

# A STUDY ON DIRECT SELLING BUSINESS (AMWAY INDIA LTD) IN KERALA: A CASE STUDY OF CALICUT DISTRICT OF KERALA

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**Abstract:** India is a major hub for most of the direct selling companies in the world and is going to be one of the biggest markets in the world as population is one of the major factors for the growth of the industry. Without doubt, India has the greatest potential for direct sales in the world. This is because of their huge middle class, highly entrepreneurial culture, massive international connections and huge technology base. Nowadays there are a lot of opportunities in India in direct marketing. In 1959, Amway launched a business model fueled through the power of relationships. The original product offered in this model, was Liquid Organic Cleaner (L.O.C.). It was the first concentrated, bio-degradable, and environmentally friendly cleaning product. Since then, Amway has expanded from home products to a global leader in the categories of health and beauty. The Direct Selling strategy of Amway is quite different than that of business administration of general enterprises; although they can save the company a lot of cost, yet they are accompanied with uncertain risks. Amway focused on organization first, determines its potential customer desire, and then build the product or service. Amway started operations in India in 1998. It has branches in 80 cities across 145 offices and 4 regional mother warehouses and 65 warehouses. When the company began in India, it was importing all the products. Today, 90 per cent of its products are made here, through contract manufacturing. The distribution and home delivery network set up with the support of independent logistics partners caters to over 11500 zip codes across the country. It has also become one of the largest FMCG (Fast Moving Consumer Goods) companies in India after crossing the revenue of big FMCG firms such as Emami, P&G and Gillette India. This paper aims to study the impact of direct selling companies in Kerala with special reference to Amway. This study is focused on the present and upcoming marketing trends of the direct selling companies in the Calicut area and offers suggestive measures in order to improve the direct selling in the study area and also to highlight the benefits and challenges associated with direct selling in India. Then 50 samples have been selected deliberately keeping in mind the targeted groups which will consist of successful direct sellers and management personnel of Amway.

**Keywords:** Direct selling, evolution in India, Challenges, Global market, Amway in India, etc.

## 1. INTRODUCTION

### 1.1. History and evolution of direct selling

The modern direct selling industry can be considered to have pioneered in the USA, with the establishment of Avon in 1886. With the success of this model, involving lower sales, and distributions costs and greater direct interaction with the consumer, the portfolio of products swelled to include cosmetics, personal care, household goods, accessories and other products, over time. The movement was supported by the engagement of women as direct sellers, who considered this opportunity as a means of empowerment and self-reliance. The introduction of the multi-level marketing compensation plans (MLM plans) opened another chapter in the evolution of direct selling. Introduced in the mid-twentieth century, the plan for the first time enabled consumers to benefit from the success by providing them the option to become a direct selling partner of the business. MLM plans became widely accepted and a large number of companies adopted the same including global majors like; Avon, Tupperware and Amway. India is a major hub for most of the direct selling companies in the world and is going to be one of

the biggest markets in the world as population is one of the major factors for the growth of the industry. Amway started India operations in 1998. It has a presence in 80 cities across 145 offices and 4 regional mother warehouses and 65 warehouses. When the company began in India, it was importing all these. Today, 90 per cent of its products are made here, through contract manufacturing. The distribution and home delivery network set up with the support of independent logistics partners caters to over 11500 zip codes across the country. It has also become one of the largest FMCG (Fast Moving Consumer Goods) company in India after crossing the revenue of big FMCG firms such as Emami, P&G, Gillette India. The direct-selling market is estimated at Rs 7,200 crore, and is projected to grow to Rs 64,500 crore by 2025, showed a recent joint study by the Federation of Indian Chambers of Commerce and Industry and global consulting firm KPMG. When the company began in India, it was importing all these. Today, 90 per cent of its products are made here, through contract manufacturing. It is also setting up its own factory at Nilakottal (near Madurai), with an investment of Rs 500 crore. India is one of the largest markets in the world with its huge population and the Direct Selling concept has opened the door to Kerala and the southern States to enact and develop the skill in oneself through the skill development and training programs as done in the developed countries of the world. Here, I am going to discuss the direct selling challenges and opportunities faced by business in India and to get an idea about the consumers' attitude towards Amway, Calicut.

## 1.2. SIGNIFICANCE OF THE STUDY

With the economic reforms and liberalisation, marketing will promote India's economic development at an accelerated pace. Most well known multinational companies are already here to generate a strong competition. So direct selling has a great impact in the global development of the country like India.

## 1.3 STATEMENT OF PROBLEMS

Demographic variables such as gender, age, marital status, monthly income, education, and employment status of distributors may influence on their perception level towards multilevel marketing system. The population and demographic factor, economic factor, natural factor, technological factor, political factor, cultural and social factors are some of the important external environment stimuli to the consumers purchase behaviour. There are many causes and problems related to Direct Selling for which Direct Selling is still not a perfect choice for the people in India. Followings are major problems encountered by the direct selling company in India.

- Lack of clarity about the direct selling concept in the mass peoples in India.
- Government still have not recognized or made special laws for the safeguard of Direct Selling Industry in India.
- Direct selling companies don't sell their products through shop selling.
- People misunderstand Direct Selling (Multi Level) Marketing for pyramid and ponzi scheme. Lack of advertisement of Direct Selling companies is also a major factor for people's unawareness.
- Most Direct Selling companies lacks infrastructure in India. One of the major problems of a direct selling company is to provide training programs across the country.
- All of the Direct Sellers are not well educated about the direct selling concept and their products.

## 2. OBJECTIVES OF THE STUDY:

The major objectives of the Direct Selling Industry in Kerala:

- To study the impact of direct selling companies in Kerala special reference to Amway.
- To highlight the benefits and challenges associated with direct selling in India.
- To study the present and upcoming marketing trends of the direct selling companies in the study area.
- Finally to make offer some suggestive measure in order to improve the direct selling in the study area and to government.

### 3. REVIEW OF LITERATURE:

The purpose of this study is to examine the relevance of Direct Selling in Kerala especially in Calicut. A literature review resulted in identification of selected papers, books, journals, articles and surveys in the category. India is one of the largest markets in the world with its huge population and this Direct Selling concept has opened the door to Kerala and the southern States to learn act and develop the skill in oneself through the skill development and training programs as done in the developed countries in the world.

Since direct selling is a new marketing concept to our country, wide studies have not been conducted so far in the area. At the same time, this type of marketing was quite popular for many years in USA and as a result many studies were found in literatures of that country. Most resources selected are located online. The advantage of the Direct Selling is that it is also a Network based business and uses multi-level marketing as its concept.

Network marketing, has been examined from various academic prospective (Biggart1989; Brodie, and Wotruba 1990; Coughlan and Grayson 1998; Frenzen and Davis 1990; Lan 2002; Pratt 2000), they discussed that it was the most prevalent form of direct selling and its generates more than 32.67 billion U.S dollar in 2013 from 31.63 billion U.S dollar in 2012 (Source: Direct Selling Association). Examples of Network marketing organization that have received attention in the academic and popular press include Amway, Herbalife, Avon, Oriflame etc.

Furthermore, research on network marketing has demonstrated that, not all network marketing agents pursue a business strategy that relies primarily on an existing social network for customers. The term "Network Marketing" is used by practitioners (Berry 1997), and it appears in academic articles (Coughlan and Grayson 1998; Jun etal 2006; Kong 2001; Pratt 2000) and trade publications (including in publications titles, such as the Network Marketing Business Journey and The Network Marketing Times.com. Other labels are also common, including "Multi-level Marketing" (Clothier 1994).According to Nowland (1982), Consumers hold generally negative views about the very idea of direct selling. For several reasons, including concerns about upsetting friends and acquaintances, some agents instead decide "that the effort and potential social cost associated with selling to friends are too high " (Grayson 1996) and that "strangers or remote friends are 'better 'targets than close friends because distributors feel less pressure " (Lan 2002). Therefore, as Merrilees and Miller (1999) illustrate in their study of network marketing sales strategies, some agents deliberately focus their selling and recruiting efforts on people who are not friends. Nonetheless, when non friends join a downline, their upline sponsor may then be interested in building a close personal relationship with them. According to Lan (2002, p.177), some sponsors actively "transform their relations with fellow distributors" by developing particularly close relationships with them. As one of Pratt's (2000) Amway informants explained, if you "build a friendship, you build a directship" (a "directship" is achieved when an agent's downline exceeds specific sales targets). Similarly, several informants reported that partly because sponsors pay such intense personal attention to recruits, they often naturally become friends (Grayson 1996). Thus, network marketing sometimes involves imposing a business role on a friendship and sometimes involves developing a friendship role within a business relationship. Network marketing companies are not the only organizations whose tactics can foster a combination of friendship and instrumentality. Employees in other sectors are also encouraged to "treat customers like best friends" (Geller 2006) or to "make a friend —not a transaction" (Tan and Steinberg 2007). The study shows that purchasers tended to be younger, more educated and more affluent than non-purchasers. It is quite common to assume that earning extra income is the primary reason of people to join MLM Company but several studies shows some otherwise reason such as the like for the product, achieving short term goals, being one's own boss, enjoying discount price and winning recognition were all cited as important factor (Berry 1997).

Business organisations have long relied on direct marketing to target customers without spending a lot of money on retail distribution. However the Network (Multilevel) Marketers have taken the direct model one step further i.e. - not only they do the sales, but recruits and train new distributors, i.e.- independent business owners who are members in the network marketing company. This novel method was first popularised by Amway in 1950's.

### 4. RESEARCH METHODOLOGY:

#### 4.1 Research gap:

From the foregoing review of literature it can be understood that though many studies have been conducted on different aspects of direct selling in India and even in foreign countries, a study specifically for direct selling in Kerala is missing in

literature. Moreover, till date, no research has been conducted on any aspects in direct selling in the study area. Hence, the study will make an attempt to examine present scenario of direct selling by highlighting the existing situation and drawbacks.

#### **4.2 Construction of the interview schedule:**

The present study is based on descriptive analysis for collection of both primary and secondary sources of data. The primary data were collected from the respondents of Calicut district only through structure questionnaire. For this purpose, interviews were prepared: For a Successful Direct Seller, of Calicut's Amway office.

Secondary data has been collected from Books, Journals, Internets, Newspapers, and published materials.

#### **4.3 Manner of selecting sample unit:**

Then samples have been selected deliberately keeping in mind the targeted groups which will consist of successful direct sellers and management personnel of Amway.

#### **4.4 Size of sample:**

50 numbers of direct sellers selected on a purposive stratified sample basis. The total number of size of respondents has been 50.

Data has been collected in such a way so that it reflects the real conditions and problems of direct sellers in the study area.

#### **4.5 Data collection:**

Data has been collected by putting direct questions to the targeted respondents. Personal interview has been conducted wherever possible. Questionnaire with both close and open and ended question has been framed in advance and has been circulated direct sellers and management personnel for carrying out the research work. It has been in a structure form and for this purpose definite and pre-determined questions are framed.

Respondents belong from different strata of the business including age-groups, income levels, preferences and tastes to understand their customers' attitude towards Direct Selling products.

#### **4.6 Analysis of data:**

Data collected by primary and secondary method has been followed by appropriate analysis with the help of statistical tools and software packages. Correspondence analysis has been made between personality type and demographic variables are made to get the desired result.

**4.7 Statistical Tools:** Data so arrived has been analyzed by different statistical units like percentage analysis, Table, diagram etc.

**4.8 Diagrams and graphs:** Diagrams and graphs like bar diagram, line chart etc has been used for analysis and better presentation wherever is possible.

**4.9 Period of study:** This study is undertaken within the Calicut District mainly to understand the situation of direct selling for a period of August and September 2015

**4.10 Area of the Study:** The study is limited in Calicut districts only.

### **5. DIRECT SELLING: MEANING**

Direct selling is defined as personal contact between a sales person and a consumer away from a retail store. This type of retailing has also been called in-home selling. A variant of direct selling is called multilevel marketing where by companies such as Amway recruit independent business people who acts as distributors for their products, who in turn recruit and sell to distributors, who eventually recruit others to sell their products. A distributor's compensation includes a percentage of sales to the entire sales group that the distributor recruited as well as earning on any direct sales to retail customers.

Direct selling refers to the selling of goods and services to consumers who are away from a fixed retail outlet, generally at their homes, workplace, etc., through an explanation, and demonstration of the product by sellers. It is one of the oldest modes of sales, and is similar to the traditional consumer goods retail model.

**5.1 Definition:** Direct selling means marketing of consumer products/ services directly to the consumers, generally in their homes or homes of others, at their workplaces and other places away from the permanent retail locations, usually through explanation or demonstration of the products by a direct seller or by mail order sales.

Direct selling typically includes in home selling situations such as door to door solicitations, appointments, referrals, and product parties as well as the catalogues and the Internet to disseminate information (Frenzen & Davis 1990). Peterson defines direct selling as “face to face selling away from a fixed retail location”. (Peterson, Albaum & Ridgway 1989).

**Direct seller:** Direct seller means a person who is a member of a distribution system of the direct selling entity engaged in direct selling.

**Mail order sales:** Mail order sales means sale of goods or services which a person conducts either by himself or through any person authorized by him, by receiving an offer for sale contract by mail.

## 5.2 Direct selling in India

Modern direct selling can be considered to have been kick-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 companies like; Avon, Oriflame and Tupperware in 1996. Around the same time Modicare was one the first few Indian companies to adopt this channel of distribution.

Today, the direct selling market in India is estimated to be around INR72 billion. Our interactions with industry stakeholders suggest that the industry has also created a positive impact on several other social and economic parameters:

**a. Additional income opportunities:** Direct selling provides additional income opportunities to a large number of people and promotes micro-entrepreneurship. Currently, over 5 million direct sellers are estimated to be engaged with the industry, and are projected to grow further with the growth of the industry. In addition to providing income opportunities, direct selling also imparts transferable skills in sales and management, which can be used outside the direct selling industry, as well.

**b. 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. The industry in Financial Year 2013 is estimated to have provided self-employment to 3.4 million female distributors.

**c. Development of the SME (Small Medium Enterprises) sector:** 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. Many direct selling companies also invest in providing the right equipment and machines to the SMEs for production.

**d. Employment generation:** Besides providing additional income opportunities to direct sellers, the industry also generates a large number of jobs. Majority of the direct selling companies outsource production, packaging and distribution of their products, thus generating direct employment across the value chain.

**e. CSR initiatives:** In terms of responsibilities towards society, direct selling companies have been in the forefront. Many of the companies involved in direct selling actively contribute towards social activities. Avon’s Breast Cancer Crusade and Amway’s Sunrise project for education are well known for their social impact.

**f. Contribution to the government exchequer:** The operating model for direct selling generates tax contributions to the government across its value chain. Total tax contribution by the direct selling industry to the government in FY13 alone is estimated to be INR10 billion. This includes direct and indirect tax contributions through corporate income taxes, import duties and VAT.

Going forward, the industry has the potential to create a significant social and economic impact in India. Our estimates suggest that the industry has the potential to reach a size of INR 645 billion by 2025, driven by growth in consumer markets and increase in the penetration of direct selling to globally comparable levels.

## 6. CHALLENGES: DIRECT SELLING IN INDIA

Similar to the traditional consumer industries, the direct selling industry faces challenges in setting-up manufacturing facilities, dealing with import duties, etc. A daunting challenge for the direct selling industry in India is lack of regulatory



clarity. Due to this, often direct selling companies are mistaken for fraudulent pyramid/ponzi schemes. States like; Andhra Pradesh, Kerala, Sikkim and union territories like Chandigarh, have on several occasions mistook legitimate direct selling companies with fraudulent players because of absence of required regulatory clarification.

Such uncertainty is likely impeding the growth and reputation of direct selling companies in India. In many cases, due to absence of clarity, representatives of the direct selling companies have been harassed by the local police and state governments. Such incidences tend to hinder the growth of the industry and can have an adverse effect on consumer confidence.

## 7. ABOUT THE COMPANY GLOBALLY:

**Amway** (short for American Way) is an American company that uses a multi-level marketing model to sell a variety of products, primarily in the health, beauty, and home care markets. Amway was founded in 1959 by Jay Van Andel and Richard DeVos. Based in Ada, Michigan, in U.S.A and is the world's largest Direct Selling company with an revenue of an whopping "11.8 billion US dollar" in 2013 being its eight consecutive year of growth for the company. The company has more than 6000 acres of organic farm and state of art manufacturing technology compared with the technology used by Nasa for the production of their products. The company has also over 1000 granted patents to their name. It's product lines include home care products, personal care products, jewelry, electronics, Nutrilite dietary supplements, water purifiers, air purifiers, insurance and Cosmetics. The company's every product has a 100% money back guarantee. Amway conducts business through a number of affiliated companies in more than hundred countries and territories in the world. Amway was ranked No. 26 among the largest private companies in the United states by Forbes in 2012. Although Amway has been frequently subject to investigation as having a pyramid like structure, the Federal Trade Commission has ruled the company's sales and marketing plan as not to be an illegal pyramid scheme.

*1950s- Amway begins in Ada, Michigan. Founders Jay Van Andel and Rich DeVos coined Amway as an abbreviation for "American Way".*

*1959-Amway launches its first product, Liquid Organic Cleaner – one of the world's first bio-degradable, concentrated multi-purpose cleaners. Liquid Organic Cleaner becomes a high seller and initiates the legacy of taking our stewardship for the earth seriously.*

### 7.1 Founders' Fundamentals - FREEDOM, FAMILY, HOPE, and REWARD.

*For over 50 years, we continue to build on the original values and principles established by our founders to ensure the passion for the business stays alive.*

**Freedom**-Personal opportunity and economic opportunity go hand in hand. With Amway you have the freedom to change your life by owning your own business.

**Family**-We all need family to cheer us on. We are all members of the global Amway family – we respect and take care of each other to foster success.

**Hope**-Inspiring you to dream bigger. Amway creates an environment where hope can thrive.

**Reward**-Happiness is best achieved through earned success. Amway rewards what you achieve, and also what you help others achieve.

**Amway in India :** Amway started its operations in India in 1998. It has a presence in 80 cities across 10,000 postal codes, 145 offices and 65 warehouses. Its competitors include Oriflame, Herbalife, Avon and Modicare. The direct-selling market is estimated at Rs 7,200 crore, and is projected to grow to Rs 64,500 crore by 2025, showed a recent joint study by the Federation of Indian Chambers of Commerce and Industry and global consulting firm KPMG. When the company began in India, it was importing all these. Today, 90 per cent of its products are made here, through contract manufacturing. It is also setting up its own factory at Nilakottal (near Madurai), with an investment of Rs 500 crore. Personal care and nutrition & wellness are the largest segments, with a little more than 70 per cent of revenue from these, the balance sheet shows. *The financial performance of Amway in India is given below;*



Amway India's net profit in the financial year that ended in March 2012 was Rs.344.08 crore, in 2013 it reduced to Rs.247.32 crore and 2014 stood at Rs.198.16 crore, according to its filings with the registrar of companies. During this period, revenue was shown to be Rs 2,110.91 crore in March 2011-12, Rs. 2,168.14 crore in 2012-13 to Rs 1,990.29 crore in 2013-14.

## 8. DATA ANALYZE AND INTERPRETATIONS

**Table: 1: Gender of the Respondents**

Sl.No	Factors	No of respondents	Percentage
1	Male	38	76
2	Female	12	24
	Total	50	100

Source: Field Study.

It reveals from the table 1: that 76 percent respondents are belongs from the male categories while 24 percent of them are female categories in the study area. Therefore, it is analyzed that majority of the respondents are male categories in the study area.

**TABLE: 2: Age Group of the Respondents**

Sl.No	Factors	No of Respondents	Percentage
1	20-30 years	12	24
2	31-40 years	21	42
3	41-50 years	13	26
4	Above 50 years	4	8
	Total	50	100

Source: Field Study.

It is depicted from the table 2: that 24 percent respondent have the age groups from 20-30 years while 42 percent of them have the age groups from 31-40 years and 26 percent of them have the age groups from 41-50 years and 8 percent of the respondents have the age groups above 50 years in the study area. It is therefore analyzed that majority of the distributors have their age groups from 31-40 years in the study area.

**Table: 3: Monthly Income of The Respondents**

Sl.No	Factors	No of Respondents	Percentage
1	Rs 10000-15000	10	20
2	Rs 15001-20000	14	28
3	Rs 20001-30000	18	36
4	Rs 30001-40000	6	12
5	Above Rs 40,000	2	4
	Total	50	100

Source: Field Study.

It is depicted from the table 3: that 20 percent respondents have their monthly income up to Rs 10000-15000 while 28 percent of them have their monthly income up to both Rs 15001-20000 and 36 percent of them have their monthly income up to both Rs 20001-30000 and 12 percent of them have their monthly income up to both Rs 30001-40000 and 4 percent of them above Rs 40000 respectively in the study area. It is therefore analyzed that majority of the respondents have their monthly income up to Rs 20,001-30,000 in the study area.

**Table : 4 : Educational Qualification of the Respondents**

Sl.No	Factors	No of respondents	Percentage
1	Higher Secondary level	8	16
2	Diploma	5	10
3	Graduation	24	48
4	Post Graduate	11	22
5	M.Phil, P.hd	1	2
6	Others	1	2
	Total	50	100

Source: Field Study.

It transparent from the table 4: that 2 percent respondents have their educational qualification Others i.e. Post doctoral, research etc and MPhil, Phd while 16 percent of them have their educational qualification up to Higher Secondary level and 10 percent of the respondents have educational qualification in Diploma and 48 percents of them are graduate and 22 percent have their qualifications are Post graduate. It is therefore analyzed that majority of the respondents have their education are graduate level.

**Table: 5 : Selling Area Of The Distributors**

Sl.No	Factors	No of respondents	Percentage
1	At work place	14	28
2	At Home	29	58
3	At temporary place	7	14
4	Total	50	100

Source: Field Study.

It reveals from the table 5: that 28 percent respondents have done their business at work place and 14 percent respondents have done temporary locations while 58 percent of them have done their business at home. It is therefore analyzed that majority of the respondents have done their business at home in the study area.



**Table: 6: Level Of Income of consumers**

Sl.No	Factors	No of respondents	Percentage
1	Limited	33	66
2	Unlimited	17	34
	Total	50	100

Source: Field Study.

It is transparent from the table 6: that 66 percent respondents have mentioned their customers income are limited and 34 percent of them have their unlimited income in the study area. It is analyzed that majority of the respondents have their limited income in the study area.

**Table: 7: Bonus And Incentive**

Sl.No	Factors	No of respondents	Percentage
1	Yes	50	100
2	No	0	0
	Total	50	100

Source: Field Study.

It is transparent from the table 7: that 100 percentage respondents expressed their views that they have received bonus and incentives from this business in the study area.

**Table:8 : Relationship Between Management and Employees.**

Sl.No	Factors	No of Respondents	Percentage
1	Satisfied	37	74
2	Dissatisfied	9	18
3	Neutral	4	8
	Total	50	100

Source: Field Study

It is transparent from the table 8: that 74 percents respondent have expressed satisfaction with management and 18 percents respondents have expressed Dissatisfaction with management while 8 percents respondents have expressed neither nor satisfaction with management. Therefore, it is analyzed that majority of the respondents have given more preference to satisfied factor in the study area.

**Table:9 : Consumer attitude towards product.**

Sl.No	Factors	No of Respondents	Percentage
1	Satisfied	42	84
2	Dissatisfied	3	6
3	Neutral	5	10
	Total	50	100

Source: Field Study

It is transparent from the table 9: that 84 percents respondents have expressed their consumers are satisfaction with product and 6 percents respondents have expressed Dissatisfaction with product while 10 percents respondents have expressed neither nor satisfaction with product. Therefore, it is analyzed that majority of the respondents are satisfied with product.

**Table: 10: Success From Direct Selling Business**

Sl.No	Factors	No of Respondents	Percentage
1	Yes	35	70
2	No	10	20
3	Neutral	5	10
	Total	50	100

Source: Field Study.

It is transparent from the table 10 that 70 percent respondents have got success on direct selling business while 20 percent of them have not got success in direct selling business in the study area. Whereas 10 percent respondents neutral in direct selling business i.e, no loss and no profit. Hence, it is observed from that majority of the respondents have got success in direct selling business in the study area.

### 8.1 LIMITATION OF THE STUDY:

- Study was limited to Calicut districts only with a few period
- There are chances of bias in the data collected from the respondent.
- The study was announced lack of adequate literature
- Only 50 respondents were included for study, so it may affect the accuracy of the result.

### 8.2 MAJOR FINDINGS OF THE STUDY

1. 76 percent respondents are belongs from the male categories while 24 percent of them are female categories in the study area. So majority are male sellers in these area.
2. 24 percent respondents have the age groups from 20-30 years while 42 percent of them have the age groups from 31-40 years and 26 percent of them have the age groups from 41-50 years and 8 percent of the respondents have the age groups above 50 years in the study area.
3. 20 percent respondents have their monthly income up to Rs 10000-15000 and 28 percent of them have their monthly income up to Rs 15001-20000 and 36 percent of their monthly income up Rs 20001-30000 and 12 percent of them have their monthly income up to both Rs 30001-40000 while 4 percent of them above Rs 40000 respectively in the study area.
4. 16 percent of them have their educational qualification up to Higher Secondary level and 10 percent of the respondents have Diploma and 48 percent of the respondents are Graduation and 22 percents of them have their qualifications are Post Graduation while 2 percent respondents have their educational qualification both in M.Phil and Others i.e. Post doctoral and technical expert, etc
5. 28 percent respondents have done their business at work place and 14 percent are at temporary locations while 58 percent of them have done their business at home.
6. 66 percent respondents have expressed their views that they have limited income to their customers while 34 percent of them have unlimited income to their customers.
7. 100 percentage respondents expressed their views that they have received bonus and incentives from this business in the study area.
8. 74 percents respondent have expressed satisfaction with management and 18 percents respondents have expressed neither Dissatisfaction with management while 8 percents respondents have expressed nor satisfaction with management. Therefore, it is analyzed that majority of the respondents are satisfaction level.
9. 84 percents respondents have expressed their consumers are satisfaction with product and 6 percents respondents have expressed Dissatisfaction with product while 10 percents respondents have expressed neither nor satisfaction with product. Therefore, it is analyzed that majority of the respondents are satisfied with product.
10. 70 percent respondents have got success on direct selling business and 20 percent of them have not got success in direct selling business in the study area while 10 percent of them are in neutral.

### 8.3 SUGGESTIONS:

1. A majority of people are successful on direct selling business, but there is also a big number of unsuccessful direct sellers. This can be overcome when they are supported and guided by their team and motivate them to attend the training programmes.
2. It is observed from the study that various age groups are into the business, but it could be the key factor for the age group of 20-30 years as the youth generations are the internet experts, and the direct selling is an E-commerce business too.
3. As there is a vast difference between Traditional and Direct Selling business, people don't understand the concept of Direct Selling as people of the study area are grown up seeing Traditional business. So, a direct seller must illustrate the difference and the potential of direct selling logically with required accurate data's.
4. Direct Selling is a home based business and it can be done by any person in part time or full time comfortably from the home.
5. To be a successful direct seller, a person has to be persistent, consistent and attend seminars to be motivated about the business.
6. Direct Selling is a huge business concept and it should be examined from the student levels to create a part time income and also to have the financial education of the life along with formal education.
7. As it is seen that people from all walk of life are into the direct selling and earning too. It can be the way to help people irrespective of the education and have a platform of his own.
8. People who are into the Direct Selling business from a long time are successful and making a good amount of income, so new people should have a long term vision and develop the skills in the beginning of their direct selling business.
9. Direct Selling requires no shops, no employees. So, a person can build the business without having the tensions of paying the rent or being cheated by their employees.
10. 20 percent of Direct Sellers have less interest to carry on the business, because of the failure. This can be overcome if the person is provided with trainings and system meetings to build the business in a proper technique.

### 8.4 Suggestions to the Government.

1. In recent years, global warming issue has become more serious and the environmental protection topics have caught people's attention; therefore, in addition to making laws to protect Direct Sellers' right and regulate them, the government can also emphasize on environmental issues and make related standards, for example, green consumptive product support policy, the promotion of environmental protection consciousness and the implementation of natural and ecological protection concept.
2. In addition to getting profit, if an enterprise can perform social marketing to feedback to customers, the enterprise's image and visibility is for sure going to be enhanced. Therefore, we suggest the government to encourage the enterprises to implement social marketing and to feedback the social resources through legislation.

## 9. CONCLUSION

Direct sales have become so popular in our country because it offers everyone the chance of becoming a successful self employed with the freedom to win.

The growth prospects of the industry has been analysed in the light of the growth perceptions of the Direct Selling Entities. Although the Direct Selling Industry is currently running in slow gear, growth prospects of the industry are bright, driven by strong consumer base and expanding markets. Direct Selling Entities are positive about the revival of growth of the industry in the coming years. According to the survey, Direct Selling Entities believe that the size of the industry is estimated to leap-frog by 2019-20, scaling up to INR 2,37,421 million from the present level of INR 74,722 million in 2013-14. However, positive policy interventions in the coming times can accelerate the estimated growth pattern to even higher trajectories.

Direct selling is a different concept and it has a vast difference from the traditional business around. This concept is accepted worldwide now across all the developed countries in the world. It helps a person to earn passive income by working in a desired plan. But, the concept of direct selling still has a lack of clarity in India: even a giant Direct Selling company like "Amway" is also misunderstood in India. Today, Top Business Schools such as "Harvard University" runs a course in the University by the name "Amway Fellows" to which even delegates from China goes there to study about this huge direct selling company.

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