

Startup India

'2.1M women at the center of India's direct selling market have become successful entrepreneurs'

April 11, 2021 7:56 PM

Ease of Doing Business for MSMEs: The direct selling industry has contributed phenomenally towards self-employment generation in the country. From selling at home parties to selling via social media channels like WhatsApp, Facebook, etc., the industry has grown multi-fold.

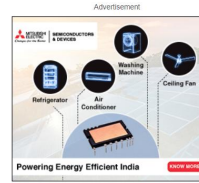


Dukaan is looking to have 20 million merchants open their digital stores on its platform in the next 12 months.

• **By Deepak Chhabra**

Ease of Doing Business for MSMEs: Direct selling is a dynamic and rapidly growing channel of distribution and is expected to grow at a rapid rate of 12.1 per cent year-on-year. In simple words, it is a business model through which a direct seller makes a profit by buying products from the parent organisation and selling it directly to the consumer without any third-party intervention. In FY 2018-19, the numbers of direct sellers in India stood at 5.7 million. These numbers are estimated to grow exponentially to 18.1 million by 2025. This industry includes everything from food, health, jewelry, cosmetics, to insurance, utilities, homewares, etc. The aim here is not just to bring people under one umbrella to shop for high-quality premium products, but also to boost the confidence of all entrepreneurial individuals. Direct selling gives them a platform to learn, grow, and work flexibly. Learning, innovation, and evolution keep any business model alive, and looking at evolving customer needs, direct selling seems to be moving towards a potential digital avatar called 'Social Selling.'

The key feature of a direct sales company lies in its face-to-face marketing and sales of quality products and providing a platform for empowering entrepreneurs. The direct selling industry, led by players such as Amway, Oriflame, Modicare, etc., reported gross sales of Rs 7,500 crore in the April-September period 2020, growing 4.7 per cent YoY. Direct selling promotes cost-effectiveness for any brand since it brings quality and premium products to the market without having to invest much in marketing and advertising. Also, the foundation of selling directly is personal contact and relationship with the end-consumers, hence delivering personalised and customized buying experience.



RELATED NEWS

- Bengaluru and Hyderabad: How entrepreneurial ecosystem of two leading startup hubs emerged over decades
- 'Any disruption in MSMEs' sales amid second Covid wave to be detrimental to their survival this time'

← Ads by Google

Stop seeing this ad

Why this ad? @

Every individual involved in the business utilizes their energy and approach in dealing with clients on a personal level, communication playing the key role here, thus making it a very engaging process. Direct Selling becomes even more effective for products where the demonstration is critical. It also presents very low risk due to minimal cost involvement which gives a direct selling company the freedom to test new approaches.

In this digital era where the target audiences are easily accessible through social media platforms, direct selling strategy through digital means becomes a go-to for every company. The remote side of direct selling is that it can be done via video conferencing apps and can even penetrate deeper into rural areas. In some cases, direct selling has surpassed traditional marketing initiatives.

Generating self-employment and boosting entrepreneurship

The direct selling industry has contributed phenomenally towards self-employment generation in the country. From selling at home parties to selling via social media channels like WhatsApp, Facebook, etc., the industry has grown multi-fold. This model comes with a long history of significantly contributing to the economy and supporting millions in the country. And now when there is an added advancement in technology, this is only projected to magnify, creating more careers that are work-life balanced and financially lucrative. In terms of gender parity, this industry plays a critical role in empowering women by offering an opportunity for financial independence.

Also read: ECLGS: Extension of MSME refinancing scheme might add to banks' exposure to stressed accounts, says Fitch

Through flexible working hours, it takes care of the societal and mental prejudices including lack of family support, child-care responsibility, inhibitions towards travel, networking, etc. Women have time and again proved that they have the capability and direct selling has given them the platform to explore their potential in infinite ways. There are almost 2.1 million women today who are at the center of this industry and have gone on to become successful entrepreneurs. The pandemic imposed multi-faceted challenges such as rising unemployment, a decline in industrial growth, layoffs, all across the globe. While most of the businesses were under pressure in such an unprecedented time, direct selling came to the rescue. It is the only industry in India to have successfully emerged as the dark horse, remaining largely unaffected by the widespread pandemic. Instead, the sector has been able to offer employment for Indians who lost jobs during the pandemic.

Government support

In the year 2016, the Government of India issued guidelines for the direct selling players operating in the country. The guidelines came with clear provisions to protect consumers and forbid companies to exaggerate the benefits of the product or charge fees from their agents. This was applauded by the direct selling industry as these guidelines had the potential to eliminate fraudulent players, help serious companies grow, and disallow e-commerce platforms from offering their products without consent.

Conclusion

Considering the current situation, one can be certain that the direct selling industry offers one of the most dependable income generation options for now. With offering negligible or zero investment, time and space flexibility, and the simplified work process, this model is a ray of hope for millions of Indians and also for the startup economy today.