COUNTRY RESIDENT OPINION RESEARCH REGARDING THE DIRECT SELLING

LITHUANIA

customer

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LITHUANIAN DIRECT SELLING ASSOCIATION

contractor

spinter research

ESOMAR WORLD RESEARCH

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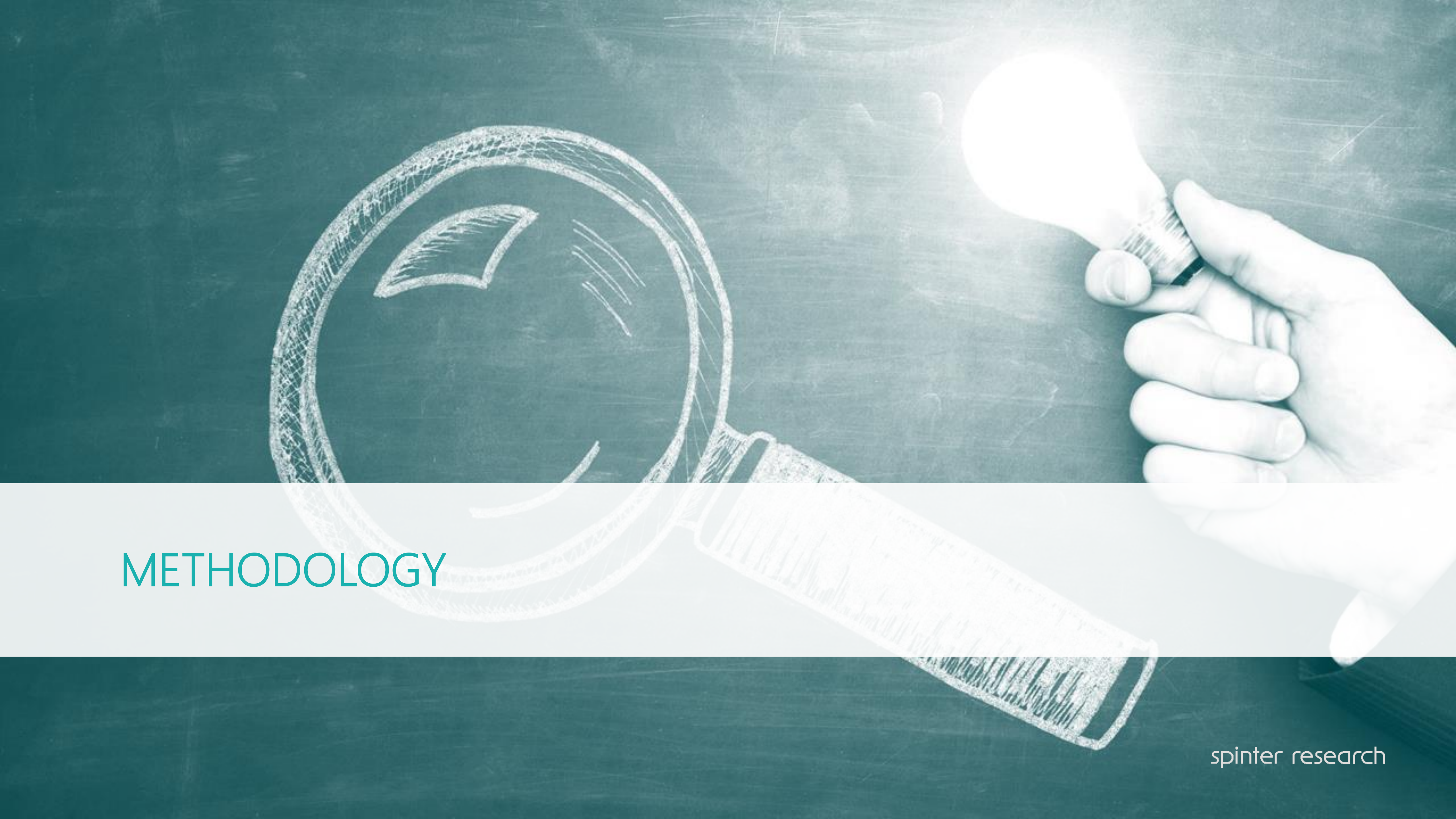
July 2021



METHODOLOGY

RESEARCH METHODOLOGY

- TIMING. 2021 06 25 – 07 16.
- OBJECTIVE. Find out the country residents' opinion regarding the direct selling.
- TARGET GROUP. Residents of Lithuania 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. 1011 respondents in Lithuania.
- LOCATION. Lithuania.
- 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).

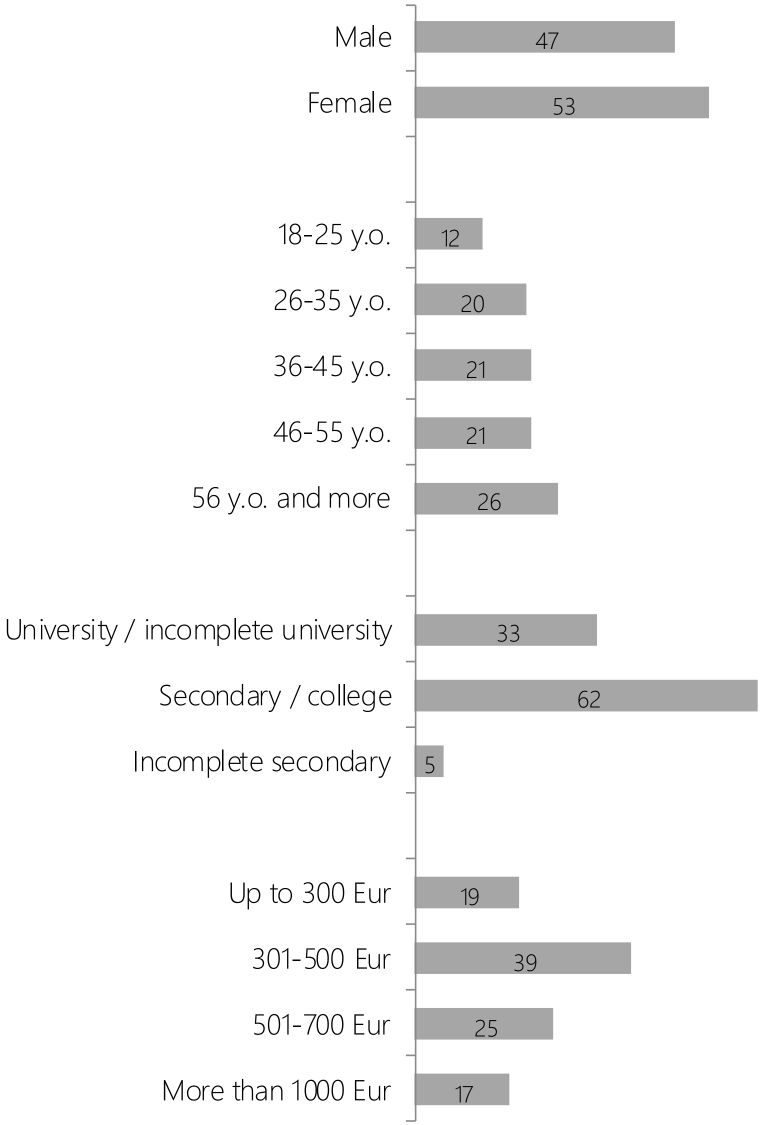
STATISTICAL ERROR

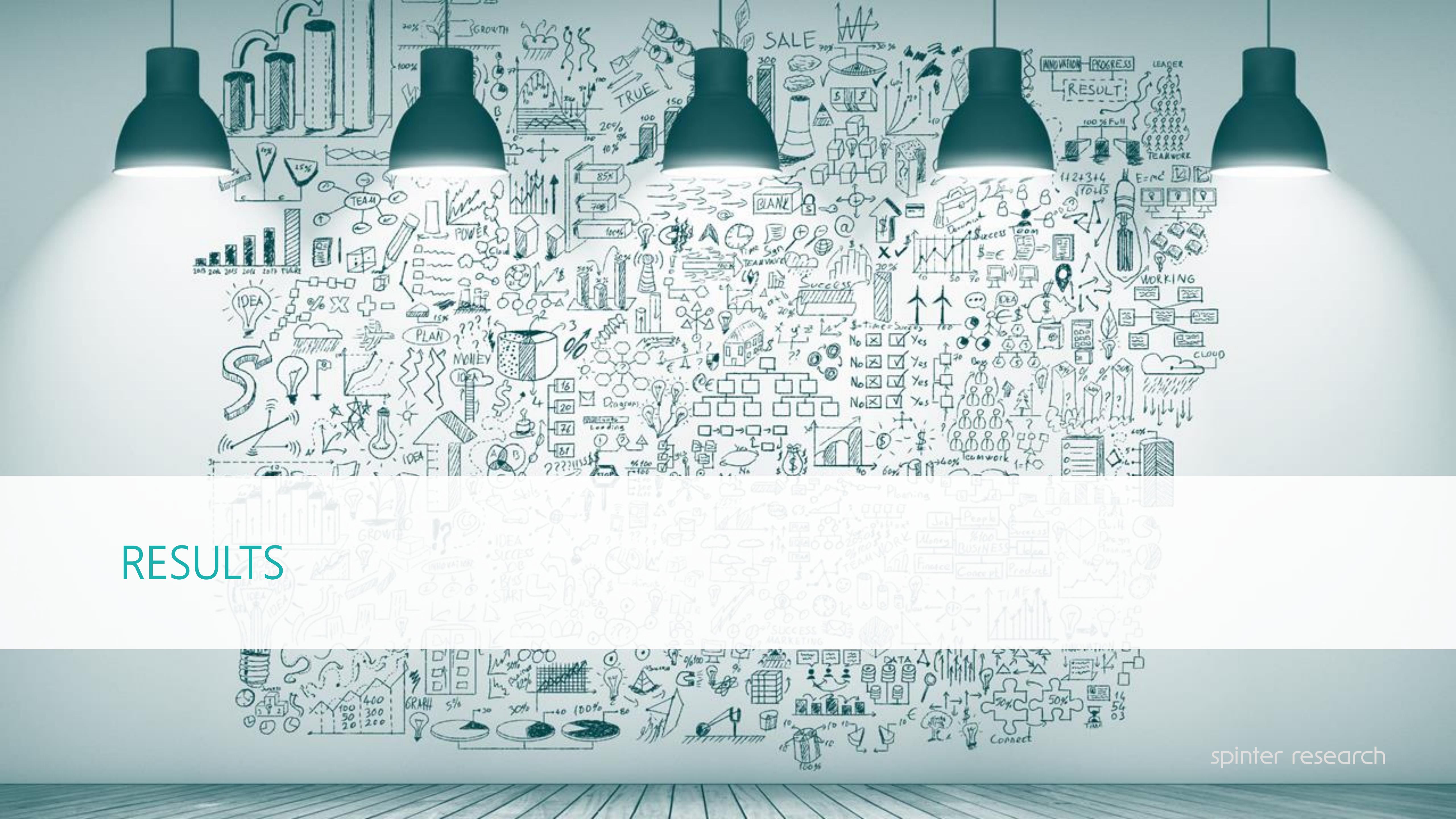
It is impossible to entirely avoid the sampling error in any quantitative research that uses sampling; therefore, it is necessary to take it into consideration while interpreting the data. E.g., after surveying 1011 respondents, if we find out that 59,9 percent of respondents purchased a product through direct selling, there is 95 percent probability that the real value is between 56,9 percent and 62,9 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

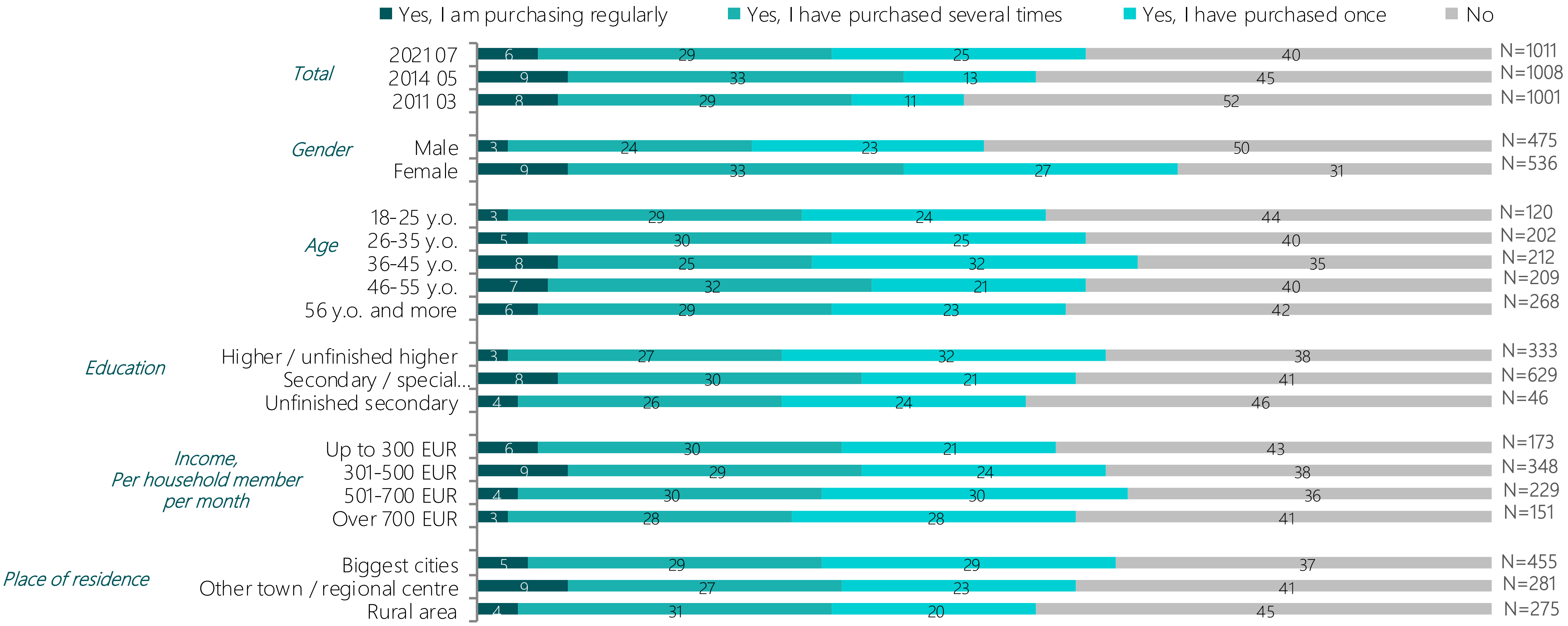



SALE
TRUE
GROWTH
INNOVATION
PROGRESS
RESULT
LEADER
TEAMWORK
WORKING
CLOUD
TEAM
POWER
PLAN
MONEY
IDEA
Success
Teamwork
Connect

RESULTS

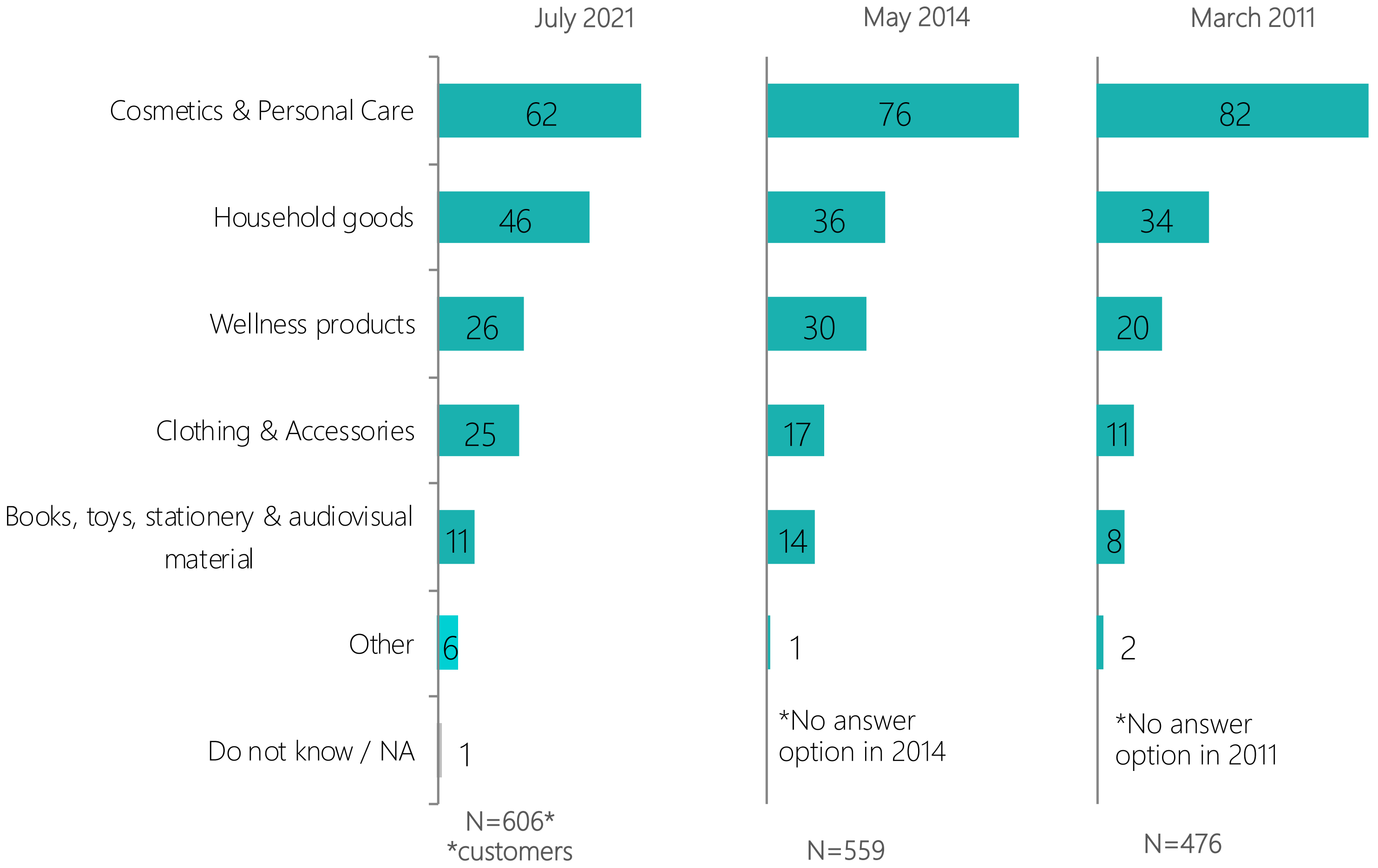
EXPERIENCE WITH DIRECT SELLING (%)

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?

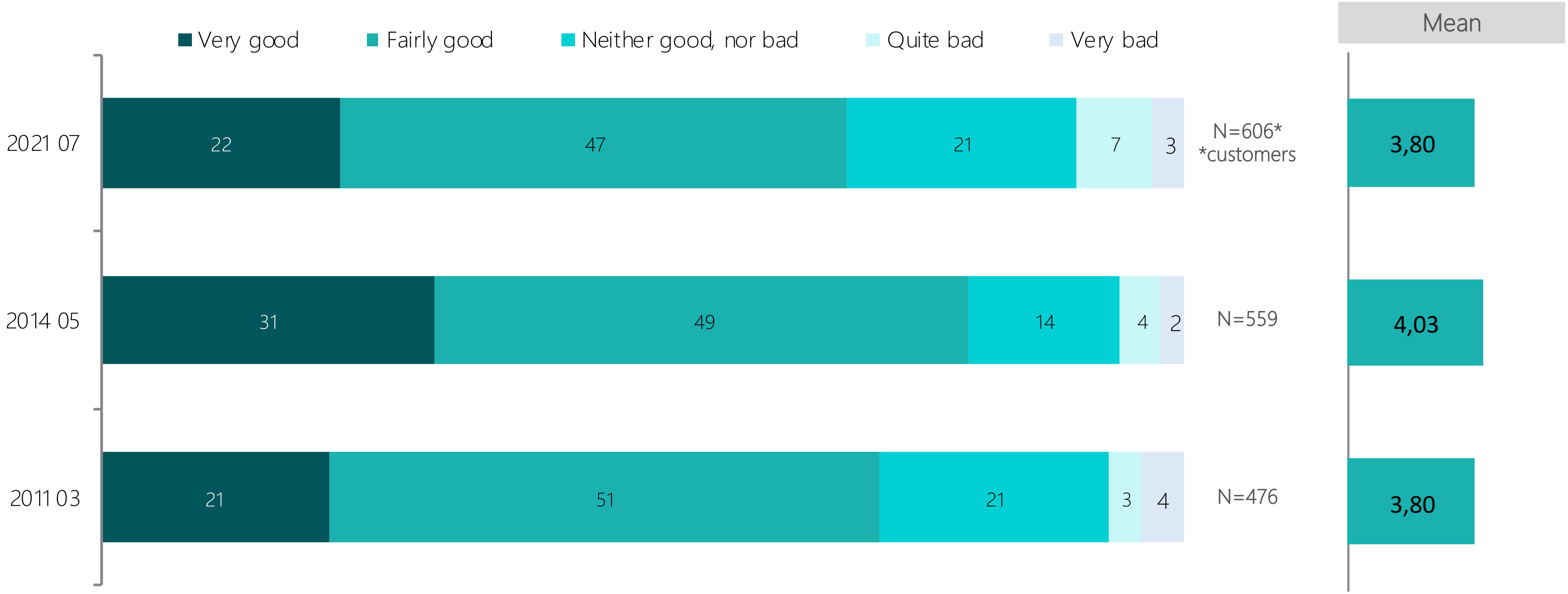


Cosmetics & personal care was more often mentioned by women, age group 46-55, residents of rural area.

**Multiple answer option; sum exceeds 100%*

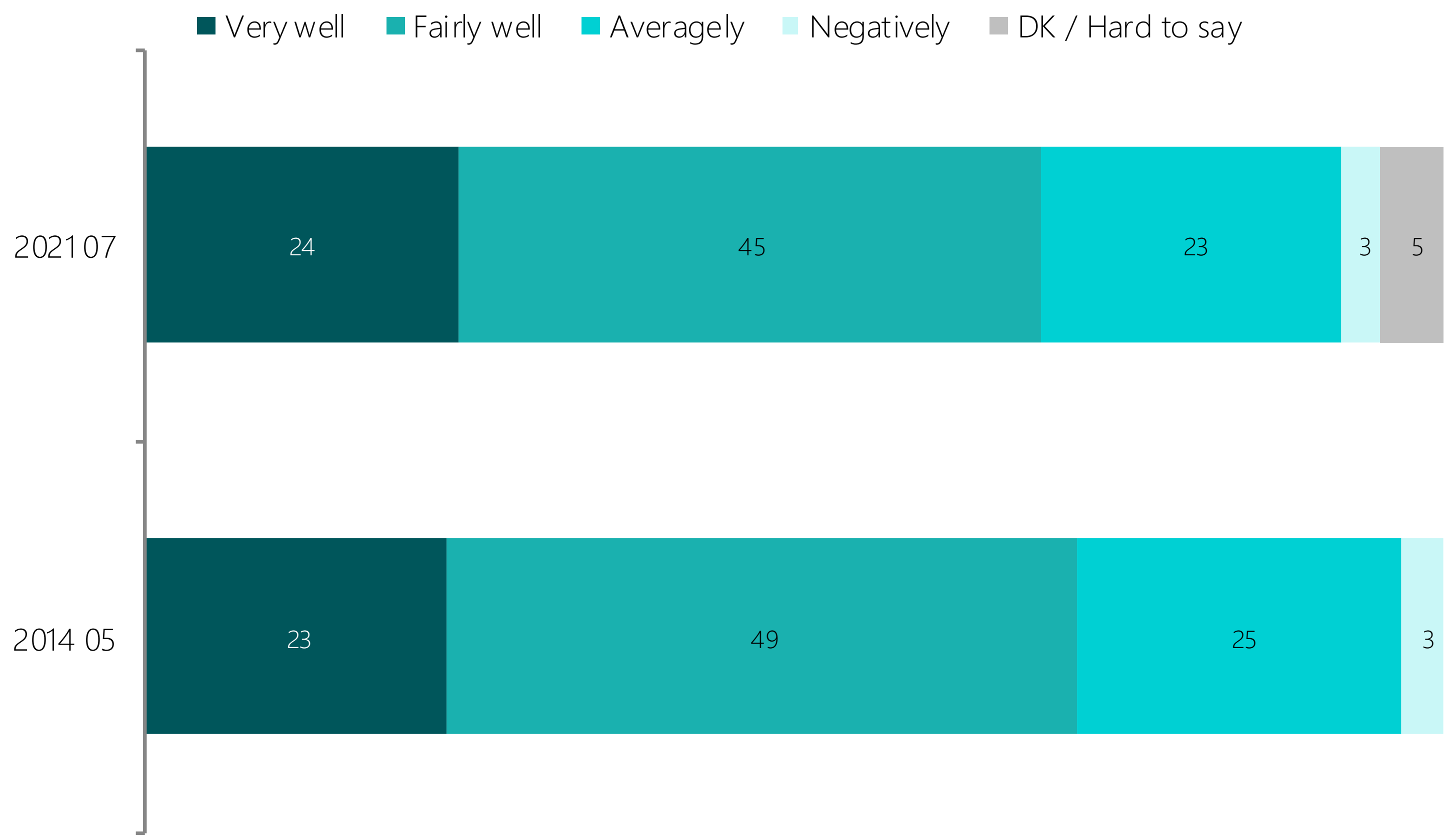
OPINION ABOUT PURCHASED PRODUCTS (%)

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?



N=606*
*customers

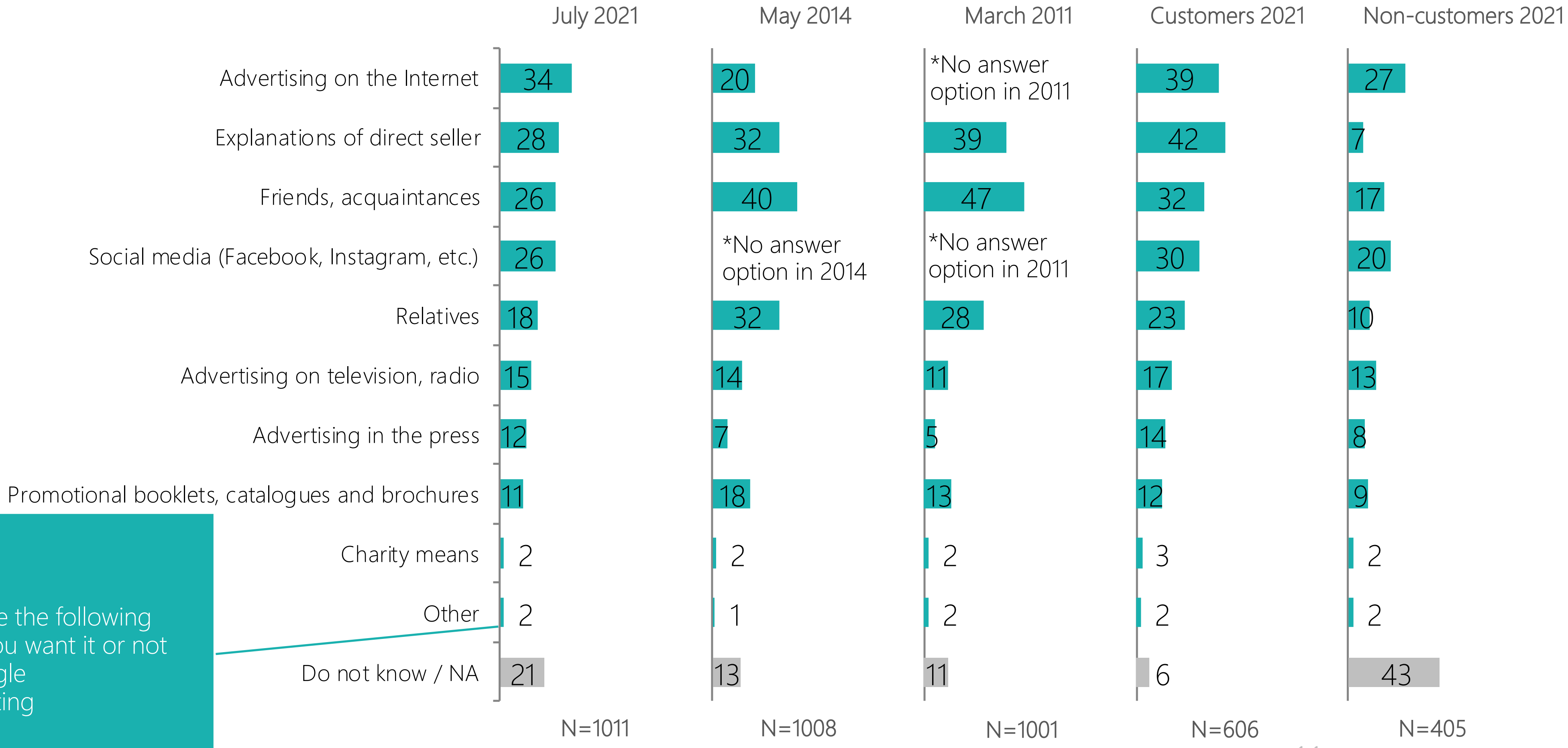
N=559

Women more often evaluate distributor / consultant very well.

INFORMATION CHANNELS (%)

Advertising on the internet was more often mentioned by 56 y.o. respondents and customers.

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



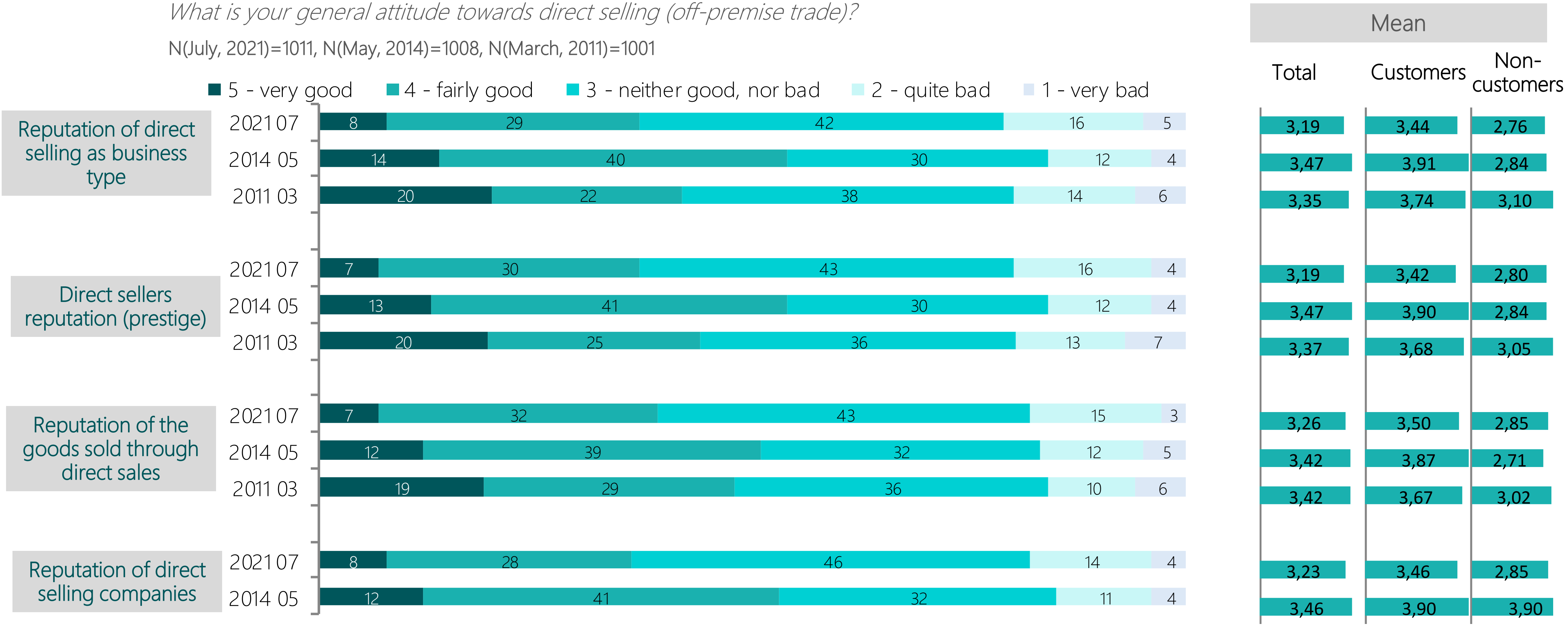
Mentions:
- Female friends provide the following information, whether you want it or not
- I use Google
- Telemarketing

**Multiple answer option; sum exceeds 100%*

ATTITUDE TOWARDS DIRECT SELLING (%)

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

N(July, 2021)=1011, N(May, 2014)=1008, 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=1011

ADVANTAGES OF DIRECT SELLING (%)

56 y.o. group and customers more often think that the best advantage of direct selling is that the product is delivered to hands.

What do you think are the advantages of direct selling?

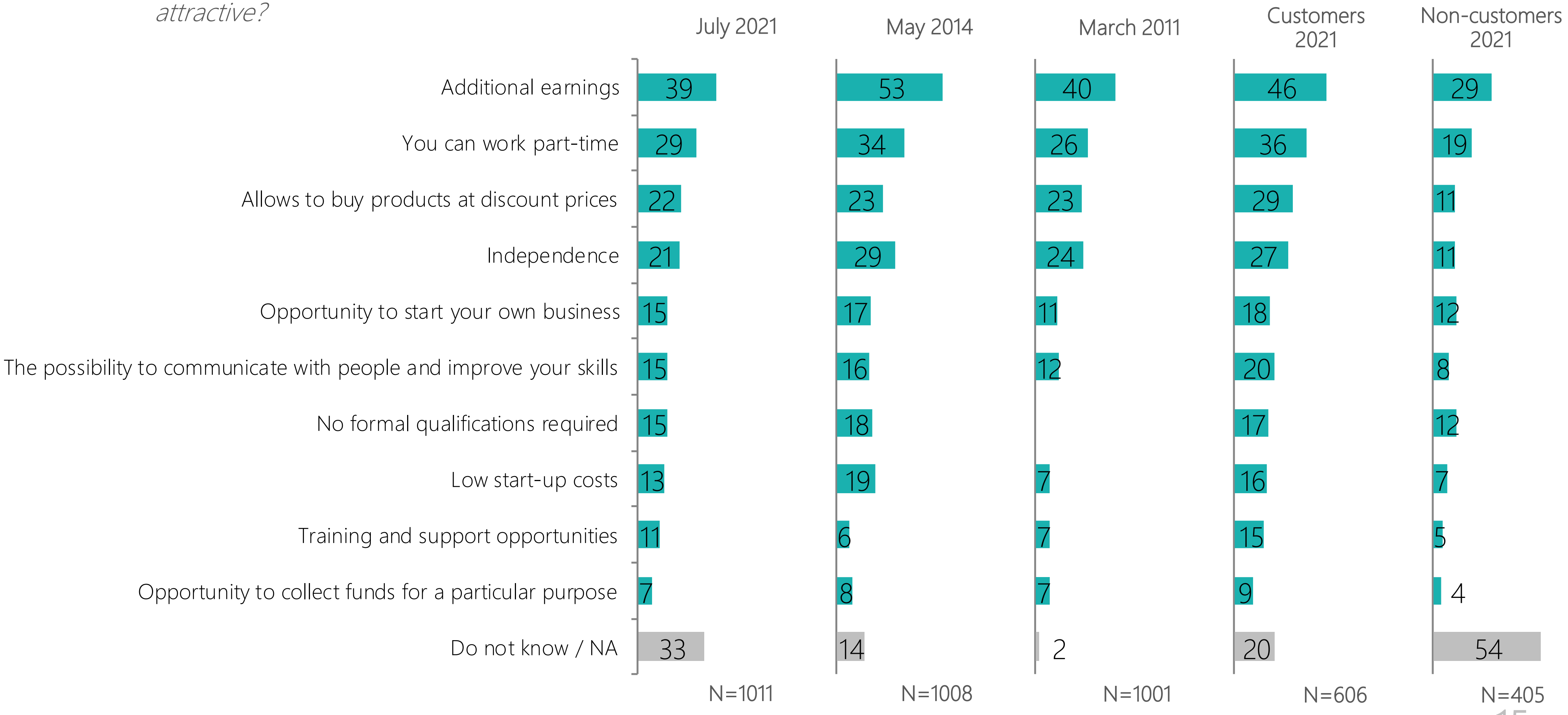
	July 2021	May 2014	March 2011	Customers 2021	Non-customers 2021
The product is delivered to hands, so I have less worry	29	35	25	35	19
Such goods cannot be found and bought in shops	26	26	24	31	18
During demonstration you can get more acquainted with the features of goods	24	17	26	30	15
Often you are offered a variety of promotions / price discounts / gifts	24	18	*No answer option in 2011	29	16
The goods are cheaper than in shops	23	28	25	25	21
Good price for the value	23	22	*No answer options in 2011	27	15
You can get professional advice from direct seller	23	15		31	11
The goods are of good quality	15	17	16	21	8
Selling - buying process is nice organized	13	10	11	17	6
If the item does not meet the one intended, then it is easy to return back	12	7	5	16	4
Other	0,3	2	1	0,2	0,5
Do not know / NA	20	17	5	5	41
	N=1011	N=1008	N=1001	N=606	N=405

Mentions:
- Goods are good quality but expensive

*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?

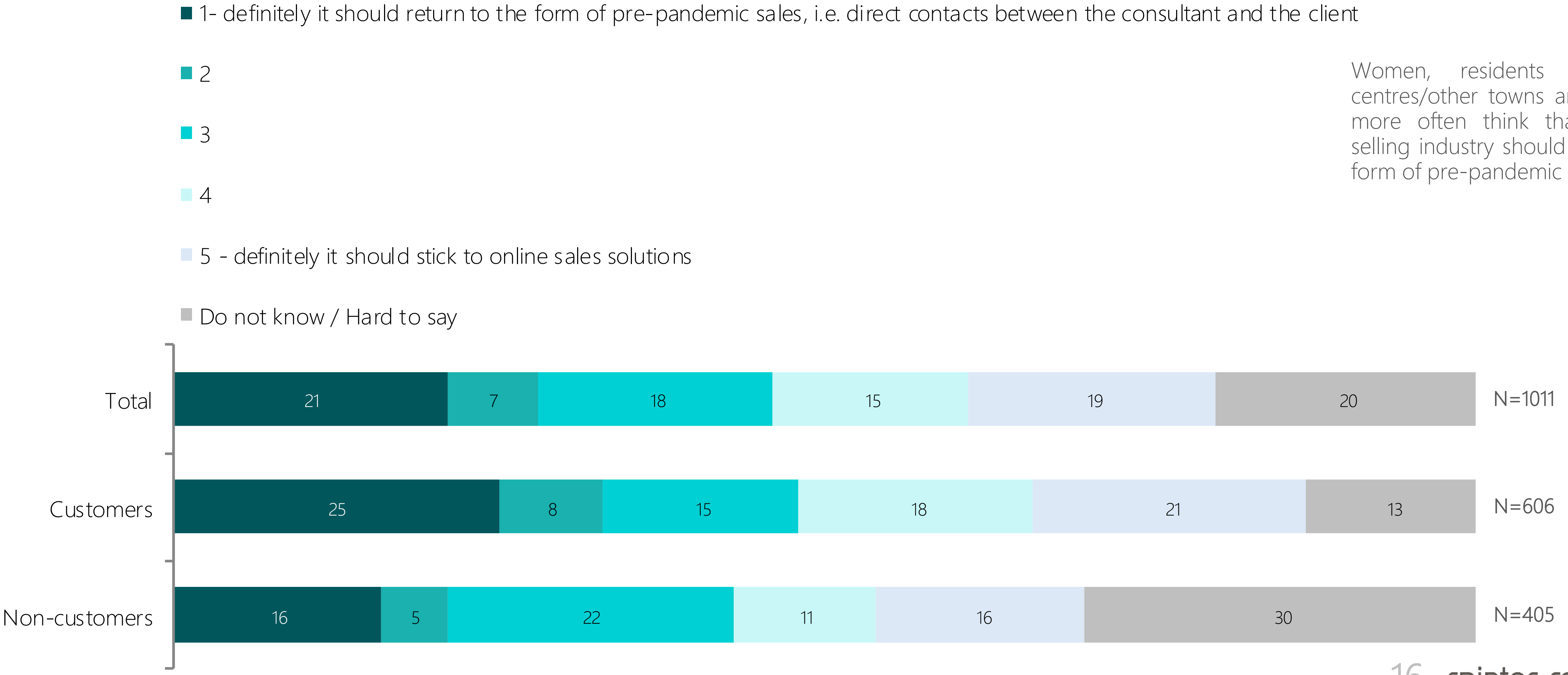


Additional earnings is seen as the most attractive aspect of the business more often by women, residents of regional centres/other towns and customers.

*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?

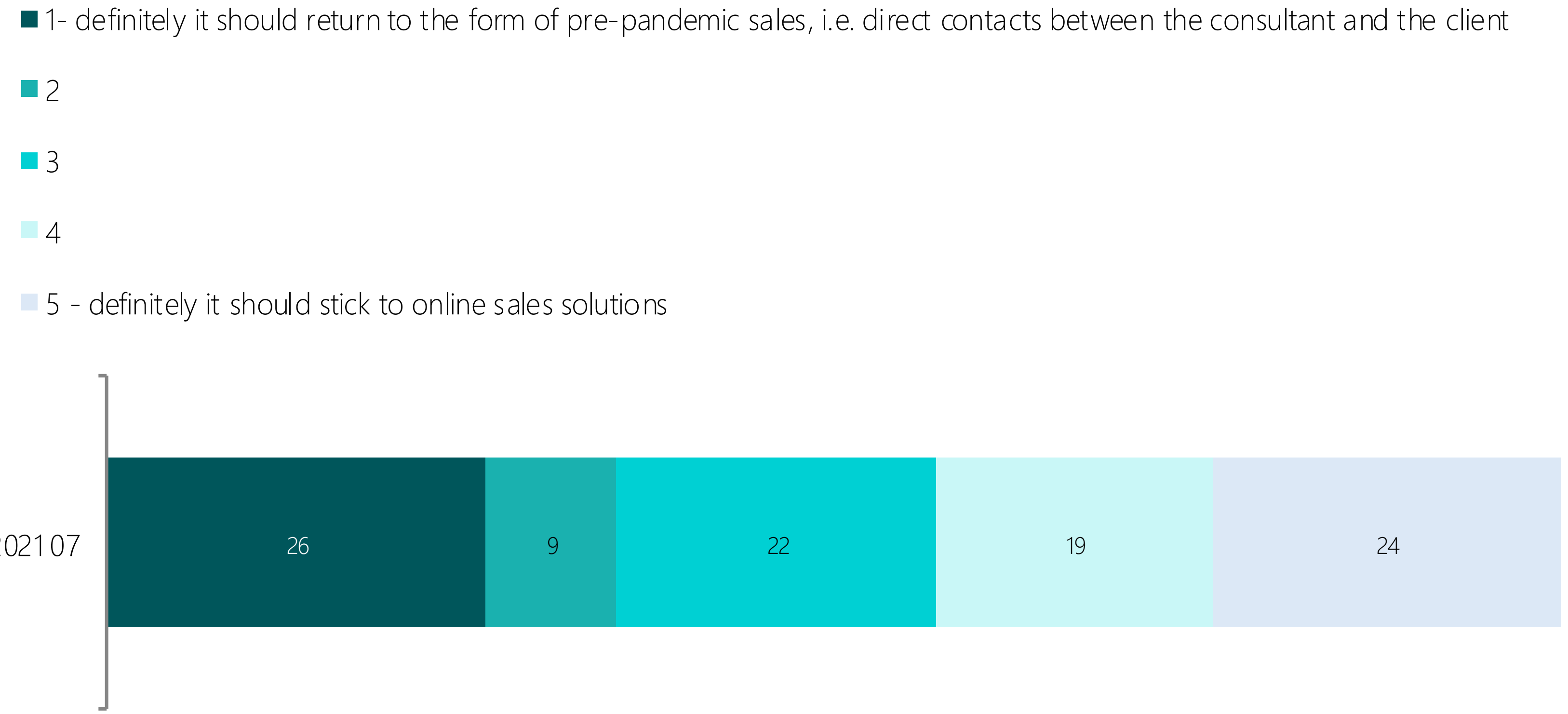


Women, residents of regional centres/other towns and customers more often think that the direct selling industry should return to the form of pre-pandemic sales.

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?

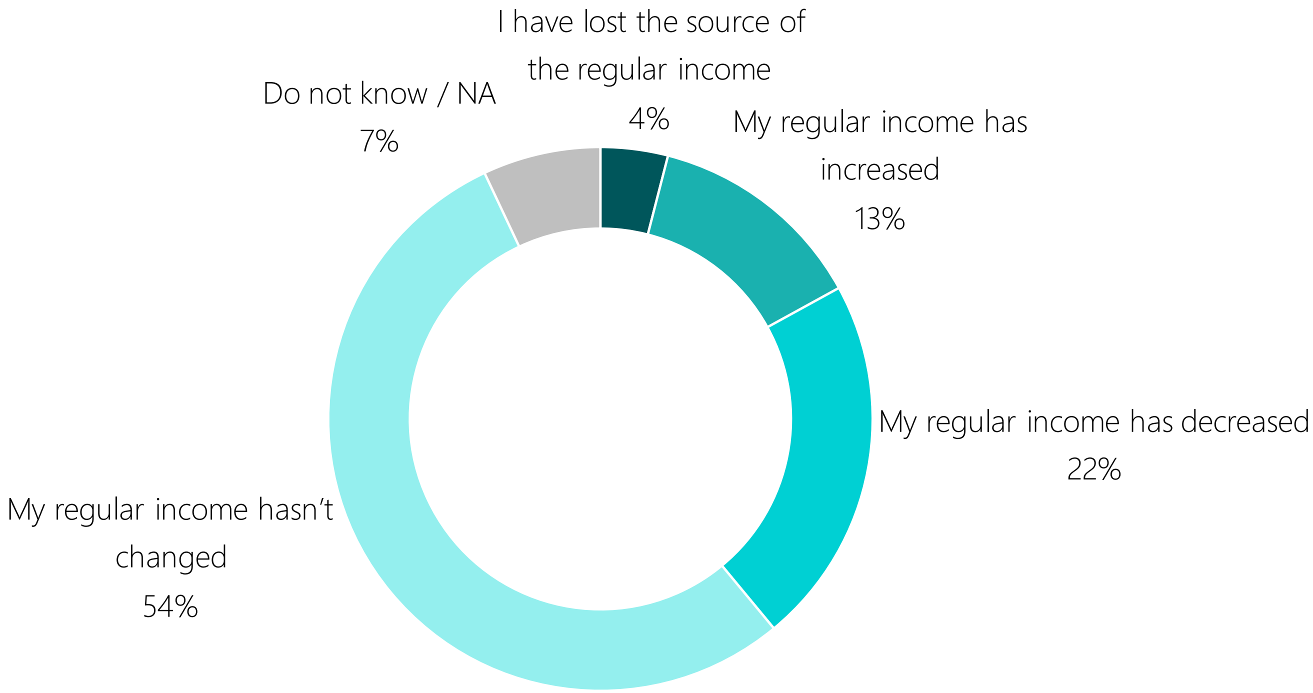
N=810*
Respondents except who do not know / did not answer



THE PANDEMIC'S EFFECT ON INCOME (%)

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

N=1011



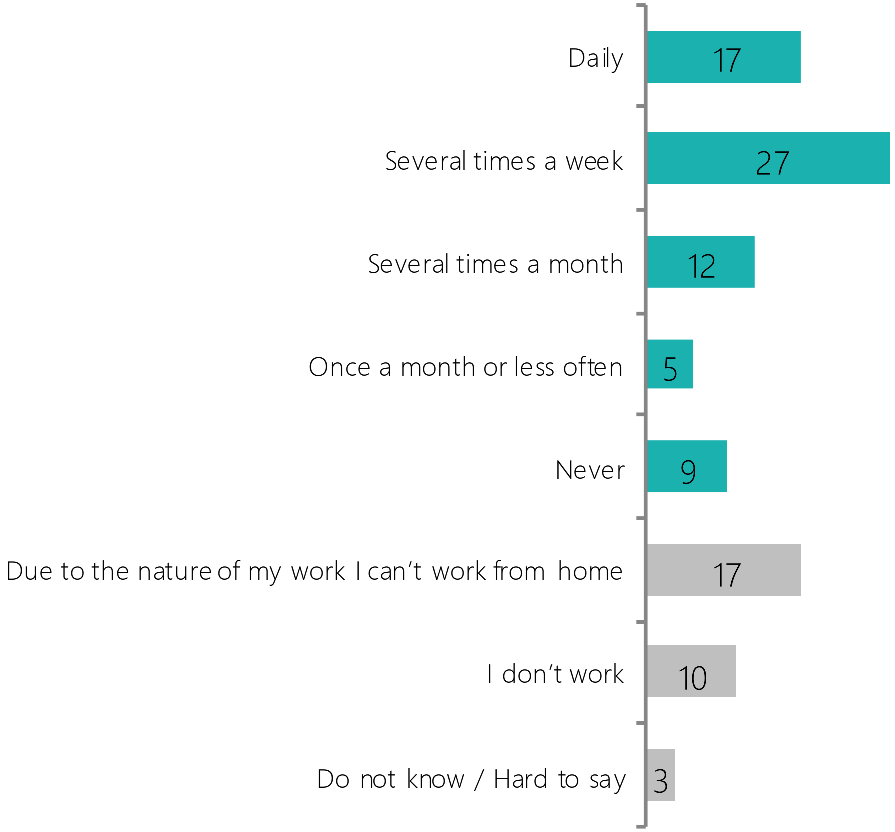
That regular income hasn't changed more often said 56 y.o. group.

That regular income has decreased more often said residents of big cities, regional centres/other towns 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=1011



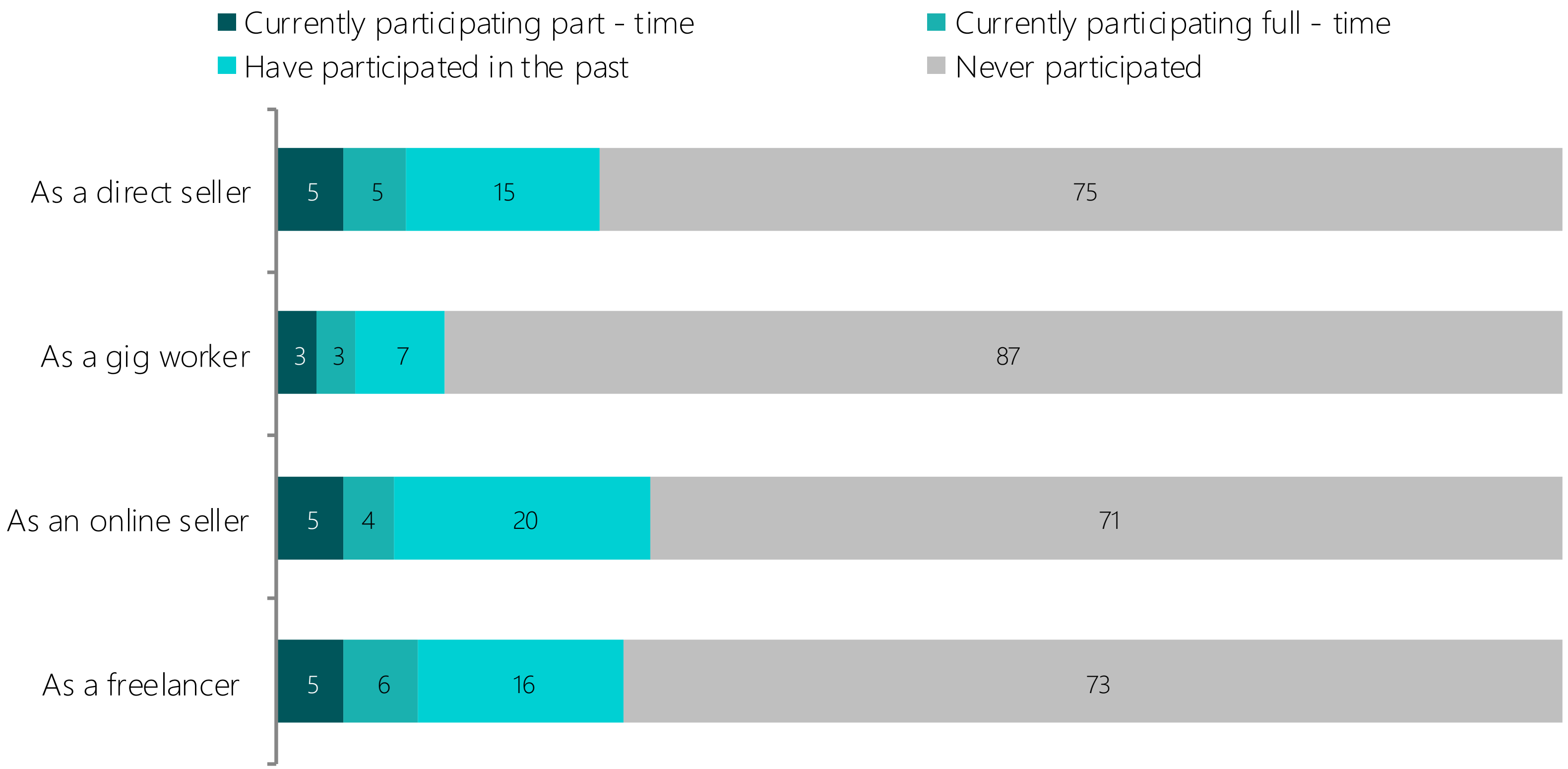
Women, residents of big cities and rural areas more often would like to work from home daily.

Big cities residents and customers 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=1011

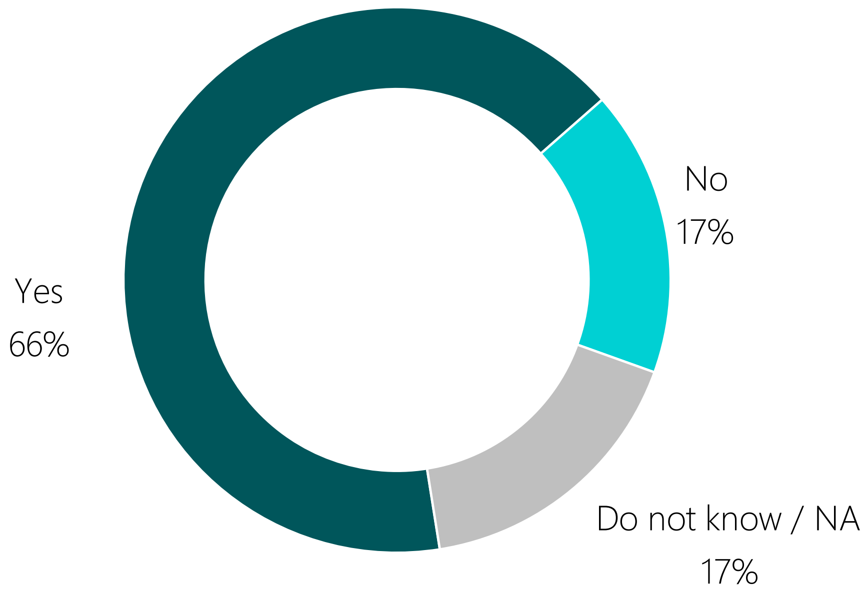


THE DESIRE TO MAKE MONEY IN A FLEXIBLE WAY (%)

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=1011

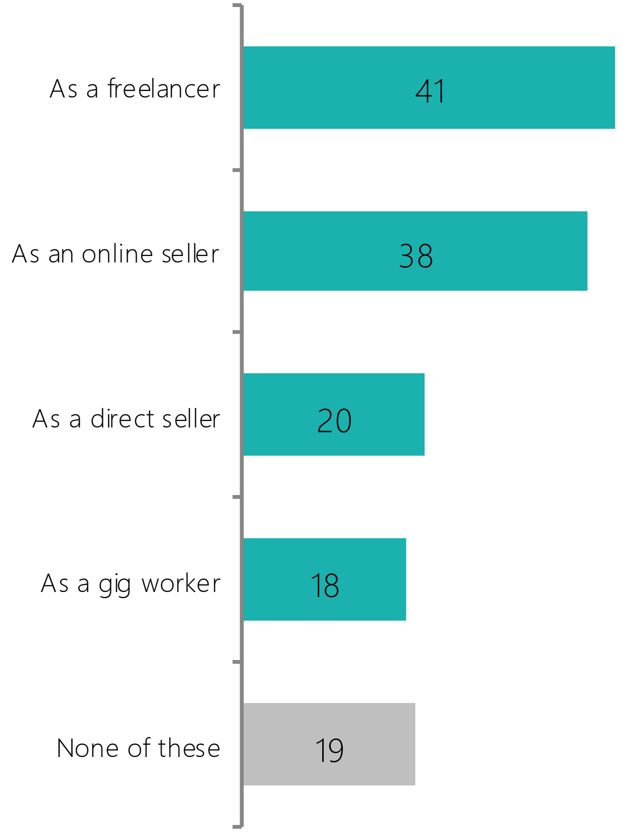
Customers more often have interest in a flexible way of making money.



INCOME OPPORTUNITIES TO CONSIDER (%)

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

N=661*
*interested
in a flexible way
of making money



Men more often would like to try to work as gig workers.

Multiple answer option; sum exceeds 100%

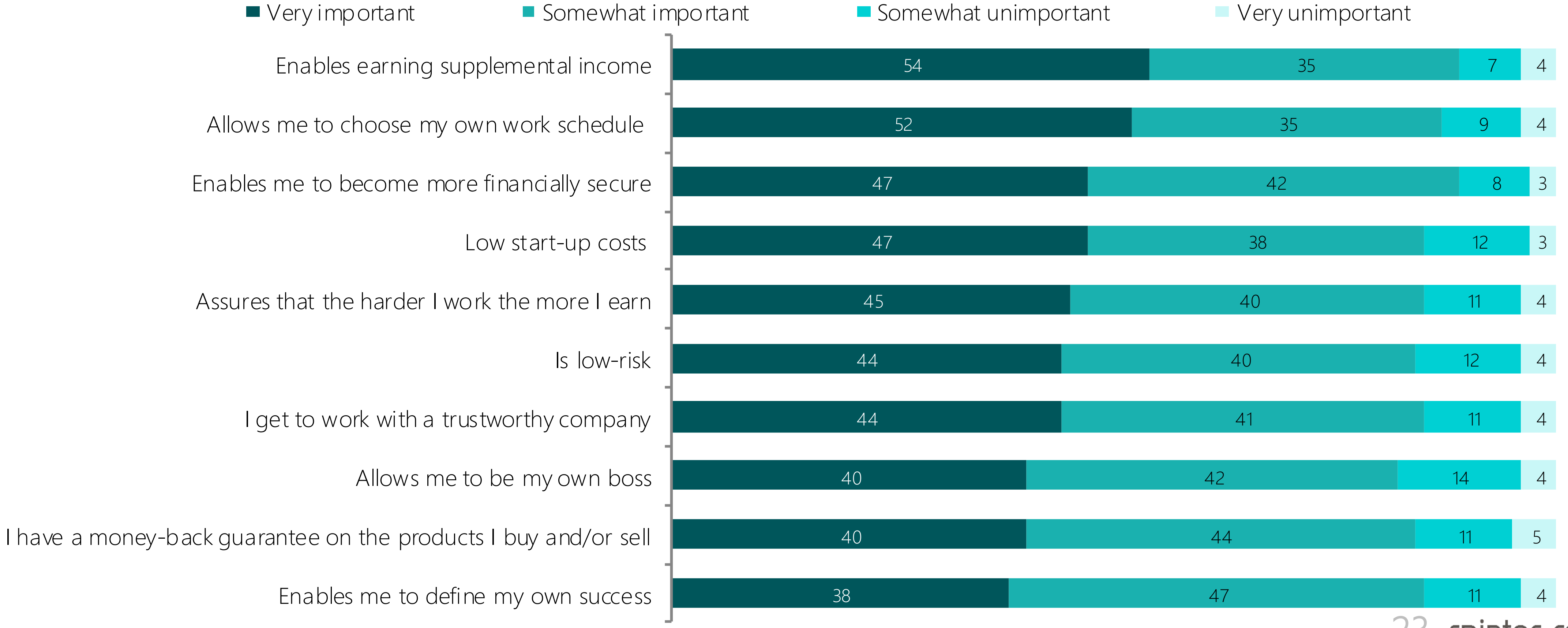
ASSESSING THE IMPORTANCE OF CLAIMS (%) - I

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

N=1011

The possibility to earn supplement income more often is very important for women, residents of regional centres/other towns and customers.

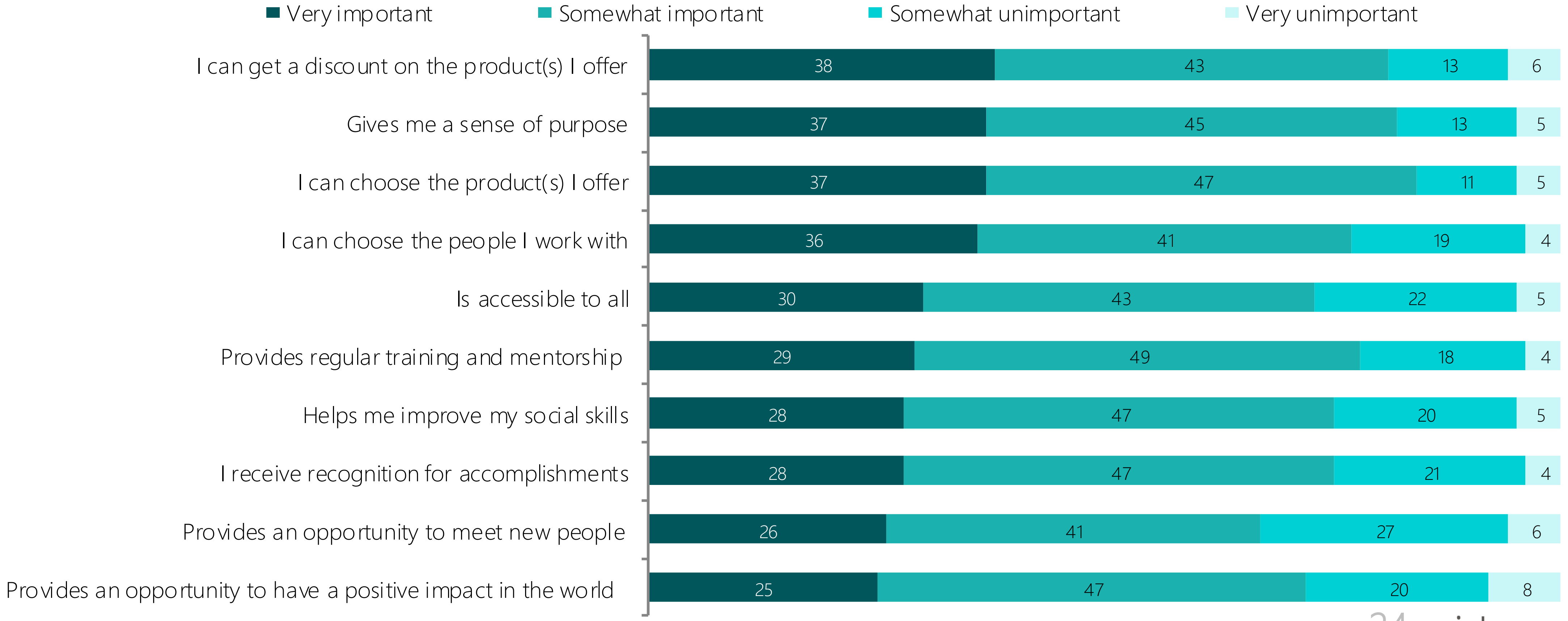
Possibility to choose own work schedule more often is very important for women, 36-45 y.o., up to 300 EUR income group and customers.



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=1011



SUMMARY

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SUMMARY

- The number of surveyed residents of Lithuania who have purchased experience through direct selling has increased from 55% in 2014 to 60% in 2021: 6% are purchasing regularly, 29% have purchased several times and 25% have done it once.

- The most popular product category remains cosmetics & personal care (62%, decreased from 76%). Further go household goods (46%, increased from 36%), wellness products (26%, decreased from 30%), clothing & accessories (25%, increased from 17%) and books, toys, stationery & audiovisual material (11%, decreased from 14%).

- Compared to 2014, the opinion about products purchased through direct selling is slightly worse: 69% (decreased from 80%) have a positive opinion about purchased goods, 21% (14% in 2014) are neutral, while 10% have a negative opinion.

- Evaluation of direct selling consultants is positive: 24% evaluated the consultants very well, 45% - fairly well. A quarter of interviewees stated that the performance of consultants is average. Remaining 3% evaluated them negatively.

- General attitude towards direct selling is more positive than negative: reputations of direct selling as business type, of direct sellers and of direct selling companies are evaluated at 3.2 points out of 5, reputation of goods sold through direct selling at 3.3.

- The main advantage of direct selling is direct delivery to the buyer (29%). Further go possibility to buy goods that are not available in traditional shops (26%).

- Respondents mention additional earnings as one of the most attractive aspects of direct selling (39%).

SUMMARY

- 21% of respondents think that the direct selling industry should return to the form of pre-pandemic sales, 19% that it should stick to online sales solutions. Customers are more likely to think that way.
- 54% of respondents said that their regular income hasn't changed due to COVID-19 pandemic, 22% that regular income has decreased.
- If there were no restrictions due to COVID-19, 17% of respondents, if they had a choice, would like to work form home daily, 27% - several times a week.
- 29% of respondents worked as online sellers to make money, 27% as freelancers, 25% as direct sellers, 13% as gig workers.
- 66% 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 (41%) or as online sellers (38%).
- 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 if followed by the possibility to choose own work schedule (52%).

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