

Direct selling sector holds promise amid slowdown



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THE ongoing slowdown hasn't been able to cast a dampener on India's Rs 3000-crore direct selling industry. Rather, the industry is betting on a surge in the number of people signing up, in search of financial security and an additional income opportunity in these times of a downturn.

Amway India, for instance, has witnessed a 125% growth in Q4 (October-December 2008) over the corresponding period in 2007. The company, which recorded a sales turnover of over Rs 1128 crore during January-December '08, is targeting a 25% growth in 2009-10.

Amway India Enterprises MD & CEO William S Pinckney said: "In this time of an economic slowdown, direct selling holds promise for thousands of unemployed as well as employed people as an alternative career option.

"We are likely to see an increase in the number of people signing up as direct selling provides a sense of security to the working population for whom

the fear of job loss is a real issue in the present scenario."

In India, the direct selling industry employs 15 lakh entrepreneurs. At present, IDSA (Indian Direct Selling Association) has 15 registered members in India.

Experts feel it is likely that more people opt for this avenue as a way of supplementing their income.

They feel that the low start-up cost and flexible business model make it an attractive option for quite a few who are finding their pay packet isn't stretching far enough.

Avon India director sales Ajay Rao also said the number of its representatives in 2008 had more than doubled over the previous year across India.

"Even after World War II, we had witnessed a trend of more women joining in order to supplement their family's income. This year too, we are targeting a pretty significant growth over last year, driven mostly by women looking to gain economic independence or even a supplemental income especially during this global economic slowdown."