

Direct sales franchises in the UK: A self-employment grey area

Stewart Brodie, John Stanworth, Thomas R Wotruba. International Small Business Journal. London: Feb 2002. Vol.20, Iss. 1; pg. 53, 22 pgs

Subjects: Independent contractors, Direct selling, Self employment, Studies

Classification Codes 9520 Small business, 7300 Sales & selling, 9130

Experimental/theoretical, 9175 Western Europe

Locations: United Kingdom, UK

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Document types: Feature

Publication title: International Small Business Journal. London: Feb 2002. Vol. 20, Iss. 1; pg. 53, 22 pgs

Source type: Periodical

ISSN/ISBN: 02662426

Abstract (Document Summary)

This article draws on UK data obtained from a useable sample of 673 independent contractors active in the field of direct sales franchising. This is a low-cost, low-entry barrier business opportunity, which, at any one time, facilitates 500,000 individuals in the UK, mostly women, experiencing self-employment without employees. Furthermore, while direct sales franchises claim to be the world's largest single provider of part-time, self-employment opportunities, most of the related trading is conducted in the informal economy and is not recorded in official self-employment statistics. The article presents a 2x2, product/service, home-based/external premises, franchise typology by way of background to the principal focus of the article, which is the direct sales segment of the typology. Additionally, this discussion is conducted against the backdrop of the UK's growth in the numbers of self-employed without employees. In the case of direct selling, not only micro-business activities devoid of employees are looked at, but also at a sector which operates largely on the basis of part-time economic activities and which manifests attrition rates of around 100 percent annually. Finally, a direct seller typology is presented involving 3 distinct types: "refugees," "trade-offs" and "opportunists".