



IMPACT OF COVID-19 ON DIRECT SELLING COMPANIES SALES THROUGH WOMEN PROFESSIONALS: A COMPARATIVE STUDY

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Abstract: The Covid-19 pandemic situation has affected the whole world including India. Almost every aspect of human life was affected but the economic situation became worst due to almost shutting down the economic activities including production, distribution and counter sale of various commodities due to continued lockdown. As a consequence, most of the people lost their jobs, self-employed and businessmen had to close their enterprises including production units and sale outlets. At this juncture of time the direct selling companies came in lime light and could provide employment and ultimately financial support and stability to the people without job. Since it has direct relation between company and sales consultants, the job was mostly undertaken by the women especially house women. Due to the extremely and highly increased need of direct selling companies' products including those related with the control of pandemic like sanitizer, handwash, soaps, cleaners, wellness and immunity products etc. direct selling companies and consultants related therewith could get better opportunities and prospects. As most of the individuals engaged in direct selling business are women, covid-19 ultimately resulted in their empowerment, economically as well as socially.

The main aim and objective of this research study is to analyze the Covid-19 Pandemic situation impact on Direct Selling Companies' sales through its women professionals and their earnings, new recruitments of women consultants in various direct selling companies and the demand of various products produced by such companies during the pandemic situation. The survey of this study was conducted on 100 respondents. The study is descriptive in nature. Primary data was collected from women professional respondents by administrating a structured questionnaire. The data collected has been analyzed with the help of percentage analysis tool. The secondary data containing the information relating to the companies' sales and other details was gathered from various articles, sales reports, journals etc. The study has revealed that the impact of Covid-19 on Direct Selling Companies' sale through women professionals has been positive and resulted in the financial support to the family and ultimately the empowerment of women.

Key Words: COVID – 19, Direct Selling Companies, Women Consultants, Women Empowerment, FMCG.

INTRODUCTION

As we are all aware, we have been affected to a large extent by the COVID-19 pandemic situation not only in our country but also in the whole world, economically and in every -sector affecting the overall growth and success of the various sectors as well as industries in some or another way. Individual jobs got affected due to the pandemic situation, people losing their jobs and their only earning source, Therefore, many women are now moving towards the various direct selling companies for supporting their families. Many sectors and industries in India as well as all over the world have discontinued or have been shut down due to this pandemic situation. But, among a few, direct selling companies are one of the sectors which have flourished or boon in this lockdown and pandemic situation. Representing an unprecedented boon to recruiting in this pandemic situation and becoming a relatively attractive career prospect in the current situation as well as for the future. Thus, Direct selling companies have been providing livelihood to millions of people in the current pandemic situation.

Since the whole world was struggling with the impact of the COVID-19 pandemic, there arose unprecedented circumstances where mostly all sectors were witnessing massive layoffs and decline in sales and revenues due to the pandemic situation. Many people opted alternate employment, which came with zero or minimum initial investment and provided them an opportunity to be their own boss. Thus, direct selling companies got a new and fresh look and importance in the world due to the pandemic situation – thus, emerging as a trend of opportunity in the economy.

The rise of digitalization, in the current era, has proven to be a boon for many millennials, young emerging entrepreneurs, students, and naive graduates. Youths, as we all know are digital savvy and appreciate mentorship, look to be agile in their workplaces. Today's generation, as we are a bit aware, is looking for job or income opportunities that are full time and also looking for opportunities for earning money through part-time options. Thus, in all probability direct selling company is a cost-effective business opportunity that offers an open opportunity to earn a fee on the sale model along with full-time income. Direct selling company adds personal demonstration and products training, home delivery and guarantees a generous level of satisfaction on comparatively low costing modules.

Direct selling company has brought a new trend by “Influencer Marketing”. The traditional approach (i.e., word of mouth) which is generally adopted by direct selling companies can be more impactful if done through an influencer. The COVID – 19 pandemic situations have led the direct selling companies to evolve into the health and wellness product line more in comparison to other products. The various direct selling companies are manifesting awareness towards immunity building and a healthy lifestyle, thus, creating a channel of trust among the consumers, owing to a direct approach and not the duplicity of products. The rise of the COVID – 19 pandemic situations has increased the overall sales of the personal care and health care products of the various direct selling companies among the consumers. No industry, business or economy has been spared from the devastating effect of this COVID – 19, pandemic situation. Being among the last few countries, globally to have been infected by the COVID – 19 pandemic and the government of our country declaring the lockdown initially on 24th march 2020 for a small-time span of 21 days and then extending it to many more days has led or resulted in the shutdown of many industries, factories, supply chain and many other sectors of the economy. All the FMCG and the direct selling companies who were selling necessary and essential products were considered an important part of the economy i.e., they were enjoying a priority position in the economy. Whereas, other industries like automobiles, apparels, luxurious goods etc. have shifted to discretionary. The women professionals working in these direct selling company's like: Oriflame, Modicare, Vestige, Amway, Forever Living Products, Tupperware etc. were able to earn an income for themselves even in this lockdown situation which has arisen due to COVID – 19 pandemic situations.

During the lockdown phase due to the pandemic situation of COVID – 19, when everyone was completely locked inside their house from March 2020 to June 2020, in such a situation all the direct selling companies after taking permission from the government were able to sell their products related to personal hygiene and wellness products as consumers/individuals were becoming more aware towards hygiene of their own self as well as their families. The products related to personal care and health care like a soap bar, liquid hand wash, wellness products range, sanitizers, home cleaners, masks, etc. were in much demand.

Direct selling companies like: Vestige, Modicare, Oriflame, etc. which were into selling home related and kitchen related products that are used in day-to-day life of an individual have also been able to increase their overall sale in this pandemic situation. The preventions, as well as precautions that all individuals, institutions as well as governments were taking worldwide to deal with the threats and realities of this new virus, were affecting every industry in manifold ways. The science of soap and surfactants i.e., hand washing has been front and center since the corona virus outbreak began and thus, all the direct selling companies started working towards providing the various soaps range and hand wash range available in their company to all the people of our country for their overall protection from this COVID – 19 pandemic problem or disease. Hand sanitizer, the next best option to protect against illness and the spread of corona virus for the same reasons i.e., personal care and hygiene made the products trendy in the situation of a pandemic. Mainly all the hand sanitizers produced by various direct selling companies as well as other companies are portable and do not require water to use it. Since direct selling companies use the process of digitalization, therefore in the pandemic situation their business flourished more and more, with more profit and less loss situation. The direct selling companies in the current pandemic situation were able to bloom their sales as well as provide empowerment to individuals who have lost their jobs due to the pandemic situation as well as to many woman individuals who joined the various direct selling companies as a professional to help their families financially in the pandemic situation.

India's direct selling industry has grown around 10% in the COVID – hit FY 2020-20 21, according to Industry Stakeholders. Indian Direct Selling Association (IDSA) Vice – President, Rajat Banerji, said that in

the first six months of FY 2020- 2021, the direct selling industry in India registered a growth of 4.7% over the corresponding period in FY 2019- 2020. “Building on the same trend, it could be safely assumed that the direct selling industry would be able to register a growth in excess of 10% during the FY 2020 – 2021.” As per a survey by the industry body in the Q1 of FY 2020 – 2021, the industry was able to register a growth of 0.90%. While the first quarter of FY 2020 – 2021 was largely impacted by the different phases of lockdowns, despite of all the challenges, the industry was able to register a minuscule growth, it showed.

However, with the start of Q2 as the government started to give more relaxations for carrying out commercial activities, the industry responded positively as well, resulting in the Q2 of FY 2020 – 2021, registering a growth of 9.25% over Q2 of FY 2019 – 2020, as said by IDSA Vice – President, Rajat Banerji.

This gave me an opportunity of conducting a research study on the concept of “Impact of COVID-19 on Direct Selling Companies Sales through Women Professionals: A Comparative Study”. The research study would be emphasizing on the direct selling company sales in this pandemic situation as well as on the overall concept of women empowerment by throwing light on recruitment of new women professionals as the consultants of the various direct selling companies in this pandemic situation. And also throwing light on what all products of the various direct selling companies were in more demand by the consumers during the time span of pandemic situation.

Review of literature:

Dr. A Hamil and ED Priyadarshini (2016), conducted a study with an objective to find out the factors influencing customer preference towards Amway products and to measure the level of opinion towards Amway. For this purpose, data were collected from 70 respondents by using structured questionnaire. The study concluded that the consumer preference towards the Amway products. They are mainly motivated by the quality of the products.¹

Rajendra W. Bhadale and Sachin A. Bhargava (2012), conducted a research study to analyze the perceptions of IBOS towards multi-level marketing and to assess growth of IBOS. The primary data for the study were collected from 542 independent business owners who are actively or inactively doing business and are registered with Amway India. The study concluded that the multi – level marketing business is commission and incentive earning oriented which can be expanded in the group by exploring the social networks of the people.²

P. Sreekumar (2007), presented a research study in International Marketing Conference on Marketing and Society. A deep study of the MLM concept is conducted using literature survey and interview with company personal. Data on the business plan with respect to incentives or total earnings is analyzed in comparison with a traditional entrepreneurship business. He concluded that a MLM member who has actively participated and involved in the business will get opportunities to attend weekly meetings, share his success stories with other members, and get reward for performance.³

Eastern Daylight Time (2021) Increased demand for online shopping restrains the market for direct selling establishments. E - Commerce platforms offer more discounts on products compared to direct selling encouraging consumers to switch from direct selling establishments to online shopping portals. Direct selling platforms are now changing the business model so that they can survive in the market. For instance, in India direct selling platforms such as Amway, Oriflame and Tupperware started selling products through e-commerce portals such as Flipkart, Snapdeal, eBay and Amazon which is a disruption in the direct – sales business modal. Few companies such as Hindustan Unilever has closed its direct – to – home model, HUL Network, and re – launched its Aviance beauty products and Aayush remedies on Amazon. According to an annual survey report 2016 – 2017, by India Direct Selling Association (IDSA), direct selling products are being sold on e – commerce websites like Flipkart, Amazon, Snapdeal, and Shopclues, at much higher discounts compared to what direct sellers used to sell to the consumers, and this is reducing the revenue of most of the direct selling organization.

Objectives:

- 1) To study the pandemic COVID – 19 situation impact on direct selling company’s **sales** through its women professionals.
- 2) To study the **earnings** of woman professionals during the COVID – 19 pandemic situations.
- 3) To study about the **new recruitments** of woman consultants in various direct selling companies.
- 4) To study about the **demand of various products** produced by the various direct selling companies during the pandemic situation.

Research Methodology:

The **problem of research study** is “**Impact of COVID-19 on Direct Selling Companies Sales through Women Professionals: A Comparative Study**”. **Descriptive research design** was adopted for the current research study, basically including surveys and facts finding enquiry of different kinds. The main **aim** or

purpose of descriptive research is description of the state of affairs, as it exists at the current situation or the present time scenario. Convenience sampling design is adopted. The particulars of sample design are: The Universe type is finite; Sampling unit consisted of women professionals of various direct selling companies. Sample size was 100 - women professionals of direct selling companies. The proposed study consisted of primary as well as secondary data as and when the need arises. The primary data was collected from the women professional respondents by administering a structured questionnaire. The secondary data contained the information relating to the company’s sales and other details which was gathered from various articles, sales reports, journals, etc. The research instrumentation was a structured questionnaire. The research approach was survey approach. The statistical tool used for the data analyses was percentage analysis tool.

Likely Contribution:

The study shall provide a picture of the importance of the direct selling companies sales through women professionals during the adverse situations like Covid-19 and would work as encouraging force for the house women and their family members and would ultimately be an impetus for women empowerment.

Findings & Analysis:

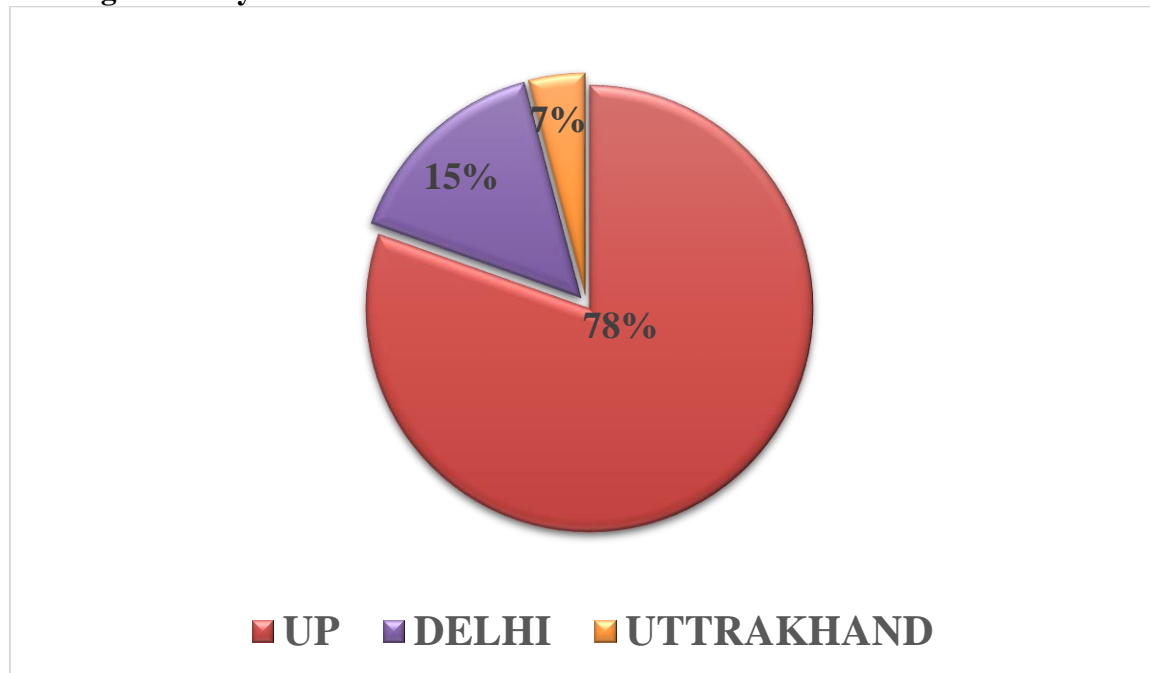


Fig 1: STATES

The pie chart depicts the data collected from women professionals through questionnaire regarding their state/area. It could be seen that 78% out of the 100 respondents belong to Uttar Pradesh and 15% are from Delhi and remaining 7% are from Uttarakhand.

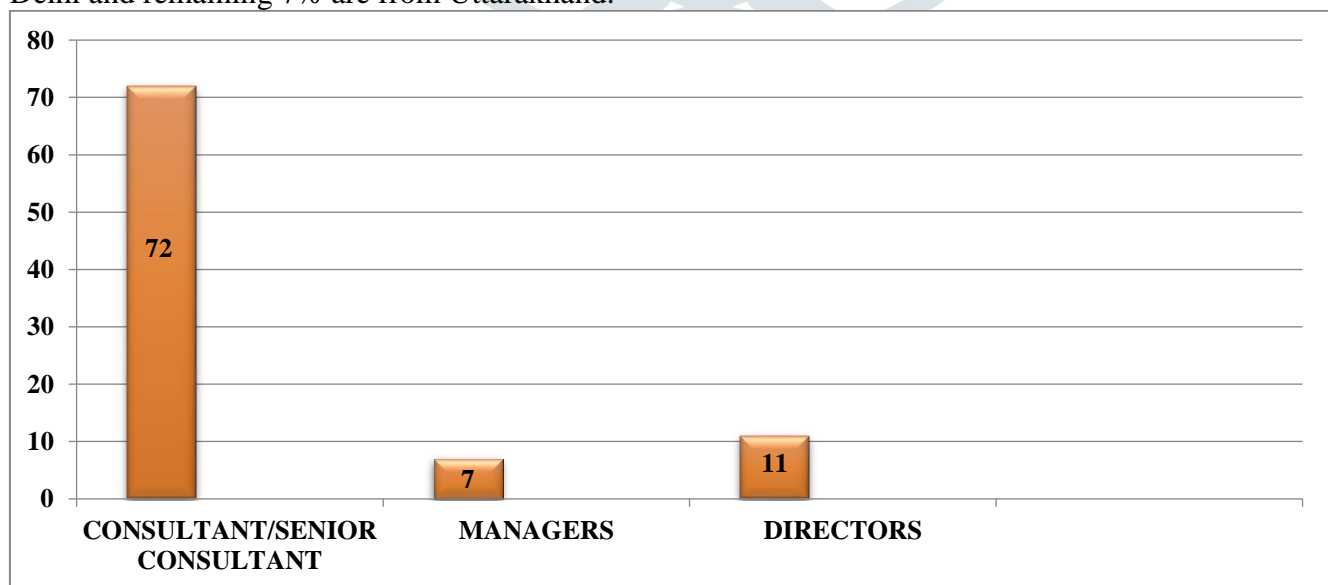


Fig 2: CONSULTANT TITLE/LEVEL

The bar diagram depicts the data regarding the level of women professionals in their respective direct selling companies. The graph shows that 72% women professionals are at the level of consultants; followed by 11% directors and only 7% are at the manager level.

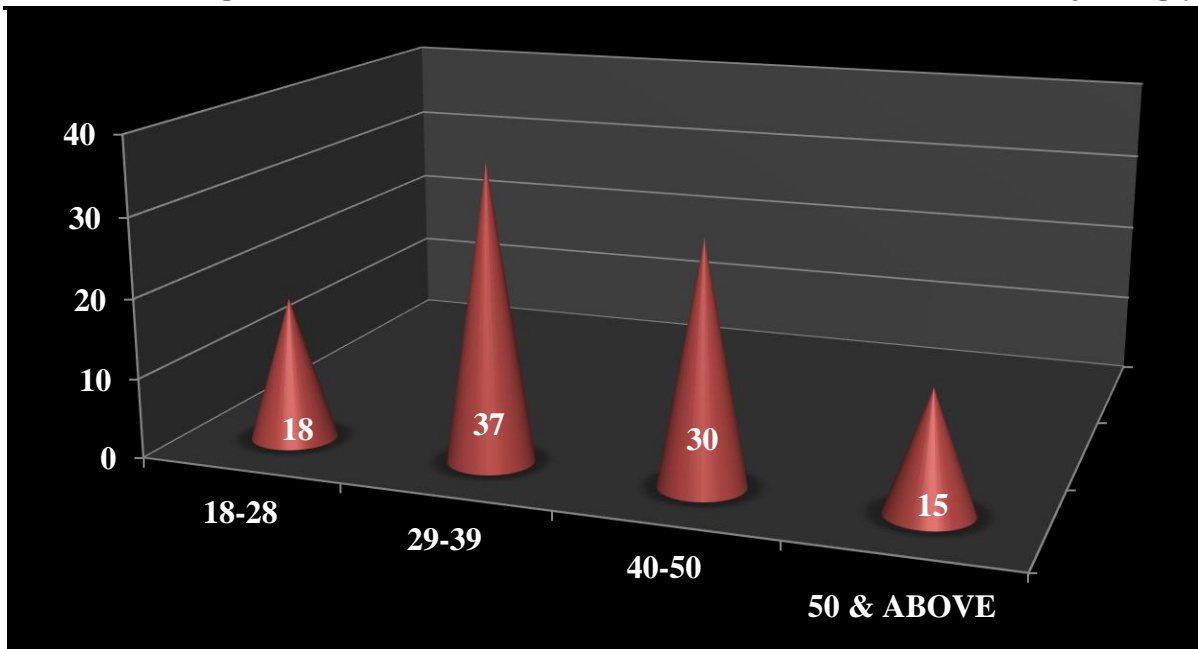


Fig 3: AGE GROUP

The above graph depicts the analysis of the age – group of the women professionals working in various direct selling companies. It could be seen that out of all the 100 respondents, 37% are of the age – group 29 – 39 years. 30 % are from the age - group ranging from 40 – 50 years, followed by 18% belonging to the age – group of 18 – 28 years and remaining 15% belong to the age – group of 50 & above years.

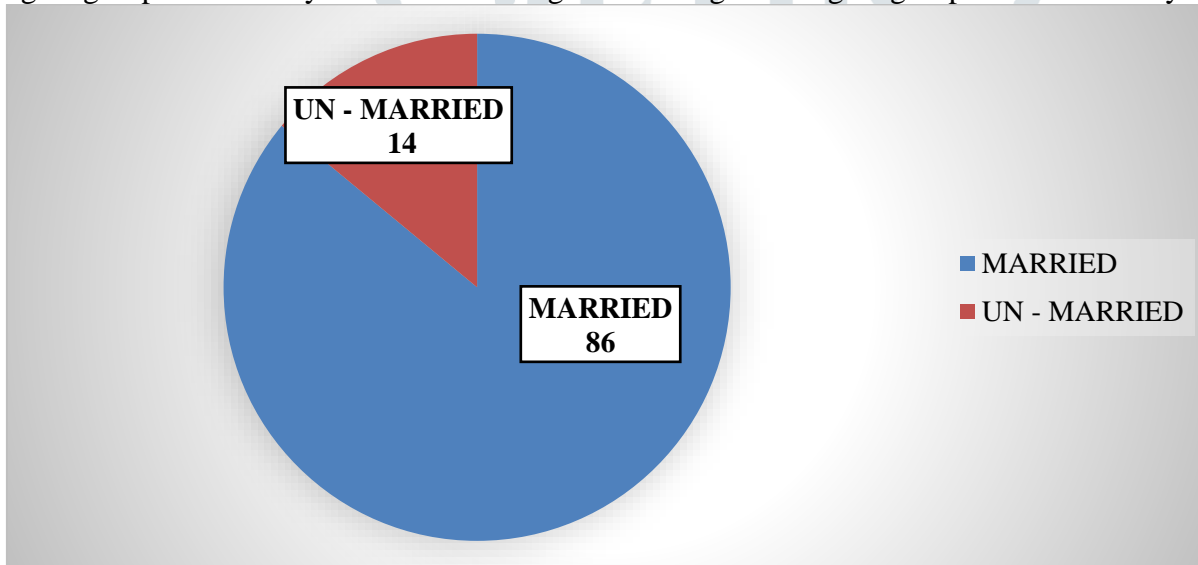


Fig 4: MARITAL STATUS

The pie chart depicts that 86% women professionals are married and only 14% are unmarried.

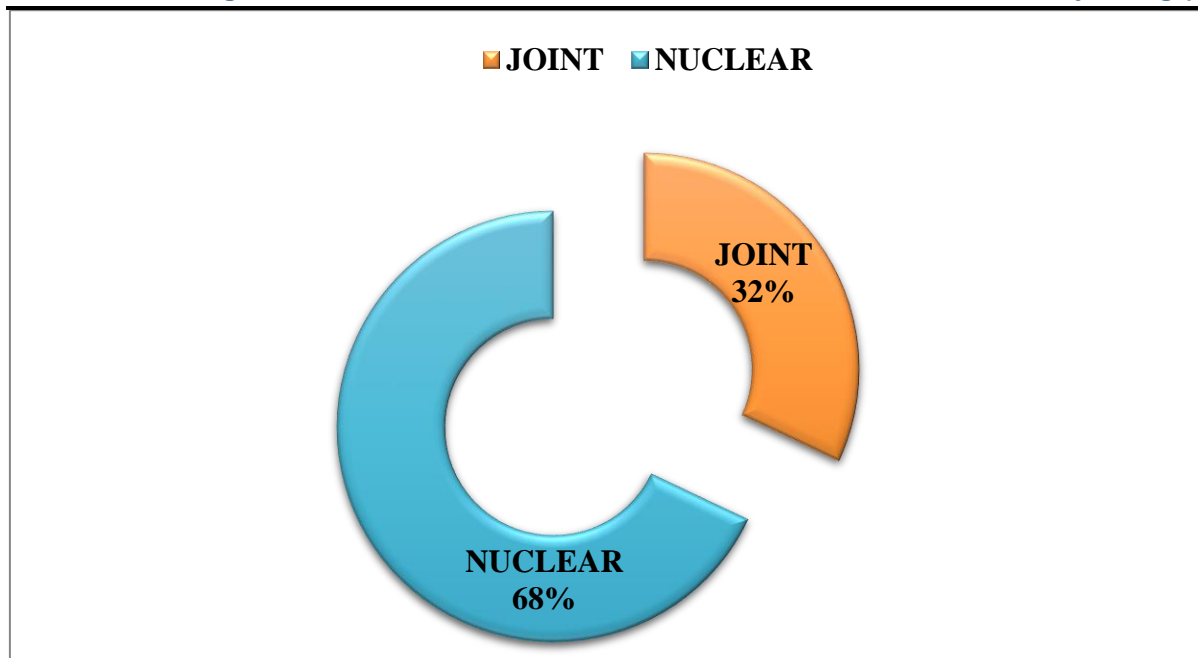


Fig 5: FAMILY TYPE

The graph represents the family structure of the 100 women professional respondents of the various direct selling companies. It shows that out of the total women respondents 68% women professionals have nuclear family structure and 32% have joint family structure.

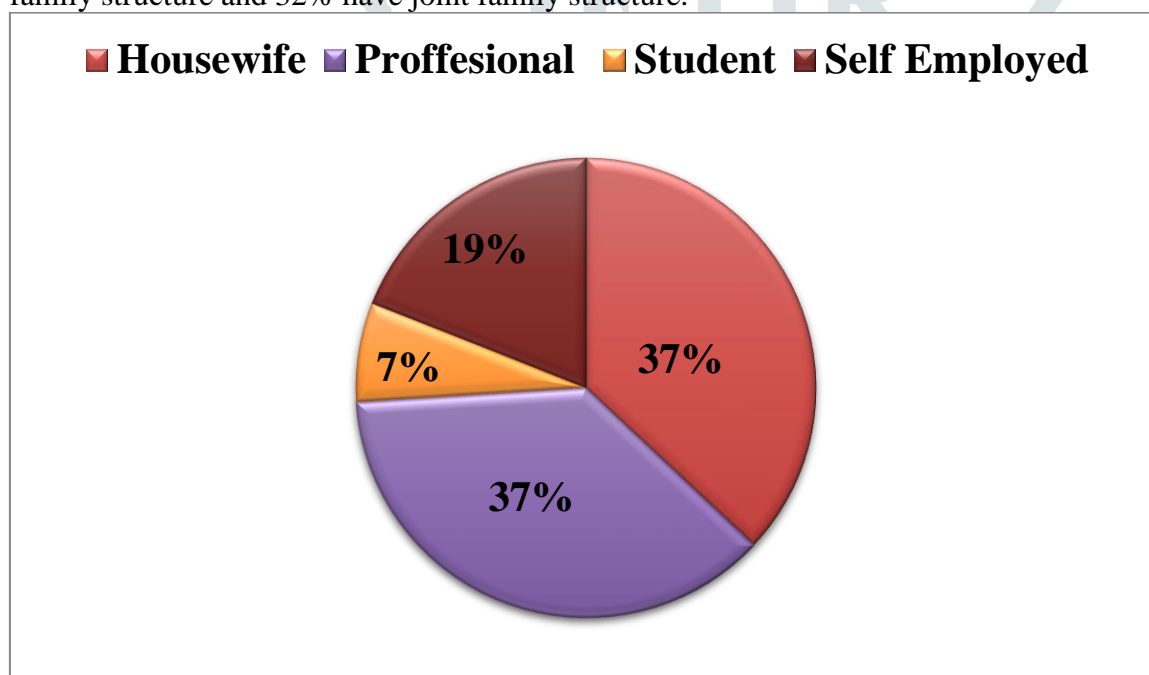


Fig 6: Occupation

The pie chart depicts the occupation of the women professionals. Around 37% are the housewives, and along with them 37% belong to the professional world working in some or the other corporate offices and companies as full-time professionals and are also the consultants of the various direct selling companies as a part time earner. Followed by 19% women's who consider themselves to be in the occupational category of self-employed as they are working full – time in the various direct selling companies as women consultants/entrepreneurs and only 7% are still in the category of students.

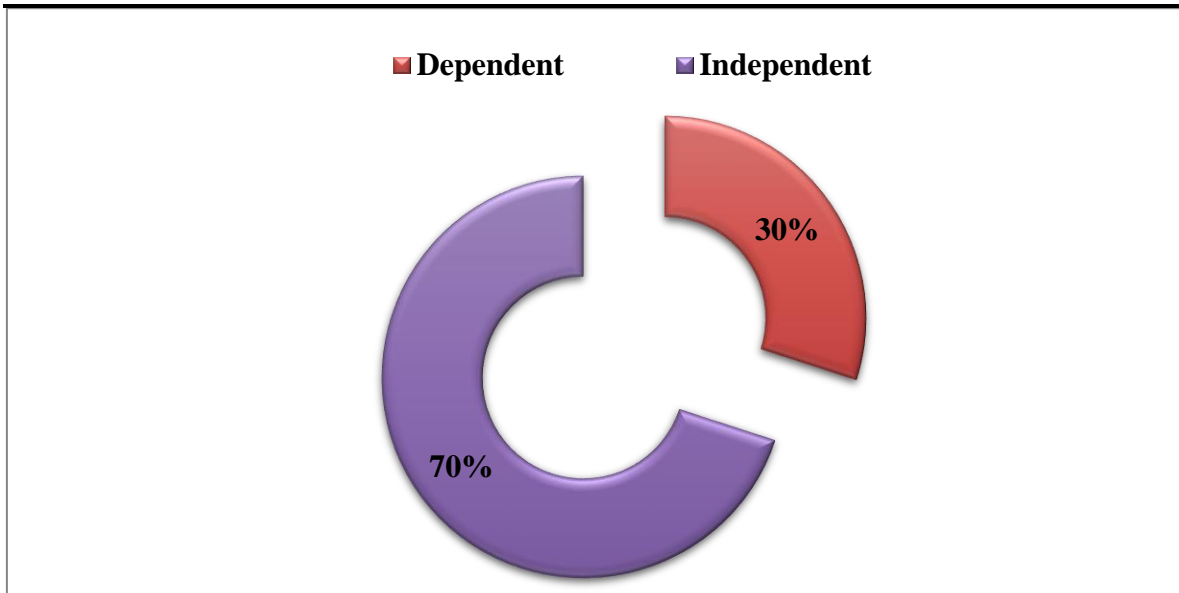


Fig 7: Financial Status

The graph depicts the financial status of women professionals. It shows that 70% are self – independent women supporting their own selves as well as their families financially and only 30% women are still dependent on their families financially.

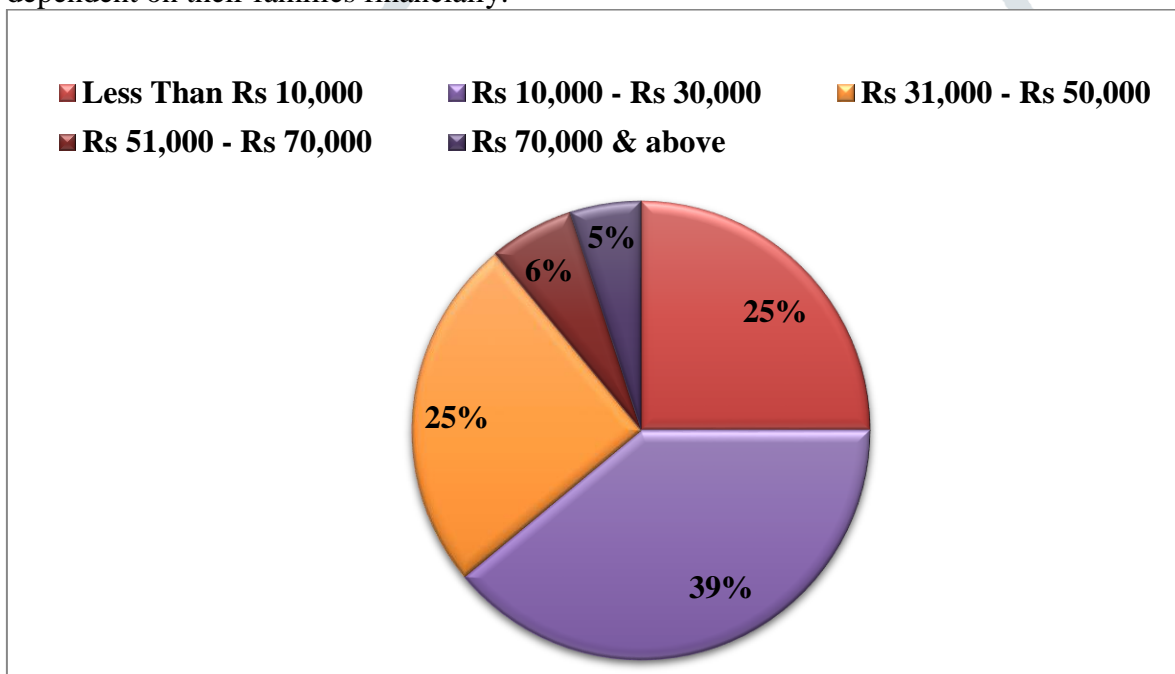


Figure 8: Income per month before COVID – 19

The above pie chart depicts the income per month before COVID – 19 of the women professionals working in various direct selling companies. It shows that 39% women professionals earned a monthly income between the range of Rs 10,000 – Rs 30,000. Followed by 25% in the income range slab of Rs 31,000 – Rs 50,000 & less than Rs 10,000 slab. There are only 6% women professionals who lie in the income slab of Rs 51,000 – Rs 70,000 and only 5% are there who earn an income above Rs 70,000.

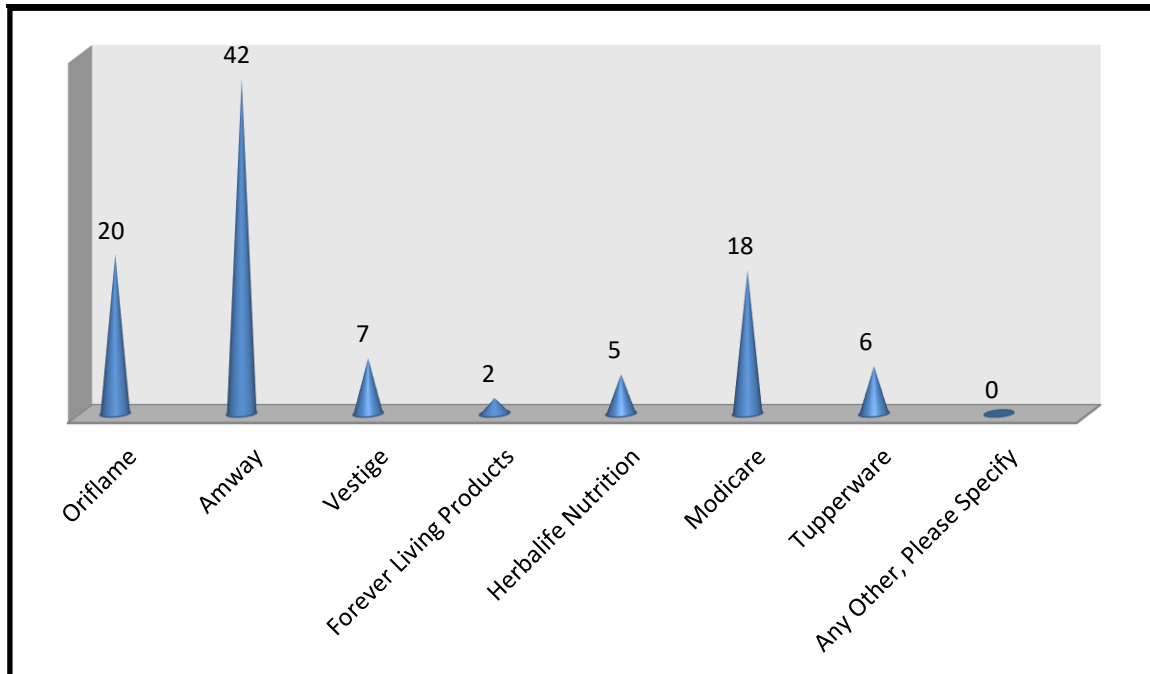


Fig 9: Of which direct selling company are you a consultant

The above chart depicts the direct selling companies’ data in which the various women professionals are working as consultants. It shows that 42% are working in Amway company, 20% are working in Oriflame company, 18% are working in Modicare company, followed by 7% in Vestige, 6% in Tupperware and only a few remaining women professionals are working in the Herbalife Nutrition & Forever Living Products company.

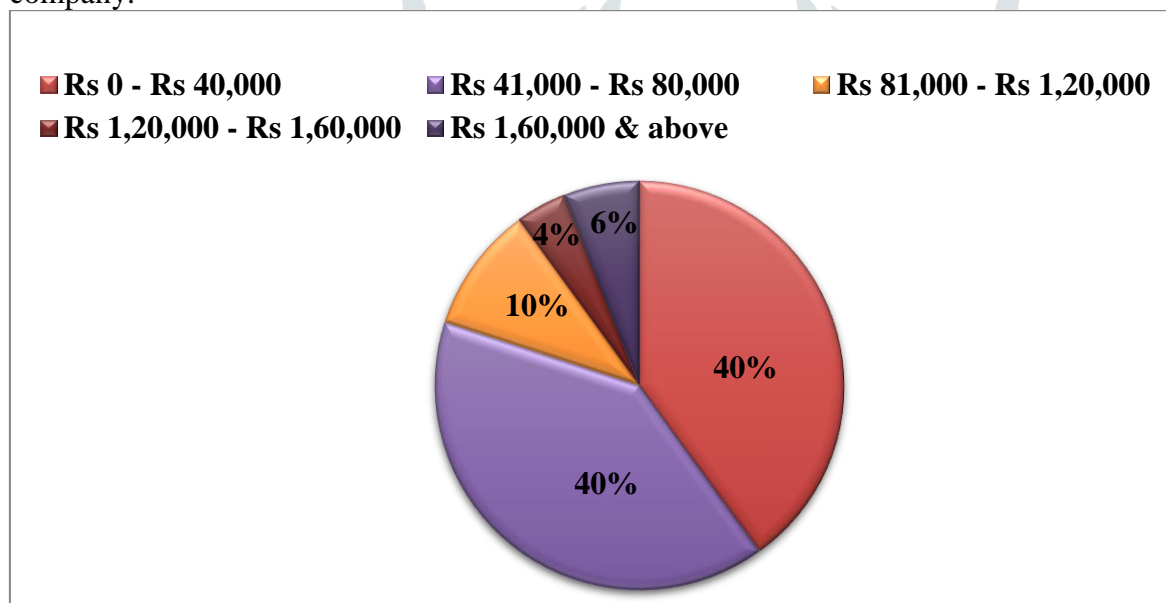


Fig 10: How much was your overall sales before COVID – 19?

The above pie chart depicts the overall sales before COVID – 19 of the women professionals working in various direct selling companies. It shows that 40% women professionals’ overall sales were between the range of Rs 0 – Rs 40,000 & Rs 41,000 – Rs 80,000. Followed by 10% sales in the range of Rs 81,000 – Rs 1,20,000. Around 6% women professionals were able to do the sales of Rs 1,60,000 and above. Only a few were in the range of Rs 1,20,000 – Rs 1,60,000.

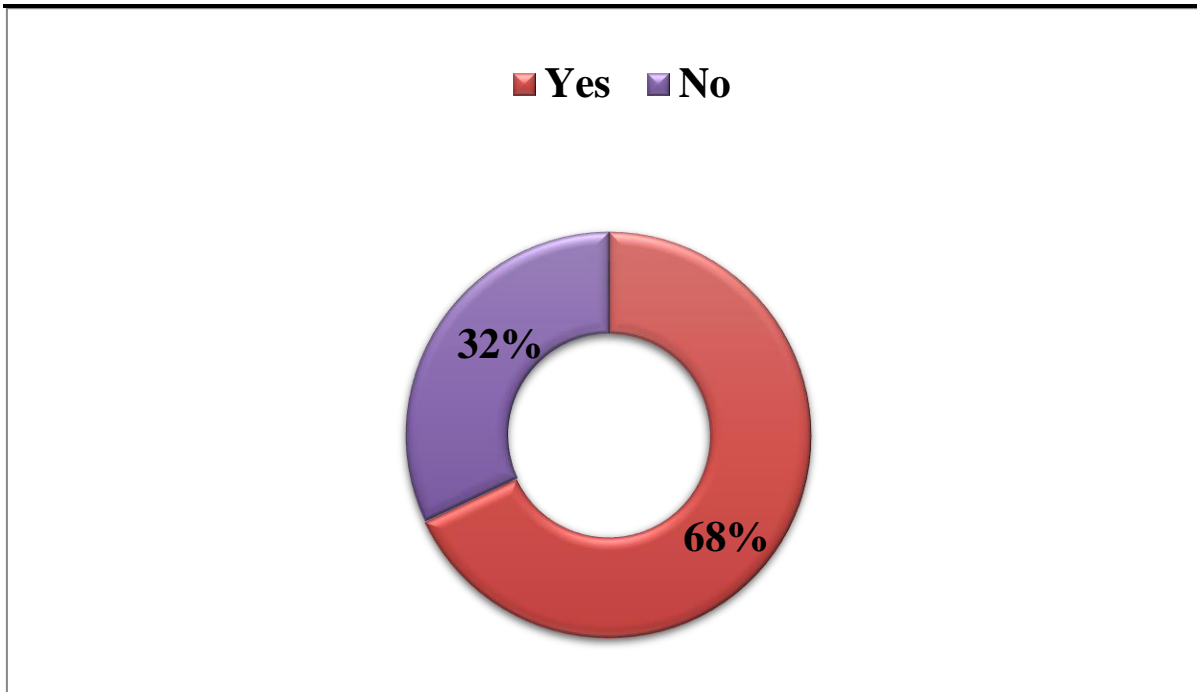


Fig 11: Do you think COVID – 19 has affected your overall sales

The above graph depicts the impact of COVID – 19 on the sales of the various products of the direct selling companies sold by the women professionals. The graph shows that 68% women consultants/professionals said that yes, the COVID – 19 pandemic situations affected their overall sales. Remaining 32% said that there was not any impact on the products sale due to the COVID – 19 pandemic situations.

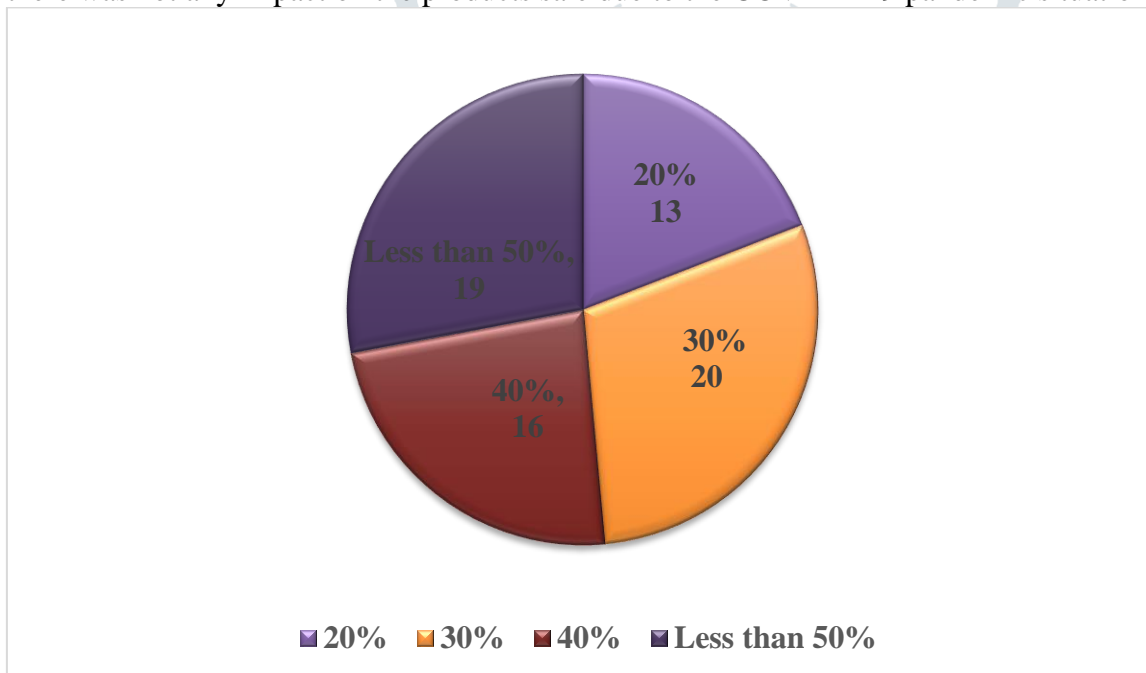


Fig 12: If yes, by what percentage?

The above graph depicts the percentage change in the sales by the various direct selling companies women professionals. It shows that out of 68 respondents who answered in the previous question that yes COVID - 19 pandemic situations affected their sales. 19 women professionals said that their sales were affected by less than 50%, 20 women professionals said that their sales were affected by 30%, 16 women professionals said that their sales were affected by 40% and 13 women professionals said that their sales during the COVID – 19 pandemic situations were affected by 20%.

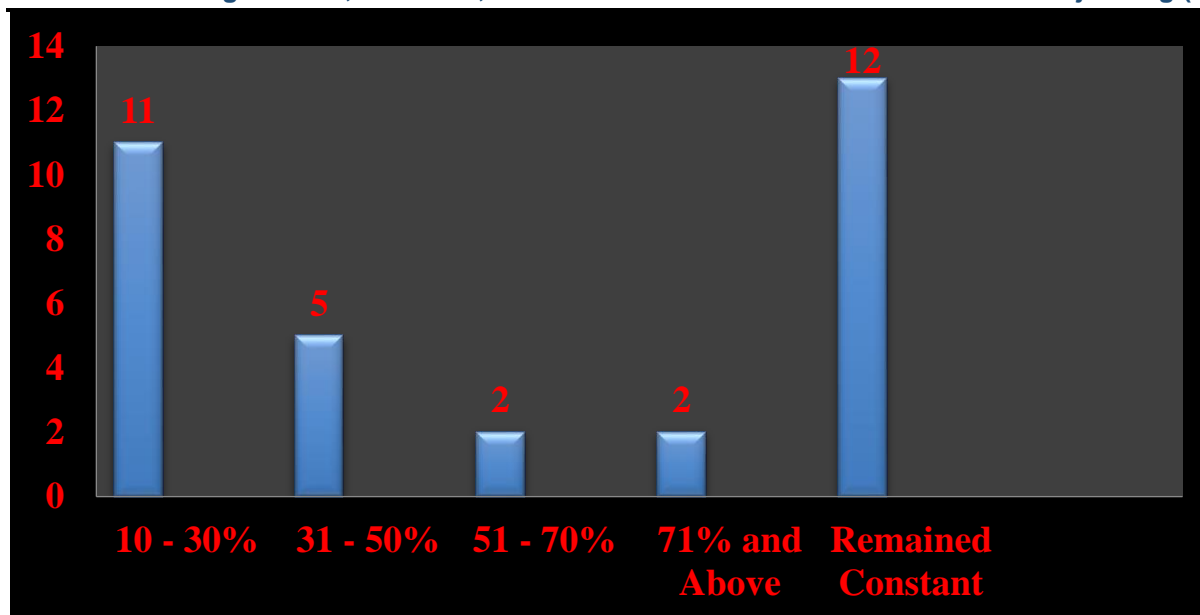


Fig 13: If no, then by what percentage has it increased?

The graph shows the responses of 32 women professionals who answered in the previous question that COVID - 19 pandemic situations has not affected their sales, in fact it has increased their sales in the pandemic situations. The data in the graph shows that 12 women professionals said that their sales remained constant i.e., neither it increased nor it decreased, 11 women professionals said that their sales were increased by 10% - 30%, 5 women professionals said that their sales were increased by 31% - 50% and remaining women professionals said that their sales increased by 51% and above.

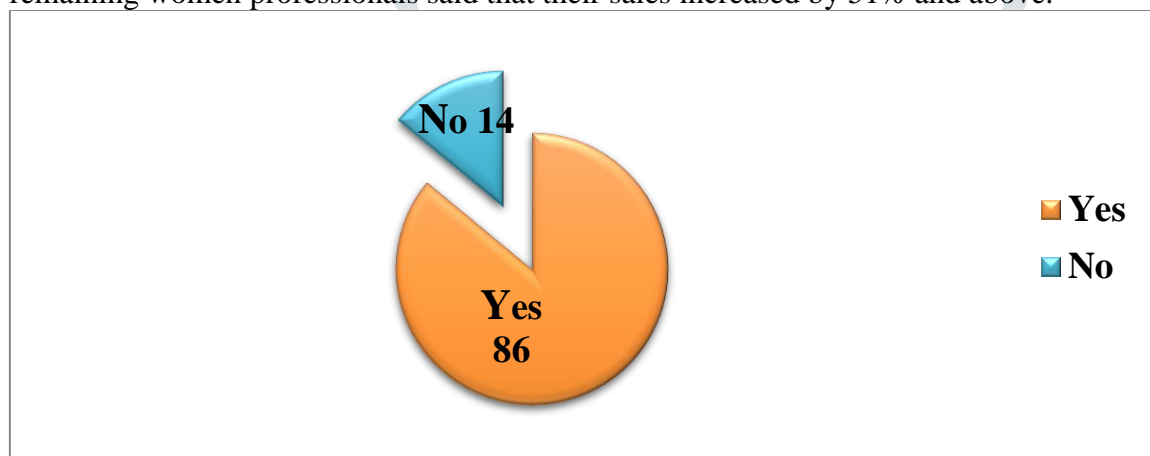


Fig 14: Do you feel that direct selling companies will be an income earning opportunity in this COVID - 19 pandemic situations?

The graph shows the data collected from 100 women professionals about the fact that do they feel that in the COVID - 19 pandemic situations the direct selling companies will be an income earning opportunity for the women. The record/data collected shows that 86% women consultants said that “yes” the COVID - 19 pandemic situations will be an income earning opportunity for the women. 14% women consultants said that “no” the COVID - 19 pandemic situations will not be an income - earning opportunity for the women.

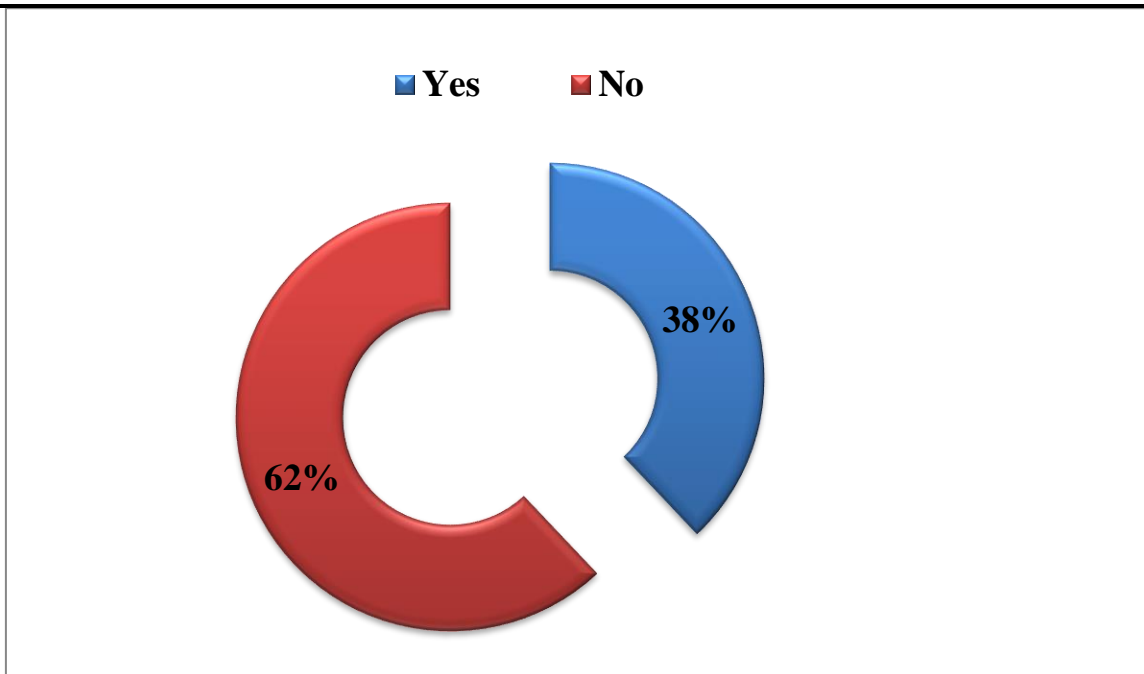


Fig 15: Were you able to support your family financially through your sales in this lockdown period?

The graph shows the data depicting the financial stability of women consultants/professionals during the lockdown period. Out of the data collected 62% women professionals said that yes, they were able to support their families financially and 38% women respondents said that no they were not able to support their families financially.

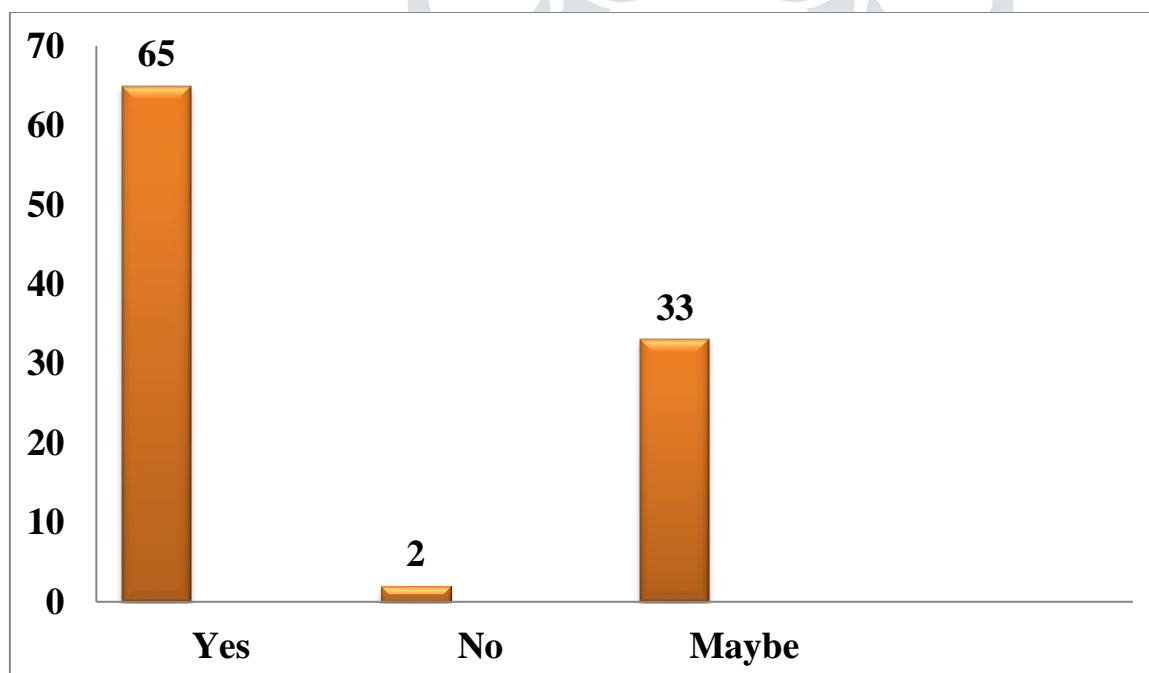


Fig 16: Do you think that due to lockdown & job recession woman will now be joining the direct selling companies to earn an income & support their families?

The graph shows the data depicting that whether the women who are still not a part of direct selling sector will join the sector due to job recession and lockdown during the COVID – 19 or not. The responses gathered from women consultants who are already a part of this sector through one or the other company said that according to them 65% women said that yes, they will join the direct selling company sector, 33% said maybe they will join the sector and remaining women said that no they will not join the sector as a consultant of the various direct selling company.

■ 1 to 4 ■ 5 to 8 ■ 9 to 12 ■ 13 and above

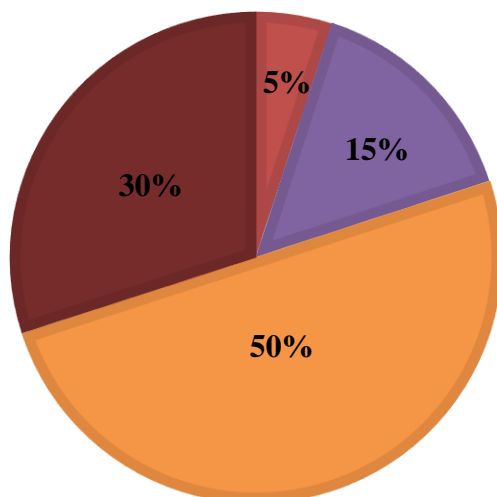


Fig 17: How many women were you able to join underneath you in your respective direct selling company as an independent consultant during the lockdown period?

The graph depicts the number of new recruitments of women as consultants in various direct selling companies by the already existing women consultants. It shows that 50% women consultants were able to make new joining's of around 9 to 12 members, followed by 30% women consultants who were able to make around 13 and above members join the companies. 15% women consultants were able to make around 5 to 8 members join followed by only 5% women consultants who were able to join only 1 to 4 members under them as the consultants of their respective direct selling companies.

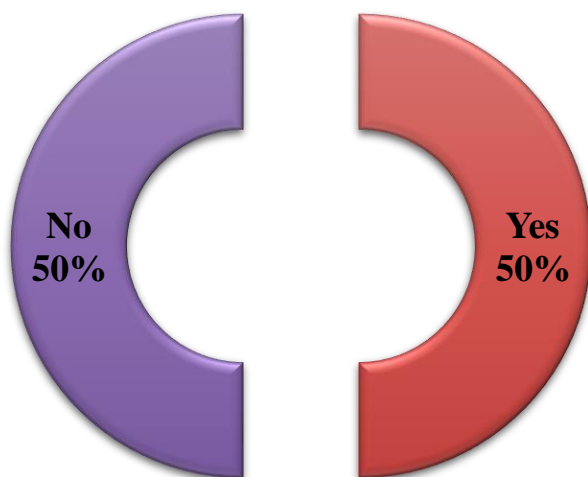


Fig 18: Were you able to achieve your set monthly goals and titles in your respective company in this lockdown period?

The graph depicts the achievement of set monthly goals and titles by the women consultants in their respective companies during the lockdown period. The shows that 50% women consultants said that "yes" they were able to achieve their set goals and titles and 50% women consultants said that "no" they were not able to achieve their set goals and titles during the COVID – 19 pandemic situations.

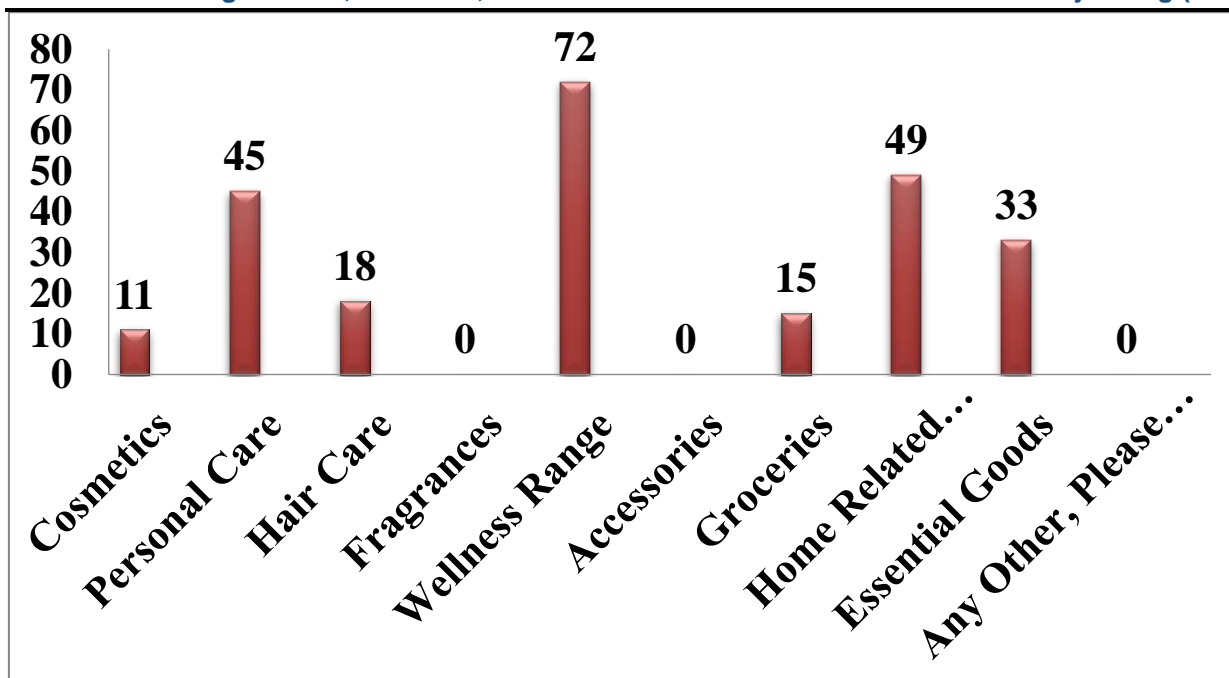


Fig 19: Which products were in more demand during the lockdown period by the customers?

The graph depicts the demand of various products demanded by the customers/consumers from various direct selling companies during the lockdown period due to the pandemic situation. The graph shows that 72% consumers responded that the wellness products were in more demand due to the immunity and health conditions during the COVID -19 pandemic situation, followed by 49% consumers responding that personal care products of the various direct selling companies were in more demand. 33% consumers responded for essential goods, 18% consumers said that hair care products were in more demand during the lockdown period. 15% consumers responded for grocery products and a very few around 11% said that cosmetic products were in demand. Since, it was a situation of complete lockdown and everyone was at home therefore there was no demand for accessories sold by various direct selling companies.

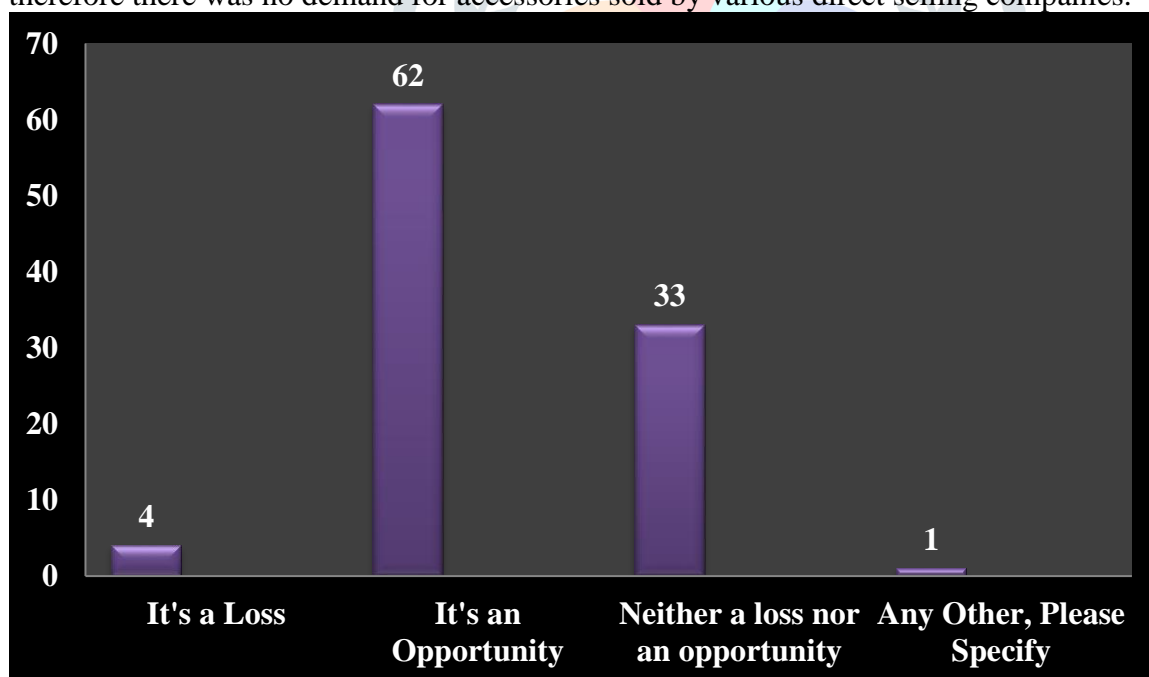


Fig 20: The COVID – 19 pandemic situations, a loss, or an opportunity for the direct selling company consultants

The graph depicts that whether the COVID – 19 pandemic situations, is considered as a loss, an opportunity, or neither a loss nor an opportunity situation by the various direct selling company women consultants. It could be seen that 62% women consultants said that COVID – 19 pandemic situation was an opportunity for them. 33% women consultants said that it was neither a loss nor an opportunity situation, and only 4% women consultants said that pandemic situation was a complete loss situation for them.

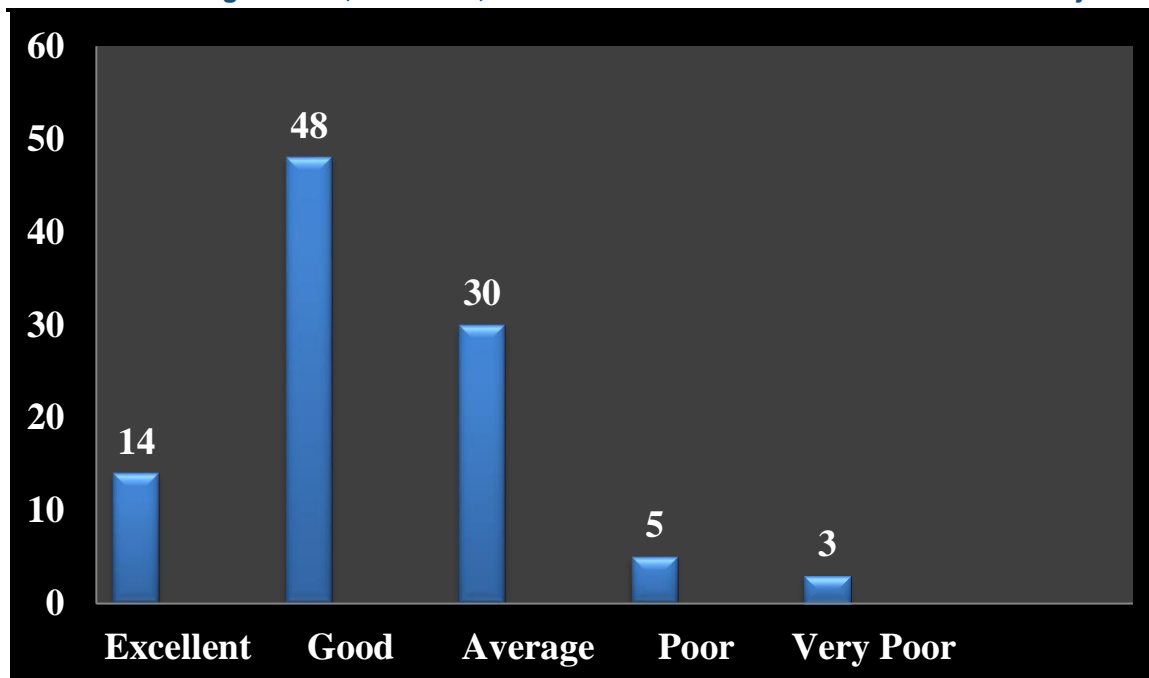


Fig 21: How was your overall experience as a direct selling company sales consultant in this lockdown period?

The graph depicts the overall experience of the various direct selling company women sale consultants in this lockdown period. It shows that 48% women consultants had a good experience during the pandemic situation. 30% women consultants had an average experience. 14% women consultants had an excellent experience. Remaining consultants had a poor & very poor experience during the pandemic lockdown situation.

Conclusion:

Covid-19 had impact on every sphere and activity of life of the people, not only in India but all over the world. Among all, economic impact was more prominent, visible and visualisable, thus adversely affecting the living of the people. The present study reveals the impact of Covid -19 on direct selling companies' sales through women professionals. Based on our research, from the angle of comparative study it was concluded that the direct selling companies' sale was positively impacted due to involvement of women professionals especially women who were not working before Covid-19. Though the results of the study show that majority of women professionals are at the level of consultants, the initial level, but the advancement to the level is quite satisfactory. majority are from early middle age from 29-39 years (37%) followed by the middle age from 40-5- years (30%),18% are from the age 18 -20 years, and 15% are from the age group of 50 years and above. These figures show that women from every age group participated in the viability of financial support to the family during this hard time. This is also clear from the fact that 86% women professionals are married, which again draws a conclusion that women besides day-to-day household responsibilities could provide financial support also by direct selling companies. Again 2/3 i.e.,68% of them are from nuclear families and thus even without support of any family kins they could create financial benefits. More than 1/3 i.e.,37% belong to the house women and to the professional world working in some or other corporate office or company as full time professionals and supported their family as the consultants of various direct selling companies as an additional earning, otherwise they would have been facing difficulty as their regular income was reduced by the employer. More than 2/3 i.e.,70% are the self-independent women supporting themselves as well as their families financially. The income ranges from 10,000 to 70,000 per month which can be considered as reasonably good. The sale, about 2/3 (60%), has been affected positively during Covid-19 and on an average increased by 40% of pre Covid-19 sale, thereby providing a better support to their family financially. More members have been added to the team of direct selling entrepreneurs. It can be concluded that overall, financially worst time of Covid -19 has been converted in to a beneficial period by the direct selling companies' sale through women professionals and thereby transforming the lives and economic and social status of women and their families.

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