



WFDSA

# 2018/2019 ANNUAL REPORT

# WFDSA





## THE FUTURE IS NOW.

At this very moment, the world is shifting in technology and values at an ever-increasing speed. The speed of change is now so fast that it feels like the future is already here.

In these times of change and uncertainty, people look for hope and something to believe in. I repeatedly tell the people and leaders around me that the best we can do is believe in ourselves. By trusting in yourself and your ability to embrace change, you get strong.

As industry leaders, we have the important task of building the confidence of people engaged in direct selling. We offer a distinctive opportunity to bridge and mitigate anxiety with hope. Hope that they can make a change. Hope that they can achieve their financial and lifestyle goals. Hope that they can develop professionally and personally. It is a hope that delivers. Direct selling—the opportunity to work for oneself whenever, wherever and with whomever—is the answer to many of the questions people ask today. It’s an answer that affirms my belief in our industry today, and in its potential for tomorrow.

I am excited to share the sixth WFDSA annual report. During 2018, we celebrated our 40th anniversary, a significant milestone that proved we can stand the test of time as one of our industry’s greatest tools for navigating the future. WFDSA and its DSAs are founded on the principle of cooperation, among WFDSA, DSAs and member companies. As we interact with each other and the public, cooperation is key to the success of our respective organizations and the direct selling industry at large. I am proud of the initiatives that we collectively undertake each and every year to build awareness of the wonderful opportunities offered by our industry to the economy and the people in places where we do business. Only by working together can we face our current challenges and unleash new opportunities ahead.

My sincerest thanks to my colleagues in the CEO Council for coming together on a global level to address these challenges and opportunities. I am sincerely grateful to the executives of the national DSAs for co-creating and implementing our shared Global Vision, too. Thank you all for your commitment. Your dedication and friendship is what makes our collective work so enjoyable and our goals ever within our reach.

**Magnus Brannstrom**  
Chairman, Chief Executive Officer & President



# WFDSA

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**170**  
**COUNTRIES**

**60**  
**DSAs**

**1** **WFDSA**

Founded in 1978 by 12 Direct Selling Associations (DSAs), the World Federation of Direct Selling Associations (WFDSA) is the leading international, non-governmental, voluntary organization representing the global direct selling industry in more than 170 countries.

Today, WFDSA is based in the United States capital, Washington, DC. Our members are a diverse, dedicated group of more than 60 national and regional DSAs who share a common vision and voice to pursue the highest ethical conduct; foster partnerships with government, consumer and academic leaders; strengthen the management of DSAs and their member companies; and promote greater understanding and support of direct selling worldwide.

All WFDSA members must implement the WFDSA World Code of Ethics for Direct Selling in their national Codes. As the cornerstone of our commitment to ethical business practices and consumer protections, our Code of Ethics is a living document that is regularly enhanced to meet the demands of direct selling.

It's an evolving industry, and we couldn't be more excited about it.

Learn more about the WFDSA Code of Ethics at [wfdsa.org](http://wfdsa.org).

# WHAT WE DO

- Develop, maintain and promote the highest global standards for responsible and ethical conduct in direct selling
- Advocate the industry's positions and interests with governments, media and key influencers
- Serve as a trusted global resource for information on direct selling
- Facilitate interaction among direct selling executives on issues of importance to the industry





# A PASSION FOR PEOPLE

Direct selling is a \$193 USD billion industry worldwide that encompasses 118.4 million independent representatives.

It's an industry that transcends geography, culture and age, and it does not require any education, experience or financial means. Which is why millions of people around the world choose direct selling as a path to entrepreneurship.

As its name states, direct selling is just that—direct, person-to-person sales of products or services. It differs from the broader retail industry in an important way: More than merely getting exclusive products and services into consumers' hands, direct selling gives aspiring entrepreneurs the opportunity to own an independent business with low start-up and overhead costs.

These independent representatives affiliate with a direct selling company but enjoy the freedom of building a business on their own terms and time. Many join because they love a company's products or services and want to purchase them at a discount. Others sell to their friends, family and communities and earn commissions on their sales. The most successful sponsor other independent representatives and mentor them into building successful businesses, too.

The rise of social media has made direct selling an even more desirable go-to-market strategy for companies and brands—it's often more effective and economical than traditional advertising and premium shelf space. Social media creates a global network of customers and prospects for direct sellers, too. It's a winning combination that's setting records in an industry that, in so many ways, is just getting started.



## WHY DIRECT SELLING?

### LOW (OR NO) RISK BUSINESS OWNERSHIP

It takes very little, if any, capital or start-up costs.

### EXTRA INCOME

Individuals set their own financial goals, business plan and pace.

### FLEXIBILITY

Individuals choose when, how and how much they want to work.

### TRAINING AND MENTORSHIP

It offers the chance to develop business expertise through free training, education and mentoring by experienced leaders.

### PERFORMANCE PAYS

The greater your effort, the greater your earning potential.



# GOVERNANCE & FINANCE



“ This committee has the honor of ensuring the financial health of our organization. Our successes in this past year would not have been possible without the collaboration and dedication of everyone involved. ”

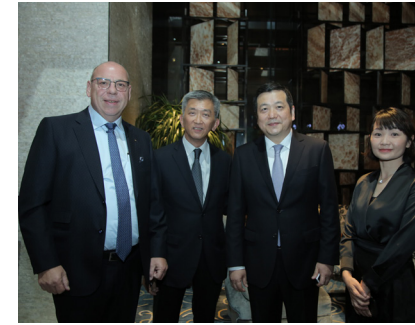
Josephine Mills, Assistant Treasurer

**Who's in charge of WFDSA?** We're so happy you asked. Our great organization is governed by our esteemed CEO Council, which is comprised of WFDSA members who are also chief executive officers at some of the world's leading companies. The WFDSA chairman is a Council member elected by the Council to serve a three-year term.

The CEO Council directs WFDSA affairs and establishes policies and priorities. The Council meets annually to address issues affecting the industry, create strategic action plans and approve the annual operating budget and program of work prepared by the WFDSA Operating Group.

Direct selling is a highly personal industry that thrives on robust relationships between companies, independent sales representatives, consumers and suppliers. WFDSA, member DSAs and their member companies are invested in fostering trust, confidence and high standards for conduct among these groups.

WFDSA strategic initiatives increase awareness, understanding and support for the real and meaningful difference direct selling makes in economies, political systems and people's lives around the world, every day. WFDSA and national and regional DSAs partner to educate key regulatory, consumer and academic groups, and to promote consumer protection initiatives.



## 2018/2019 HIGH POINTS

October 24th marked the 2018 CEO Council in Beijing, China. This annual meeting was held in conjunction with the WFDSA 40th Anniversary Symposium.

The 2019 CEO Council is slated for November 19-20 in Mexico City, Mexico.



# ETHICS



“ There is no great industry without clear and strong rules. Quick implementation of the New World Code in 2018 was certainly a huge step forward. We’re helping create a bright future for our industry. ”

Philippe Jacquelinet, Chairman

**Ethics are the expression of best practices and behaviors.** The WFDSA Code of Ethics states that direct selling companies and independent sellers shall not use misleading, deceptive or unfair sales practices—and our expectations exceed local legal requirements more often than not.

Our Ethics Committee administers, promotes and enforces the Global Code of Ethics and implements programs to improve and strengthen the self-regulatory activities of WFDSA, national and regional DSAs, and their member companies.

We do this by facilitating interaction between Code administrators and sharing of best practices across nations, as well as promoting awareness of the Code among member companies, media, regulators and consumer groups.



## 2018/2019 HIGH POINTS

In December, the WFDSA World Code of Ethics was adopted and localized by DSAs. Doing so put member companies on track to comply with revised Codes. The Ethics Committee will continue monitoring compliance and will report results at the CEO meeting in October 2019.

DSAs and their members continued participating in the WFDSA Global Code of Ethics Initiative.

Code of Ethics Recognition Program:

- For the fourth consecutive year, DSA of Peru achieved Platinum, Multi-Year status.
- DSA of Thailand achieved Gold status.



# ADVOCACY



“Advocacy is equal parts awareness, understanding and influence. The work we do continues to engage and gain the support of global stakeholders and policymakers as we strengthen the position and perception of our industry.”

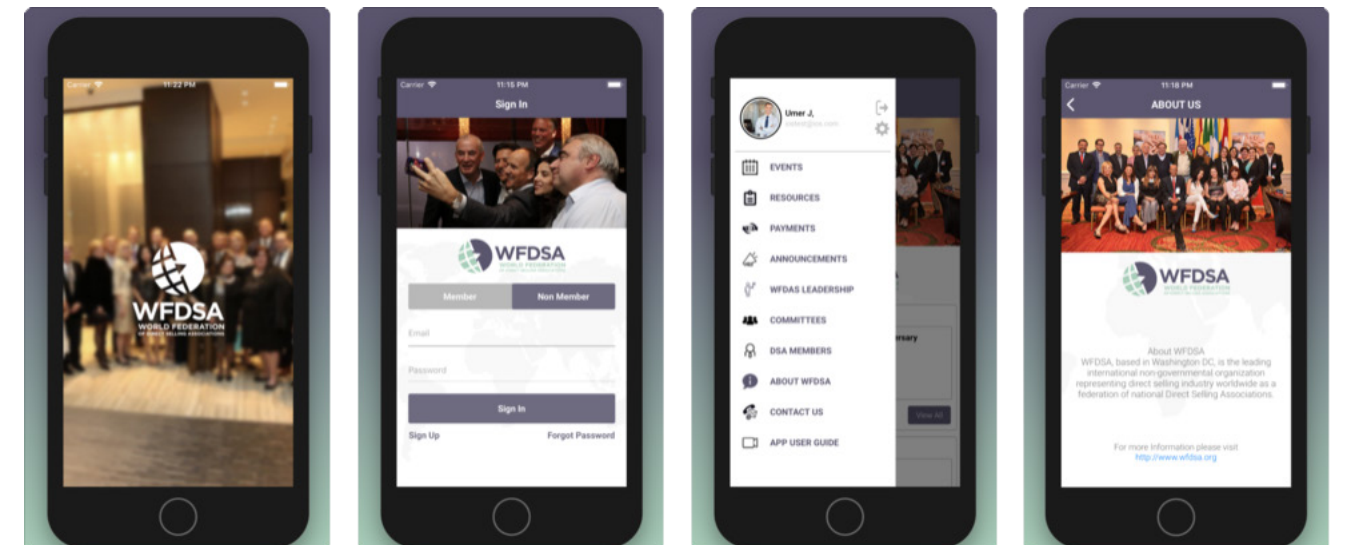
Kim Drabik, Chairman

Successful advocacy relies on communications and third-party research initiatives that build and boost relationships with key industry stakeholders. Around the world, these efforts and events are led by our Advocacy Committee.

## Advocacy Communications 2018/2019 HIGH POINTS

### WFDSA Mobile App

This digital tool was launched to enhance connectivity, communication and sharing of resources, internally and externally. Download it on the Apple® App Store® or Google Play®.



### Global Messaging Guidebook

Designed for DSAs and their member companies, this guidebook fosters greater public understanding of direct selling and communication among member companies.

### Global Branding Initiative

This forum enables WFDSA and member DSAs to explore common branding opportunities for greater consistency and awareness.

# Advocacy Events

## 2018/2019 HIGH POINTS



### Direct Selling—The Future

October marked the 40th anniversary of WFDSA, a proud milestone we commemorated at this international symposium. Held in at Beijing, China, and co-organized by WFDSA and the Direct Selling Research Center of Peking University, the event drew more than 150 people from government, academia, media, the direct selling industry and regional DSAs from the Asia/Pacific, Europe and Latin America.

The event explored industry topics like the socio-economic importance of direct selling; ethics and self-regulation; direct selling in China; changing market structure and consumer trends in China; and a CEO Council panel discussion on the future of the industry. Speakers included industry leaders like SAMR Vice Minister Gan, Research Center Chairman Professor Hai Wen, WFDSA Chairman Magnus Brannstrom, WFDSA Executive Director Tamuna Gabilaiia, China Center for International Economic Exchanges Chief Economist Chen Wenling and WFDSA Advocacy Chair Kim Drabik.



WFDSA recognized the Direct Selling Research Center for serving as an industry platform and advancing direct selling in China.

WFDSA supported Seldia's Socio-Economic Impact Study, which highlights the direct selling industry's contributions to the countries and people where our member companies do business. See more report highlights at [seldia.org](http://seldia.org).

Member DSAs who achieved 2018 DSA Standards were also recognized at a gala dinner, along with Audie Wong, formerly of Amway™ China, who was honored for his invaluable contributions to the advancement of the direct selling industry in China. See event highlights on the WFDSA YouTube® channel. Following the symposium, the Board of Delegates met from all around the world to connect and discuss key initiatives.





# Advocacy Events

## 2018/2019 HIGH POINTS



### DSA of Malaysia 40th Anniversary

In September, WFDSA Chairman Magnus Brannstrom keynoted the celebration, which included a gala dinner with guest speaker Minister of Domestic Trade and Consumer Affairs YB Dato' Saifuddin Nasution Ismail.



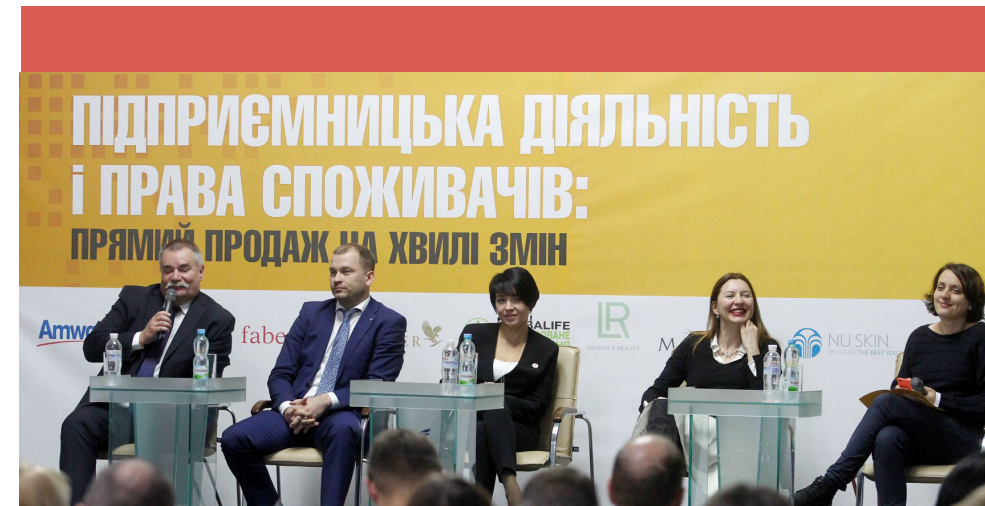
### Seldia 50th Anniversary

In October, Seldia celebrated this half-century milestone at the European Direct Selling Conference in Brussels. Seldia shared historical highlights at the event and across social media channels, and WFDSA presented honored the company for making significant strides in developing the direct selling industry in the European Union.



### Entrepreneur and Consumer—Steps Towards Each Other

In December, this XIV international conference was held in Moscow, Russia. Organized by DSA of Russia and the International Confederation of Consumer Societies (CONFOP), the event was conducted within the framework of the Asia-Pacific Economic Cooperation (APEC) and the Consumer Education and Protection Initiative (CEPI), with WFDSA support. Attendees included more than 100 guests from direct selling, business associations, academia, the State Duma, national government bodies and the Eurasian Economic Commission.



### Entrepreneurship and Consumer Rights: Direct Selling on the Wave of Changes

In November, DSA of Ukraine, in cooperation with WFDSA, held this conference in Kiev to explore topics like how direct selling must stay in sync with fast-changing consumer trends and how direct sellers must be flexible and ready to embrace changing technology. Speakers included Lviv Mayor Andriy Sadovy, WFDSA Executive Director Tamuna Gabilaia and International Confederation of Consumer Societies Chairman Dmytro Yanin.

to the advancement of the direct selling industry in China. See event highlights on the WFDSA YouTube® channel. Following the symposium, the Board of Delegates met from all around the world to connect and discuss key initiatives.



# GLOBAL REGULATORY AFFAIRS



“Protecting the direct selling opportunity around the world is our purpose. This past year, we made significant progress but there are still many threats. Together, we must continue to fight for a better regulatory framework.”

Pontus Andreasson, Chairman

**By providing proactive, strategic and tactical government/regulatory affairs support to member DSAs, the Global Regulatory Affairs Committee helps them address and resolve issues in their countries and regions.**

The committee also facilitates global information sharing by developing best practices, conducting fundamental regulatory training and providing consulting and advocacy assistance. We create position papers on behalf of the direct selling industry, and encourage member companies to visibly promote good causes, too.



## 2018/2019 HIGH POINTS

Training on effective legislation and good public policy was held in conjunction with the various events. The Global Regulatory Toolkit is being further enhanced with position papers. The Legal Compendium is a summary of various direct selling laws and regulations used to model and adopt best practices globally.

A WFDSA statement was developed on the use of cryptocurrency in the direct selling model.

The regulatory toolbox was expanded with global examples of direct selling-specific legislation that is acceptable to the industry and can be used in discussions with policymakers in other parts of the world.



# ASSOCIATION SERVICES



“ We have established and promoted good standards for DSAs, as proven by the many who achieved and requalified this year. We hope the new DSA of Nigeria will sow seeds for more DSAs in Africa, too. ”

Garth Wyllie, Chairman

**Association initiatives are powerful tools that help our member DSAs build their skills and share information.**

WFDSA Performance Program for DSAs of Europe and Africa. In October, this interactive event was held in conjunction with Seldia’s 50th anniversary in Brussels, Belgium. Secretaries and company executives from regional DSAs across Europe and Africa met to brainstorm industry issues, exchange best practices and review DSA performance standards and new initiatives.



## DSA STANDARDS LEVEL ACHIEVEMENTS

Congratulations to members who requalified or reached the following DSA Standards in 2018.

### Platinum

-  DSA of Australia
-  DSA of Colombia
-  DSA of France
-  DSA of Malaysia
-  DSA of Mexico
-  DSA of New Zealand
-  DSA of Peru
-  DSA of the United States

### Silver

-  DSA of Kazakhstan
-  DSA of Hong Kong
-  DSA of Chinese Taipei

### Bronze

-  DSA of Paraguay

### Newest Applicant

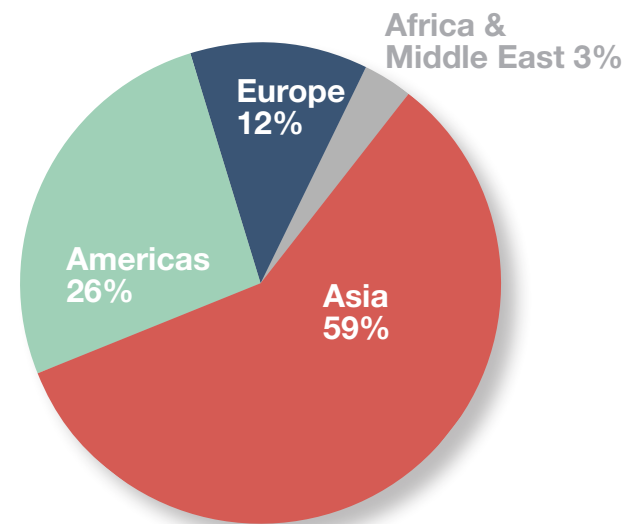
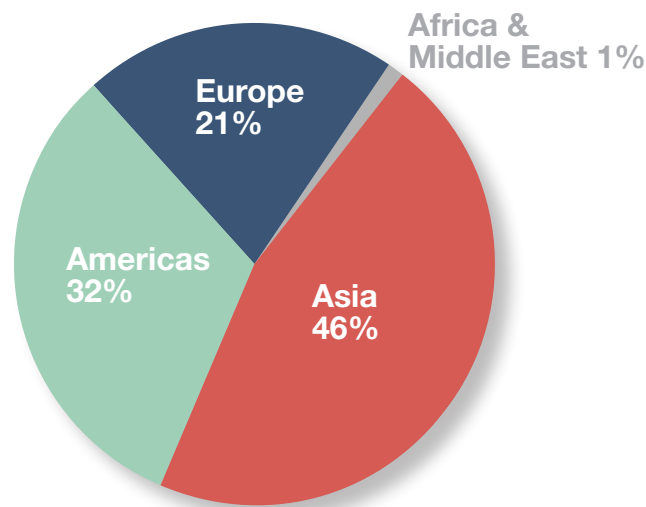
-  DSA of Nigeria

### Milestone Anniversaries

-  30 Years: DSA of Korea
-  40 Years: DSA of Malaysia
-  50 Years: DSA of Italy
-  50 Years: Seldia

# GLOBAL BUSINESS RESULTS

# GLOBAL DIRECT SALES UP AGAIN



## GLOBAL SALES

IN USD BILLIONS 192.9

Asia	89.2—up 1.8%
Americas	62.4—up 1.5%
Europe	39.6—down 0.3%
Africa & Middle East	1.8—up 1.4%

## GLOBAL SALES FORCE

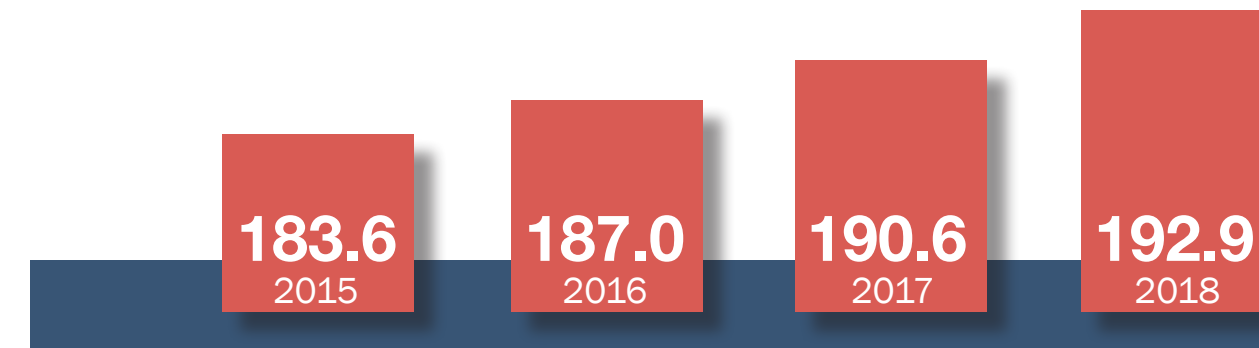
118.4 MILLION

Asia	69.7 Million
Americas	31.0 Million
Europe	14.4 Million
Africa & Middle East	3.3 Million

**3 OF 4** REGIONS HAD SALES GROWTH, DRIVING GLOBAL GROWTH

Two-thirds (66%) of countries showed growth, with 42 reporting increased sales. The top 24 countries posted sales in excess of USD 1 billion, accounting for 94% of global sales.

**79%** OF GLOBAL SALES ARE GENERATED BY THE TOP 10 COUNTRIES.



IN USD BILLIONS

The direct selling industry has shown sustained growth over time, with a three-year compound annual growth rate of 1.7% for the 2015-2018 period.

Sales figures are expressed in 2018 Constant USD at Estimated Retail, less value-added tax.

**2 in #1** THE UNITED STATES & CHINA TIE FOR #1

Other leading markets remained constant.

## TOP 10 MARKETS

IN USD BILLIONS

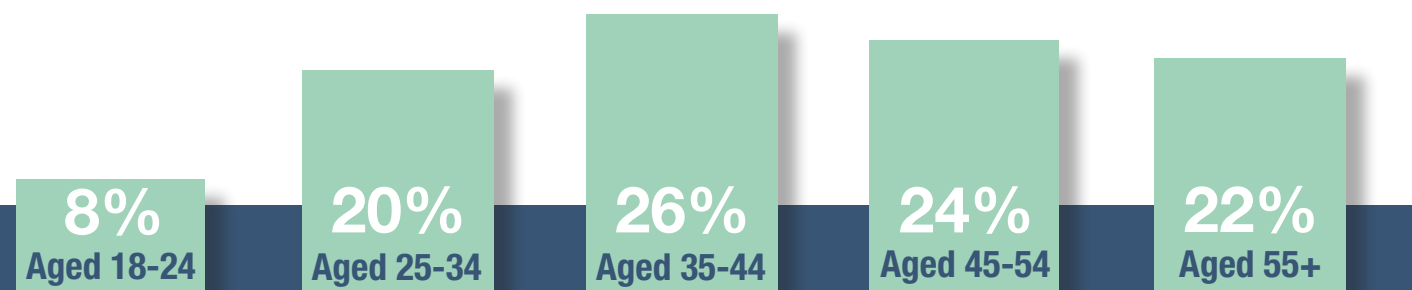
1. China	35,732
1. United States	35,350
3. Korea	18,044
4. Germany	17,520
5. Japan	15,608
6. Brazil	10,198
7. Mexico	5,865
8. France	5,385
8. Malaysia	5,287
10. Taiwan, China	3,894



# PEOPLE OF DIRECT SELLING



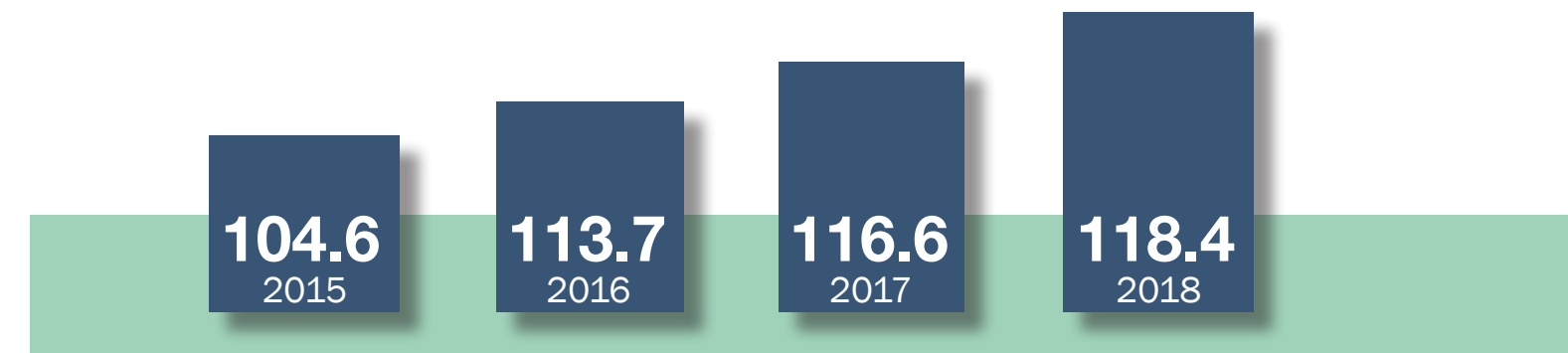
## ONRAMP TO SUCCESS



Direct selling is an entryway into the Collaborative Economy for Millennials and Baby Boomers alike.

In 2019, Millennials are 23-38 years old and Baby Boomers are 55-75 years old.

# 118.4 MILLION PEOPLE IN DIRECT SELLING



IN MILLIONS

Global sales were generated by 118.4 million independent representatives, an increase of 1.6% from 2017. The sales force has expanded at a three-year compound annual growth rate of 4.2% from 2015-2018.

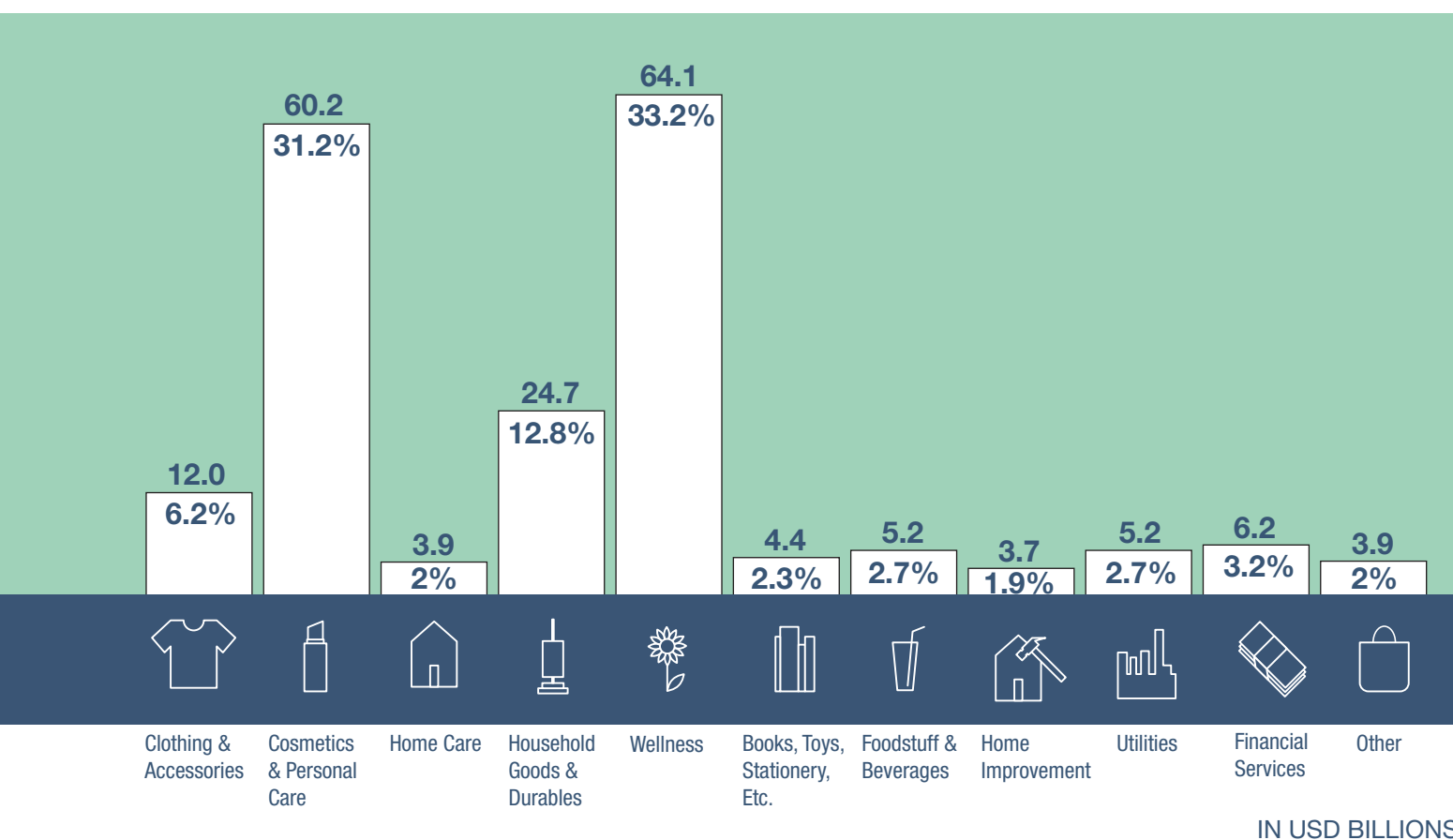
### OF THESE 118.4 MILLION...

- **10.5 million** are full-time, devoting 30+ hours weekly to building their direct selling businesses.
- **42.9 million** are part-time, devoting up to 30 hours weekly to building their businesses.
- **64.9 million** others include those who have recently joined; many who join because they love the product and want to purchase at a discount; and others who join but just never become active.

## 74% WOMEN / 26% MEN

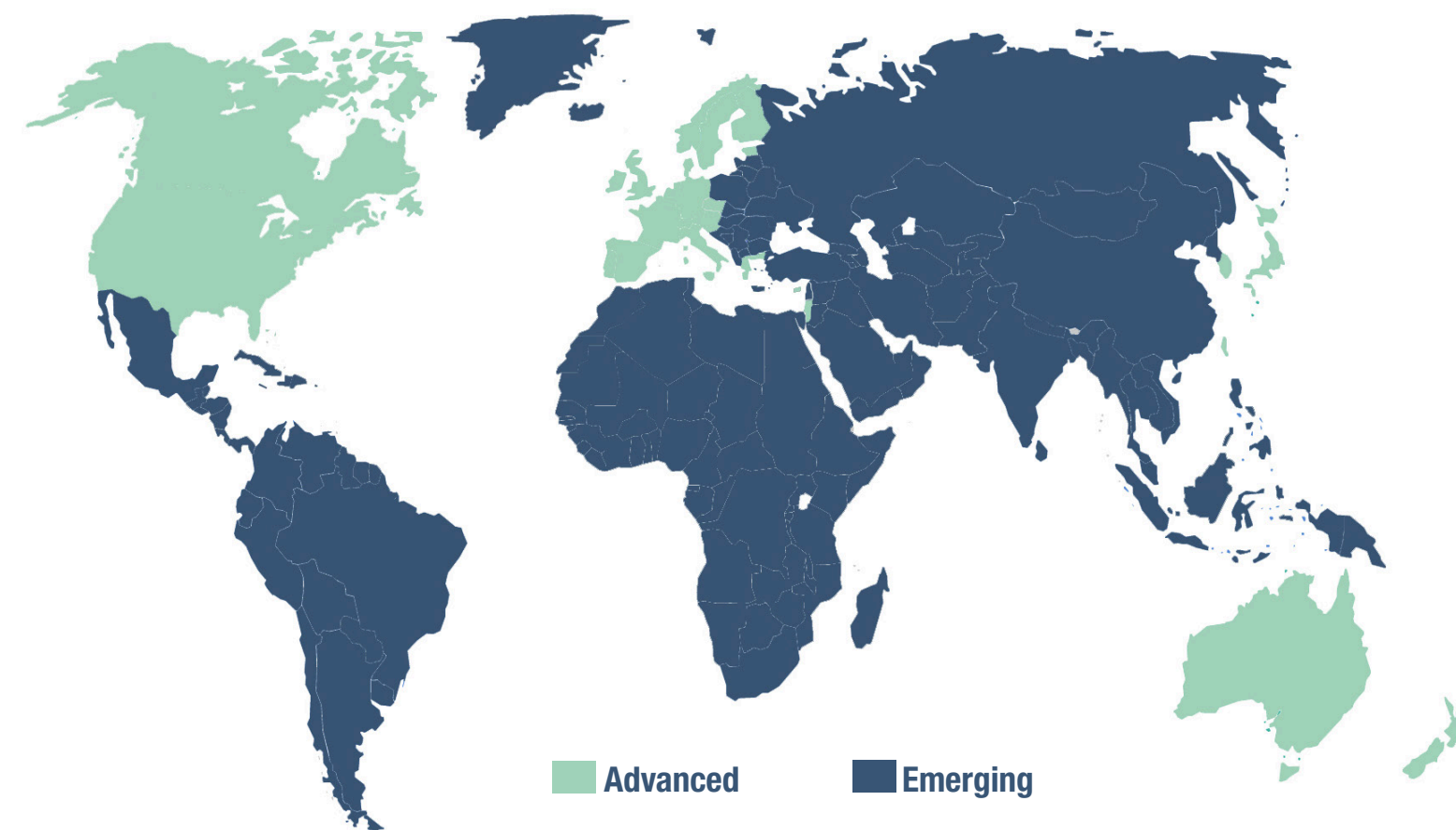
The number of both women and men joining direct sales has increased year-over-year. The industry empowers countless female entrepreneurs around the world. Now men are recognizing the opportunity and joining the ranks.

# GLOBAL SALES BY PRODUCT



**Again this year, Wellness and Cosmetics/Personal Care are the top selling categories.** While Cosmetics/Personal Care (31.2%) have historically high sales, Wellness (33.2%) has shown a steady increase, up 3.4 percentage points since 2014. Household Goods & Durables (12.8%) runs a distant third.

# EMERGING V. ADVANCED ECONOMIES



**Across continents and countries direct selling offers opportunity.** Advanced markets hold a 57.3% share of global direct selling, while today's emerging markets exhibit a steadily growing 42.7%— up 10.8 percentage points from nine years ago when WFDSA first began to measure.

**Year-over-year sales in emerging markets are up nearly 10%** (9.7%) to USD 82.3 billion in 2018. Three-year compound annual growth rate is 9.6% (2015-2018).



# WHAT THE WORLD IS SAYING

“WFDSA offers DSAs around the world the opportunity to **exchange experiences** and know-how without reservation, in order to better understand direct selling, evaluate our actions, develop our DSAs and contribute to the successes of our member companies.”

– Jacques Cosnefroy, DSA of France

“I can’t imagine our industry without the invaluable contributions of WFDSA. It strengthens direct selling by setting global ethics standards, marshaling international resources to address legal and regulatory challenges, and bringing together industry leaders to **share best practices.**”

– Adolfo Franco, DSA of the United States

“Since its creation in 1978, WFDSA has supported our work and actions in improving DSA standards, **standing at our sides** to defend the interests of direct selling businesses throughout the European region. In Seldia, we very much value this excellent cooperation—it benefits the whole industry.”

– Marie Lacroix, Seldia

“Direct selling has been part of my life for 30 years. It epitomizes **community, friendship, culture** and many other attributes not seen in other corporate roles. It’s been my honor and privilege to work with the global WFDSA team. It’s exciting to learn and share our knowledge of this evolving industry and the cultural adjustments that are necessary in different countries.”

– David Raphael, WFDSA Association Advisory Council, Asia Pacific