

Key messages to be promoted from the Ipsos MORI socio-economic study

Remark

The text developed under each of the ten key messages may be adapted to fit the needs of the markets in which these messages will be used. The format may be changed into a “bullet points” presentation in order to make it more condensed.

1. Gender

Women ... the power behind the growth of direct selling !

The recent Ipsos MORI study on direct selling demonstrates that 83% of direct sellers are women. Knowing that on average women represents only 30% across entrepreneurial businesses in Europe, direct selling has clearly broken down some of the historical barriers to women. The study also confirms that in this successful sector of retail trade, women are very satisfied with the earning opportunities offered that allow them to flourish and to develop new professional skills. Direct selling is a vibrant sector that helps reduce the gender gap in the labour market.

2. Salesforce age

Being older ...no barrier to success in direct selling !

In the recent Ipsos MORI study on direct selling, it is interesting to note that 43 % of the direct sellers are aged between 35 and 49. 20% of direct sellers are aged over 50. With one of the major labour market concerns in Europe being older people encouraged back into the work place, there are proportionally more direct sellers in older age bands than the average active worker in the EU¹. The direct selling industry is leading the way with increasing numbers of older people flocking to that sector of activity to augment their income and enjoy the work flexibility which is offered.

¹ Active Workers, Omnibus interviews by Ipsos MORI (by courtesy), 2006

3. Entrepreneurship, in particular women entrepreneurship

*Entrepreneurship is alive in Europe....
particularly amongst women direct sellers !*

Direct selling allows individuals from all walks of life to take control of their lives and enjoy growing income, new opportunities and independence. Self-employed women in industry and services in the European Union account for 8,6% only of the total number of women in work². The Ipsos MORI survey on direct selling in Europe shows that 83% of the direct sellers are women, a great majority of them being self-employed. They enjoy the experience of being an entrepreneur and of being rewarded on the basis of their achievements.

Direct selling helps reducing the entrepreneurial gap between men and women and offers viable alternatives to conventional employment. It supports entrepreneurship, and in particular Women's entrepreneurship.

4. Flexibility

*Flexibility and choice in the work place
Direct selling certainly offers this*

Direct selling offers a totally flexible business opportunity in terms of time, commitment and geographical location. It can be run from home and does not need special premises; it can be started from scratch and does not require big investment or professional selling skills. There are various reasons for becoming a direct seller and for some direct sellers there is more than one reason. 49% of direct sellers were attracted to direct selling by the earning opportunities and 30% of them by a personal liking and enthusiasm for the products they are selling.

In a changing labour market, flexibility becomes a new key element that helps preventing job security and allows the direct sellers to build their business at their own pace and under no pressure.

² Eurostat, Population & Social Conditions, 03/2007

5. Earning opportunities & low risks - Satisfaction

Direct selling a business opportunity for everyone

The Ipsos MORI survey on direct selling in Europe indicates that close to 50% of direct sellers are mainly motivated by the earning opportunities and that 83% of them are extremely satisfied with their direct selling activity. Direct selling offers equal business opportunities to everyone : men and women, couples, mothers, students, across all ages, level of experience and social groups. 18% of the direct sellers surveyed by Ipsos MORI have a university degree, 28% have a higher education; this shows that the industry increasingly attracts diverse segments of a changing labour market. Starting a direct selling business requires only a modest investment. Earning opportunities in direct selling depends on the amount of work invested in the activity that can very well provide a full time income with little financial risk especially at the beginning.

6. Income alternative – Direct selling helps at all time of life cycle

Direct sellingoffering earning opportunities at all time of life cycle

The Ipsos MORI survey on direct selling in Europe carried out early 2007 shows that, compared to a similar survey performed by PricewaterhouseCoopers in 2000, direct sellers are older and have a higher education level. In 2000, 35% of the direct sellers declared to be full time employed before starting a direct selling activity. This percentage rose to 45% in 2007. Direct selling provides opportunities at all time of a life cycle to develop a part-time income generating activity that could be turned out into a successful full time work, and it offers new working opportunities as a replacement or an alternative to full time employment. Direct selling companies provide continued training to their sales people who recognize the added value it gives them in developing their education and their skills, helping them to better manage their business.

7. Independence – Less pressure on welfare state

Direct selling supports the entrepreneurial culture..... reducing pressure on the welfare state

According to the Ipsos MORI survey on direct selling in Europe, 25% of the direct sellers were unemployed prior to becoming a direct seller. This percentage was under 15% seven years ago. The survey demonstrates this industry can have a significant impact on the labour market as it encourages individuals to become independent, be their own entrepreneur and not be reliant on the state to look after them. The financial sustainability of social welfare is under threat everywhere in Europe, due primarily to ageing societies and relatively low average employment rates. With the increase of new comers in the age band 39-45, 83% female participants and an industry satisfaction rate of 80%, direct selling has great optimism for its future and its creation of more independent entrepreneurs.

8. Industry's contribution to economies

Direct selling : an industry that contributes to the European economies

The direct selling industry is a growing industry with more than 1300 companies in Europe that achieved in 2006 sales turnover of 20 billion euros³. Many of these companies are SMEs who have a strong foothold in the area where they are located and contribute substantially to its economy. Besides their independent salesforce to whom they offer a unique earning opportunity, these companies employ more than 50.000 people in administration, production, marketing, logistics, development, etc.

9. Competitive channel of distribution for new & innovative products

Direct selling usefully completes other channels of distribution of global brands

In 2000 when PricewaterhouseCoopers brought out a report on Direct Selling, the headline ran "*Direct Selling leads the retail revolution....!*".

³ Estimated 2006 figures for the whole sector in Europe – Federation of European Direct Selling Associations (FEDSA)

The industry still has a lead role with 83% participants being women, average age of 39-45, 80% satisfaction with the companies, and over 30 % being involved just because of the great products.

L'Oréal, The Virgin Group, Unilever, Bertelsmann, Yves Rocher are amongst major industrial groups that have diversified their activities by either investing in direct selling companies or choosing direct selling as an alternative channel of distribution to market their products.

Direct selling also provides a channel of distribution for companies, in particular start-up companies, with innovative or distinctive products not readily available in the stores and supermarkets or who cannot afford to compete with the huge advertising and promotional costs associated with gaining space in stationery trade. It can help marketing products still having to build a brand name to find their way to consumers. Direct selling enhances the retail distribution infrastructure of the economy and is an essential ingredient of a healthy retailing mix together with other non-store retail trade, and it serves consumers with a convenient source of quality products.

10. Social cohesion

*Direct selling contributes to greater social cohesion
in urban & rural communities*

The recent Ipsos MORI survey on direct selling confirms the fact already outlined in the 2000 PricewaterhouseCoopers survey on direct selling in Europe that the industry contributes to social cohesion in urban and rural communities, one of the key objectives of the EU Social & Employment policy. Direct selling is based on creating interest through personal contacts with the customers and mainly occurs through word of mouth and recommendations.

Party selling, a popular direct selling avenue, is particularly developed in rural areas and local communities (39%) where it re-enforces the strength of social network. In urban areas where 66% of the direct sales transactions occur, direct selling offers a flexible alternative to busy shopping centres, expensive, stressed and unreliable transportation.