



Ipsos APOYO
Opinión y Mercado

Ipsos Public Affairs
The Social Research and Corporate Reputation Specialists

CAPEVEDI's perception Independent Entrepreneur

Exclusive for: **CAPEVEDI**
Cámara Peruana de Venta Directa



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Summary



The Peruvian Chamber of Direct Selling asked to Ipsos APOYO the realization of a quantitative study to evaluate the profile and perceptions of independent entrepreneurs of direct sales in Peru. For this purpose, 600 survey carried out among independent entrepreneurs of Direct Sales in Lima, Piura, Trujillo, Huancayo, Arequipa and Iquitos who works on it over 6 months and have placed at least one order in the last year.

Those are the principal results:

Demographic Profile :

- Almost all direct sales entrepreneurs are women and most are over 40 years old.
- Half of entrepreneurs belong to NSE B and a third to NSE C.
- Three of every five direct sales entrepreneurs has completed his higher education (technical & college).
- Most respondents are married and living with their children and family. Almost 80% have children (around 2.4 children).
- Of the respondents who reported having a couple and partner, only 11% say that he / she carries out activities of direct selling.

Direct sales activity:

Before you start in the business of direct sales, a third of independent entrepreneurs had a full time job and fourth of them had a part-time job. The main motive for entering this sector was finding another source of income, the second strong reason for half of respondents was the desire to own their own business.

Summary

- The independent entrepreneurs say that they were and they are related to Unique, Avon and Esika.
- Three of every five respondents belonged to more than one direct sales company in the past two years, especially by offering variety of products to their customers.
- The vast majority of entrepreneurs work permanently in the year, and a third about 1-4 hours daily.
- 59% of respondents mentioned have formed a group or business network.
- The vast majority of entrepreneurs sells to family and friends through catalogs (88%) and contacts mouth to mouth (78%).

Impact of direct sales:

- The vast majority of entrepreneurs are satisfied with their work in direct sales. The main benefit that gives his work are the prizes, and the most important disadvantage is the lack of employment benefits.
- Respondents use its gains on the daily expenses and improving the quality of life for their families.
- Popular items are used for activity : cellphone (70%) and phone (59%).

Additional Data Independent Business Profile:

- The main quality of the direct selling entrepreneurs is that they are free and independent. One third also mentioned that they are workers and hard-working.
- When asked by defects typical of his work most of them did not respond and said none. Only a fifth said they could be selfish and individualistic.



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Objectives and Metodology



Background

- The Peruvian Chamber of Direct Selling (CAPEVEDI) brings together different brands that are engaged in face to face selling.
- Direct selling is a powerful retail tool that generates job opportunities for millions of people in the worldwide.
- In 2010, worldwide, there was \$ 117,597,000 in direct sales, and employed an estimated 74,013,441 independent entrepreneurs. In the same year, in Peru, was sold for U.S. \$ 896.4 million and employed 320,000 people in direct sales¹
- In this context it had been conducted research on the profile of the business of direct selling in Chile and Colombia, and today we made the first measurement in Peru.

Fuente: www.capevedi.com

Objectives

- Identify reasons incursion into direct sales job.
- Identify the companies where the independent entrepreneurs of direct sales work in.
- Identify perceptions of entrepreneurs about their work in direct sales.
- Identify habits of sale through the direct marketing

How do we evaluate?

- Representative sample of independent direct selling entrepreneurs with more than 6 months in the business and have placed an order in the past year, residents in Lima, Arequipa, Trujillo, Piura, Huancayo and Iquitos.
- There was conducted 600 surveys with a margin of error around $\pm 4\%$.

Sample



- Technic in provinces : surveys by phone
- Technic in Lima: surveys face to face
- Date: since june 15 to july 21 of 2012
- Duration of the Questionnaire : 20 minutes

Field work



The survey includes:

- Activity on direct sales
- Impact of direct selling
- Profile of the independent direct selling entrepreneur

Survey



- Statistical analyzes were performed to determine significant differences between segments studied.

Process





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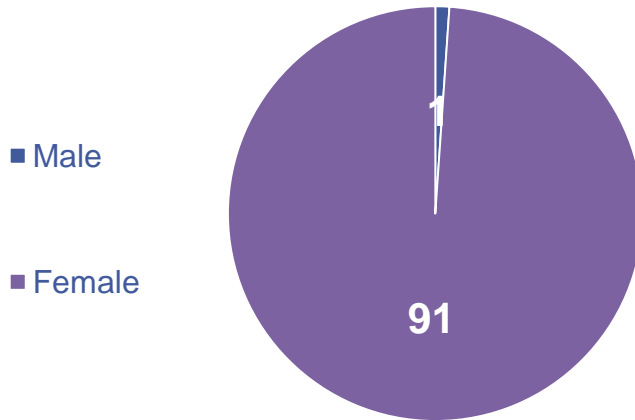
Demographical Data



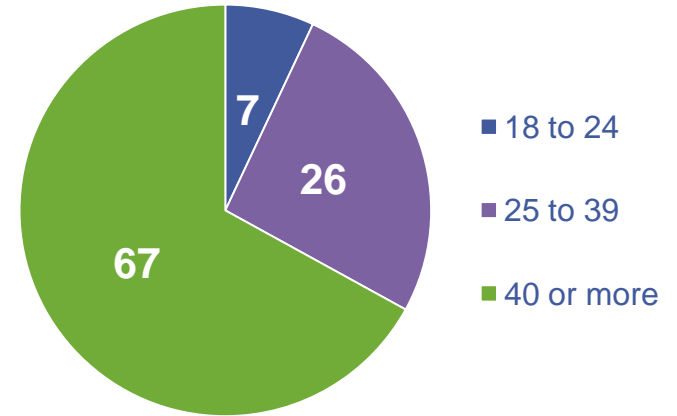
Demographical Data

%

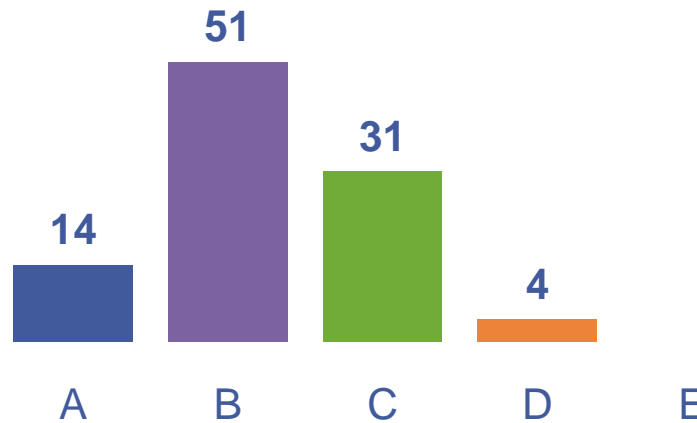
Gender



Age (in years)



Socioeconomic Status

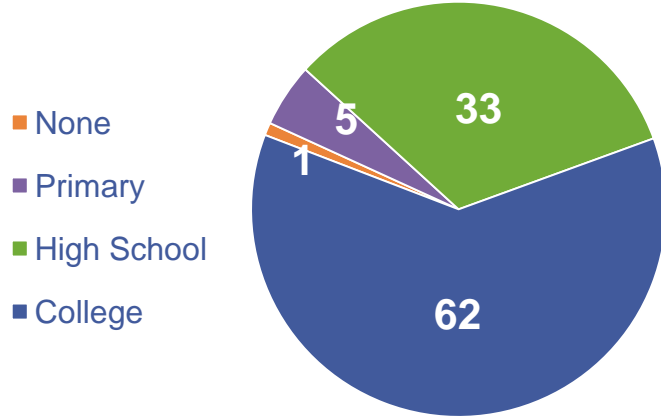


Base: Total Respondents (600)

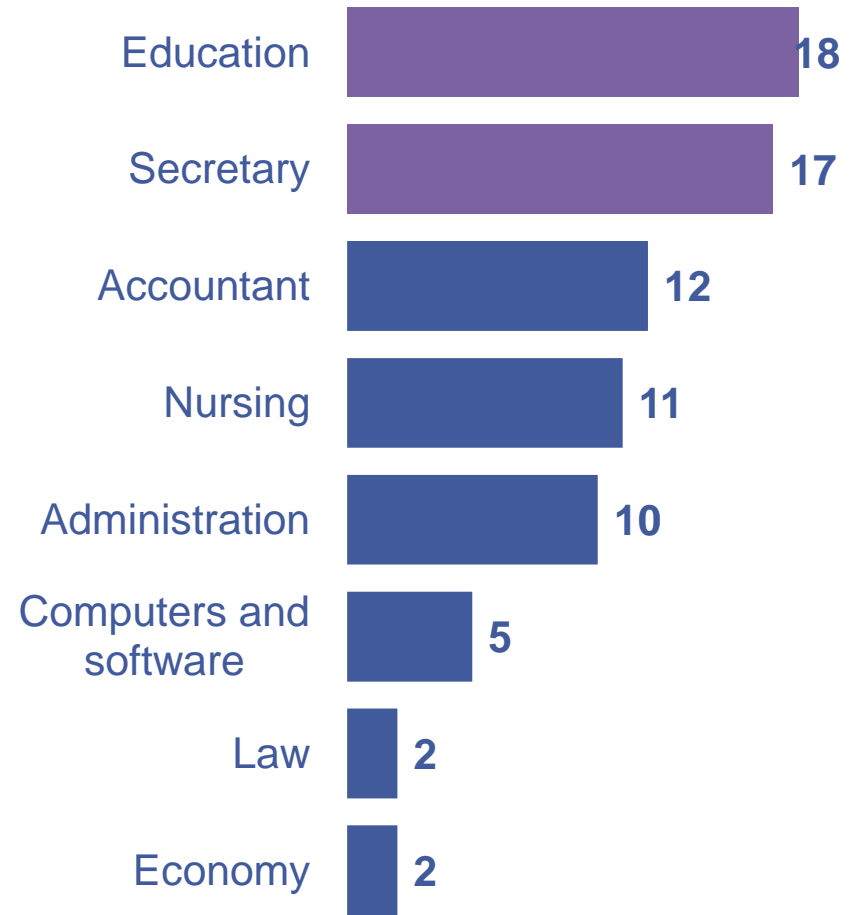
Demographical Data

%

Educational Degree



Career



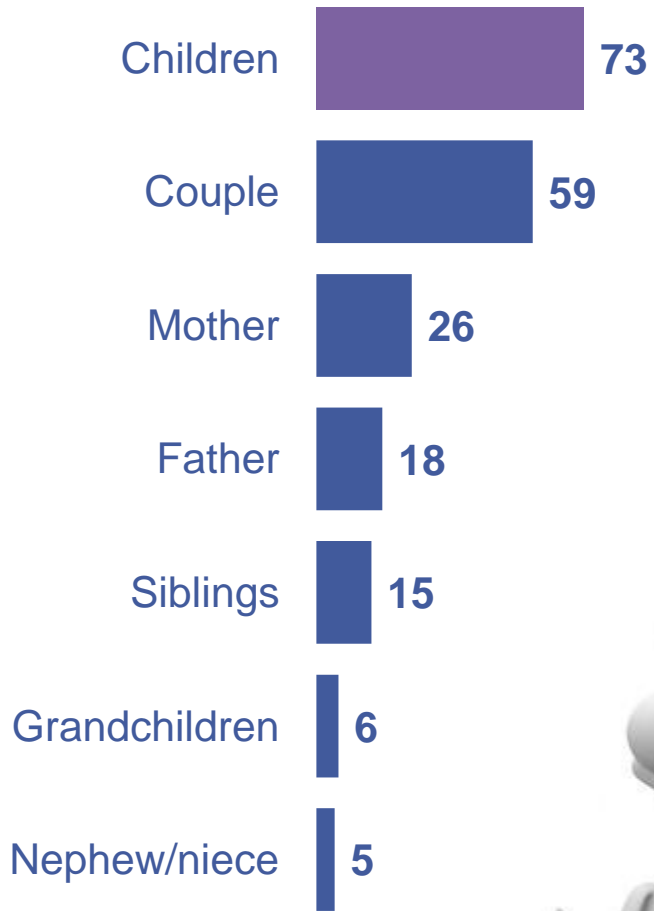
Principal answers

Base: Total respondents who finish the career (349)

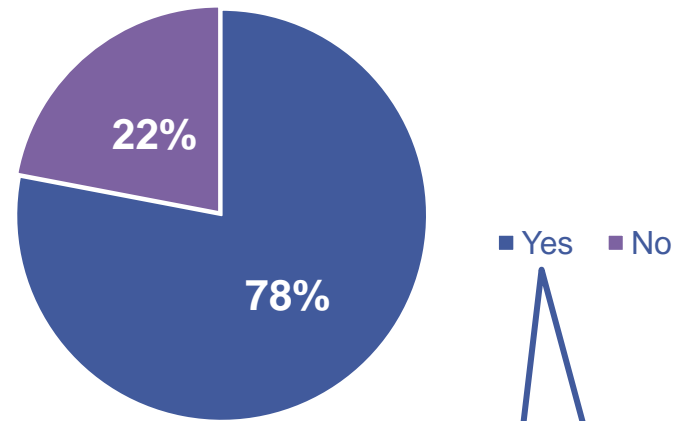
Base: Total Respondents (600)

Demographical Data

% Who did you live?



Do you have children?



In average: 2.4 childs



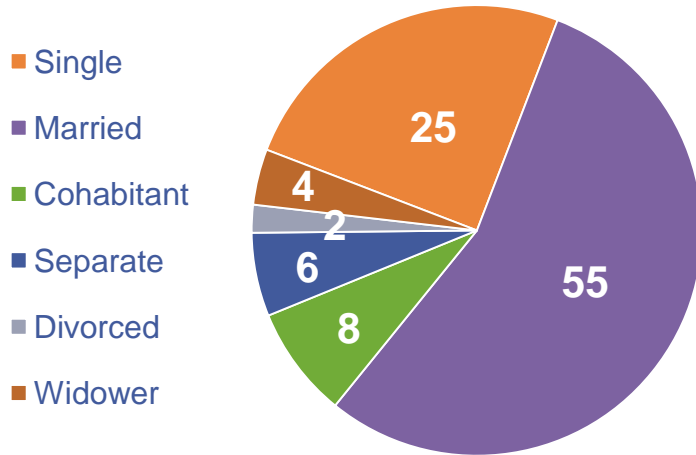
Principal answers

Base: Total Respondents (600)

Demographical Data

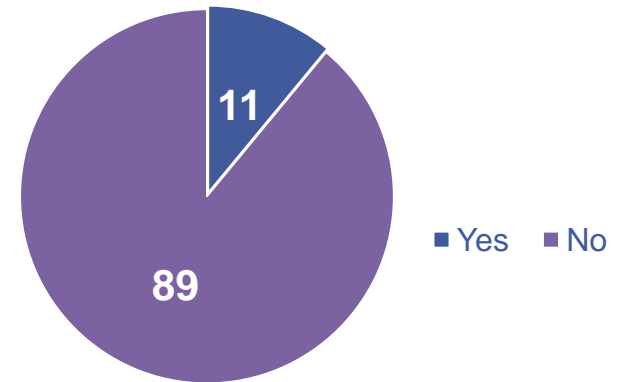
%

Marital Status



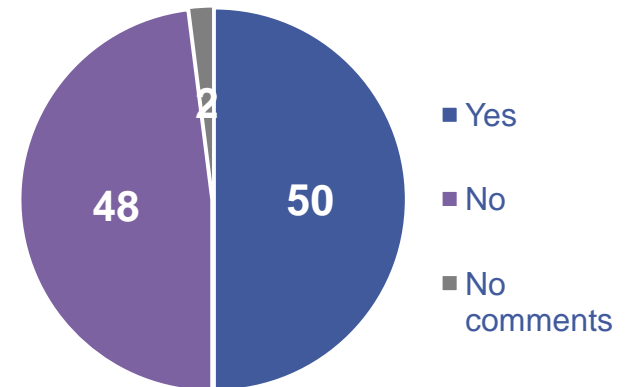
Base: Total Respondents (600)

Does your partner also engages in direct selling?



Base: Total respondents who are married or cohabitant (377)

Do both engaged in direct selling for the same company?



Base: Total respondents who have a partner who engages in direct selling (40)



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Principal results

Activity on direct sales



About a third of independent entrepreneurs had a full time job before entering into direct sales

Previous employment status

(With card)

%

		Place		NSE			Age		
		Lima	Prov	A	B	C/D	18-24	25-39	40-70
Had a full time job	35	44%	29%	46%	40%	23%	13%	41%	35%
Had a part time job	25	26%	25%	26%	23%	29%	23%	26%	25%
I was looking for a job	19	13%	23%	10%	20%	21%	28%	16%	20%
I had never work before	14	12%	15%	8%	12%	21%	30%	15%	12%
I am retired	4	5%	3%	5%	3%	3%	4%	0%	5%
No comments	3	0%	5%	5%	2%	3%	2%	2%	3%

Base: Total Respondents (600)

Seven out of ten respondents mentioned a source of extra income as the main reason to move into direct selling

Reasons to move into direct selling

(With card)

	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Another source of extra income	88%	64%	70%	78%	69%	72%	69%	76%
To have my own business	69%	38%	46%	52%	49%	32%	49%	53%
To know new people	67%	29%	43%	46%	42%	19%	34%	51%
To be independent	54%	37%	42%	46%	41%	30%	40%	46%
To buy products to myself	59%	30%	55%	42%	35%	36%	43%	42%
To learn something new	71%	17%	42%	41%	33%	19%	28%	45%
To have more flexibility	41%	17%	33%	28%	21%	19%	25%	28%
To buy something specific	22%	14%	18%	19%	14%	11%	15%	19%

%

Another source of extra income

74

To have my own business

50

To know new people

44

To be independent

44

To buy products to myself

42

To learn something new

39

To have more flexibility

26

To buy something specific

17

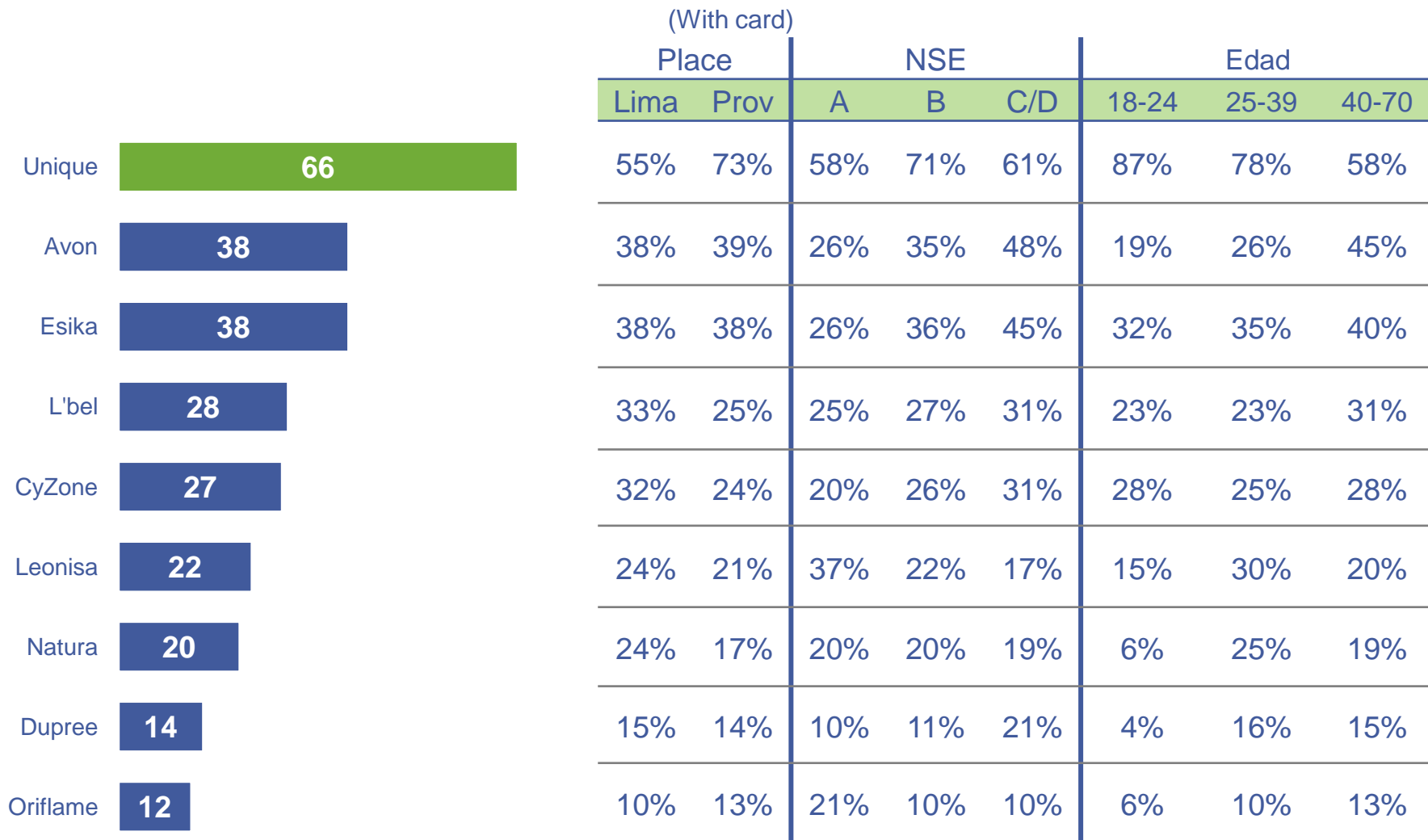
Principal answers

Base: Total Respondents (600)

Independent entrepreneurs mentioned that the companies that have been linked, are Unique, Avon and Esika

Direct selling companies which has been linked

%



Principal answers

Base: Total Respondents (600)

Half of the respondents mention belong to the company Unique

Direct selling companies which are currently linked

%

	(With card)									
	Place		NSE			Age				
	Lima	Prov	A	B	C/D	18-24	25-39	40-70		
Unique	56		43%	64%	46%	62%	50%	81	69%	47%
Esika	25		27%	24%	17%	23%	31%	19%	22%	27%
Avon	24		26%	23%	15%	22%	30%	9%	11%	31%
CyZone	19		26%	14%	14%	17%	22%	17%	14%	21%
L'bel	18		25%	13%	12%	17%	22%	13%	14%	20%
Leonisa	17		21%	14%	30%	17%	12%	13%	23%	15%
Natura	14		19%	10%	17%	14%	12%	6%	17%	13%
Dupree	11		13%	10%	8%	8%	17%	0%	12%	12%

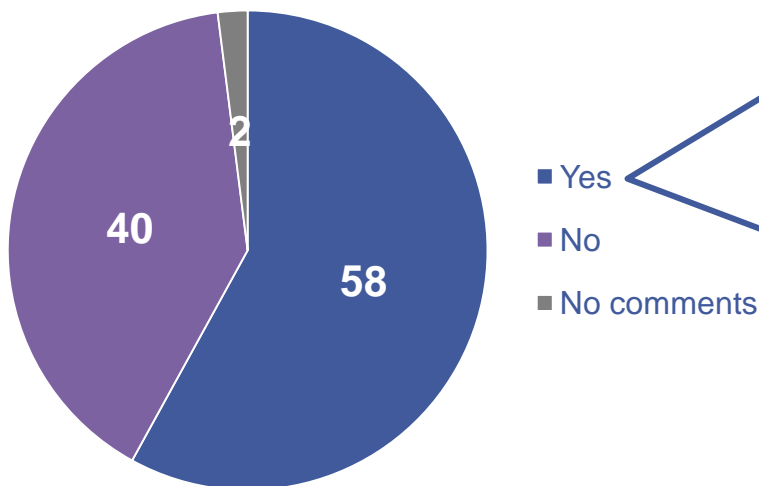
Principal answers

Base: Total Respondents (600)

Tres de cada cinco encuestados ha pertenecido a más de una empresa de venta directa

Affiliation to more than one direct sales company

%



Place		NSE			Edad		
Lima	Prov	A	B	C/D	18-24	25-39	40-70
60%	57%	54%	59%	59%	67%	64%	55%

Base: Total Respondents (600)

Reasons of belonging to more than one direct sales company (Spontaneous)



Principal mentions

Base: Total respondents who belong to more than one direct sales company in the last two years (231)

The main benefits of direct selling are the minimum investment to enter the business and access to credit

Principal benefits of direct selling business

%

		(With card)		NSE			Age		
		Place		A	B	C/D	18-24	25-39	40-70
		Lima	Prov						
Minimum investment to enter	53	58%	50%	61%	54%	49%	60%	53%	53%
Access to credit	51	57%	46%	45%	49%	56%	43%	50%	52%
Easy to affiliation	38	64%	21%	45%	41%	30%	19%	34%	42%
Consignment Sale	15	10%	18%	10%	16%	14%	21%	16%	13%

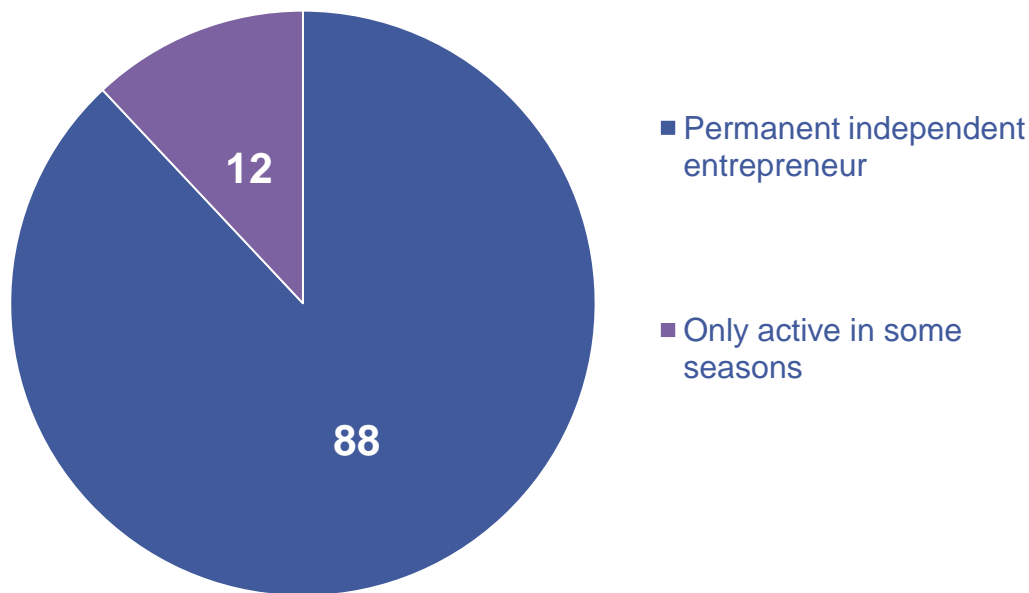
Principal answers

Base: Total Respondents (600)

The vast majority of entrepreneurs work permanently

Type of direct sales entrepreneur in the business according to the time

%



	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Permanent independent entrepreneur	97%	83%	83%	91%	87%	72%	87%	91%
Only active in some seasons	3%	17%	17%	9%	13%	28%	13%	9%

Base: Total Respondents (600)

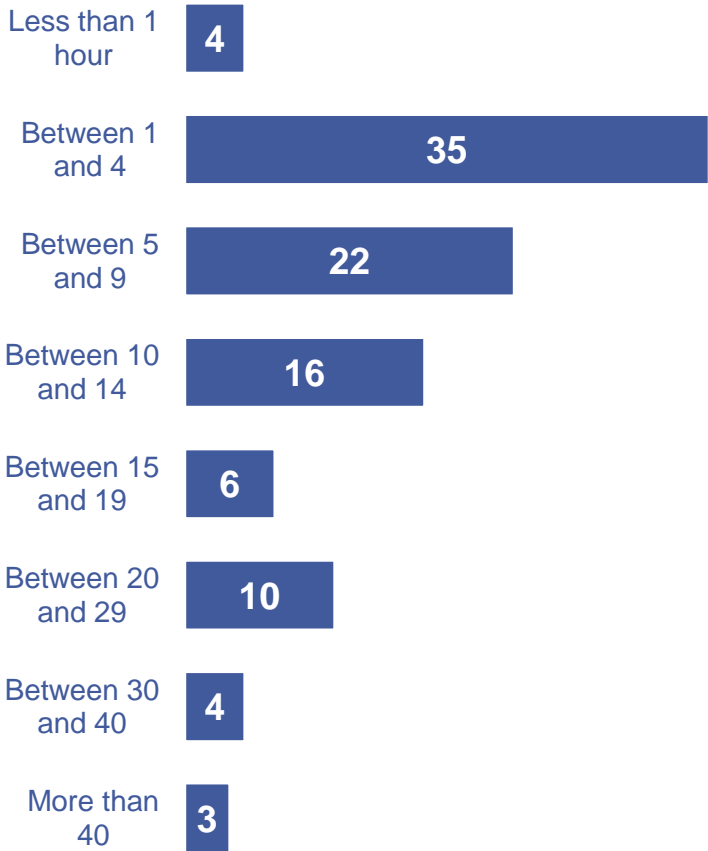
A third of respondents spent between 1 and 4 hours of direct sales activity

Average hours spent on direct sales in one week standard

%

(With card)

	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Less than 1 hour	2%	6%	8%	4%	4%	13%	6%	3%
Between 1 and 4	24%	42%	37%	36%	32%	43%	46%	29%
Between 5 and 9	23%	21%	17%	20%	26%	19%	21%	22%
Between 10 and 14	24%	10%	20%	14%	17%	15%	12%	18%
Between 15 and 19	9%	4%	3%	7%	6%	2%	2%	8%
Between 20 and 29	11%	9%	2%	11%	10%	6%	8%	11%
Between 30 and 40	5%	4%	7%	5%	3%	2%	3%	5%
More than 40	2%	3%	5%	3%	2%	0%	2%	3%

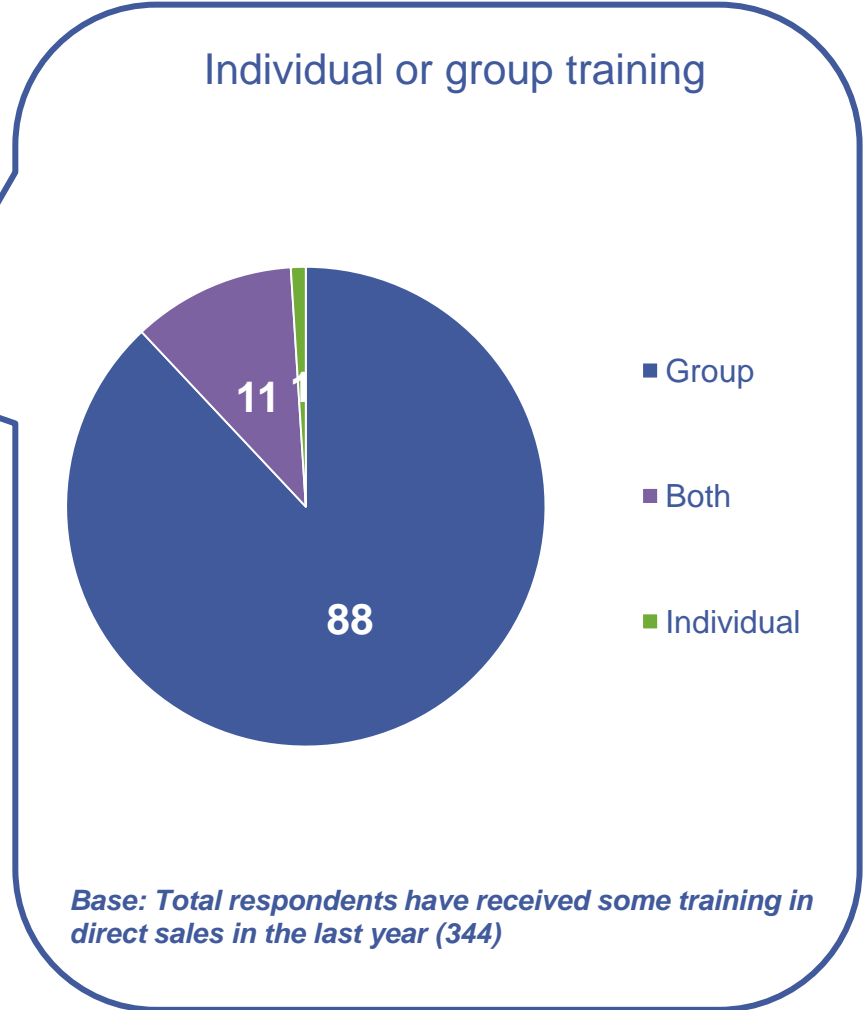
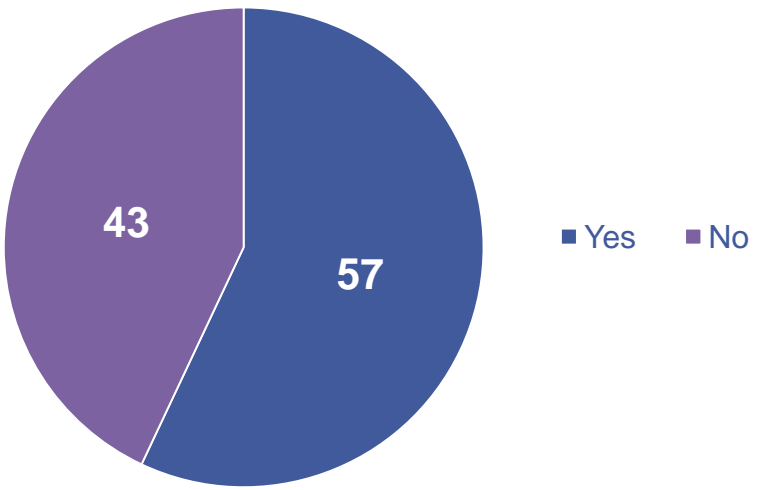


Base: Total Respondents (600)

Over half of respondents mention to have received training in the last year, most of them in group

Training about direct sales in the last year

%



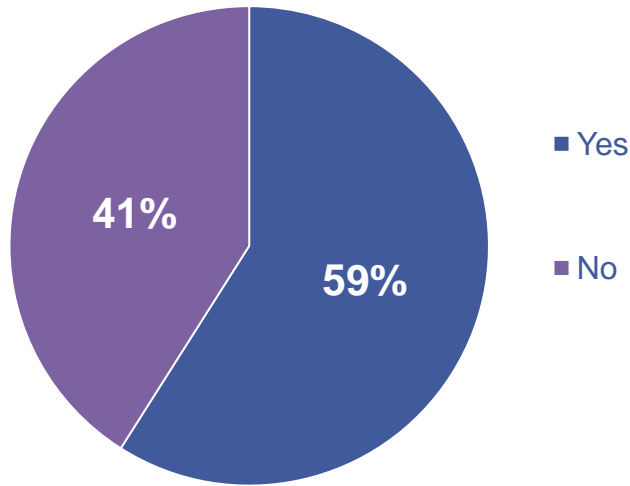
% Yes

Place		NSE			Age		
Lima	Prov	A	B	C/D	18-24	25-39	40-70
55%	59%	49%	58%	60%	62%	54%	58%

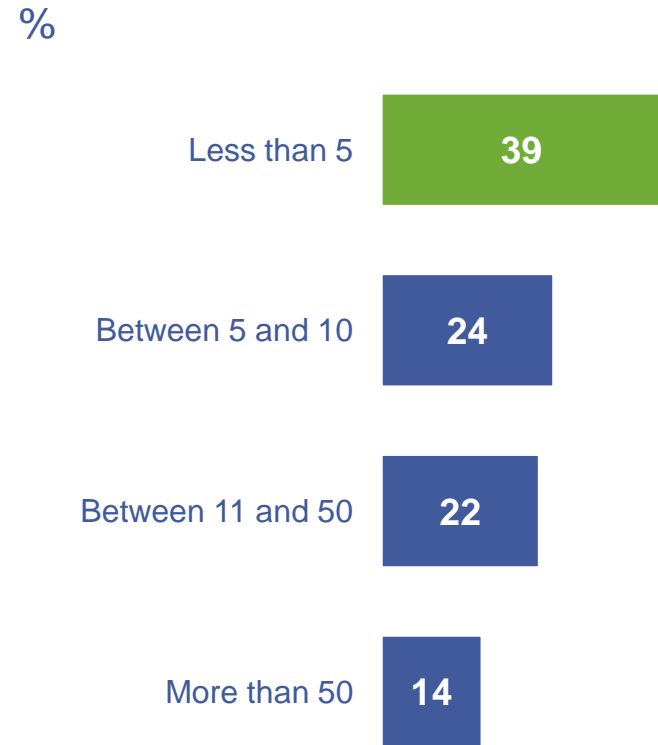
Base: Total Respondents (600)

Three out of five respondents has incorporated more people to form a group or business network

Formation of group or business network



Number of persons in the group or business network
(With card)



: Total respondents that have joined more people to form a group or business network (354)

% Yes

Place		NSE			Age		
Lima	Prov	A	B	C/D	18-24	25-39	40-70
59%	59%	61%	59%	58%	38%	59%	62%

Base: Total Respondents (600)

Half of the respondents consider that the support material is enough for direct sales

Material support for direct sales

(With card)

Place		NSE			Age		
Lima	Prov	A	B	C/D	18-24	25-39	40-70
49%	52%	65%	52%	43%	66%	49%	49%
36%	29%	23%	31%	38%	21%	33%	33%
15%	18%	12%	16%	18%	13%	17%	17%

Enough

51

Insufficient, I would like more help and information material for sales

32

Insufficient, you have to buy the materials to help sales

16

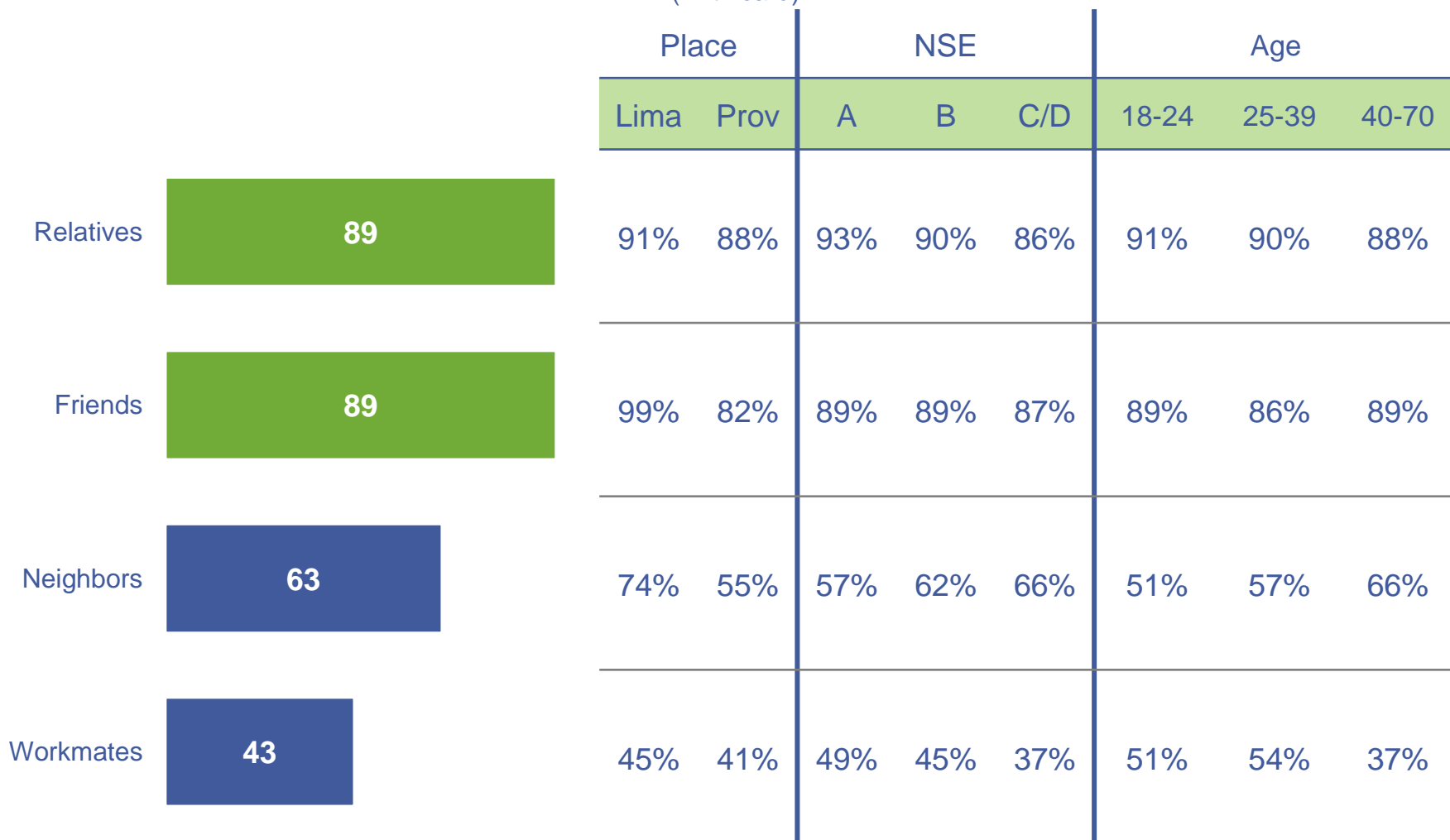
Base: Total Respondents (600)

Relatives and friends are the favorite groups to sell products for direct sales

Persons who sell the products

(With card)

%

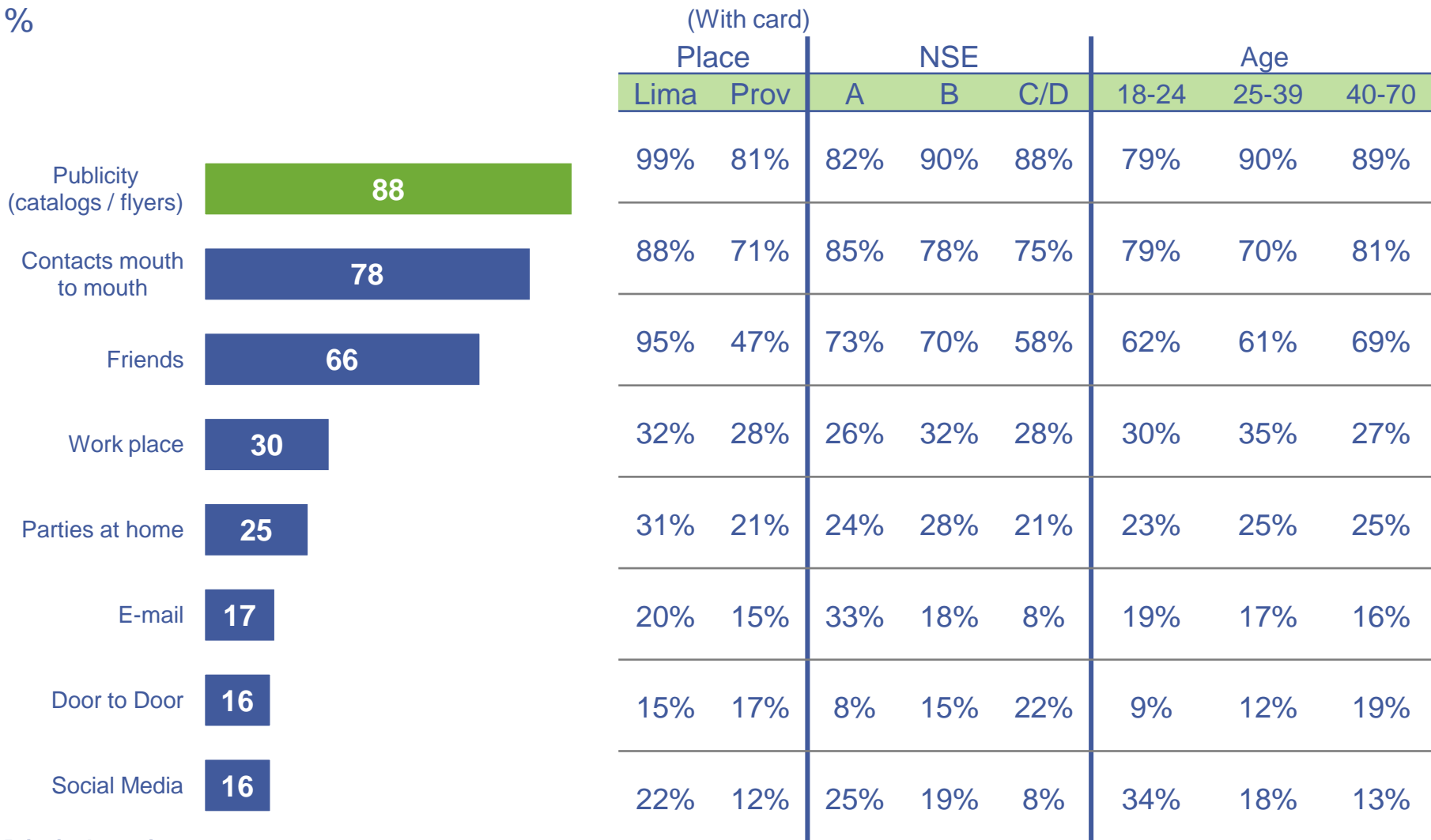


Base: Total Respondents (600)

The flyers and catalogs are the primary means of contacting customers and sell products

Activities to contact clients and sell products

%



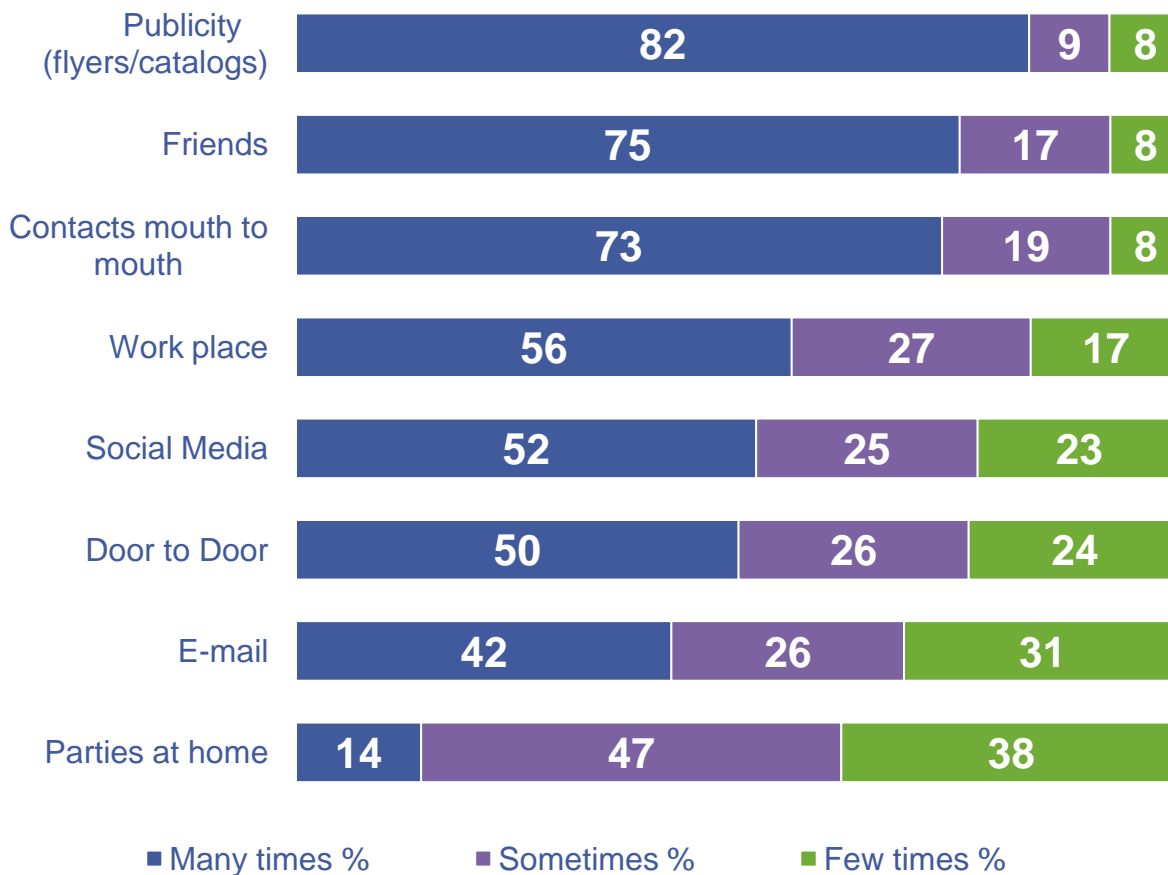
Principal mentions

Base: Total respondents (600)

Advertising, friends and contacts mouth to mouth are the most used to contact customers

Frequency of activities to contact customers and sell products

(With card)



Base: Total respondents (600)

The vast majority of buyers are over age 25

Proportion of buyers by age

%

	Total	Place		NSE			Age		
		Lima	Prov	A	B	C/D	18-24	25-39	40-70
Less than 18 years	5.4	3.2	6.8	3.9	5.1	6.4	6.5	5.1	5.4
18 and 24 years	18.2	16.9	19	15.5	18.7	18.5	32.1	18.8	16.3
25 and 39 years	40.1	42.1	38.8	38.9	40.8	39.6	34.9	45	38.8
Over 40 years	36.4	37.8	35.4	41.8	35.5	35.5	26.4	31.1	39.6

Base: Total respondents (600)



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Principal results

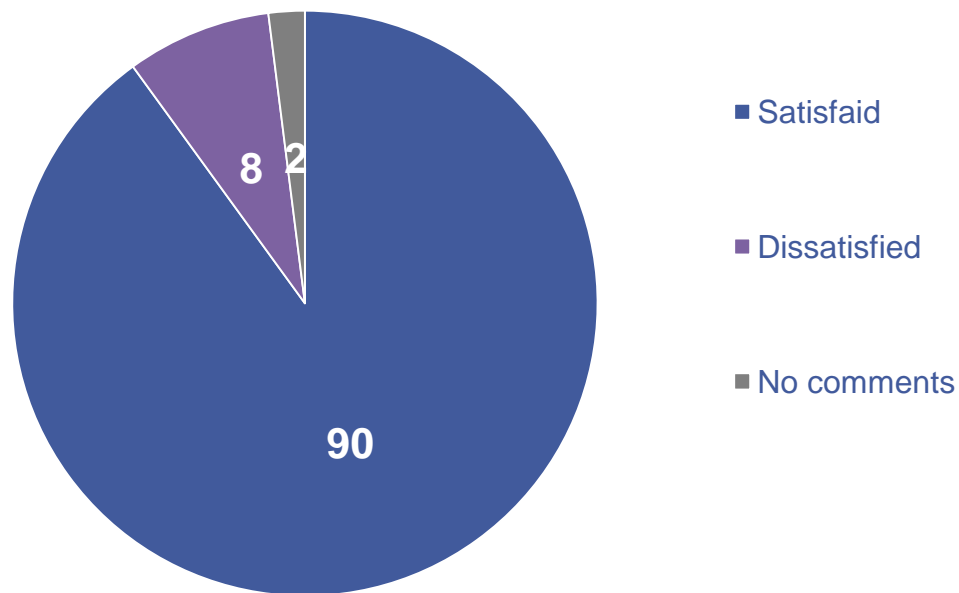
Impact of direct sales



The vast majority of for direct sales entrepreneurs are satisfied with their work

Satisfaction with direct sales activity

%

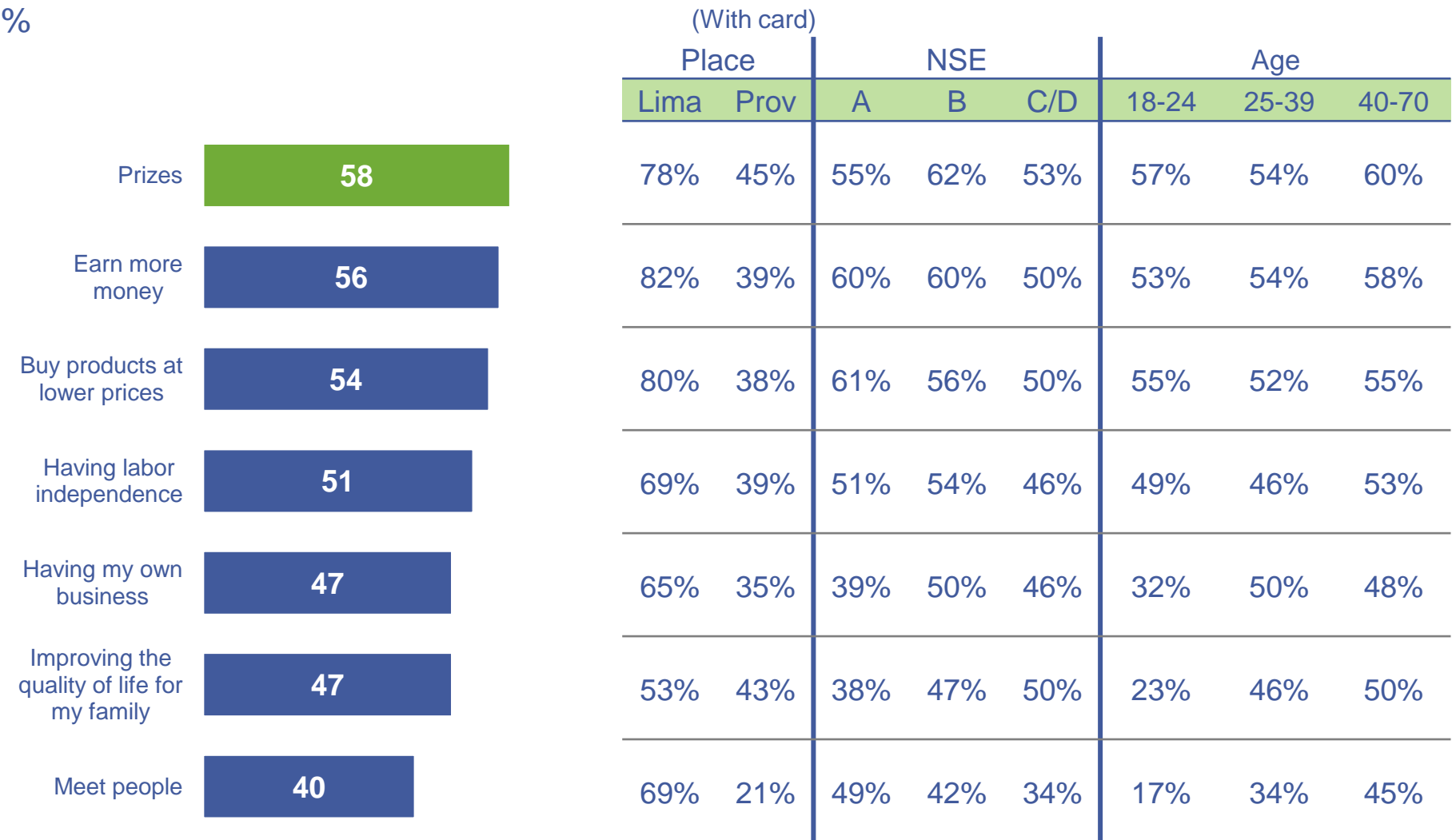


	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Satisfied	93%	89%	88%	90%	93%	94%	91%	90%
Dissatisfied	6%	8%	10%	8%	6%	6%	8%	8%

Base: Total respondents (600)

The main benefit of being an entrepreneur for direct sales are the prizes, especially for Lima

Main benefits of being an entrepreneur of direct sales

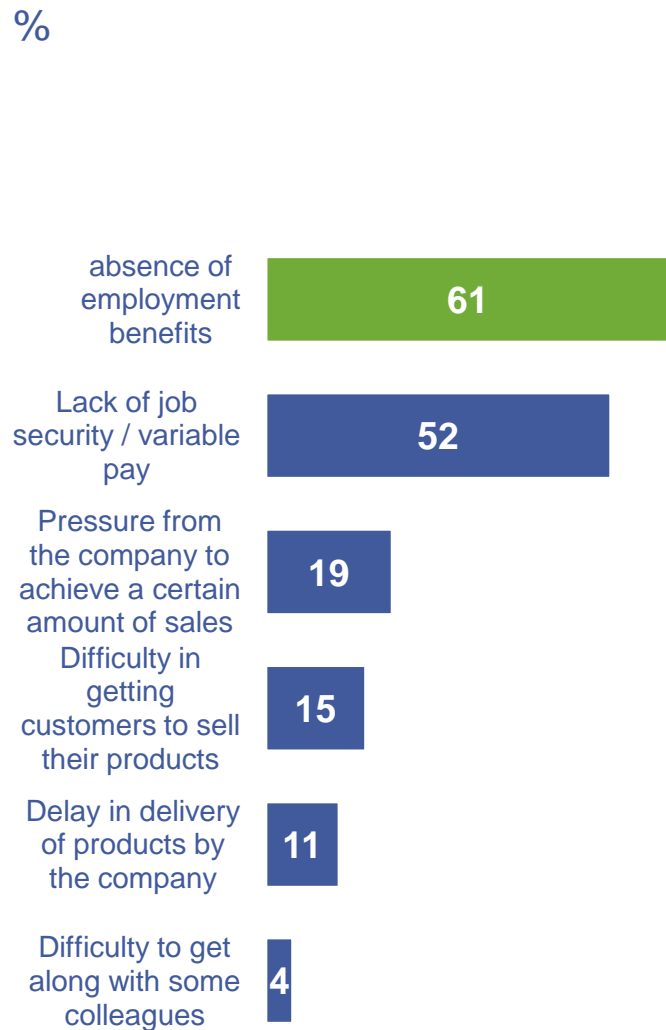


Principal mentions
Base: Total respondents (600)

What would you say are the main benefits of being an independent entrepreneur for direct sales?

The main disadvantage of being an entrepreneur for direct sales is the absence of employment benefits

Major disadvantages of being an entrepreneur for direct sales



(With cards)

Place		NSE			Age		
Lima	Prov	A	B	C/D	18-24	25-39	40-70
84%	45%	62%	62%	58%	55%	61%	61%
78%	34%	51%	54%	48%	51%	47%	54%
18%	20%	21%	17%	22%	17%	21%	19%
13%	16%	12%	14%	17%	13%	17%	14%
11%	12%	13%	10%	13%	11%	17%	9%
3%	4%	4%	3%	4%	6%	6%	2%

Principal mentions

Base: Total respondents (600)

Most respondents agree with the favorable characteristics and advantages of direct selling

%

Phrases related to direct sales



Principal mentions
Base: Total respondents (600)

Only a quarter of respondents mentioned that their families are dissatisfied with their job

Phrases related to direct sales

% Agree

Sentences	Total	Place		NSE			Age		
		Lima	Prov	A	B	C/D	18-24	25-39	40-70
It helps me to have a better relationship with others	98%	98%	98%	98%	97%	100%	94%	97%	99%
It helps me improve my business skills	96%	97%	95%	95%	96%	96%	98%	94%	97%
It makes me an independent person	95%	97%	94%	92%	95%	97%	94%	92%	97%
When I started, I found in me skills I did not know, today I think I can do things that before i thought i couldn't	90%	90%	90%	80%	91%	92%	81%	87%	92%
It helps me to organize my time better	87%	86%	87%	82%	88%	88%	74%	87%	88%
Since I related to this activity, I have the resources to take my own decisions	86%	80%	90%	71%	86%	92%	79%	81%	89%
I enjoy my work because I am constantly recognize	85%	87%	84%	77%	86%	86%	83%	81%	87%
It has improved my ability for teamwork	79%	71%	85%	69%	78%	86%	77%	85%	78%
Since I have been in direct sales, I'm getting ahead of my home	66%	56%	72%	49%	65%	74%	49%	70%	66%
Incomes by my activity make me feel completely satisfy	52%	41%	59%	42%	53%	53%	47%	49%	53%
My family is not really agree that I engaged in direct selling	26%	17%	32%	23%	21%	35%	19%	28%	26%

Base: Total respondents (600)

Half of for direct sales entrepreneurs use their profits in their daily expenses and to improve the quality of life of their families

Using money earned from direct sales

(With card)

	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Daily expenses	62%	46%	45%	52%	57%	62%	56%	50%
Improve the quality of life	54%	48%	39%	52%	53%	19%	46%	56%
Personal Performance	62%	30%	62%	48%	27%	66%	45%	39%
Education	35%	23%	13%	27%	34%	23%	31%	27%
Fixing the house	35%	14%	25%	24%	19%	2%	15%	28%
Savings	29%	14%	33%	22%	13%	30%	26%	17%

%

Daily expenses

53

Improve the quality of life

50

Personal Performance

43

Education

28

Fixing the house

23

Savings

20

Principal mentions

Base: Total respondents (600)

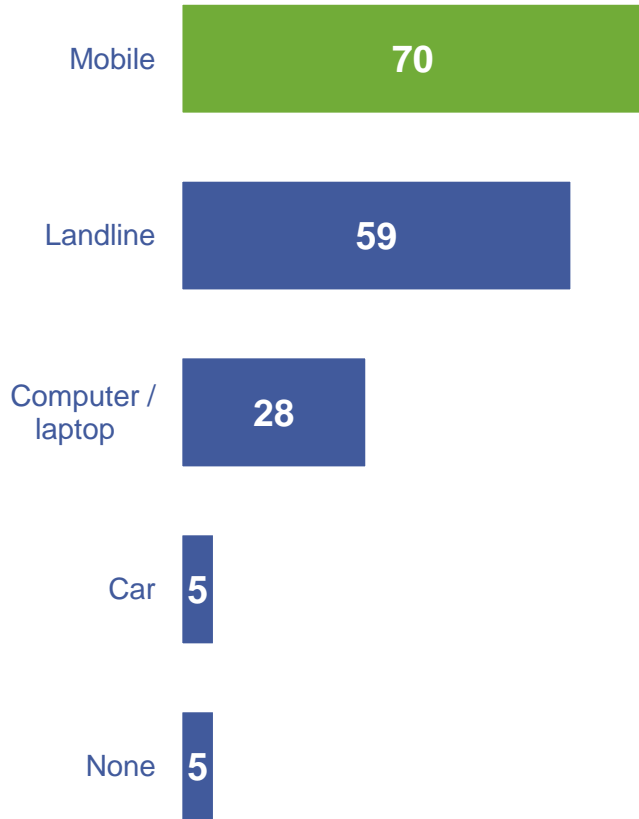
The most used item for direct sale is the mobile, followed by landline

Items used for direct sales

(With card)

	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
Mobile	78%	64%	77%	74%	60%	70%	72%	69%
Landline	65%	55%	56%	60%	58%	40%	50%	65%
Computer / laptop	30%	27%	40%	29%	20%	49%	31%	24%
Car	3%	6%	5%	5%	5%	6%	6%	4%
None	3%	7%	2%	4%	8%	4%	5%	6%

%



Principal mentions

Base: Total respondents (600)

The Internet is used mainly to make the orders to the company

Use that gives the Internet for direct sales

%

(With card)

Place

NSE

Age

	Place		NSE			Age		
	Lima	Prov	A	B	C/D	18-24	25-39	40-70
To contact the company (to order)	45%	66%	76%	60%	45%	62%	70%	52%
To contact clients	31%	23%	45%	29%	15%	60%	28%	22%
To contact members of his group independent entrepreneur	15%	13%	29%	15%	6%	11%	15%	13%
Not use the Internet to their direct selling activities	50%	28%	18%	34%	50%	15%	24%	45%

To contact the company (to order)

57

To contact clients

26

To contact members of his group independent entrepreneur

14

Not use the Internet to their direct selling activities

37

Principal mentions

Base: Total respondents (600)



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Principal results

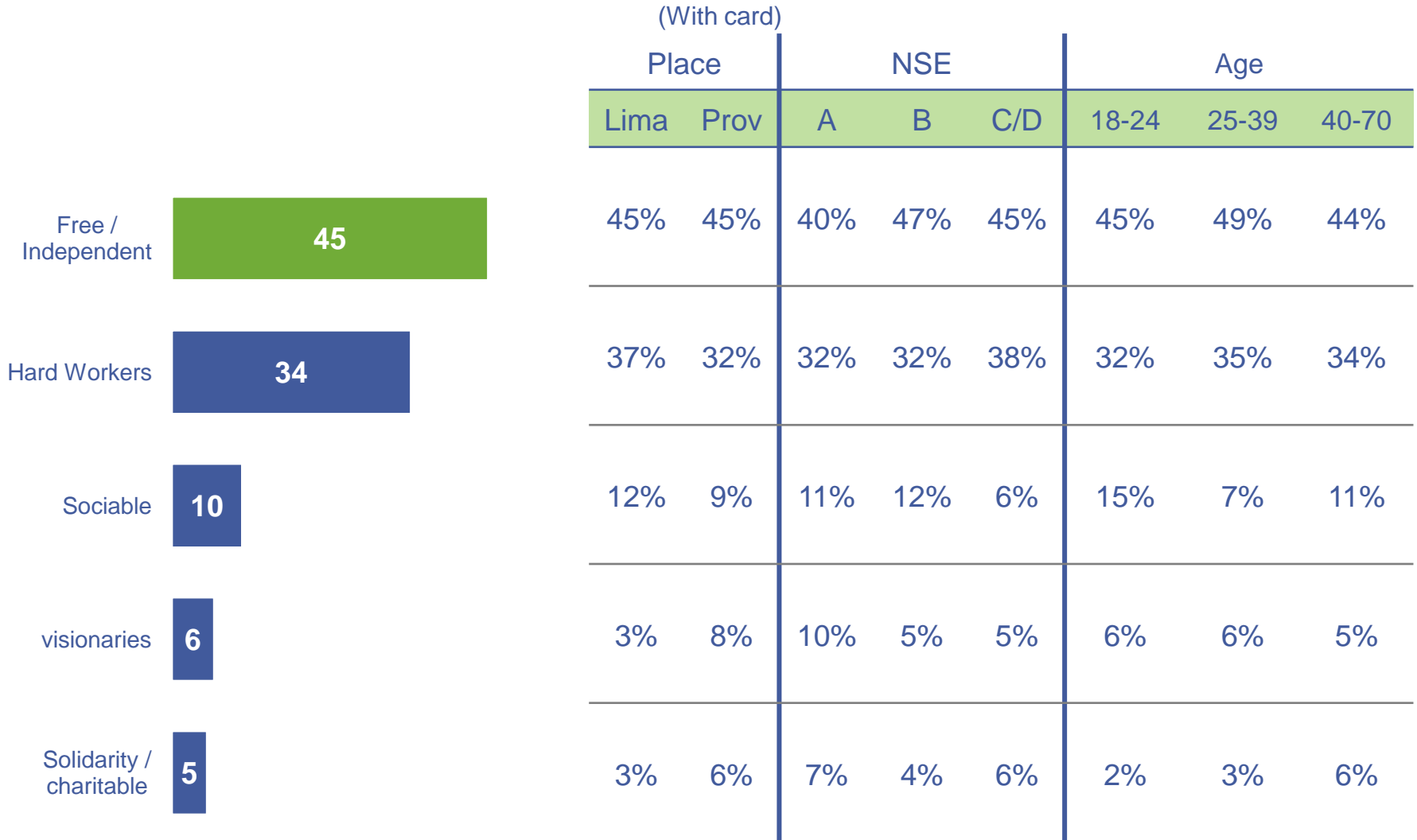
Additional Data Independent Business Profile



Freedom and independence are the most valued traits of an entrepreneur for direct sales

Qualities of for direct sales entrepreneurs

%



Base: Total respondents (600)

And seems to have a defect typical of his profession

Defects for direct sales entrepreneurs

%

	(With card)								
	Place		NSE			Age			
	Lima	Prov	A	B	C/D	18-24	25-39	40-70	
Selfish / individualistic	20	19%	21%	18%	19%	22%	17%	18%	21%
disorganized	15	15%	15%	19%	15%	13%	9%	17%	15%
envious	10	11%	9%	4%	11%	12%	8%	8%	11%
Problematic / conflict	6	4%	7%	8%	5%	6%	6%	5%	7%
interested	5	5%	5%	8%	6%	2%	9%	6%	4%
None	39	44%	36%	37%	38%	41%	45%	40%	38%
No comments	4	2%	6%	6%	4%	4%	2%	5%	4%

Base: Total respondents (600)



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CAPEVEDI's perception Independent Entrepreneur

Exclusive for: **CAPEVEDI**
Cámara Peruana de Venta Directa

