Chapter 8

CONCLUSION & SUGGESTIONS
The scope of direct selling is continuously expanding and the field is fast maturing to take a stand alone status. This discipline is taking its place as a key component in the marketing mix. The basic purpose of any direct selling program is to get a measurable response that helps in generating an ultimate profit for the company. To create a measurable response there must be an offer or a call to action. Attractive offers help the marketers to obtain double benefits in terms of sale of a product or service and secondly generating the strong leads for the company which provides business to the company at their maturity.

Direct selling is not restricted to any one medium rather it involves several medium or tools through which the sellers reach the prospective customers and convince them to buy their products. Now days, the direct sellers have started creating synergies of multiple media options available to them and through these well knitted synergies they capture a major share of the market. Among all the media options, these days the direct sellers are heavily using telemarketing and internet to create their niches in the market. Among the two, the internet is gaining lot of popularity as it helps the direct sellers make their wide reach and create mass awareness regarding their products and services.

This particular research has deeply covered the field of direct selling and it’s relation with customer satisfaction and value addition. Although the direct selling is quite new concept in Indian market but it is picking up very fast specially among the young generation. Direct selling is still confined to few products like cosmetics, household majorly. The findings of this research are based on primary information and opinions obtained from the customers as well as the direct selling companies operating in India. This research is exploratory in nature and covers a wide area related to direct selling. The thrust is given on the customer satisfaction and value addition of the customers who deal with the
The research also worked on the awareness level among the customers with regard to direct selling. During the course of study, the direct interview method was used to administer the questionnaire. The detail analysis of the data collected was done and the results obtained can be summarized as follows –

1. The awareness among the sample, about direct selling concept used by companies is quite high. 70% of the respondents from the urban/suburban areas were aware of this marketing method although all of them are the customers of direct selling companies. The remaining 30% respondents were not even aware about the concept, in this category the majority of the people were from rural areas where the business is carried out on old traditional method.

![Awareness regarding Direct Marketing](image)

The 70% aware respondents can be classified on the basis of age groups they belong to. 18% were between 20-24, 55% were between 25-29, 20% were between 30-34, 5% between 35-39 and remaining 2% were above 40 years of age. This classification shows that the awareness
of direct selling quite high among the age group of 25-29 years, these were the people mainly from the service class background and also the newly wed couples where both husband and wives are working. These groups of people are more innovative in nature and like to go for new ideas of purchasing and transacting with the companies.

Most of the products purchased by this group is consumer durables and household products and in the mentioned classification of respondents the least aware were above 40 years of age these are the people who secure only 2% in the entire break up of the classification, among these 2% respondents there are mostly professionals and well settled people who mostly belong to upper middle class and upper class segment, they have good knowledge about direct selling concept and the companies dealing in the same and due to lack of time and various other factors they prefer buying the goods through direct selling method.

Percentage of Awareness of Direct Marketing
Percentage of Awareness of Direct Marketing

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage of Awareness</th>
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<tbody>
<tr>
<td>20-24</td>
<td>18</td>
</tr>
<tr>
<td>25-29</td>
<td>55</td>
</tr>
<tr>
<td>30-34</td>
<td>20</td>
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<tr>
<td>35-39</td>
<td>5</td>
</tr>
<tr>
<td>40+</td>
<td>2</td>
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2. Out of the 70% of the respondents, accepting the awareness about direct selling only 45% have made an actual purchase of the products from the direct selling companies rest 25% have awareness but they have not purchased any product till now although they have the willingness of purchase but still due to the old tradition, they are buying through conventional methods. This finding signifies that merely awareness is not sufficient to convert the suspect to prospect and finally the prospect into the customer.

Percentage of Actual Purchaser

- **Actual Purchaser, 45%**
- **Non Purchaser, 55%**
Upon finding out the frequency of the purchase by these 45% respondents who actually purchase through direct selling method, the findings were quite surprising, as they revealed that 45% of these respondents purchased the products around 1 year back or even more than that and only 15% purchased the products through direct selling just 3 months back, based on this it can be very well said that purchased frequency of the respondents is very low and they usually purchase through direct selling only during some occasions or once in a while.

### Purchase Frequency

<table>
<thead>
<tr>
<th>Frequency of Last Purchase</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>3 Months Back</td>
<td>20.4%</td>
</tr>
<tr>
<td>6 Months Back</td>
<td>27.4%</td>
</tr>
<tr>
<td>1 Year Back</td>
<td>90%</td>
</tr>
<tr>
<td>More than 1 Year Back</td>
<td>20.4%</td>
</tr>
</tbody>
</table>

The table below shows the percentage of consumers who purchased the products at different frequencies:

<table>
<thead>
<tr>
<th>Period</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>3 Months Back</td>
<td>15</td>
</tr>
<tr>
<td>6 Months Back</td>
<td>20</td>
</tr>
<tr>
<td>1 Year Back</td>
<td>25</td>
</tr>
<tr>
<td>More than 1 Year Back</td>
<td>45</td>
</tr>
</tbody>
</table>
4. The product category purchased by the consumers mainly includes vacuum cleaners, water purifiers, household products, cosmetics and health products. The detailed breakup percentage wise is mentioned below in the form of diagram. Based on this data it can be said that well demonstrated products like vacuum cleaners and water purifiers excelled the sales figure as compare to others household products and least purchased product were health and cosmetics, while asking the respondents about this low percentage of purchase of these products, the respondents revealed that due to high price and risk involve in this product category, the customers prefer to mostly purchase them through conventional methods.

Product Categories sold through Direct selling

![Product Categories Diagram]

- 5% Vacuum Cleaner
- 5% Water Purifier
- 10% Cosmetics
- 5% Household Products
- 55% Health Products
5. When the satisfaction level about the product purchased by the consumers is measured on a five point Likert Scale, the results were that only 7% were strongly satisfied with the product they have purchased, 65% were partially satisfied, 10% were uncertain, 13% were dissatisfied and 5% were strongly dissatisfied. This shows that the satisfaction is moderately high although dissatisfied consumers were less, still the satisfaction level requires tremendous improvement.

Satisfaction Level among the consumers

![Satisfaction Level Graph]

6. In the survey when the questions related to advertising campaigns by the direct selling companies were asked, 70% of the respondents agreed that the direct selling companies significantly lack in advertising strategies and only 7% of them agreed that the advertising campaigns runned by the direct selling companies are adequate and up to the mark. This trend shows that the advertising support by
different media were inadequate which leads to the non awareness of the prospects. An integrated approach was required to cover the prospects which could convert the prospects into purchasers.

**Attention Required towards Advertising**

7. Packaging of a product is one of the major 5 Ps of the marketing mix. Packaging is potential marketing tool which strongly assists the sellers in increasing their sales volume. An attractive packaging compels the customers to purchase the products. During the survey the majority of the customers were satisfied with the quality of the product packaging except few cases where products were damaged during transit due to improper packaging. Thus we see that packaging is another area whether the direct sellers pay lot of attention and try their level best to keep
the customers satisfied. The breakup of satisfaction level is mentioned here in
below with the help of diagram-

**Satisfaction Regarding Packaging**

![Diagram showing satisfaction levels]

- Strongly Satisfied: 60%
- Partially Satisfied: 22%
- Uncertain: 11%
- Dissatisfied: 5%
- Strongly Dissatisfied: 2%

8. The delivery process was satisfactory in the direct selling process. Usually the
deliveries of goods were made in advance or within the specified time period. In
Indian scenario most of the direct selling products are sold through face to face
interaction where the companies' representative directly approaches the customer and
convinces him through demonstration of the products to buy the same. In such cases
the delivery of the product is done hand to hand where in other cases the direct sellers
use television, mail to sell their products, in this the delivery is done within specified
time.
9. The ease of purchasing through direct selling was accepted by 40% of the respondents. This ease was primarily based on the door step availability of the product and the ease of making the payment through credit cards or demand drafts or even cash. Those who strongly disagree gave the reason of risk factor involved in the purchase process because the product quality and performance could not be checked before hand moreover these respondents have the mind set where in they prefer visiting the retail store with the family and try and test the products before actually buying it. The breakup of ease of purchase is explained here in below with the help of diagram-
Ease of Purchase

Satisfaction Level

<table>
<thead>
<tr>
<th>Ease of Purchase in %</th>
</tr>
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<tbody>
<tr>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Uncertain</td>
</tr>
<tr>
<td>Disagree</td>
</tr>
<tr>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>
When the respondents were asked about the safety or security aspect involved in the purchase through direct selling method, the majority of them felt quite unsecure while purchasing through direct selling, stating the reason that in case of something going wrong during the transaction, it is difficult to approach the responsible person from the company. They also stated that most of the direct selling companies are employing temporary sales personnel's who have the tendency of leaving the company on frequent intervals and in case of any problem it becomes very difficult to trace the concern person and get it solved. The satisfaction regarding the safety aspect of the direct selling is shown through the following diagram -
11. Every direct seller tries to eliminate the distribution cost and communicate directly with the consumers to achieve its ultimate objective of profit. The respondents of the study were of the opinion that it is not economical to purchase through direct selling companies, they stated that conventional selling gave them the opportunity to compare different brand of similar products and choose the product with high on features and low on price. This enables them to have look and understanding of competitive brands and their positioning. The breakup of economy in purchase in mentioned below through the diagram-

![Economy in Purchasing Diagram](image-url)
12. The purchase of various products through direct selling companies is not very economical but majority of the customers accepted that it saves time. 55% of the respondents who purchase the products were from the working class or high profile professionals who had scarcity of time and valued the time more than money. The percentage wise breakup of the time saving concept of the customers is given below—

**Time Saving**

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>55%</td>
</tr>
<tr>
<td>No</td>
<td>35%</td>
</tr>
<tr>
<td>Uncertain</td>
<td>10%</td>
</tr>
</tbody>
</table>

13. Is conventional selling better than direct selling when this question was asked to respondents, there was ambiguity regarding which is better. 40% of the respondents were uncertain, 10% strongly agreed and 20% strongly disagreed on the subject. This shows that the products sold through conventional selling system had wider acceptance where as only the few products sold through the direct selling method
were readily accepted by the customers. Conventional selling has all the components of converting the prospect into customer, it has awareness through media, comparability of price, features etc so the respondents opined that direct selling may complement the conventional selling but it has a long way to go. The diagrammatic explanation is mentioned below-

**Conventional Marketing is Better**

![](image)

14. The respondents were of the opinion that conventional selling has been a major selling system which caters to all the segments of consumers. It even caters to the needs of direct selling companies customers. On the contrary the direct selling caters to very limited segment of upper middle class and upper class. Since it has its limited reach so it cannot fully eliminate or replace the conventional selling.
15. Direct sellers usually sell household products which do not require frequent after sales service, few of the companies those who are dealing with the consumer durables have their own service centers to provide the after sales service. Most of the respondents were of the opinion that direct sellers were unable to provide in time service due to unavailability of the logistics or spare parts. Only 4% of the respondents were strongly satisfied with the after sales services of the direct selling companies. The diagrammatic break up is mentioned below -
Satisfaction Regarding After sale service

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
</tr>
<tr>
<td>Agree</td>
<td>20</td>
</tr>
<tr>
<td>Uncertain</td>
<td>20</td>
</tr>
<tr>
<td>Disagree</td>
<td>35</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>21</td>
</tr>
</tbody>
</table>
40% of the respondents strongly disagreed on the question of fair pricing as compared to conventional selling. According to the respondents, despite of the elimination of the intermediaries the prices of the direct selling products are high because of the monopolistic attitude of the sellers. The satisfaction level with regard to pricing is mentioned below through the diagram-

60% of the respondents were not willing to purchase products from the direct sellers due to some or other reason. The feel that the direct sellers are irresponsible, irrational and do not offer value for the money spent by the customers. According to the respondents, the direct sellers are more sales oriented companies rather than customer oriented. Such opinions of the customers have created a negative image of the direct selling companies and the customers avoid buying from such companies and even those who have purchased in the past do not want to go for repeated purchase. The details breakup is given in the diagram below –

Repeat Purchase

- Uncertain, 10%
- Yes, 30%
- No, 60%

[Diagram showing the repeat purchase details]
The future of direct selling in India is good or bad when this question was asked to the respondents, 35% of them were optimistic about the future of direct selling due to emergence to new trends and lack of time catching up trend of ease of purchase. The opine that although the direct selling is not picking up that fast in the present scenario but it has a good future because it involves some of the attractive features which the customers of today want in their purchase transaction. The detail of the customer response is mentioned below with the help of diagram.
<table>
<thead>
<tr>
<th>Good Future of Direct selling</th>
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<tbody>
<tr>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Uncertain</td>
</tr>
<tr>
<td>Disagree</td>
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<tr>
<td>Strongly Disagree</td>
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**Suggestions**

The detailed analysis of direct selling and it’s related issues have enabled us to reach to the root causes of problems and challenges being faced by direct selling companies in India. During the course of study it was found that the challenges and problems are more related to customer perception about this method of selling rather than some technical problem involved.

Despite of very good products and services backed by effective strategies and the potential market, the direct selling companies couldn’t reach to the expected level but still companies like Amway, Eureka Forbes, and Oriflame etc have recognized the great opportunities in this area and have explored the new and innovative techniques to reach to the customer in a more efficient way by using direct selling methods. The new technological advancement like the introduction of the internet has opened new areas of distribution channels by introducing e stores where the customers can do a virtual
shopping. These e stores have helped the companies to interact directly with the customers and achieve the goal of increased sales.

This research on direct selling is an attempt to explore the areas of direct selling used by various companies and to have a preview of the direct selling industry. Based on the study of direct selling strategies implemented by various direct selling companies and the consumers in the selected sample universe, we draw some conclusions. These conclusions are fully based on primary data collected through the questionnaires administered on the consumers and the also on the basis of some secondary data collected through different sources.

Based on the findings from the study we can offer the following suggestions. These suggestions may be of the use for the direct selling companies and if implemented in the right context may give a positive response to the direct selling companies. The suggestions are –

1. The awareness about direct selling is still confined to the urban population, this awareness about the direct selling as a method of selling and doing transaction needs to be extended in a big way especially in semi urban and rural areas. Around 70% of population still lives in rural areas it they are tapped in a proper way by the direct selling companies through some of the exclusive strategies for the rural customers, the companies will get a good result and it will enhance the awareness level also.

2. The awareness in the urban youth is very high and other age groups are moderately aware of this concept. This shows that the strategies of the direct selling companies are still not fully capable to cater the needs of other age groups .Creating the
awareness in the minds of different age groups will create new market opportunities for the company.

3. During the study, the frequency of purchase by the consumers was checked and it was found to be very low. Consumers resist in going for repeat purchase because of the reasons like risk, cost etc, the direct selling companies need to seriously look into the same and must keep on adding new offers and features to the products and at the same time they should also introduce new products in the line in order to attract the customers and enhance repeat purchase.

4. The category of products sold through direct selling is quite confined to vacuum cleaners, water purifiers and household, the direct must think of widening the product base and must push other products through this method of direct selling.

5. Satisfaction level of the consumers of direct selling companies was found quite low due to some key reasons like after sales service, complaint redressed etc. The direct sellers should look into this and improve upon the mentioned areas in order to restore the satisfaction level of the customers.

6. Advertising campaigns done by the direct selling companies could not create the required awareness among the customers; the direct sellers should look for some more media channels or should further redesign the advertising campaign in order to make it attractive for the customers.

7. The research found that the delivery of the products is taking place well in time and this has enhanced the image of direct selling concept, the customers do not have any complain regarding the timely delivery of the products, but they do have apprehension regarding the redressed of the complaints or problems etc.
8. Direct selling has got the pace in the market because of the ease of purchase that involves doorstep delivery of the products, ease of the payment have been the pushing factors in direct selling, the companies should continuously upgrade themselves on this aspect.

9. As per the findings in the research regarding value addition to the customers, it was found that the customers feel that direct selling companies fail to add satisfactory value to them in terms of money they spend on purchases, the customers feel that the direct selling companies adopt the monopolistic approach. The companies must look into this aspect and they must work on reframing their image by way of changing the mindset of the customers. The offers given by companies must have value addition in terms of monetary value, sales service, customer relationship etc.

10. Conventional selling is better than direct selling, this opinion is still deeply enrooted in the customers minds, the direct sellers must try to increase their interaction with the customers and build long term profitable relationships with and must try to remove all the apprehensions of customers regarding price, safety etc. The direct selling model needs more acceptability by the customers.

11. Direct selling in India is still confined to upper middle class and higher class of people, whereas the significant portion of the customer population belongs to middle class and lower middle class also, the direct sellers must formulate some strategies targeting this segment as well and moreover they should include those products also which are used by middle class and lower class segment of customers as well.

12. This research study found that there is a general perception in the minds of customers that direct selling companies sell the products on higher rates and this feeling at times
resists such customers to attach themselves with the direct selling. This myth regarding high pricing needs to be removed by reaching out to such customers and convincing them about the pricing of products sold through direct selling.

13. The customers in India feel that direct selling channel lacks the personal attention and association between the companies and customers. The customers stated that while buying through conventional method of business they feel that the concern retailer, dealer or distributor is paying lot of personal attention to them and these approaches help in satisfying the personal ego of the customers. The direct selling companies need to heavily emphasize on customer relationship management in order to drain out such mentioned thoughts from the minds of customers.

14. Direct selling is still lacking in terms of acceptability by the Indian customers, there is a feeling that such concepts have emerged in western countries and they are more suitable for western customers and business environment but in India, the old conventional method of selling is the best as it is designed according to Indian market system and is more acceptable to the customers.

15. While working on this research, it was found that in India, out of so many direct selling methods, telemarketing is the most widely used one where as the other methods like sale on internet, direct mail etc are still to make their prominent place in customers mind such approach is resulting in confining the image of direct selling to telemarketing but in reality it is much more than that. The direct selling companies in India, should promote and use other methods as well to balance the overall growth of direct selling.
16. This study found that in India the direct selling companies are using this method just to promote few products which are known to the market but when it comes to brand creation, the direct sellers feel that this method of direct selling is not very effective and for establishing brand loyalty and creation the sellers need to take the help of market intermediaries thus bringing in the role of conventional selling.

17. This study found that the customers resist to avail the direct selling method because they doubt on product authenticity. There is a feeling that the products being purchased through direct selling companies are not so reliable in terms of quality and quantity, some customers feel that through direct selling the companies clear their buffer stock, such myth needs to be corrected by winning customer confidence.

18. It was found during the course of study that the direct selling companies want to further promote this method in India but due to lack of infrastructural support and other geographical and regional constraints they need to involve the market intermediaries. The government and the regulatory authorities should consider this concern of the direct selling companies and assist them in extending the usage of direct selling.

19. The study found that customers seek pleasure in buying and they like spending time in the market and visiting number of shops and talking to salesmen, the direct selling involves direct dealing with the company and the delivery of goods is done at customers place, this method does not attract such pleasure seeking customers and this also reduces the usage of direct selling.

20. Finally it was seen in the course of study that majority of the advanced age customers even do not know and understand the concept of direct selling and at the same time
they are not also willing to accept it, in a country like India where the major market consists of middle class families, such families are dominated by such male adults, this problem is confining the usage of direct selling, the companies need to formulate the strategies for changing the mindset of such customers and bringing them in favour of direct selling.

We conclude from the study that the awareness about the direct selling concept in the urban youth has grown manifold. Majority of the people were well aware of the concept and have done some purchases through this model. These products majorly include household. Product, delivery of product is not an issue but the customers remain worried about after sales service quality and price. Ease of purchase is one strong motivator in direct selling model which triggers the customers to buy through this method.

On the pricing aspect, the customers were of the opinion that direct sellers are expensive in terms of their products and services. The upcoming new classes of customers have a better potential to purchase the products. This class includes the urban employed youth who are earning a handsome amount and want to maintain their standard of life. These people do look for this model of direct selling because they get ease of purchase and more over this model of direct selling keeps them least involved in buying process, which they support. It is a high time now, that the direct sellers should redesign their strategies of doing the business and must come closer to the common customers.

The direct sellers need to change the negative mindset of the customers, they need to convince the customers that they equally care for the customers as conventional sellers do. They should specifically work on customer value addition which in turn will automatically generate the satisfaction among the customers.
Finally based of above mentioned point it can be concluded that although direct selling is a new concept to Indian markets but it is gaining popularity among the higher class and upper middle class segment of customers. Indian markets have tremendous potential for direct selling companies but these companies will have to seriously think an act upon the given suggestions by the research work bases on customer opinion and relevant facts and figures available.