COUNTRY RESIDENT OPINION RESEARCH REGARDING THE DIRECT SELLING

LATVIA

customer

LTPa LIETUVOS TIESIOGINĖS PREKYBOS ASOCIACIJA
LITHUANIAN DIRECT SELLING ASSOCIATION

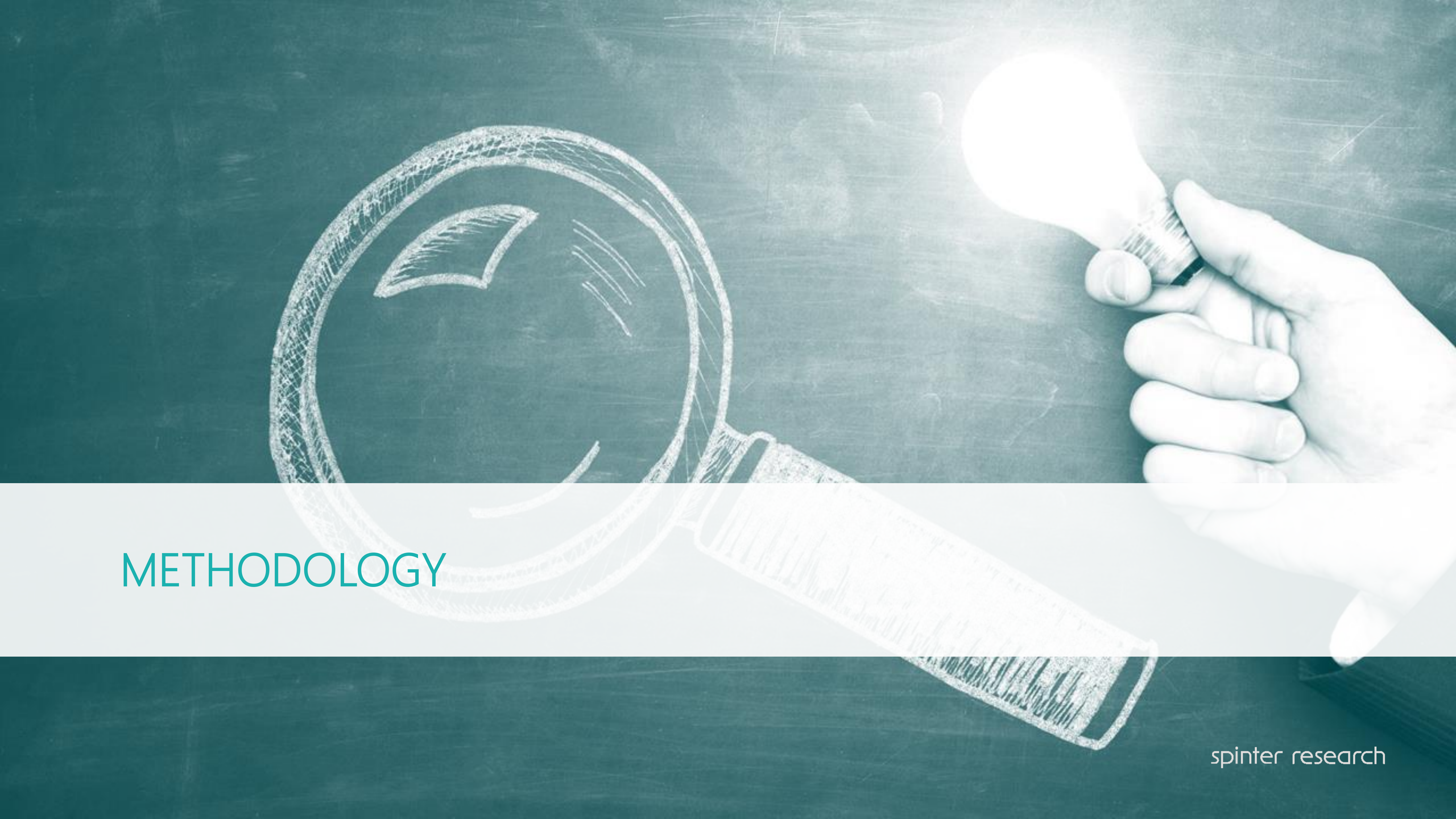
contractor

spinter research

ESOMAR WORLD RESEARCH

iris THE INDEPENDENT RESEARCH INSTITUTES NETWORK

July 2021



METHODOLOGY

spinter research

RESEARCH METHODOLOGY

- TIMING. 2021 06 25 – 07 16.
- OBJECTIVE. Find out the country residents' opinion regarding the direct selling.
- TARGET GROUP. Residents of Latvia aged 18-75 y. o.
- SURVEY METHOD. CAWI interview, using a standardized questionnaire, which is agreed upon with the Customer. During CAWI, respondents are invited by email to fill an online questionnaire.
- SAMPLE SIZE. 1013 respondents in Latvia.
- LOCATION. Latvia.
- METHOD. Quota sampling was used in this research, by gender, age and location criteria. This sampling method ensures representative data: all TG representatives have equal possibilities to participate in the survey.
- DATA ANALYSIS. Data analysis was performed using SPSS/PC statistical program. Report presents general distribution (percentages) of the answers, and distribution by social-demographical characteristics (see Appendixes).

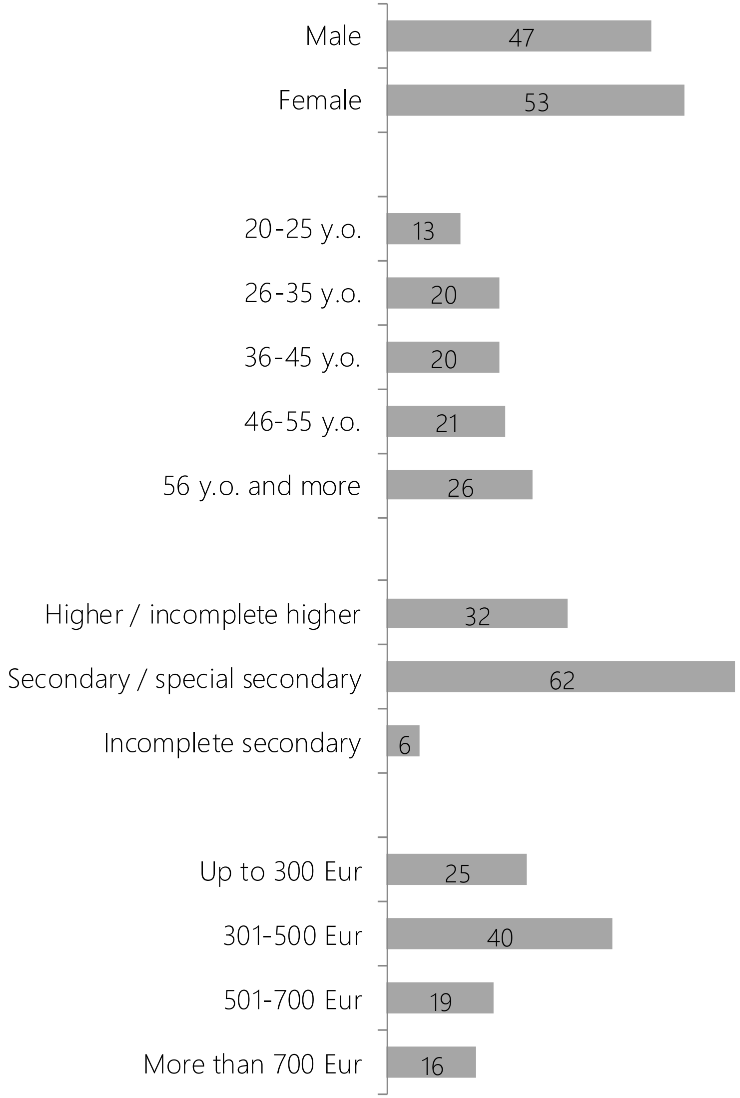
STATISTICAL ERROR

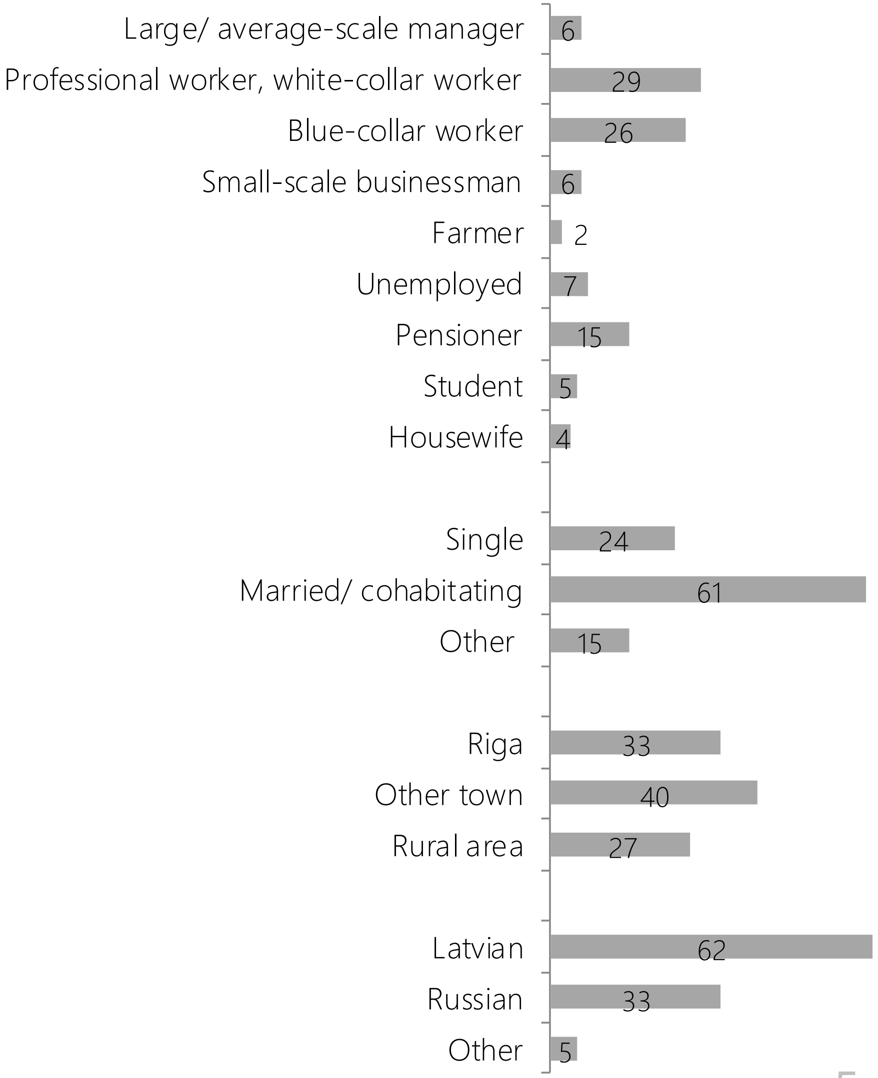
It is impossible to entirely avoid the sampling error in any quantitative research that uses sampling; therefore, it is necessary to take it into consideration while interpreting the data. E.g., after surveying 1013 respondents, if we find out that 65,0 percent of respondents purchased a product through direct selling, there is 95 percent probability that the real value is between 62,2 percent and 67,8 percent.

The precision of the estimation is directly associated with the number of analyzed cases. The table below is helpful in estimating the statistical error.

%=	3/97	5/95	10/90	15/85	20/80	25/75	30/70	40/60	50/50
N=									
10	10,6	13,5	18,6	22,1	24,8	26,8	28,4	30,4	31,0
30	6,1	7,8	10,7	12,8	14,3	15,5	16,4	17,5	17,9
50	4,7	6,0	8,3	9,9	11,1	12,0	12,7	13,6	13,9
75	3,9	4,9	6,8	8,1	9,1	9,8	10,4	11,1	11,3
100	3,3	4,3	5,9	7,0	7,8	8,5	9,0	9,6	9,8
150	2,7	3,5	4,8	5,7	6,4	6,9	7,3	7,8	8,0
200	2,4	3,0	4,2	4,9	5,5	6,0	6,4	6,8	6,9
300	1,9	2,5	3,4	4,0	4,5	4,9	5,2	5,5	5,7
400	1,7	2,1	2,9	3,5	3,9	4,2	4,5	4,8	4,9
500	1,5	1,9	2,6	3,1	3,5	3,8	4,0	4,3	4,4
600	1,4	1,7	2,4	2,9	3,2	3,5	3,7	3,9	4,0
700	1,3	1,6	2,2	2,6	3,0	3,2	3,4	3,6	3,7
800	1,2	1,5	2,1	2,5	2,8	3,0	3,2	3,4	3,5
1000	1,1	1,4	1,9	2,2	2,5	2,7	2,8	3,0	3,1
1500	0,9	1,1	1,5	1,8	2,1	2,2	2,4	2,5	2,6
2000	0,8	1,0	1,3	1,6	1,8	1,9	2,0	2,1	2,2
2500	0,7	0,9	1,2	1,4	1,6	1,7	1,8	1,9	2,0

RESPONDENTS' SOCIO-DEMOGRAPHIC CHARACTERISTICS

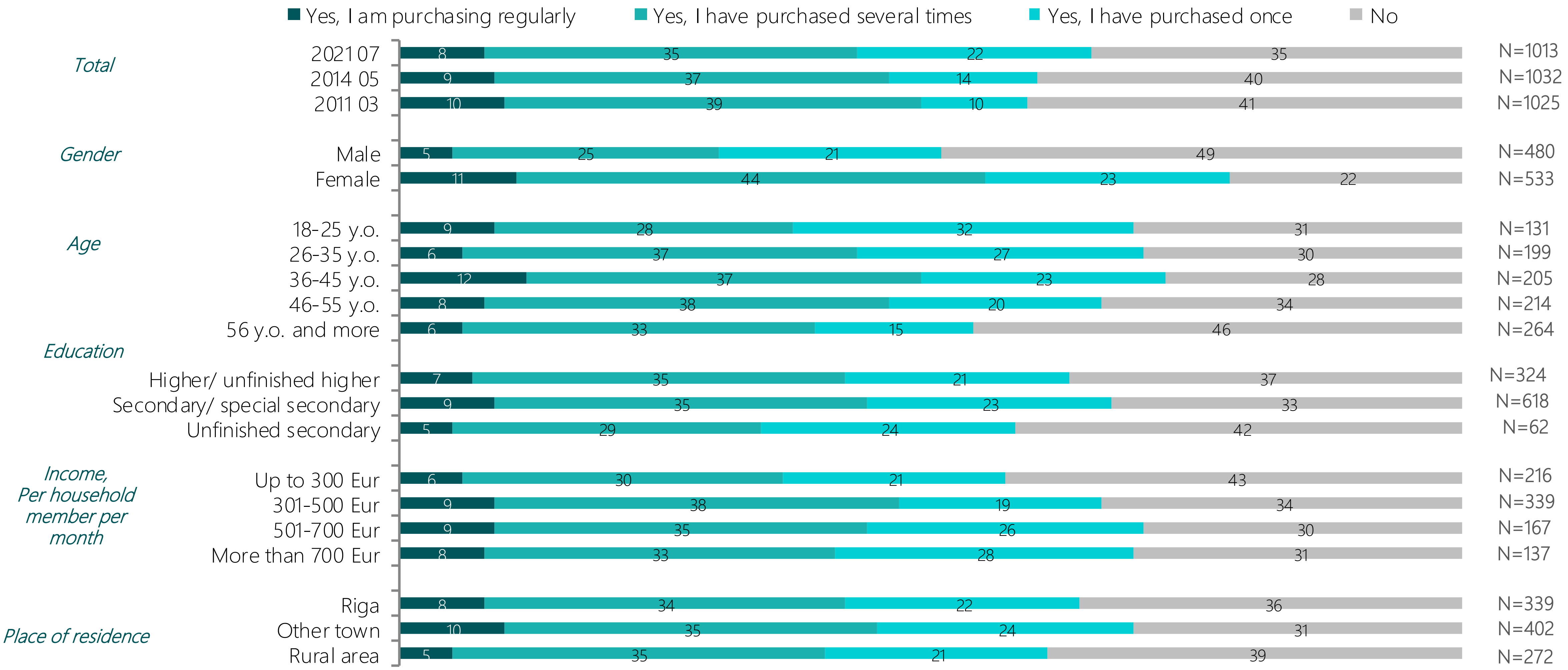




RESULTS

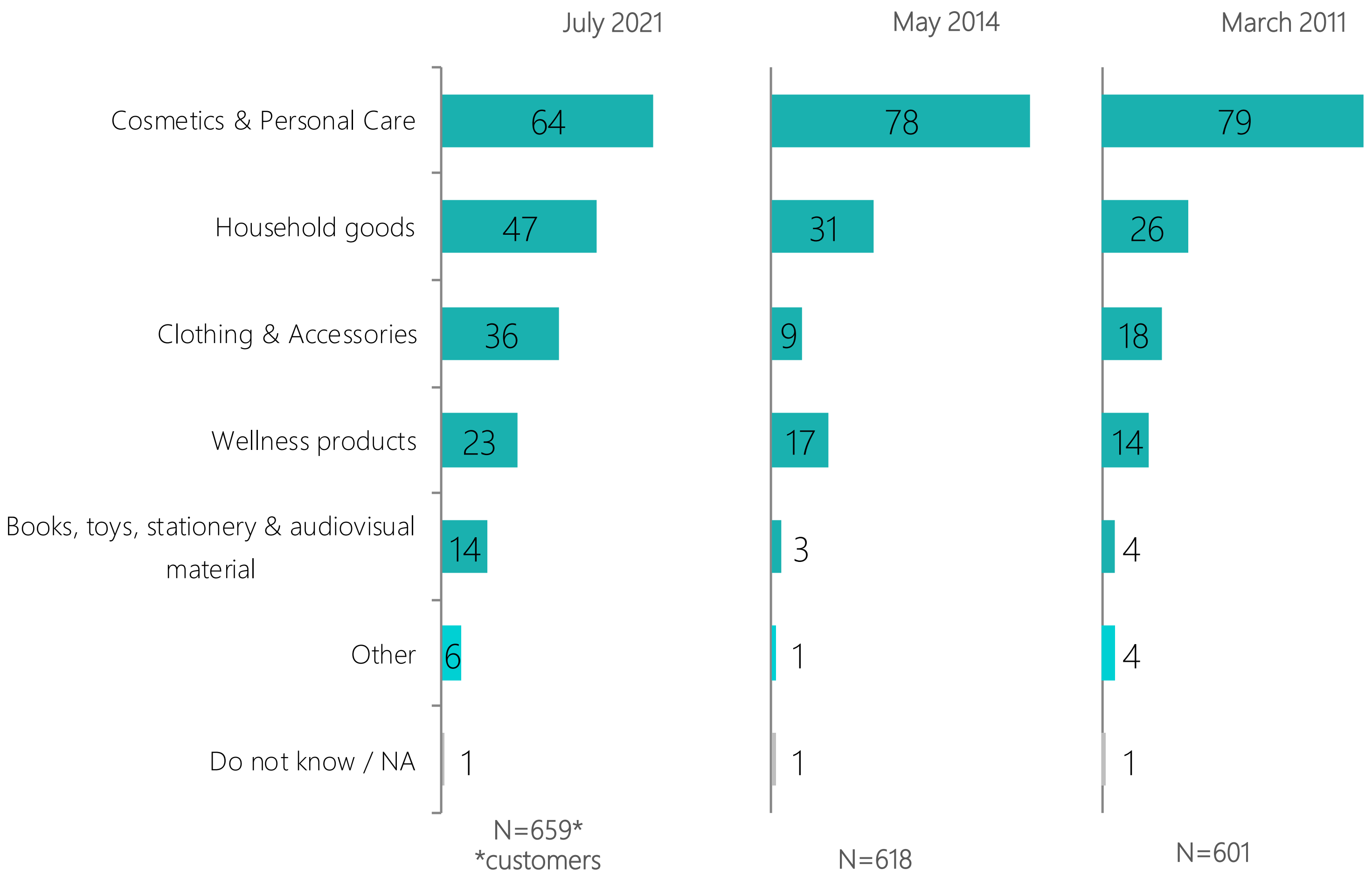
EXPERIENCE WITH DIRECT SELLING (%)

Have you ever purchased a product through direct selling as a type of shopping - bought it from a representative / distributor of direct selling company?



PURCHASED PRODUCT CATEGORY (%)

Which category of products have you purchased?

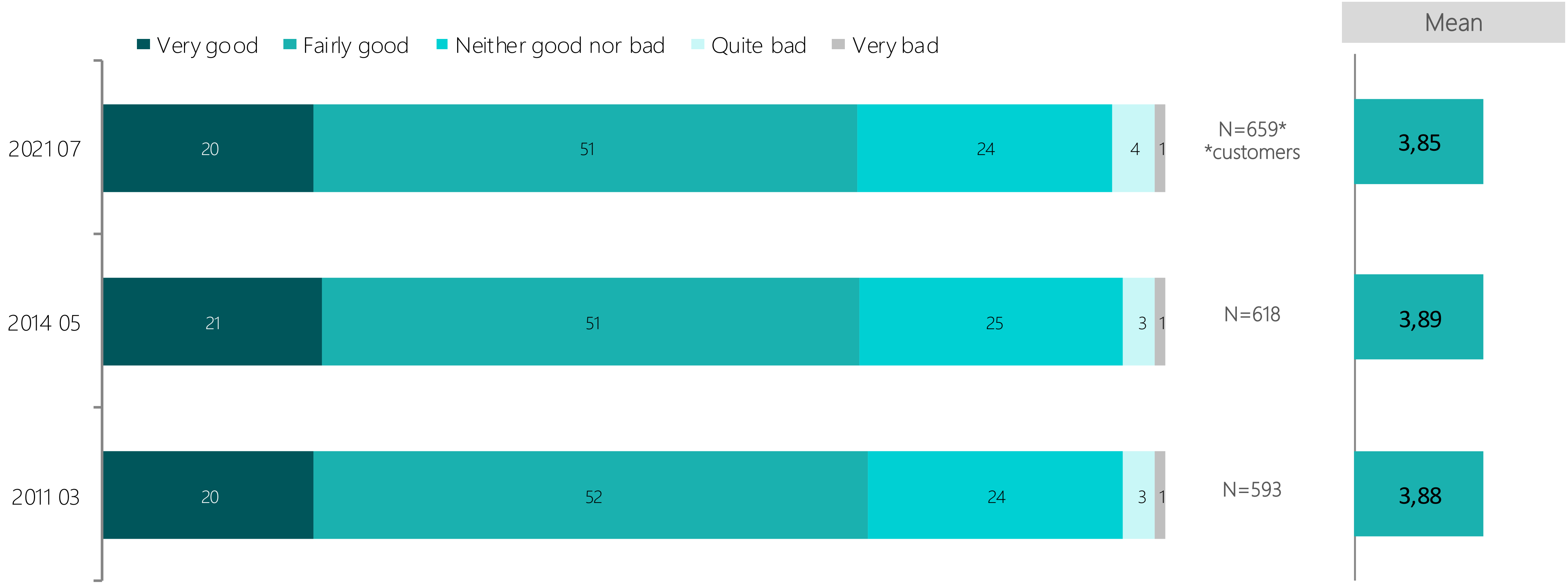


Cosmetics & personal care was more often mentioned by women, 56 y.o. and more, higher / incomplete higher education group.

**Multiple answer option; sum exceeds 100%*

OPINION ABOUT PURCHASED PRODUCTS (%)

What is your opinion about purchased products?



EVALUATION OF DIRECT SELLING CONSULTANTS (%)

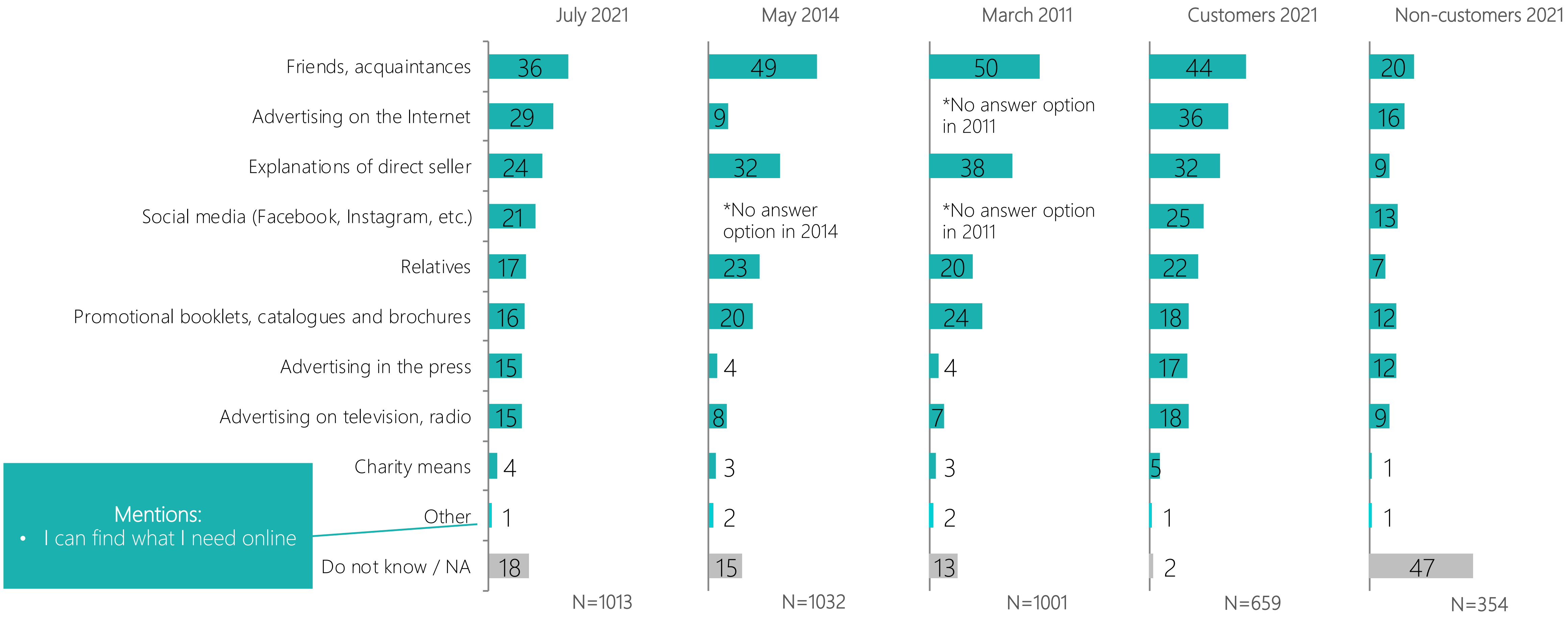
How you would evaluate the level of professionalism of the distributor / consultant with whom you deal?

Women and up to 500 EUR income group more often evaluate distributor / consultant very well.

INFORMATION CHANNELS (%)

Friends, acquaintances was more often mentioned by women and customers.

How, from what sources do you get information about direct selling companies and their products?

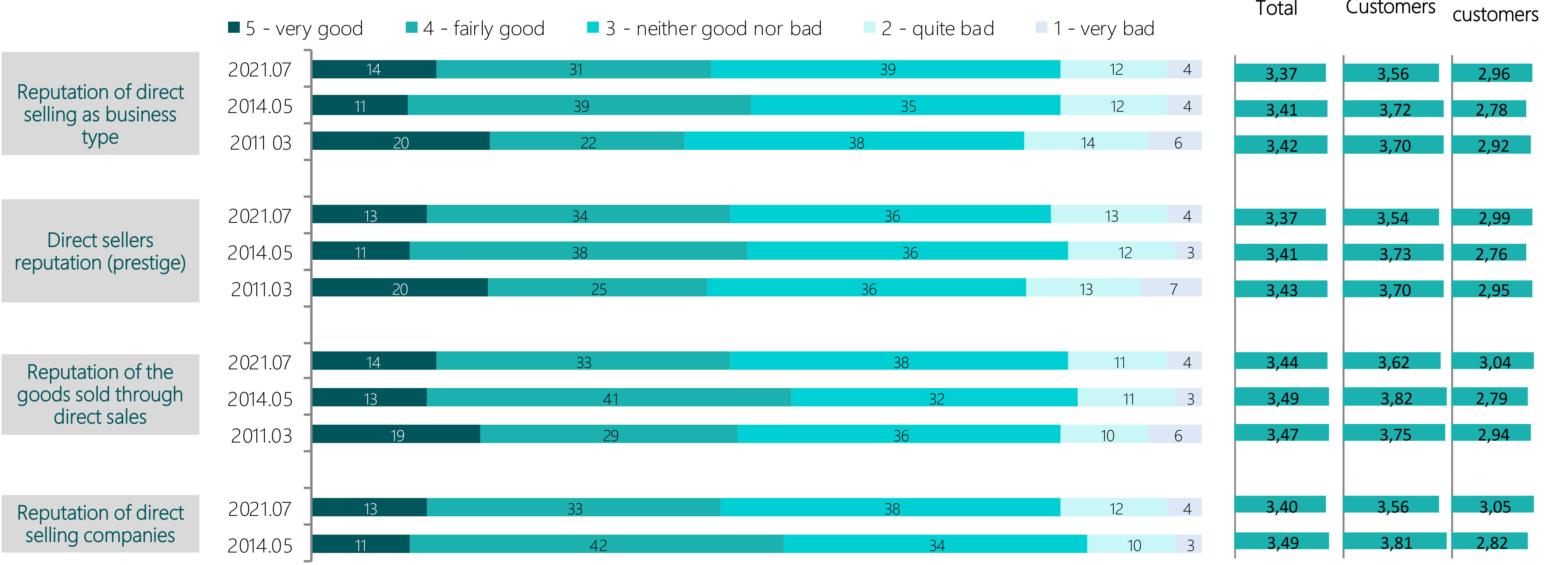


*Multiple answer option; sum exceeds 100%

ATTITUDE TOWARDS DIRECT SELLING (%)

What is your general attitude towards direct selling (off-premise trade)?

N(July, 2021)=1013, N(May, 2014)=1032, N(March, 2011)=1001



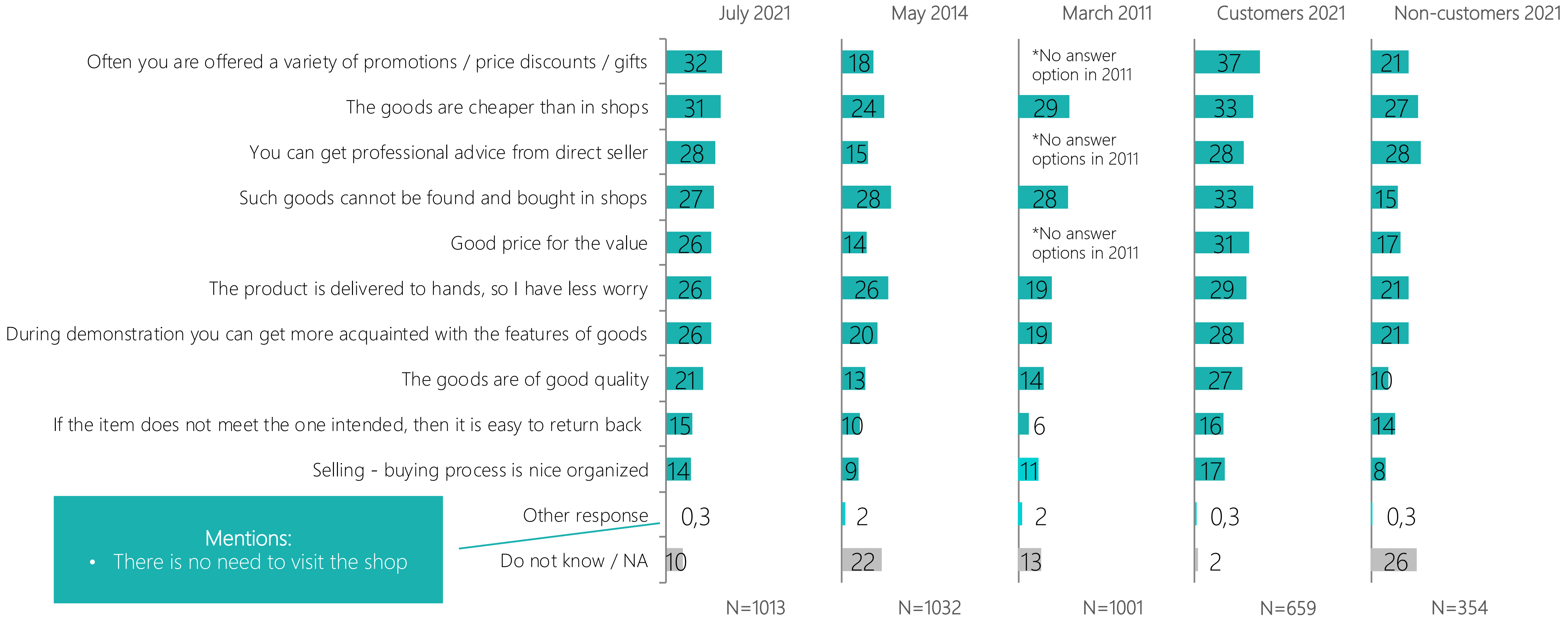
ATTITUDE TOWARDS DIRECT SELLING (%) (mean distribution by age group)

What is your general attitude towards direct selling (off-premise trade)?

N=1013

ADVANTAGES OF DIRECT SELLING (%)

What do you think are the advantages of direct selling?



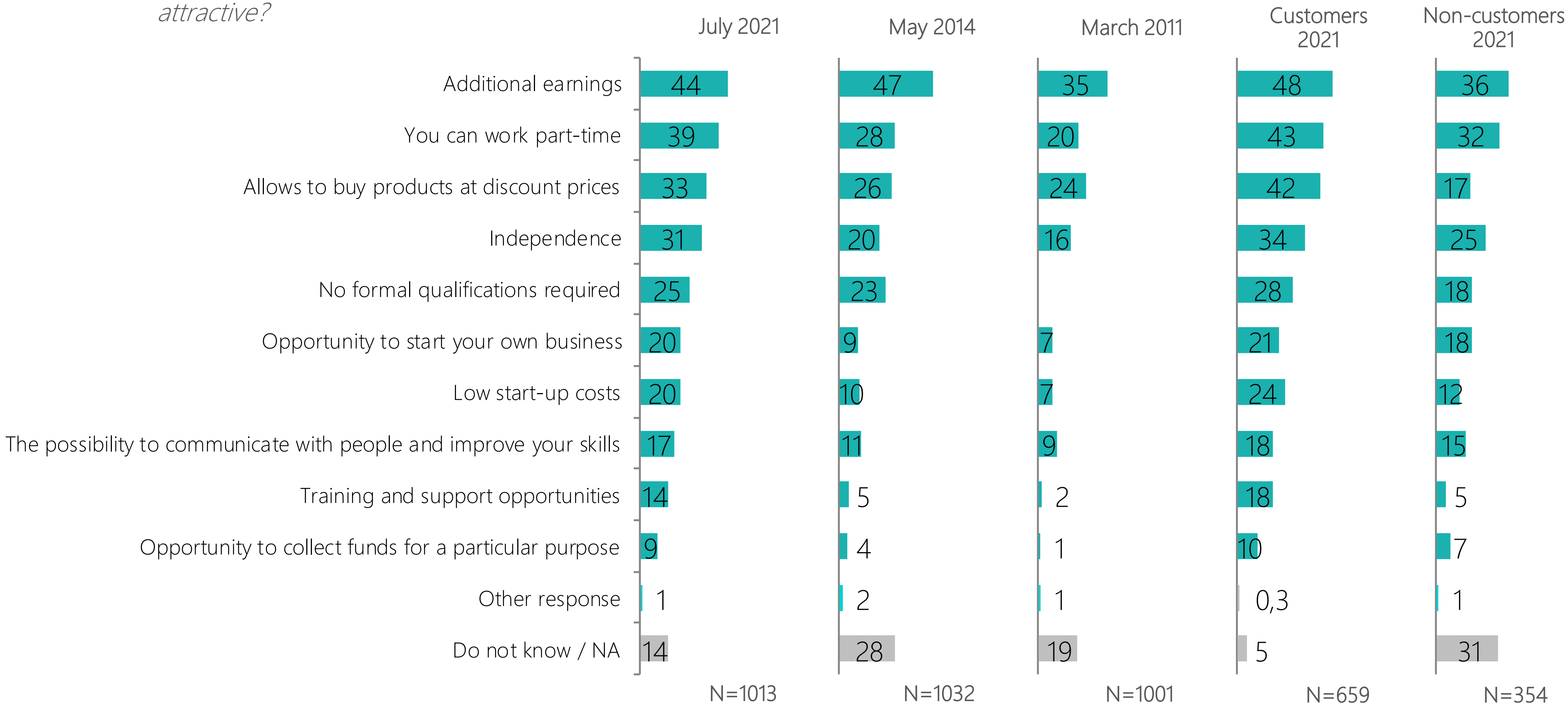
Mentions:

- There is no need to visit the shop

*Multiple answer option; sum exceeds 100%

MOST ATTRACTIVE ASPECTS OF DIRECT SELLING (%)

If you already had or just imagine that you could be the distributer of direct selling goods, what aspects of the business you keep most attractive?

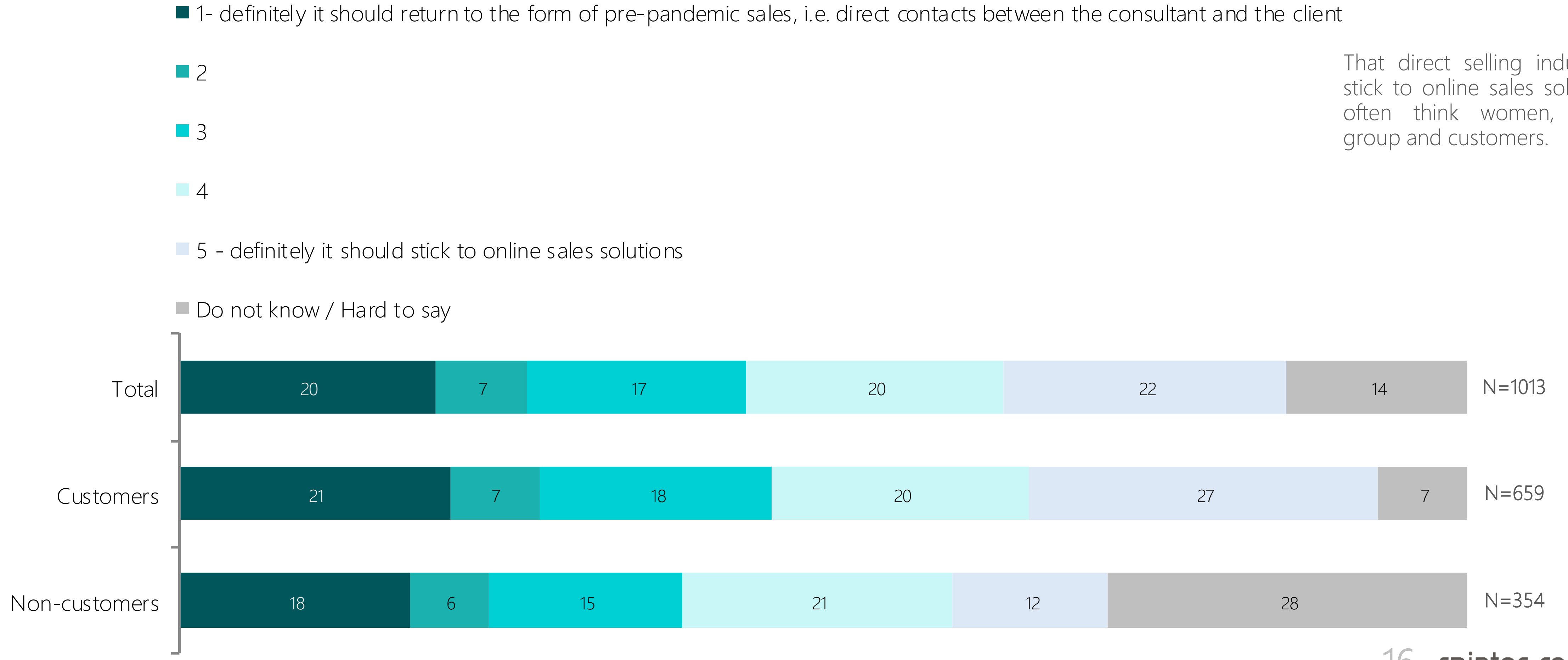


Additional earnings is seen as the most attractive aspect of the business more often by women, residents of regional centres/other towns and customers.

**Multiple answer option; sum exceeds 100%*

RETURN OF THE DIRECT SELLING INDUSTRY TO THE FORM OF PRE-PANDEMIC SALES (%) - I

In your opinion, should the direct selling industry, after the pandemic ends, return to the form of pre-pandemic sales?

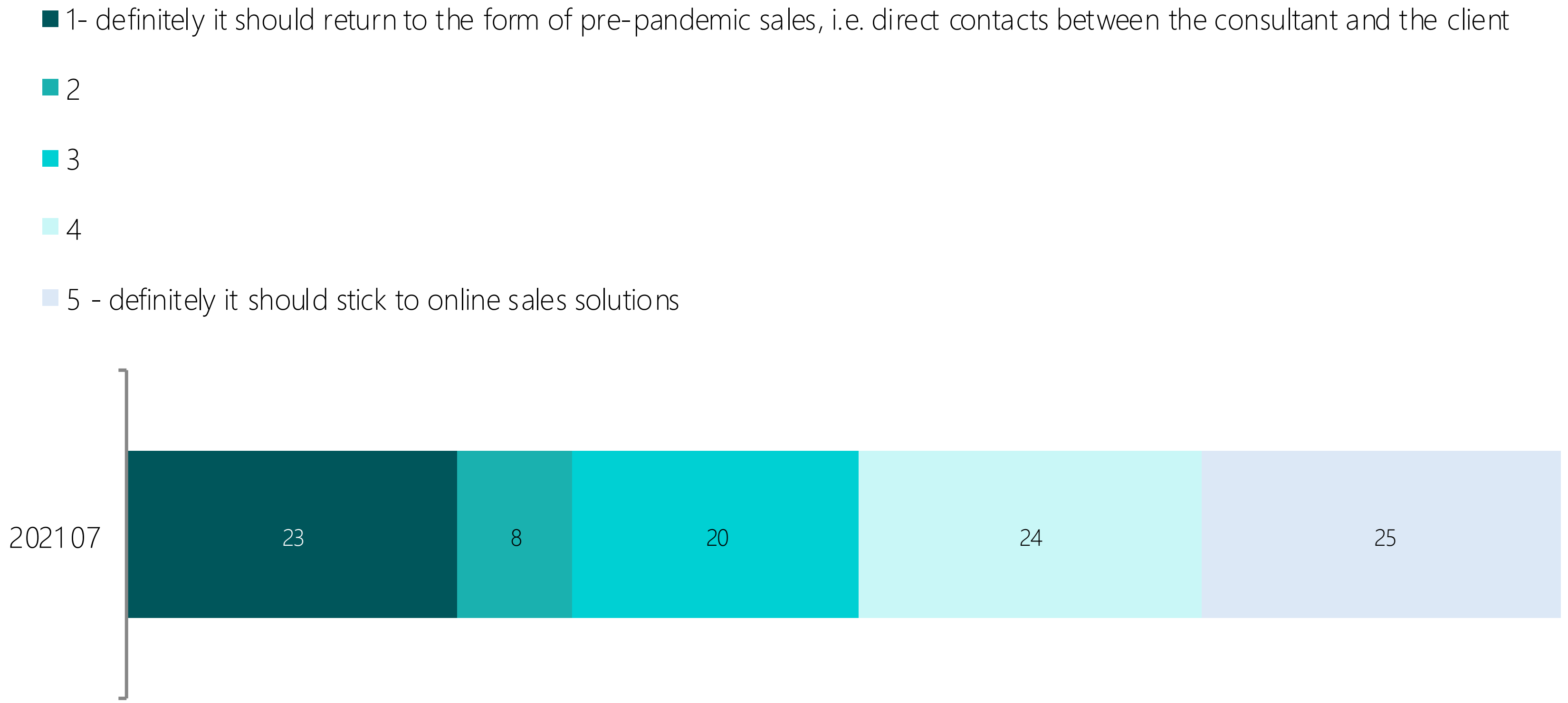


That direct selling industry should stick to online sales solutions more often think women, 36-45 y.o. group and customers.

RETURN OF THE DIRECT SELLING INDUSTRY TO THE FORM OF PRE-PANDEMIC SALES (%) - II

In your opinion, should the direct selling industry, after the pandemic ends, return to the form of pre-pandemic sales?

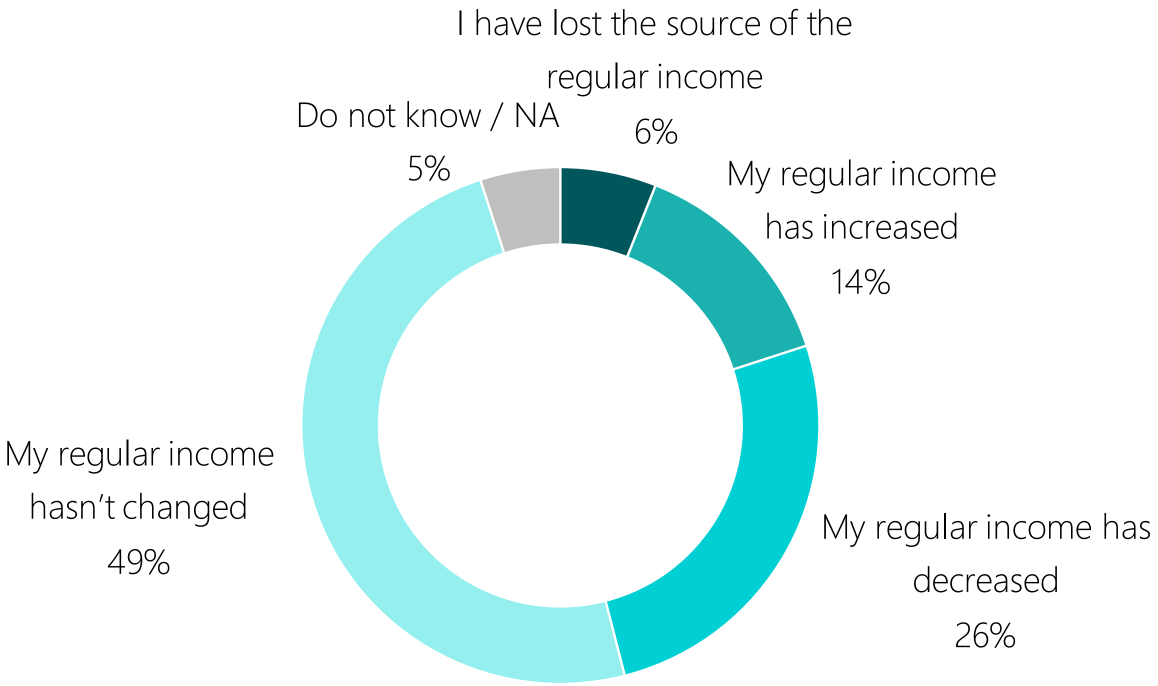
N=872*
Respondents except who do not know / did not answer



THE PANDEMIC'S EFFECT ON INCOME (%)

How COVID-19 pandemic affected your regular income in the last 12 months?

N=1013



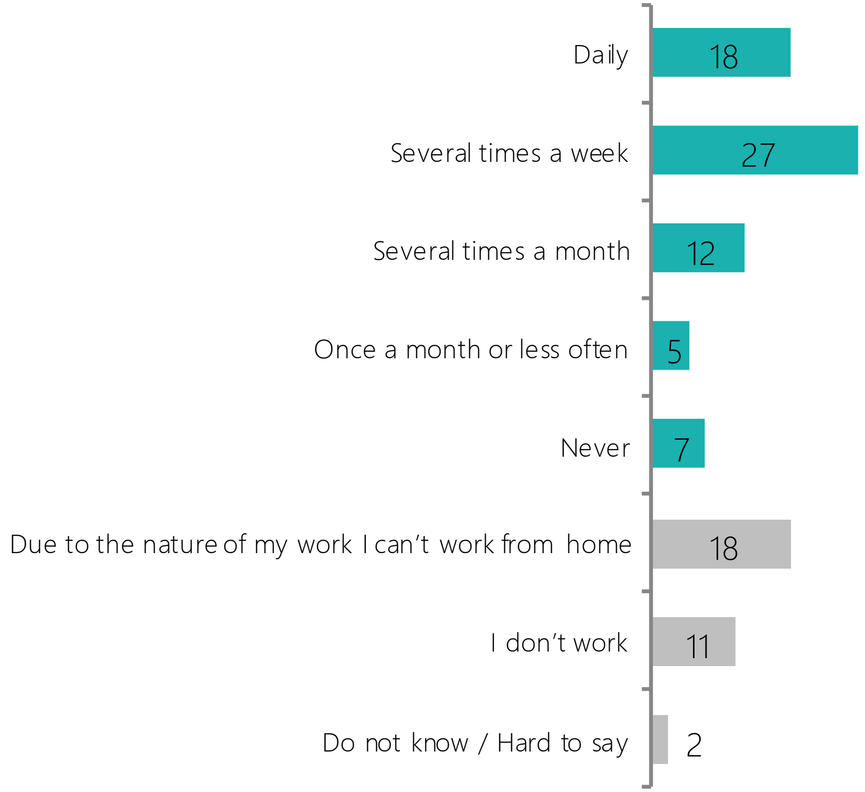
That regular income hasn't changed more often said men, 46 y.o. and older, highest education, income group and non-customers.

That regular income has decreased more often said women and customers.

FREQUENCY OF WILLINGNESS TO WORK FROM HOME (%)

If you had the choice, how often would you like to work from home if there were no restrictions due to COVID-19?

N=1013



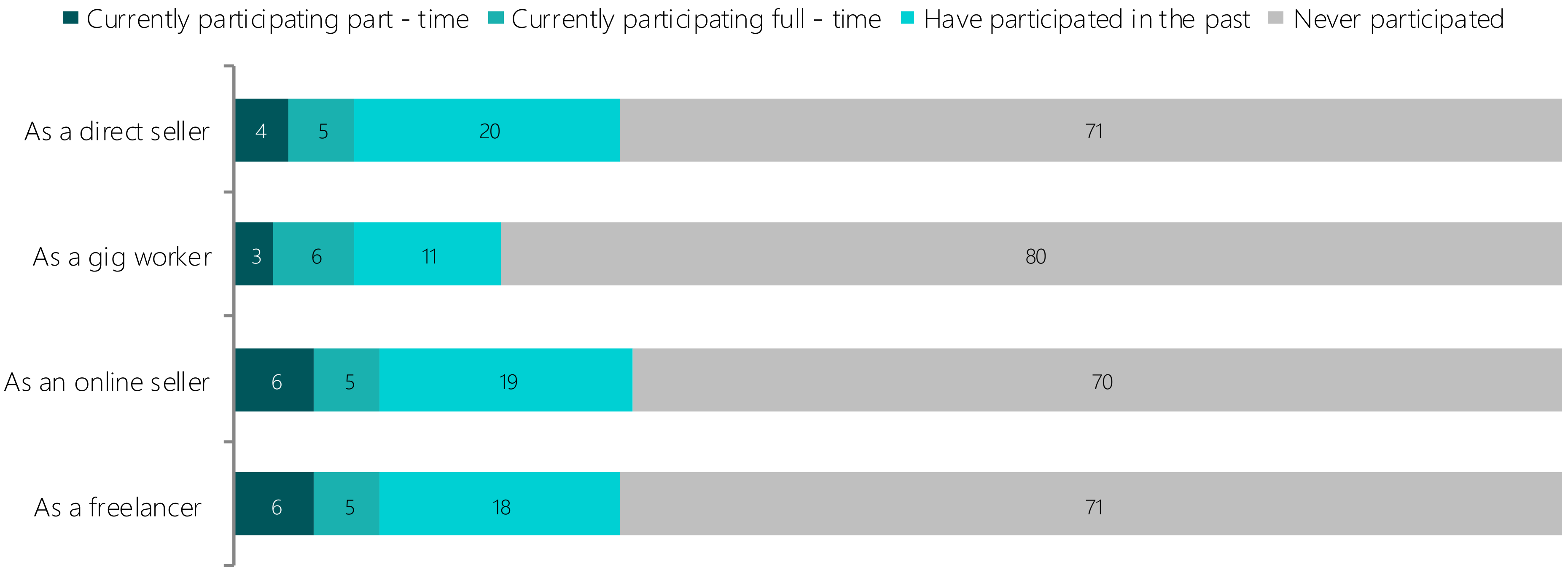
18-25 and 46-55 y.o., highest education group more often would like to work from home daily.

Women more often would like to work from home several times a week.

BEING INVOLVED IN THE FOLLOWING ACTIVITIES (%)

Have you ever participated in any of the following ways to make money?

N=1013

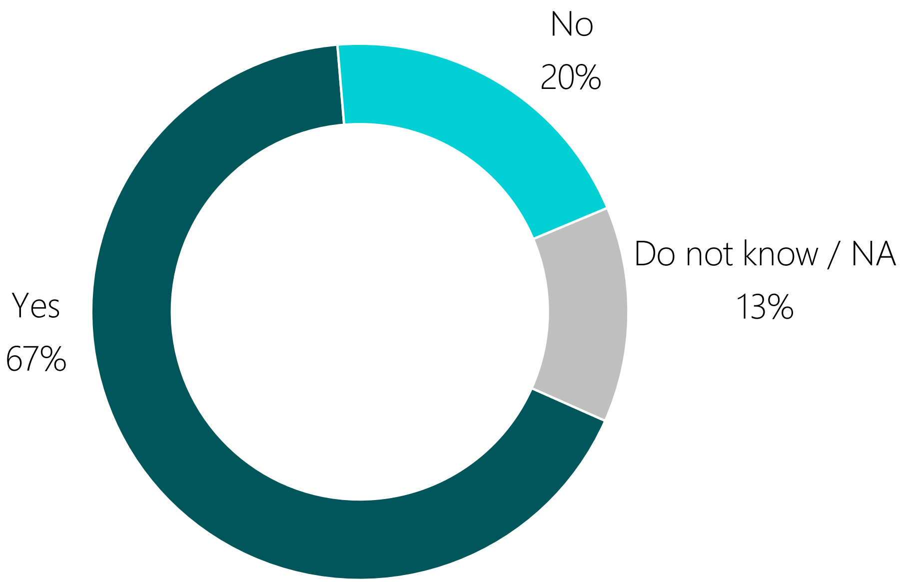


THE DESIRE TO MAKE MONEY IN A FLEXIBLE WAY (%)

Do you have any interest in a flexible way of making money, either full- or part-time, outside of a 'traditional' job in the next 12 months?

N=1013

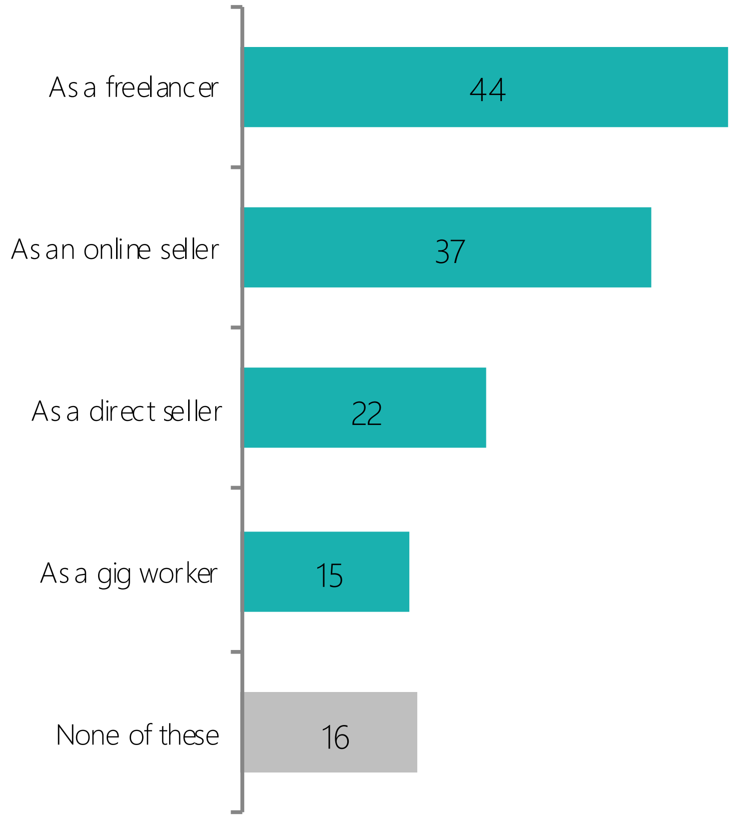
Customers more often have interest in a flexible way of making money.



INCOME OPPORTUNITIES TO CONSIDER (%)

Which of these income opportunities would you be most likely to consider in the next 12 months?

N=677*
*interested in a flexible way of making money



*Multiple answer option; sum exceeds 100%

26-35 and 46-55 y.o., highest education and income group, residents of Riga and non-clients more often would like to try to work as freelancers.

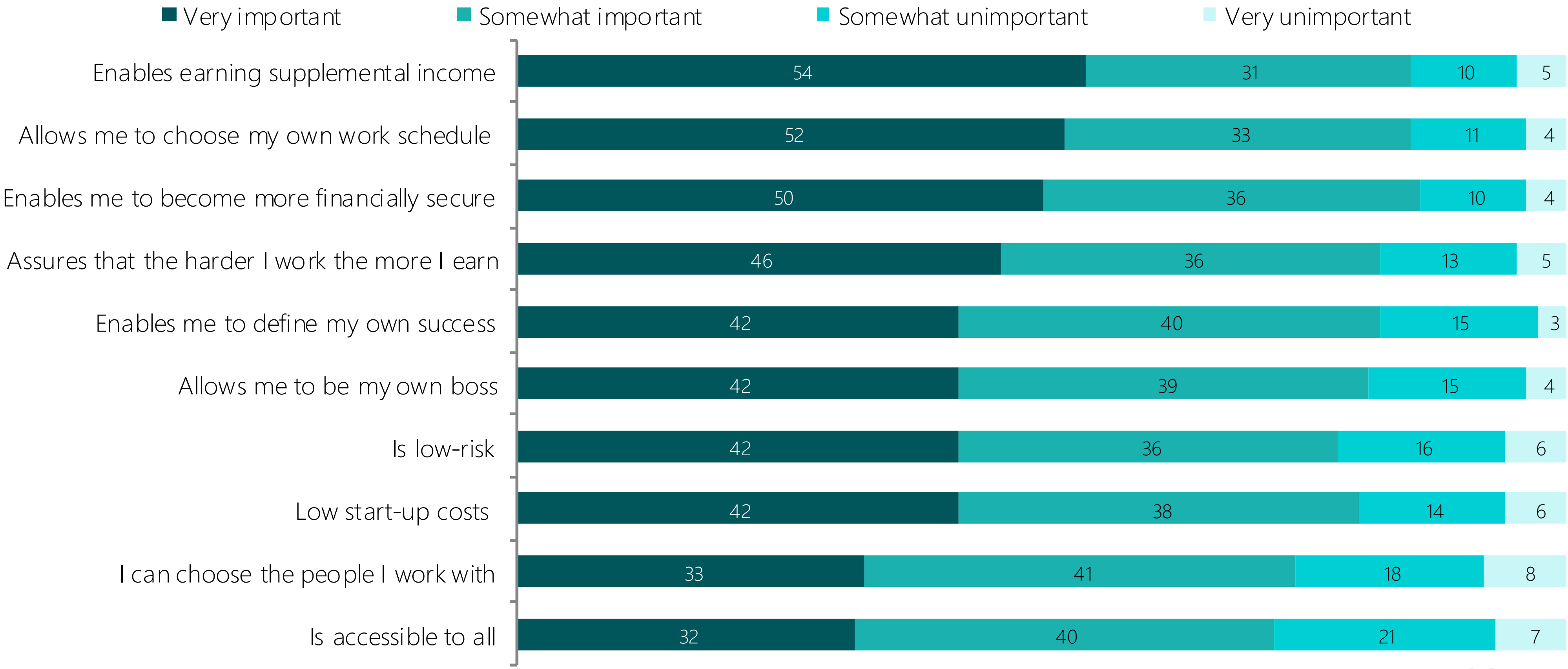
ASSESSING THE IMPORTANCE OF CLAIMS (%)

If you were looking for a new way to make money, how important are each of the following?

N=1013

The possibility to earn supplement income more often is very important for women.

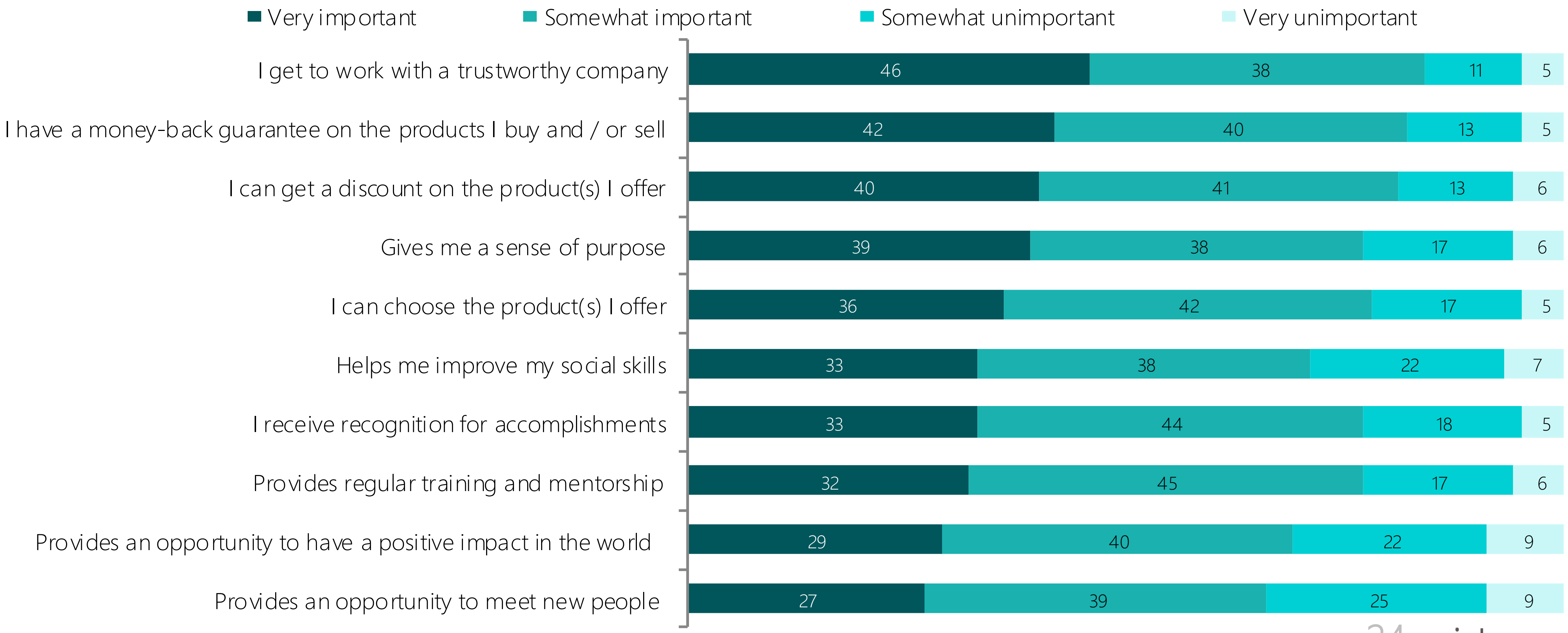
Possibility to choose own work schedule more often is very important for women and customers.



ASSESSING THE IMPORTANCE OF CLAIMS (%) - II

If you were looking for a new way to make money, how important are each of the following?

N=1013



SUMMARY

spinter research

SUMMARY

- The number of surveyed residents of Latvia who have purchased experience through direct selling has increased from 60% in 2014 to 65% in 2021: 8% are purchasing regularly, 35% have purchased several times and 22% have done it once.
- The most popular product category remains cosmetics & personal care (64%, decreased from 78%). Further go household goods (47%, increased from 31%), clothing & accessories (36%, increased from 9%), wellness products (23%, increased from 17%), and books, toys, stationery & audiovisual material (14%, increased from 3%).
- Compared to 2014, the opinion about products purchased through direct selling is almost the same: 71% (in 2014 – 72%) have a positive opinion about purchased goods, 24% (25% in 2014) are neutral, while 5% have a negative opinion.
- Evaluation of direct selling consultants is positive: 25% evaluated the consultants very well, 47% - fairly well. 22% stated that the performance of consultants is average. Remaining 2% evaluated them negatively.
- General attitude towards direct selling is more positive than negative: reputations of direct selling as business type, of direct sellers, of goods sold through direct selling and of direct selling companies are evaluated at 3.4 points out of 5.
- The main advantage of direct selling is promotions / price discounts / gifts (32%). Further go the goods being cheaper than in shops (31%).
- Respondents mention additional earnings as one of the most attractive aspects of direct selling (44%).

SUMMARY

- 20% of respondents think that the direct selling industry should return to the form of pre-pandemic sales, 22% that it should stick to online sales solutions (customers are more likely to think that way).

- 49% of respondents said that their regular income hasn't changed due to COVID-19 pandemic, 26% that regular income has decreased.

- If there were no restrictions due to COVID-19, 18% of respondents, if they had a choice, would like to work form home daily, 27% - several times a week.

- 30% of respondents worked as online sellers to make money, 29% as direct sellers and freelancers, 20% as gig workers.

- 67% of respondents have interest in a flexible way of making money, outside of a 'traditional' job in the next 12 months. These respondents more often would like to try to work as freelancers (44%) or as online sellers (37%).

- Half of respondents (54%) said that the possibility to earn supplement income is the most important aspect when looking for a new way to make money. This is followed by the possibility to choose own work schedule (52%).

Contact information

UAB Spinter tyrimai
info@spinter.lt
tel. 863720595

spinter research