

The Ipsos MORI study 2007

The Direct Selling Industry in 2007

Direct selling - the sale of consumer goods and/ or services through personal explanation and demonstration by direct sellers, directly to the consumer in face-to-face manner and away from permanent retail locations

- Important channel of distribution with stable growth over last 5 years
- Positive prospects for future growth
- Key regulatory issues on horizon - revision of EU consumer law including the Doorstep Selling Directive, labour law issues
- Ipsos Mori Study- valuable insight into facts and trends on the industry

Contact SELDIA to obtain a full copy of the Study.

Sources: PWC 2000, Ipsos MORIS 2007, SELDIA - www.seldia.eu

The Ipsos MORI Study

- Extensive socio economic study on the sector conducted by Ipsos MORI in 2007
- Carried out in 7 EU Member States - UK, France, Germany, Italy, Poland, Czech Rep & Finland – represent 80 % of EU Direct Sales activities.
- Surveys completed by 43 direct sales companies and 2800 direct sellers
- Builds on PriceWaterhouseCooper analysis conducted in 2000
- Supported by industry data compiled by SELDIA on an annual basis in 32 European countries.

Highlights positive socio economic impact of the industry in Europe Sources : PWC 2000, Ipsos MORIS 2007, SELDIA, WFDSA www.seldia.eu

Overview - Supporting a strong Europe

EU objectives

Dynamic and Growing Sector

Improving Opportunities
for women and older workers

Promoting Entrepreneurship and
skills

Improving flexibility

Direct Selling Industry

Growth sector

Supports EU manufacturing- majority of production in Europe

High proportion of female and older workers

Supports labour market transitions - a quarter of direct sellers were previously unemployed.

Opportunity to improve business management and sales skills while earning

Offers flexibility and job satisfaction

Majority state that direct selling has improved their families' lives and helped in their personal development

Boosting European Competitiveness

- Growing industry- constant growth in direct sales volume over last 5 years (9,6 % compounded annual growth 02-06).
- 20 billion Euro turnover in Europe (EU 25 +7 non EU countries) in 2006
- Almost all organisations predict increasing sales over next 2 years
- Direct selling companies' contributions in taxes have more than doubled in 7 years
- 78% of product sourcing from within EU

Offering Opportunities

- 3 million active direct sellers in EU 25 (Malta & Cyprus not included)
- Over 50 000 employed full-time in administration and production .
- Companies reported 14% increase in sales force over the past 5 years
- 25% of direct sellers were previously unemployed (14% in 2000)
- Represents 4.5% of the EU female population in part-time employment
- Generates over 1.5 Million full time equivalent jobs

Supporting Entrepreneurship and Skills

- Supports Lisbon Strategy for Growth and Jobs – encouraging entrepreneurship, female entrepreneurship and skills development
- Provides low cost business opportunities to 3 million direct sellers within the EU
- 83% of direct sellers are female and work part-time
- 88% say direct selling has helped them to improve sales skills and 81% have developed better business management skills
- 45% spend some income from direct selling on personal development i.e. following a study programme

A Better Work/Life Balance

- Direct Selling offers the choice of a better work/life balance and more flexibility
- 65% of direct sellers have 3 or more people in their household (children, elderly relatives)
- 29% are above 50 years of age - substantially above EU average
- 97% agree that it is a very flexible job
- 73% said it had improved their family's quality of life
- 18% have a higher education (13% in 2000), 28% have a university degree (13% in 2000)

Job Satisfaction

- 80 % are satisfied with their direct selling business (60% in 2000)
- 94 % of all representatives feel fairly treated by their direct selling company.
- 80% enjoy being their own boss
- 95% agree that direct selling is a good way to earn extra money
- How direct sellers spend their income?
 - Improve my quality of life 65%
 - Personal development 45%
 - Holidays 33%
 - Home improvements
 - 29% Education for me/my family 28%
 - Savings 28%

Key Messages

- Direct selling is a 20 billion euro channel of distribution with stable growth (9,6 % compounded annual growth 02-06).
- Involving over 9 million direct sellers in Europe (25 EU Member States + 7 non EU countries)
- Creating almost 4 million indirect full time jobs
- Supports female entrepreneurship, inclusion of older workers and a dynamic economy
- Opportunity to improve skills, earn extra income and improve quality of life