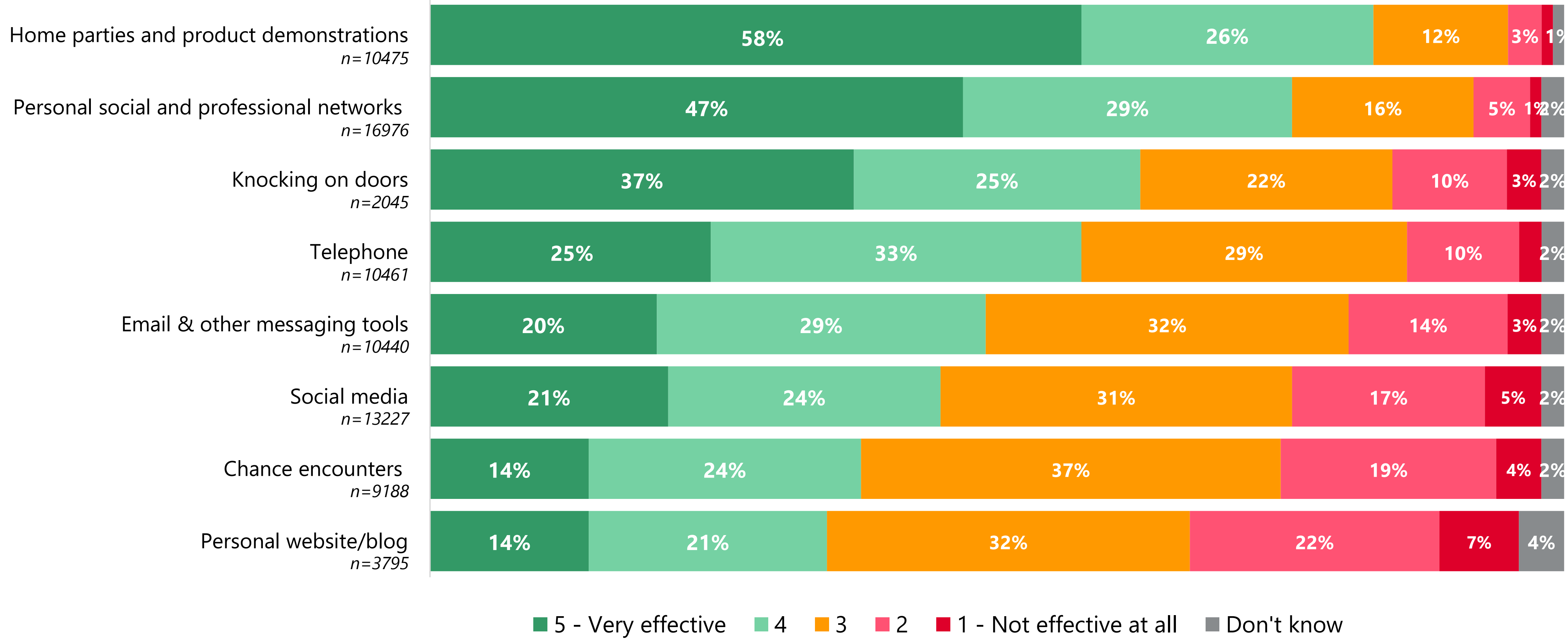


Q6 How much time do you typically devote to direct selling? Please tell us the average hours per week…please consider the time spent in selling, preparation for parties/demonstrations, social media presence, training, mentoring, etc (n=28439); Q7a What are the main methods you use when trying to sell products to your existing customers? (n=28439); Q8a What are the main methods you use for getting in touch with potential new customers? (n= 28439)

Effectiveness of different DS methods – existing customers

Home parties/demonstrations and personal networking (F2F) continue to be used as they are still more effective than other channels. Electronic channels like social media are viewed positively on balance, but more mixed

Existing Customers



Effective / Ineffective

84% / 4%

76% / 6%

62% / 14%

58% / 12%

49% / 17%

45% / 22%

38% / 22%

35% / 29%

PL 86% effective

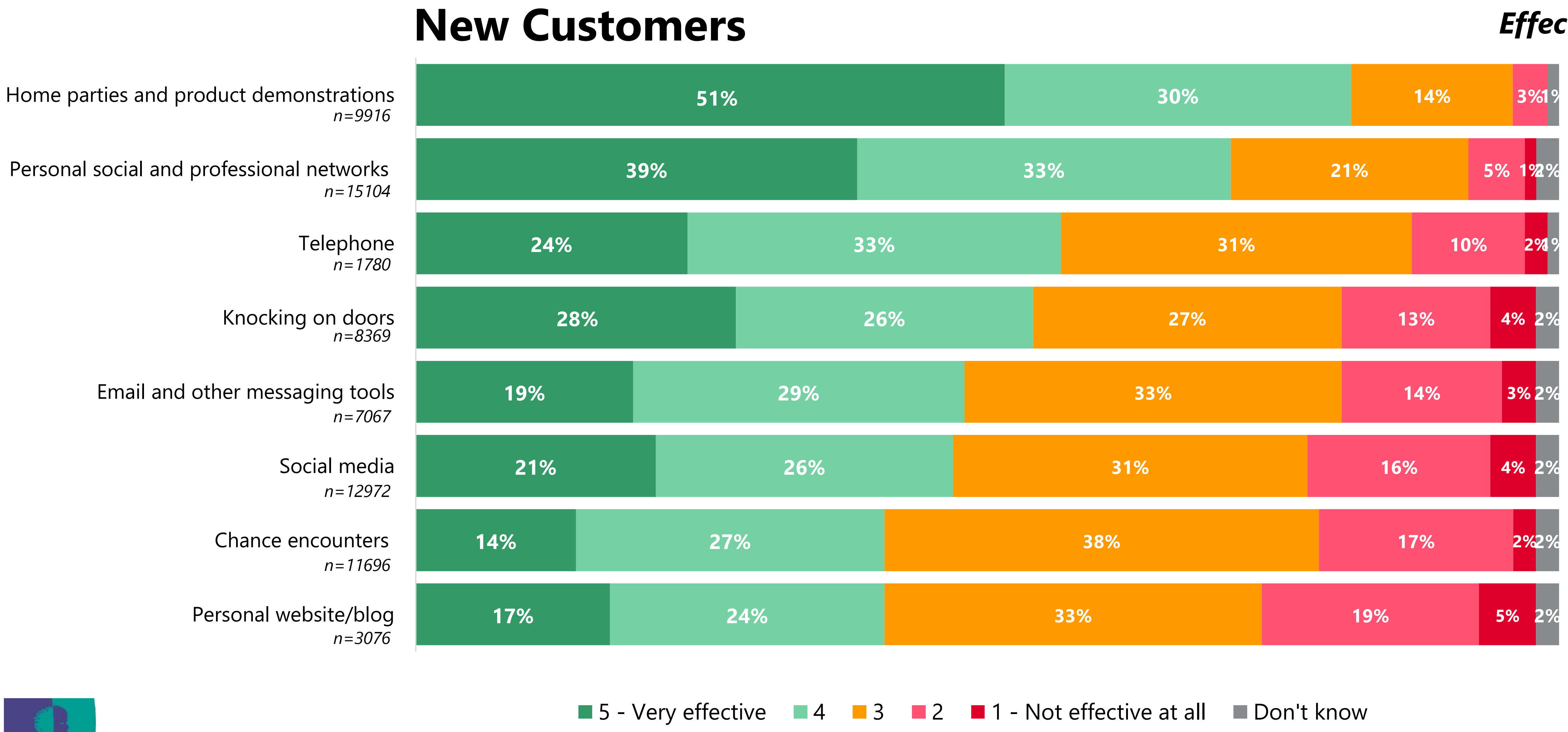
UK CZ 75% effective

SK 52% effective

Q7b How effective are these methods that you use when selling to your existing customers?

Effectiveness of different DS methods – new customers

As with existing customers, home parties/demonstrations and personal networking (F2F) seen as most effective channels for new customers. Personal website/blog and social media again receive more mixed feedback



Effective / Ineffective

81% / 4%	85% effective DE
72% / 6%	76% effective LT
57% / 11%	
54% / 17%	
48% / 17%	
47% / 20%	
41% / 19%	
41% / 20%	50% effective PL

Q8b How effective are these methods that you use when reaching out to potential new customers

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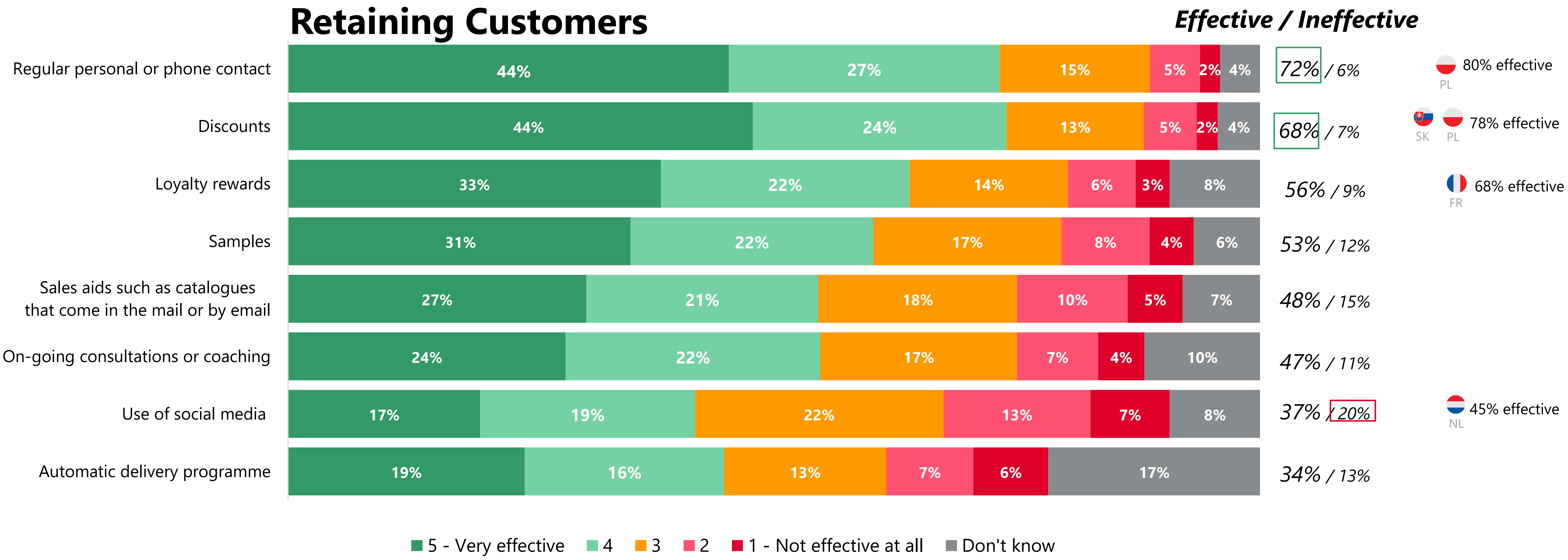
Using tools to retain existing customers

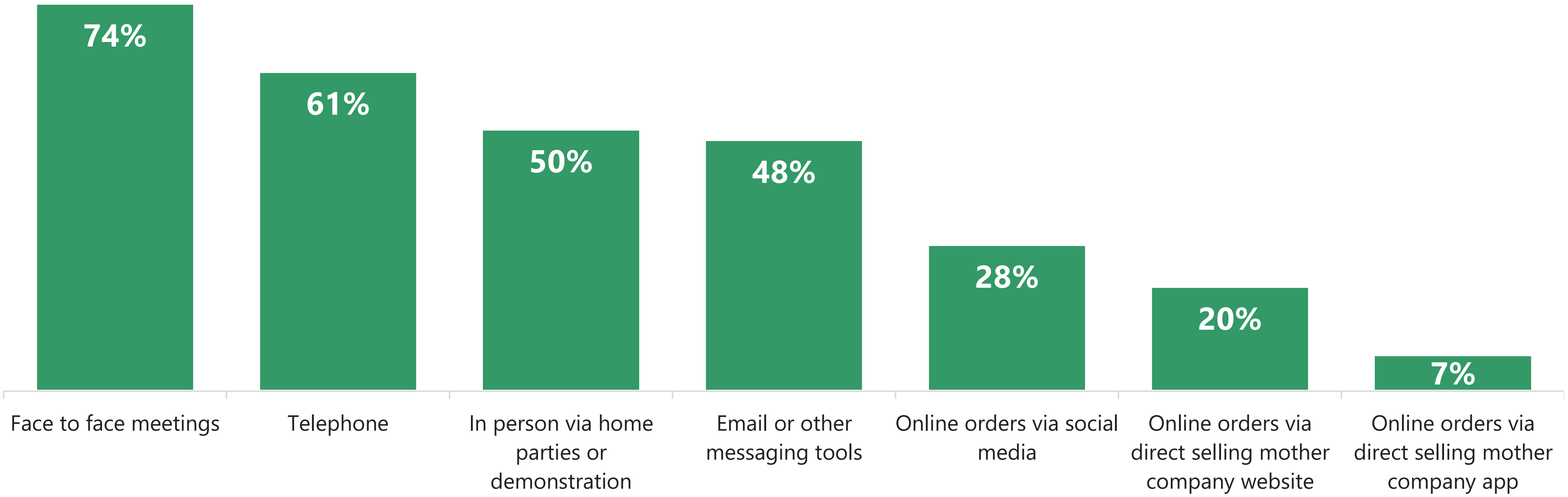
Despite the allure of financial incentives such as ‘discounts’ and ‘loyalty rewards’, the ‘personal touch’ of regular personal or phone contact is seen as the most effective tool in keeping existing customers



Q9 How effective are the following tools in helping you retain existing customers? (n=28439)

Top channels for customer orders

The bottom line is that face-to-face meetings are, by some margin, the number one source of revenue, followed by telephone and home parties. Email is close behind, but social media is (not yet) a major direct source of revenue



= 89%
SK

= 84%
CZ

= 76%
CZ

= 76%
FR

= 67%
CZ

= 41%
UK

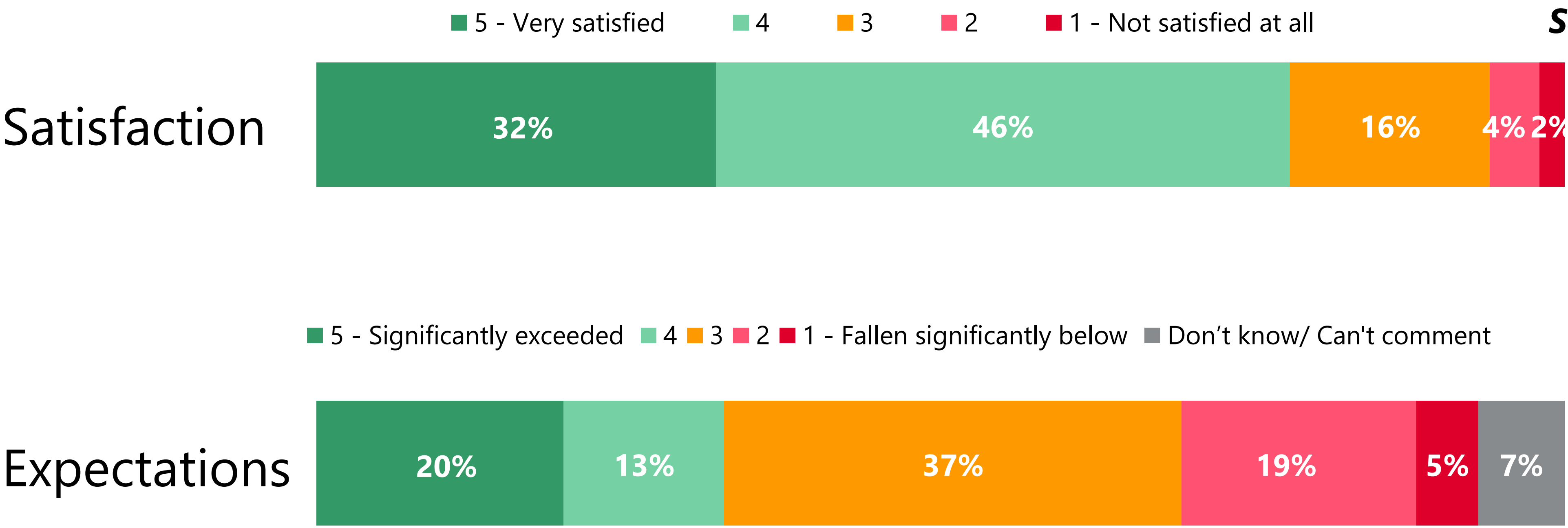
= 28%
NL

Q10 Top 4 channels for orders: Please choose the top 4 channels for customer orders, based on how often you receive those orders. (n= 28439)

How happy are they to be Direct Sellers?

Satisfaction with overall experience and expectation vs. experience

Direct sellers are predominately happy in the work they do. Over three-quarters (78%) are 'satisfied' with their overall experience of DS, versus fewer than 1 in 15 (6%) 'dissatisfied'. Views about whether DS has met their expectations are a little more mixed, but over two-thirds (69%) still say it has 'met' or 'exceeded' what they expected



Satisfied / Not satisfied

78% */ 6%*

84% satisfied
FR

Ipsos RED survey: 68% satisfied

Exceeded / Below

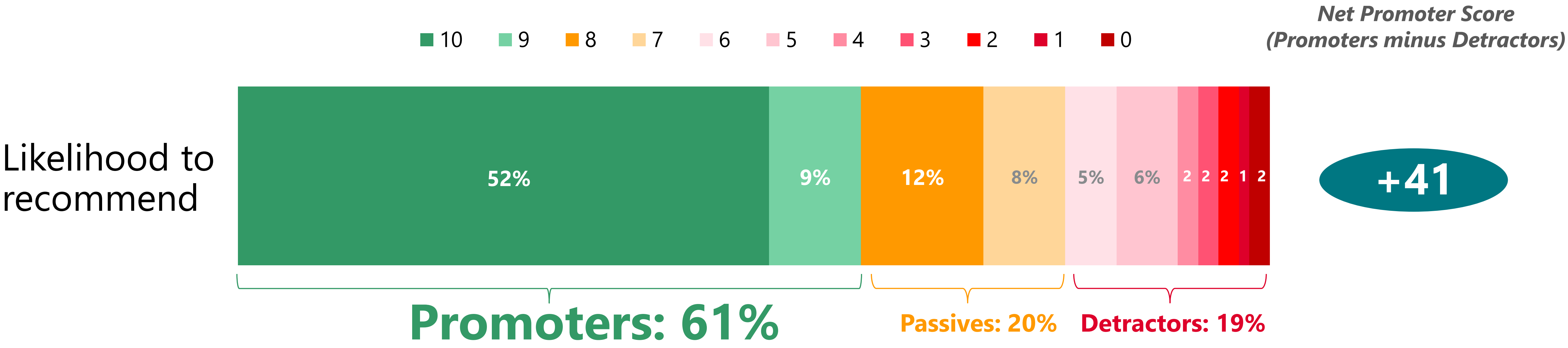
32% */ 24%*

43% exceeded
DE

Q11/ How satisfied or dissatisfied are you with your overall experience of direct selling? (n=28439)
Q12 Thinking about your expectations before you started direct selling, which statement best applies to you? (n=28439)

Likelihood to recommend Direct Selling company (NPS)

When asked about how likely they are to recommend their current DS company on a 0-10 scale, there are three times as many Promoters (9-10 scores for likelihood to recommend) as Detractors (0-6 scores)



NPS = +64
ES

NPS = +58
LT

NPS = +57
DE

NPS = +56
SE

NPS = +48
IT

NPS = +45
FR

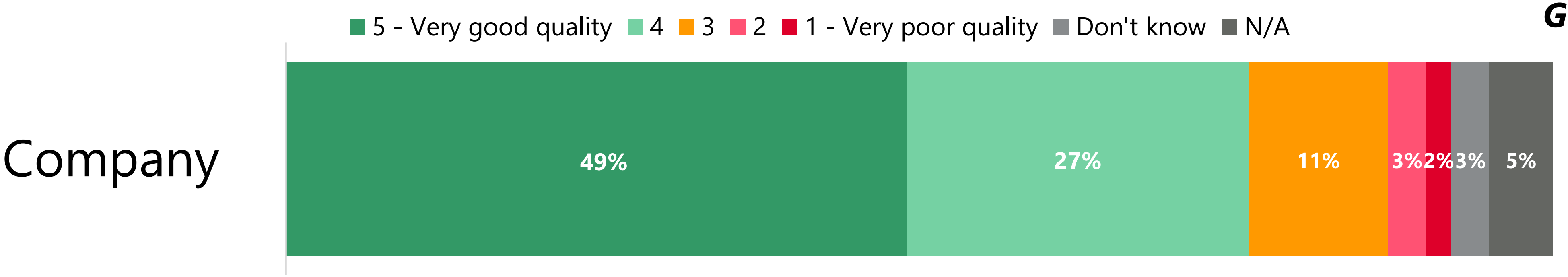
Q14 How likely are you to recommend the company you are currently working for to a friend or colleague? (n=27666, excludes Don't Know)

Do Direct Sellers feel supported?

Rating of company / sponsor on training & overall support

Direct sellers are generally very happy with the quality of training and support they receive from their company. Satisfaction with their sponsor/upline in this regard is slightly lower, but still positive

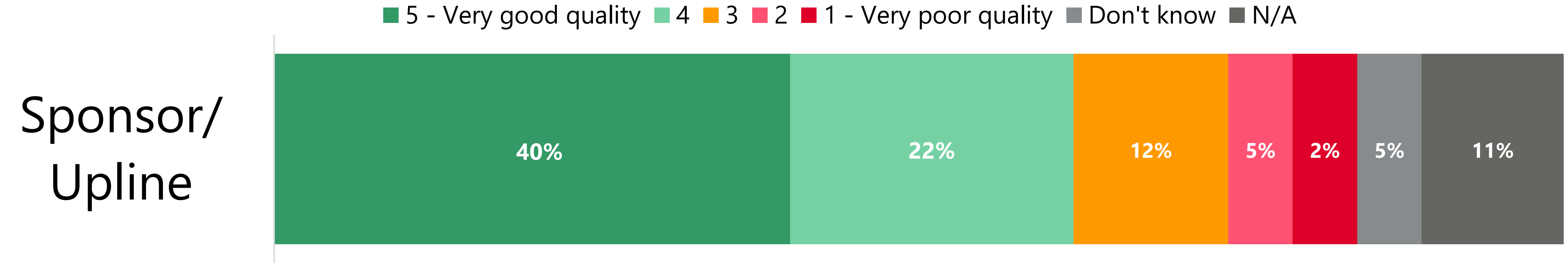
Good quality/ Poor quality



77% */ 5%*

ES

90% good quality



62% */ 9%*

LT

79% good quality

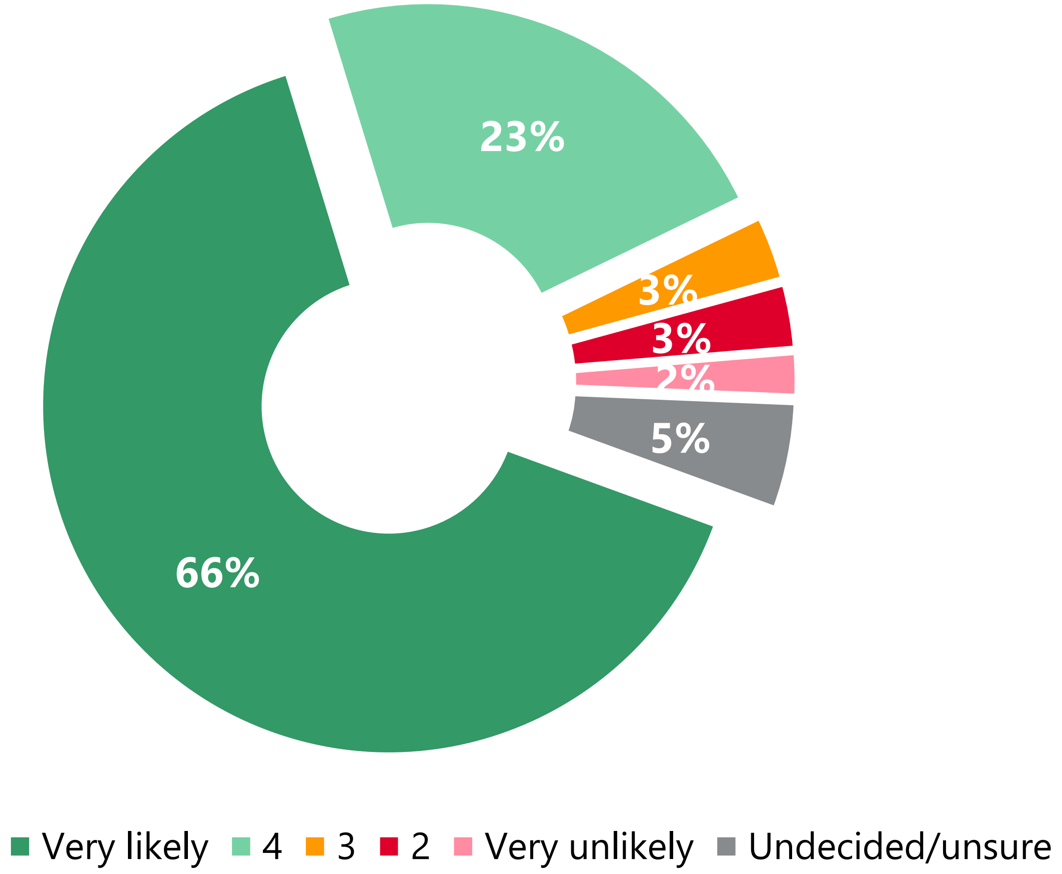
Q13 Please rate your company and sponsor / upline overall on the quality of the training and support they provide (n=28439)

Likelihood to continue with main DS company

Nine out of 10 direct sellers say they are likely to continue with their main company

90%

Likely to continue

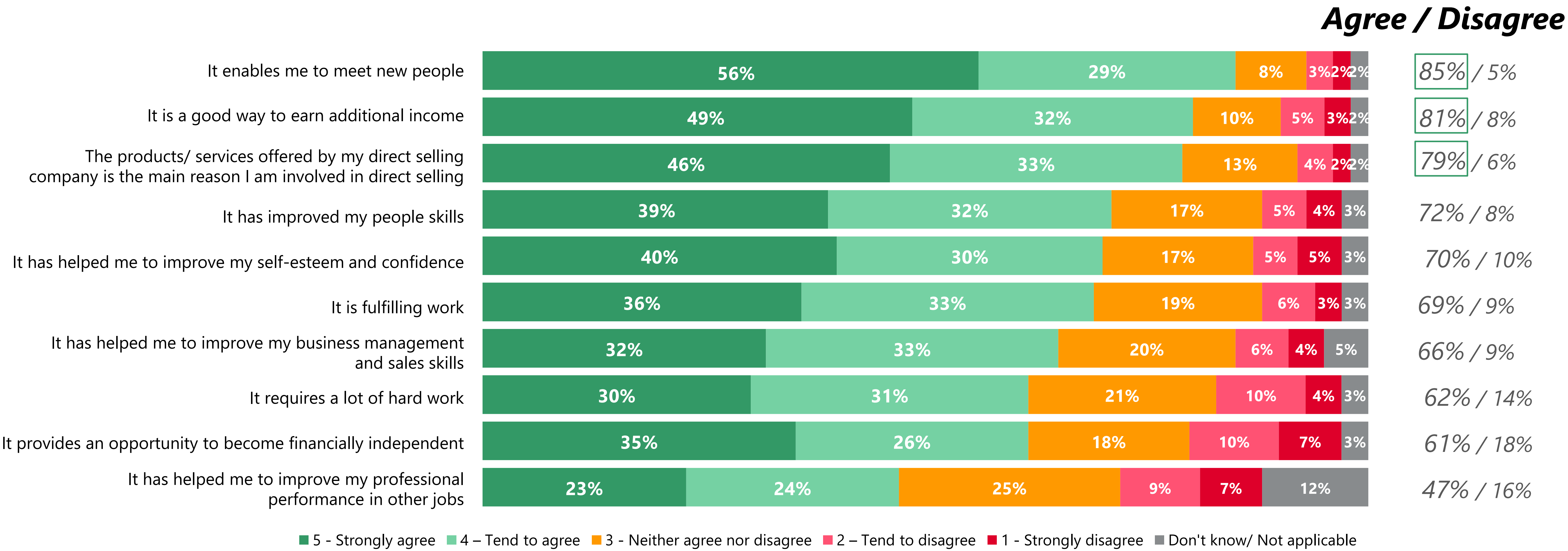


Q15 How likely are you to continue representing the main company you are working for in the next year? (n=28439)

Perceptions and experiences of DS in detail

Feedback on specific personal aspects of DS

The personal benefit of meeting new people via DS is strongly attested to by most direct sellers. That 'personal development' aspect is also reflected in the majority who appreciate how DS improves their people skills and boosts their self esteem. The practical rewards of earning extra money and the affinity they have with their products/services are also cited



Q17 How much do you agree or disagree with each of the following statements when thinking about your involvement in direct selling? (n=28439)

DS in three words

DS in three words

When asked to describe DS in three words, those which spring to mind most often are “freedom”, “independence” and “flexibility”. Although it may be “rewarding” and can be “fun”, those considering it should recognise it can also be “challenging” and even “difficult”

Q20 If you had to describe direct selling in just three words, what three words would you use? (n=XXX)

In summary

Some headline ‘take outs’ and a positive story

78% satisfied with overall experience of DS

69% say DS met or exceeded their expectations

+42 NPS (likelihood to recommend)

Social media is an important part of direct sellers’ toolkit, but mixed views on effectiveness

Home parties/demonstrations and networking are widely used and seen as most effective channels. This **personal contact** is also a key motivation for sellers

Clear majority are happy with the **training & support** from company and sponsor/upline

Thank you. Any questions?

This work was carried out in accordance with the requirements of the international quality standard for market research, ISO 20252 and with the Ipsos MORI Terms and Conditions.