

ECONOMIC GROWTH THROUGH DIRECT SELLING: A GLOBAL COMPARISON WITH INDIA'S INSIGHTS

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Abstract: Sustainable development means fulfilling present needs without compromising future generations' ability to meet theirs. The United Nations' Sustainable Development Goal-8 emphasizes "decent work and economic growth". Among various methods to achieve this, direct selling contributes positively through job creation, entrepreneurship, and sustainable growth. The present work examines the performance of direct selling in India as compared to the global level using secondary data from WFDSA and IDSA reports. Analytical tools like percentages, CAGR, are used for the purpose. It is observed that Indian direct selling industry grew by around 12 percent, with a gross turnover of Rs. 2, 12,820 million in 2022-23. India ranked 11th globally, contributing to the total global turnover of \$167,694 million. Worldwide, 102.9 million people are engaged in direct selling. In India, out of 8.62 million direct sellers, 3.19 million are women. Globally, 71 percent of direct sellers are women, although male participation is steadily increasing.

Keywords: Direct selling, Market, Economic Growth, IDSA, and Gender participation.

JEL Classification: M31, F43, J16

I. INTRODUCTION

Sustainable development refers to the process of meeting the needs of the present without compromising the ability of future generations to meet their own needs. The foremost objective of the United Nation's Sustainable Development Goal- 8 is "decent work and economic growth". From among various ways to achieve this goal, the direct selling activity

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is one which contributes positively through job creation, entrepreneurship skill development, ethical business practices, social responsibility and sustainable economic growth (Mohapatra et al., 2025). Thus, direct selling is an important tool to achieve sustainable development goals by 2030. It is one of the modern types of marketing system which was first introduced in 1886 in USA and came to India in 1995.

Direct selling means elimination of middle sales channel in the marketing system and believes in direct connection with customers through companies' distributors. Being different from traditional marketing system, it has become the most popular and successful selling strategy. Anyone with an aim to improve his economic status can start this activity without making a big investment, creation of inventory, boss pressure, retail shop, boulder limit, time limit and professional qualifications etc. It offers big opportunities to passive income, multiplication of working time, ensuring family security and freedom to earn money through team activity and performance over a long period.

Globally 71 percent women are in this industry where male participants are 29 percent and in India only 37 percent are woman where 63percent are male direct sellers. Direct selling activities are also providing various benefits to the actively growing direct sellers like foreign tour, performances bonus and company headhunters visit. The beauty of direct selling activity is that it promotes use of good quality products with brand values in market and the business spreads orally without any commercial advertisement. Mostly, the companies sell FMCG and wellness products which are beneficial to health and protect from life style disease. India tops list in sale of wellness products constituting around 74 percent of total products in Asia/pacific region.

The direct sellers choose direct selling activity because of the reasons like-

- It has a low risk of owning a business i.e. low capital investment,
- Experienced leaders or mentors provide training to new comers with respect to setting of their own goal, new skills, discipline, successful and self-development in life to fulfill dream,
- Flexible time schedule which implies they can choose when and how much they work, whether part time or full time,

- Earnings are in proportion to efforts. The level of success depends on how hard a person wants to work and fifthly it also provides opportunities to meet and socialize with people.

As per Direct selling activity retail sales regional overview, in 2022-2023, the Asia/pacific region had retail sales of \$67,573 million which globally share 40.3 percent followed by American total sales of \$62,632 million and a share of 37.3 percent, Europe is the third region which sales amounts to be \$36,149 million, with a percentage share of 21.6 percent and Last region is Africa/Middle east having a turnover of \$1,340 million and globally share 0.8 percent. Direct sellers of various age groups are working in this industry. Worldwide 7.7 percent are below 25 years, 18.8 percent are in 25-34 age group, 25.9 percent are of 34-44 years old, 22.8 percent are within 44-54 age group, 15.7 percent are 55-64 years old. 102.9 million direct sellers generate turnover \$1, 67,694 million world-over. Direct selling industry in India grows at approximately 12 percent contributing a gross turnover of Rs. 2,12,820 million in 2022-23. The country has maintained its 11th position on the world direct selling industry. WFDSA (World Federation of Direct Selling Association), IDSA (Indian Direct Selling Association), FICCI (Federation of Indian Chambers of Commerce and Industry) and KPMG (Klynveld Peat Marwick Goerdeler) predict that towards end of the year 2025 direct selling will be having a total turnover \$8.6 billion (Rs. 64,500crore), 18 million people will connect to this system of which 53 percent will be women.

II. REVIEW OF LITERATURE

C.O.S. Kiaw and E.C.D. Run (2007) conducted a study titled “Why Malaysians Join and Stay on in a Multilevel Marketing Company”, which assessed the consistency of MLM companies operating in Malaysia. The study analyzed data from 1,940 distributors across different regions using primary data. The authors applied basic statistical techniques such as frequency distribution, stratified sampling, convenience sampling and Likert scales. The findings revealed that most individuals join MLM companies primarily for financial support. Additionally, the study found that MLM companies focus more on improving product quality rather than just increasing sales, and that demographic factors significantly influence participation.

L. Ferrell and O.C. Ferrell (2012) in their article “Redirecting Direct Selling: High-touch Embraces High-tech”, highlighted the growing role

of social media in direct selling. The study found that 76 percent of direct sellers used social media platforms such as Facebook, YouTube, and Twitter to promote their business. Among them, 55 percent used it to recruit new distributors, while 42 percent used it to re-engage former distributors. They concluded that social media helps in building brand value and enhancing customer engagement in the direct selling industry.

A. Mukherjee et al. (2011), in their study titled “Socio-Economic Impact of Direct Selling: Need for a Policy Stimulus”, attempted a global comparison of direct selling as a labor-intensive industry with significant socio-economic contributions, including employment generation, women’s empowerment, and skilled envelopment. The study used primary data collected from 2,500 respondents, including direct selling companies, manufacturers, supply chain agents, distributors, consumers, and policymakers. The authors emphasized that although direct selling is a relatively new sector in India, it is growing rapidly. Given its high potential for employment generation, any policy framework should consider its broader impact, especially in countries facing high unemployment.

C.C. Chou, D.F.R. Chen, and L.J. Jeng (1998) in their article “A Study of Consumers Who Buy from MLM Channels in Taiwan”, explored how MLM serves as an alternative to traditional retail marketing, reflecting the evolving marketplace. Using primary data and applying descriptive statistics, quota sampling, and Likert scales, the study compared consumer satisfaction between MLM and traditional market products. It was found that women made more purchases through MLM channels than men. Most buyers obtained production formation through friends, relatives, and salespersons, highlighting the importance of personal networks in the MLM model.

Chitra (2018), in her article “Factors Influencing Customers’ Buying Behavior Towards MLM Products: A Review Study”, emphasized that network marketing is distinct from other marketing systems and is expanding rapidly. The study found that MLM strategies are effective in attracting customers by offering high-quality products, significant business opportunities, and personal development support. The distribution system through direct sellers plays a vital role in reaching customers efficiently and building lasting relationships.

Vandana Gupta (2012) stated that direct selling activities would have a very positive impact in the future and are likely to expand into rural areas.

Her study explained that direct selling is one of the major contributors to economic development in several developed countries. It has spread to rural areas in many countries through both store and non-store retail formats, attracting significant consumer interest. Using both primary and secondary data, and applying descriptive sampling, Bartlett's test of sphericity, and the Chi-square test, she found that direct selling operates in both urban and rural areas. Notably, female participation was higher than male participation. The activity is more prominent in South India, followed by Western India.

Dr. A.A. Korath (2013) investigated the influence of demographic factors on the perception levels of multilevel marketing (MLM) distributors in his study titled "The Influence of Demographics on the Perception Level of Multilevel Marketing Distributors." He established a research framework to explore how demographic variables affect the perceptions of direct selling distributors. The primary goal of MLM is to build large teams and foster the right mindset for growth. Based on primary and secondary data from 614 distributors across three regions of Kerala and using statistical tools such as the Likert scale, mean, F-test, Chi-square, and ANOVA, he found that: Male distributors had a better understanding of the concept than females, Marital status had no significant relation to perception, Educational qualification played a major role in distributor performance, Employed distributors performed better than unemployed ones, Higher income groups had higher perception levels, but MLM skills did not significantly impact income.

Prasit Rattanaphan (2012), in his article "Consumer Attitudes toward the Corporate Image of Direct Selling Companies in Thailand," discussed the major predictors influencing consumer's attitudes towards the corporate image of direct selling companies. Using both primary and secondary data and applying regression analysis, the KMO measure of sampling adequacy, Bartlett's test of sphericity, F-test, and T-test, he found that direct selling activities had a significant positive relationship with corporate image. However, there was no significant relationship with brand architecture, corporate social responsibility, and internet marketing.

N.K. Singh and Dr. S.K. (2019) in their article "Direct Selling: Understanding Its Building Blocks and Current State in India," assessed that direct selling evokes both positive and negative opinions among the Indian population. The study, based on secondary data from companies registered

under the Indian Direct Selling Association (IDSA), outlined the various types and mechanisms of direct selling. It presented insights into the current and future scenarios of the industry through the analysis of multiple survey reports.

Muhammed Juman B.K. and Dr. J. Christopher (2015) examined the impact of direct selling in Kerala, specifically focusing on Amway India Ltd. in Calicut district. In their paper “A Study on Direct Selling Business (Amway India Ltd) in Kerala: A Case Study of Calicut District,” they analyzed current and emerging marketing trends using both primary and secondary data. Descriptive statistics, percentages, tables, and graphs were applied. The study highlighted the current scenario, future potential, benefits, and challenges of the direct selling industry.

R.A. Peterson (2022), in his article “The Economic Impact of Direct Selling Activity in the United States in 2022,” defined the roles of direct sellers, which include product sales, team leadership, customer referrals, and personal consumption. Based on secondary data from the Direct Selling Association’s 2021 Growth and Outlook Report and using an input-output economic model, he reported the direct, indirect, and induced effects of direct selling on gross economic output and sales. The study also estimated the fiscal implications (tax revenues) of MLM in the U.S.

Gummadi Renuka (2017), in her paper “A Study on Insights into Network Marketing,” stated that customers benefit significantly from network marketing companies, which empower individuals as independent business owners. Based on primary data from two companies (sample size: 600) and secondary data from the World Federation of Direct Selling Associations (WFDSA) and IDSA, the study found that network marketing created employment opportunities for nearly 1.8 million people, with 68 percent of them being women (2008-09). South India had the highest participation; and demographic factors significantly influenced the industry.

Deepali Bhattacharjee (2016), in her article “Consumer in Direct Selling A Case Study of Assam,” analyzed consumer satisfaction with direct selling products. Based on primary data from 650 respondents in Assam and secondary data from zonal offices of direct selling companies, she concluded that demographic factors of consumers were closely related to their experiences with direct selling services. The study used both qualitative

and quantitative techniques and presented data through graphs and tables. It found that direct selling products were health-supportive and offered good customer service.

Gupta Swaroopa Rani N. (2016), in her paper “Direct Selling and Its Benefits to the Marketplace,” described direct selling as a distribution channel that eliminates middlemen and allows products to be sold directly to consumers via distributors. She noted that although people are highly engaged in social media, direct selling enables face-to-face interaction and offers flexible working hours. Based on secondary data from 60 companies registered with the WFDSA, she emphasized that direct selling is an effective method for developing independent entrepreneurs nationwide.

K. Venkata Lakshmi Priya & et al. (2018) asserted that direct selling companies provide information directly to customers without advertising, creating additional income, women empowerment, and employment opportunities. Using secondary data from the IDSA, the study differentiated direct selling from Ponzi and pyramid schemes. It reported that India achieved a turnover of 72 billion in 2018-19. WFDSA, FICCI, and KPMG projected that the industry would grow to 625 billion by 2025-26. However, some states lacked regulations for direct selling due to limited awareness of the system. The study also emphasized the need for marketing strategies to thrive in a competitive market.

G.K. Mathews & et al. (2007), in their paper “Network Marketing: Exploitation of Relationships Myth or Reality?” examined unethical practices in network marketing, such as aggressive sales techniques, misinformation, and pyramid scams. Using primary data and techniques like convenience sampling and the Chi-square test, they found that MLM often exploits personal relationships with friends, relatives, and colleagues. Despite this, the study acknowledged that MLM also has effective sales and product quality strategies.

III. OBJECTIVES

- To analyze the growth trends of direct selling in India in comparison with global patterns.
- To explore the contribution of income from direct selling to the country's GDP.
- To examine gender-wise participation in direct selling activities.

IV. DATA SOURCES & RESEARCH METHODOLOGY

Data: Secondary data collected from the WFDSA, IDSA, FCCI, KPMG annual survey report reports are used for the present study. Other relevant information are elicited from various publications, press releases, related books, journals, magazines, internet data base, research paper and bulletin etc.

Tools: The data are analyzed by using tables, graph, percentages, compound annual growth rates (CAGR) and average annual growth rate (AAGR) etc.

1. Compound annual growth rate is calculated by applying the following formula.

$$\text{CAGR} = (\text{Final Value} / \text{Begin Value})^{1/t} - 1$$

Where, 't' is number of years

2. Average annual growth rate is calculated by applying the following formula

$$\text{AAGR} = (\text{Growth rate}_{t=1} + \text{Growth rate}_{t=2} + \text{Growth rate}_{t=3} + \dots + \text{Growth rate}_{t=N}) / N$$

Where, 'N' is number of years and 't' is time period

V. RESULTS & DISCUSSION

Trend of Direct Selling Industry in India & World

State-wise Direct selling Turnovers in India in 2022-23

The direct selling activities in India are divided into five regions: North, East, West, South, and North-East. Uttar Pradesh leads Northern state with the highest turnover of Rs. 21,700 million, accounting for 10.19 percent of the total, while Himachal Pradesh has the lowest turnover at Rs. 410 million, contributing only 0.19 percent. In the Eastern region, comprising four states, West Bengal has the highest turnover at Rs. 21,920 million, contributing 10.30 percent of the total, Odisha is at the second position on eastern region on map with turnover 11,070 million, contributing 5.80 percent. While Jharkhand records the lowest turnover at Rs. 4140 million, which accounts for 1.95 percent. The South region includes five states and two union territories. Karnataka has the highest turnover with Rs. 12,220 million, making up 5.74 percent of the total, while the union territories of

Andaman & Nicobar Islands and Lakshadweep report the lowest turnover of Rs. 90 million, In the West region, this consists of five states and one union territory, Maharashtra leads with the highest turnover of Rs. 24,870 million, accounting for 11.68 percent of the total. The lowest turnover in this region is reported by Dadra & Nagar Haveli and Daman & Diu union territories, with Rs. 10 million, Lastly, the North-East region, comprising of eight states, Assam has the highest turnover of Rs. 1,0090 million, representing 4.74percent of the total. Sikkim has the lowest turnover in this region, with Rs. 50 million of turnover only.

Figure-1 represents the total turnover of India's 28 states and 6 union territories in 2022-23

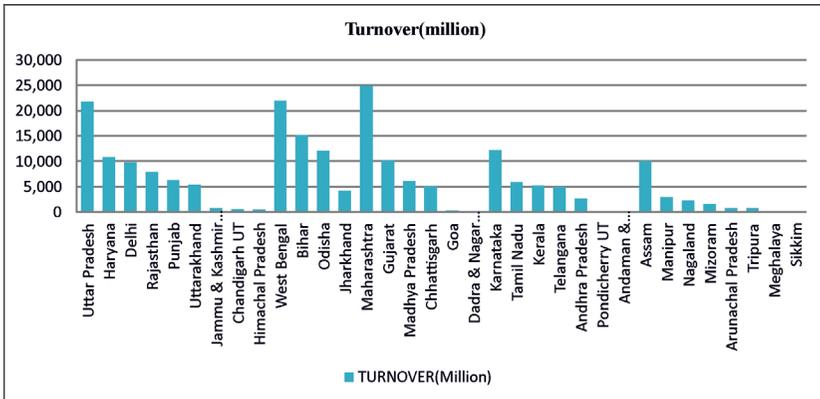


Figure 1: State-wise Direct selling Turnovers in India in2022-23

Source: Indian Direct Selling Association Annual Survey Report 2022-23

Direct selling Turnovers in India from 2005-06 to 2022-23

Figure-2 illustrates the year-wise direct selling turnover, growth rate and compound annual growth rate (CAGR) in India from 2005-06 to 2022-23

As observed from Figure-2, the direct selling turnover in India increased from 9percent in 2005-06 to 27percent in 2010-11. However, it then declined from 22 percent in 2011-12 to 4.3percent in 2013-14. This decline was largely due to the emergence of illegal schemes such as pyramid schemes, Ponzi schemes, and money laundering operations, which were falsely presented as direct selling businesses. As a result, people lost their hard-earned money, leading to negative perceptions of the direct selling industry. The government took action against these fraudulent schemes, but the damage



Figure 2: Year-wise Direct selling Turnovers in India from 2005-06 to 2022-23

Source: Indian Direct Selling Association Annual Survey Report from 2005-06 to 2022-23

was done, and many distributors left the business, causing the turnover to drop. This situation led to significant hardship for legitimate direct sellers, who began to demand that the government introduce rules and regulations to properly govern the industry. Despite this setback, the direct selling sector has shown steady growth, with a compound annual growth rate (CAGR) of 13.94percent from 2005-06 to 2022-23. Overall, there is a positive upward trend in the growth of direct selling activities in India.

Direct selling sales growth rate compared to average annual growth rate in India from 2005-06 to 2022-23

This figure compares annual growth rate with average annual growth rate (AAGR) from 2005-06 to 2022-23

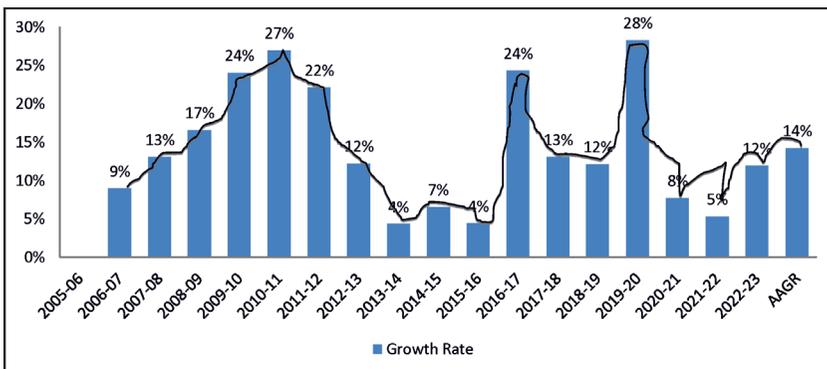


Figure 3: Year-wise Direct selling sales growth rate compared to average annual growth rate from 2005-06 to 2022-23

Source: Indian Direct Selling Association Annual Survey Report from 2005-06 to 2022-23

The figure-3 represents the average annual growth rate (AAGR) of direct selling activity from 2005-06 to 2022-23 in India. The growth rate of direct selling activity has characterized with an increasing trend from 9 percent of year 2006-07 to 13 percent of year 2007-08. Direct selling activity suffers with a falling annual growth rate from 12 percent of year 2012-13 to 4 percent of year 2015-16 and then it shows an increasing trend for rest of the time period up to year 2016-17. This activity turnover is the highest is 28 percent in 2019-20. Average annual growth rates of direct selling activity in most of the years within 2005-06 to 2022-23 remain below the average annual growth rate (14%) in India. It explains that direct selling activity lacks uniform growth rate in the country.

Country-wise Direct Selling Turnovers in World in 2022-23

Table 1 represents the turnover of the top 21 countries with annual direct selling revenues exceeding \$1 billion along with their respective annual growth rates and compound annual growth rate (CAGR) over the past three years.

Table 1: Countries-wise direct selling Turnovers in World in 2022-23

<i>Above \$1 Billion Turnover 21 Countries in Globally</i>				
S.No.	Countries	Turnover in 2023 (USD Million)	Growth Rate (%)	CAGR From 2021 to 2023 (%)
1	USA	\$36,660	-9.50	-2.90
2	Germany	\$19,761	7	5.10
3	Korea	\$16,298	-10.80	0.50
4	China	\$15,043	0	-7
5	Japan	\$10,630	-2.20	-3.20
6	Malaysia	\$9,503	1.40	8.10
7	Brazil	\$7,962	4.60	-2
8	Mexico	\$6,874	3	2.50
9	France	\$4,706	0	-1
10	Taiwan	\$4,530	3.30	2.30
11	India	\$3,435	4.4	8.30
12	Italy	\$2,959	-0.30	3.30
13	Canada	\$2,352	-5.90	8.50
14	Colombia	\$2,312	0.40	10.80
15	Thailand	\$2,161	-6	-6.60
16	Peru	\$2,129	-0.70	6.20
17	Argentina	\$1,778	114.50	72
18	Indonesia	\$1,281	-10.60	-6

Above \$1 Billion Turnover 21 Countries in Globally				
S.No.	Countries	Turnover in 2023 (USD Million)	Growth Rate (%)	CAGR From 2021 to 2023 (%)
19	Russia	\$1,266	-7.30	-11.70
20	UK	\$1,130	10	3.40
21	Poland	\$1,094	0	1
	Average	\$7327	4.89	4.36

Source: World Federation of Direct Selling Association Annual Survey Report 2022-23

As observed from Table-1, the global direct selling activity includes various countries, but this analysis focuses on 21 countries with a turnover exceeding \$1 billion annually. The United States leads with a turnover of \$36.66 billion, experiencing a negative growth rate of -9.50 percent and a Compound Annual Growth Rate (CAGR) of -2.90 percent from 2021 to 2023. India ranks 11th among the top 22 countries, with a turnover of \$3.435 billion, a growth rate of 4.4 percent and a CAGR of 8.30 percent from 2021 to 2023. Poland, in 22nd position, has a turnover of \$1.094 billion, with a growth rate of 0 percent and a CAGR of 1 percent from 2021 to 2023. The average turnover across all the countries analysed is \$7.327 billion, with an average growth rate of 4.89 percent and an average CAGR of 4.36 percent. Out of the total countries, 12 have a positive growth rate, while 10 show a negative growth rate.

Yearly-wise direct selling Turnovers in World from 2010-11 to 2022-23

Figure 4 represents the year-wise direct selling turnover, growth rate and compound annual growth rate (CAGR) in India from 2010-11 to 2022-23

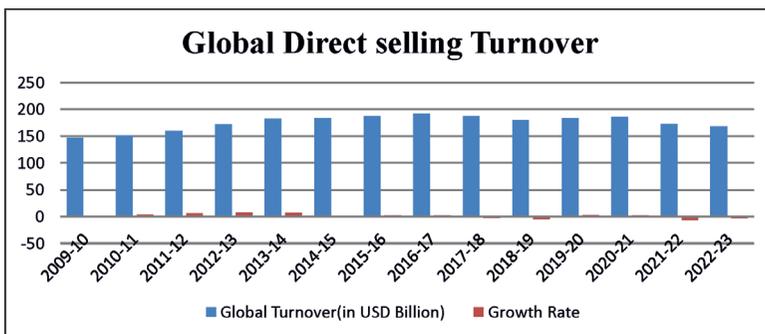


Figure 4: Yearly-wise direct selling Turnovers in World from 2010-11 to 2022-23

Source: World Federation of Direct Selling Association Annual Survey Report from 2010-11 to 2022-23

As observed from Figure-4, the direct selling turnover experienced a fluctuating trend over the years. It initially increased from 3.21 percent in the year 2010-11 to 7.24 percent in 2012-13, indicating a period of positive growth in the industry. However, this upward trend was followed by a decline, with the turnover decreasing from 6.40 percent in 2013-14 to -4.22 percent in 2018-19. The industry experienced a positive growth rate from 2019-20 to 2020-21, primarily due to the availability of locally stored products and the presence of family members at home during the pandemic. Active direct selling distributors utilized digital platforms to present their company's business model, allowing people to better understand how the system works. As a result, many individuals chose to associate with the system, leading to an increase in turnover. However, this growth was temporary, as it was largely driven by existing product stocks, and its effect diminished once those stocks were depleted in 2021-22. This decline can largely be attributed to several global challenges that affected the direct selling industry, including the COVID-19 pandemic, disruptions in supply chains, significant changes in consumer behaviour, and the overall economic uncertainty that impacted businesses worldwide.

The pandemic, in particular, had a profound effect on the industry. Lockdowns and social distancing measures disrupted traditional selling methods, and many businesses in the sector faced challenges in delivering products and maintaining distribution networks. In addition, shifts in consumer priorities and spending habits, as well as the global economic downturn, led to reduced demand for certain direct selling products. These factors caused a noticeable dip in turnover during this period. Despite these challenges, the Compound Annual Growth Rate (CAGR) for the direct selling sector from 2010-11 to 2022-23 stands at 1.14 percent, which indicates that, while the industry has faced ups and downs, it has still experienced modest growth over the long term. The direct selling industry has shown resilience and continues to recover from past setbacks, gradually regaining its momentum. In conclusion, the growth of direct selling activities worldwide has been marked by periods of both expansion and contraction, influenced by various external factors. While there have been setbacks due to events like the pandemic, the sector has remained an important part of the global economy, adapting to changing conditions and continuing to evolve.

DIRECT SELLING CONTRIBUTION TO GDP IN INDIA

Table 2 represents the percentage share of direct selling turnover in India's GDP

Table 2: Direct Selling Contribution to GDP in India from 2005-06 to 2022-23

Year	India GDP (RS. Billions)	Direct Selling Turnover (RS. Billions)	% Share in GDP	Growth Rate (%)
2005-06	36178.76	23.15	0.063988	---
2006-07	42603.19	25.22	0.059197	-7.49
2007-08	50312.2	28.51	0.056666	-4.28
2008-09	52164.14	33.226	0.063695	12.4
2009-10	64960.9	41.2	0.063423	-0.43
2010-11	76626.1	52.294	0.068246	7.6
2011-12	85081.74	63.851	0.075047	9.97
2012-13	97669.09	71.641	0.073351	-2.26
2013-14	105034.65	74.722	0.071140	-3.01
2014-15	127098.97	79.583	0.062615	-11.98
2015-16	132463.06	83.085	0.062723	0.17
2016-17	152512.41	103.242	0.067694	7.93
2017-18	179743.15	116.7	0.064926	-4.09
2018-19	189448.37	130.8	0.069043	6.34
2019-20	199598.59	167.762	0.084050	21.74
2020-21	204305.04	180.67	0.088431	5.21
2021-22	236183.32	190.2	0.080531	-8.93
2022-23	272804.78	212.82	0.078010	-3.13
Average	121304.66	88.35	0.07	1.36

Source: NSSO Report from 2005-06 to 2022-23

Table 2 showed that direct selling is a growing sector in India, contributing significantly to the nation's economy. In 2022-23, the direct selling industry in India accounted for approximately 0.078% of India's total GDP. This relatively small percentage may seem modest, but it

represents a significant impact, especially given the size of India's economy. The sector's contribution comes from the sales of various products such as cosmetics, household goods, and FMCG products. Direct selling is primarily driven by independent distributors who earn commissions from sales, which circulates money into the economy. As more people enter the industry, particularly women, there is an increase in income and economic activity, thereby benefiting GDP growth. The direct selling model fosters entrepreneurship, allowing people to start businesses with low capital investment, which also boosts GDP. The sector is particularly beneficial for India's large rural population, where employment opportunities can be limited. Direct selling also promotes the circulation of goods across a wide network, stimulating demand and contributing to India's consumer-driven economy. Women, who make up a significant portion of the direct selling workforce, are able to generate income, which has a multiplier effect on local economies. The growth of direct selling leads to increased demand for products, encouraging manufacturers and service providers to invest and innovate. As the direct selling industry expands, it creates jobs not only for salespeople but also for logistics, warehousing, and marketing professionals. The expansion of this industry helps to reduce unemployment by providing opportunities for self-employment and part-time work. The government's increased regulation and recognition of direct selling as a legitimate business has led to greater industry growth and economic stability. As per reports, the direct selling industry is projected to grow at a Compound Annual Growth Rate (CAGR) of 13.94percent in the coming years, further contributing to India's GDP. The income generated from direct selling activities leads to higher consumer spending, stimulating the economy. The industry's growth is also tied to India's rising middle class, who have a higher disposable income and are more likely to purchase direct selling products. Direct selling's role in India's economy also extends to the export market, as Indian direct sellers promote domestic products to international markets. The economic empowerment of individuals involved in direct selling supports India's broader goals of financial inclusion and socio-economic development. Overall, while the direct selling industry's share of India's GDP remains small, its growing impact on employment, consumer behaviours, and entrepreneurship makes it an important contributor to the country's economic health.

GENDER-WISE DISTRIBUTION OF DIRECT SELLERS

Gender-Wise Distribution of Direct Sellers in India from 2008-09 to 2022-23

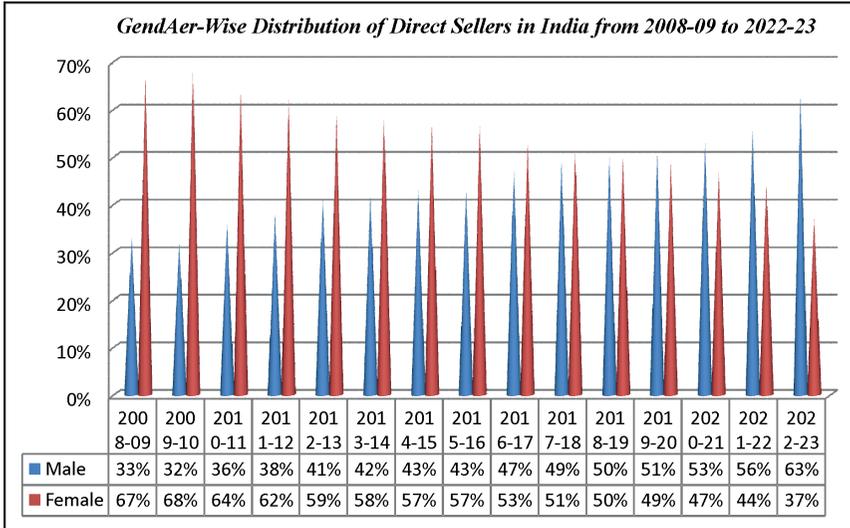


Figure 5: Gender-Wise Distribution of Direct Sellers in India from 2008-09 to 2022-23

Source: Indian Direct Selling Association Annual Survey Report from 2008-09 to 2022-23

Figure-5 shows that women have dominated the direct selling industry in India over the years, accounting for 67 per cent of the total 1.8 million active direct sellers in 2008-09. This share continued to rise, largely due to the nature of products sold in the industry, such as cosmetics, household products, and FMCG (Fast-Moving Consumer Goods). Women were able to market these products through word of mouth, selling anywhere and anytime, which made them key players in expanding the reach of the industry. They were not just selling products but also creating distributors, which further fuelled the growth of both the companies and the industry as a whole. Women earned substantial incomes, and as more men entered the industry as self-employed sellers, the share of women in direct selling began to decrease. By 2022-23, women accounted for 37 percent of the active participants, while men made up 63 percent. Despite this shift, women continue to play an active role in the industry, helping to grow their income while also supporting many others in earning through direct selling. In India, there are currently 8.8 million active direct sellers, with 3.8 million of them

being women. The industry continues to be driven by female independent sales representatives, who are instrumental in its ongoing success.

Gender-Wise Distribution of Direct Sellers in world from 2013-14 to 2022-23

Figure 6 represents the gender-wise participation of active direct sellers in world from 2013-14 to 2022-23.

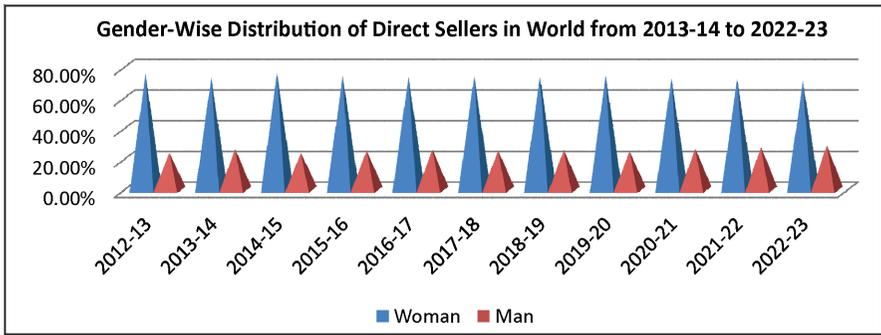


Figure 6: Gender-Wise Participation in Direct Selling Activities in World from 2013-14 to 2022-23

Source: World Federation of Direct Selling Association Annual Survey Report from 2013-14 to 2022-23

As shown in Figure-6, women have long dominated the global direct selling industry, accounting for 76percent of the total 96 million active direct sellers in 2012-13. This share has continued to grow over the years, driven by the fact that the products sold in this industry such as cosmetics, household items, and FMCG (Fast-Moving Consumer Goods) are typically marketed through word of mouth. Women, who are skilled at marketing products anywhere and anytime, have played a crucial role in expanding the reach of these products. Not only have they been able to sell products, but they have also been instrumental in creating new distributors, which has contributed to the continued growth of both the companies and the industry. Women have earned significantly higher incomes compared to men. However, when more men are attracted towards this business as self-employed sellers, the share of female participants gradually declined. By 2022-23, men accounted for 29 per cent of direct sellers, while women made up 71percent. Despite this shift, women remain highly active in the

industry, not only growing their own incomes but also helping many others to earn through direct selling. Today, the global direct selling market is home to 103 million active sellers, with women comprising 73.13 million of that number. The industry continues to be driven by female independent sales representatives, whose contributions are key to its ongoing success and growth. The sector's ability to empower individuals, particularly women, to pursue entrepreneurship and self-employment is one of its key strengths. In many parts of the world, direct selling provides a flexible and accessible means for women to contribute to their household income while balancing other responsibilities. This growing trend is not limited to India but extends across the globe, with women continuing to be the backbone of the direct selling industry. This reflects the unique opportunities the sector provides, particularly for individuals seeking flexible work schedules and the ability to work independently.

VI. CONCLUSION

Direct selling plays an essential role in both India's economy and the global market, contributing significantly to turnover, GDP, and employment. In India, the sector continues to grow, with women representing a substantial portion of the workforce. This industry offers diverse benefits, including income generation, skill development, and entrepreneurship, particularly for women. In regions like Odisha, direct selling is driving impressive economic growth and self-employment opportunities, with projections suggesting that the market will continue to expand.

Globally, women remain the dominant force in direct selling, contributing to the sector's continued success. The flexibility and entrepreneurial opportunities offered by direct selling make it a powerful tool for economic empowerment, providing individuals of all backgrounds with the chance to succeed. As the industry continues to grow, it will remain a crucial driver of both personal and economic development, offering boundless opportunities for both women and men to thrive. Reports from organizations like KPMG, FICCI, WFDSA, and IDSA underline the significant impact of the direct selling industry on local economies, particularly in rural areas where opportunities for employment may be more limited. For India, with its growing middle class and expanding consumer market, direct selling is a powerful tool for economic growth. As more people enter the industry,

it helps boost employment and provides an opportunity for individuals, particularly women, to participate in the economy. India's large population and diverse markets make it an ideal environment for direct selling to flourish and the industry continues to expand across the country. Favourable marketing policies and appropriate regulation and monitoring of the direct selling activities are imperative to create a favourable environment for the business to flourish positively.

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