

# PROFESSIONAL AND PERSONAL BENEFITS OF A DIRECT SELLING EXPERIENCE

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## EXECUTIVE SUMMARY

**D**irect selling is simultaneously a channel of distribution and a business model that offers entrepreneurial opportunities for individuals to market and sell products and services, typically outside of a fixed retail establishment, through one-to-one selling, in-home product demonstrations, and/or online. As a distribution channel, direct selling is ubiquitous and, in 2016, touched the lives of an estimated 20.5 million Americans. Individuals are drawn to direct selling for a multitude of reasons beyond a desire to earn a living as a full-time direct seller or to earn extra money or make a special purchase as a part-time direct seller.

The research reported in this Executive Summary documents the impact of a direct selling experience on 14 business and professional skills as well as on 13 personal life skills. A substantial majority of the current direct sellers surveyed, more than three-fourths, agreed that they benefitted from their direct selling experience in terms of improved business and professional skills, and that skills gleaned from a direct selling experience transferred to their personal lives. Moreover, there were significant and positive relationships between self-perceived skill levels and self-perceptions of direct selling success and performance in a non-direct selling job. Findings regarding the impact of a direct selling experience on personal life skills in particular suggest that a direct selling experience can have a powerful influence beyond direct selling per se and, as such, can indirectly contribute to the betterment of society.

Four hundred ninety-five current direct sellers and 465 former direct sellers were surveyed for the present research. Findings from this research have several practical implications for recruiting, training, and retaining direct sellers. These findings and implications are briefly summarized below.

### REASONS FOR JOINING DIRECT SELLING COMPANY

Twelve (12) possible reasons why the direct sellers surveyed joined their current direct selling company were investigated.<sup>1</sup> The most frequently stated reason for joining a direct selling company was “I believed that the products are of such value that I wanted to share them with my friends, neighbors, and the public.” Eighty-one percent of the survey participants stated that this was a reason they joined their current direct selling company. The least frequently cited reason for joining a direct selling company was “I wanted a full-time working career;” 35 percent of the direct sellers surveyed gave this as a reason for joining their direct selling company. In general, the reasons for joining a direct selling company can be categorized as “people/social,” “financial” (income/job), and desire for a specific “product.”

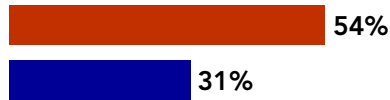
The median number of reasons survey participants gave for joining their current direct selling company was seven (7). Thus, on average survey participants stated that seven of the 12 studied reasons were in fact reasons why they joined their current direct selling company. There were no substantive differences across the current direct

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<sup>1</sup> See the DSEF report “Professional and Personal Benefits of a Direct Selling Experience” for a list of all reasons studied.

## REASONS FOR JOINING A DIRECT SELLING COMPANY Men vs. Women

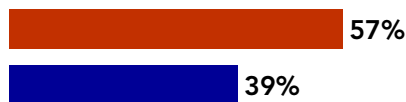
### FULL-TIME CAREER



### PURCHASE PRODUCT AT A DISCOUNT



### RECEIVE RECOGNITION FOR SALES EFFORTS



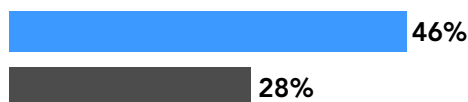
### ENHANCE PERSONAL DEVELOPMENT



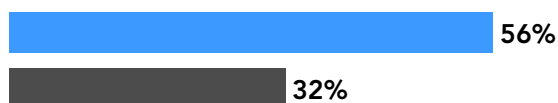
■ MEN  
■ WOMEN

## REASONS FOR JOINING A DIRECT SELLING COMPANY Millennials vs. Non-Millennials

### FULL-TIME CAREER



### FEEL MORE AT EASE WITH PUBLIC SPEAKING



■ MILLENNIALS  
■ NON-MILLENNIALS

seller segments studied regarding the number of reasons given for joining a direct selling company.

However, of the current direct sellers surveyed regarding their reasons for joining a direct selling company:

- Males were more likely than females to want a full-time direct selling job (54% versus 31%).
- Eighty-one percent of the female direct sellers stated that they wanted to purchase their direct selling company's product(s) at a discount for themselves and/or their family versus 61 percent of the male direct sellers.
- Fifty-seven percent of the male direct sellers were interested in the recognition that they would receive for their [sales] efforts compared to 39 percent of the female direct sellers.
- Seventy-two percent of the male direct sellers were interested in enhancing their personal development (i.e., becoming more confident, better business-minded) through direct selling, whereas 53 percent of the female direct sellers stated such an interest.
- No differences were observed regarding reasons for joining a direct selling company between urban and rural direct sellers, or among direct sellers who had been with their direct selling company for various time periods.
- Proportionally more millennial direct sellers (46%) than non-millennial direct sellers (28%) joined their current direct selling company because they wanted a full-time working career. Millennials also wanted to feel more at ease in front of other people relative to non-millennials (56% of the millennials so responded as compared to 32% of the non-millennial direct sellers).

In addition, current direct sellers differed markedly from former direct sellers with respect to the number of reasons and the specific reasons given for joining a direct selling company. Whereas 35 percent of the current direct sellers stated that they wanted a full-time direct selling job, only

16 percent of the former direct sellers stated that they wanted a full-time direct selling job. This suggests that direct selling may currently be perceived as more likely to be a career option than it was in the past. Moreover, given that the demographic profile of direct sellers may be approaching that of the United States adult population, the “pool” of potential direct sellers may be expanding.

## SKILL IMPROVEMENTS DUE TO DIRECT SELLING EXPERIENCE

The present research examined 14 business/professional and 13 personal life skills that might be improved or fostered by a direct selling experience.<sup>2</sup> Survey participants were first asked whether they “strongly disagree,” “somewhat disagree,” “somewhat agree,” or “strongly agree” that their direct selling experience was beneficial in terms of improving or fostering each of the 14 business/professional skills. For example, they were asked whether they “strongly disagree,” “somewhat disagree,” “somewhat agree,” or “strongly agree” that “I improved my decision-making skills” (as a consequence of their direct selling experience).

Similarly, survey participants were asked whether they “strongly disagree,” “somewhat disagree,” “somewhat agree,” or “strongly agree” that they had been able to transfer each of 13 skills emanating from their direct selling experience to their personal lives. An example of these skills is “I enhanced my critical thinking ability.” Seven of the skills investigated were included in both the business/professional and personal skill sets studied.

On average, more than three-fourths of the current direct sellers surveyed somewhat or strongly agreed that both their business/professional skill levels improved and that their personal lives benefitted due to skills emanating from their direct

selling experience. Consequently, in an absolute sense the current direct sellers surveyed believed that “lessons learned” through their direct selling experience were helpful in both their business/professional careers and their personal lives. Across the seven skills that were common to the business/professional and personal life skill sets, survey participants indicated that the skills they acquired from their direct selling experience were slightly more beneficial to their personal lives than to their business/professional careers.

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**On average, more than 75% of direct sellers surveyed agreed that both their business/professional skill levels improved and that their personal lives benefitted due to skills emanating from their direct selling experience.**

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Even so, despite the high absolute level of overall agreement that a direct selling experience improved or fostered skill levels, perceptual differences did occur between male and female direct sellers. With respect to business/professional skills that were believed to have been improved due to a direct selling experience, proportionally more male direct sellers than female direct sellers believed that their sales skills had improved (88% versus 77%) and that they undertook more [business-related] initiatives (87% versus 73%).

With respect to skills applicable to a direct seller’s personal life, self-perceptions of the eight skills listed below significantly differed between male and female direct sellers, with male direct sellers proportionally more likely than female direct

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<sup>2</sup> See the DSEF report “Professional and Personal Benefits of a Direct Selling Experience” for a list of all skills studied.

sellers to believe that improvements in the eight skills studied occurred because of their direct selling experience:

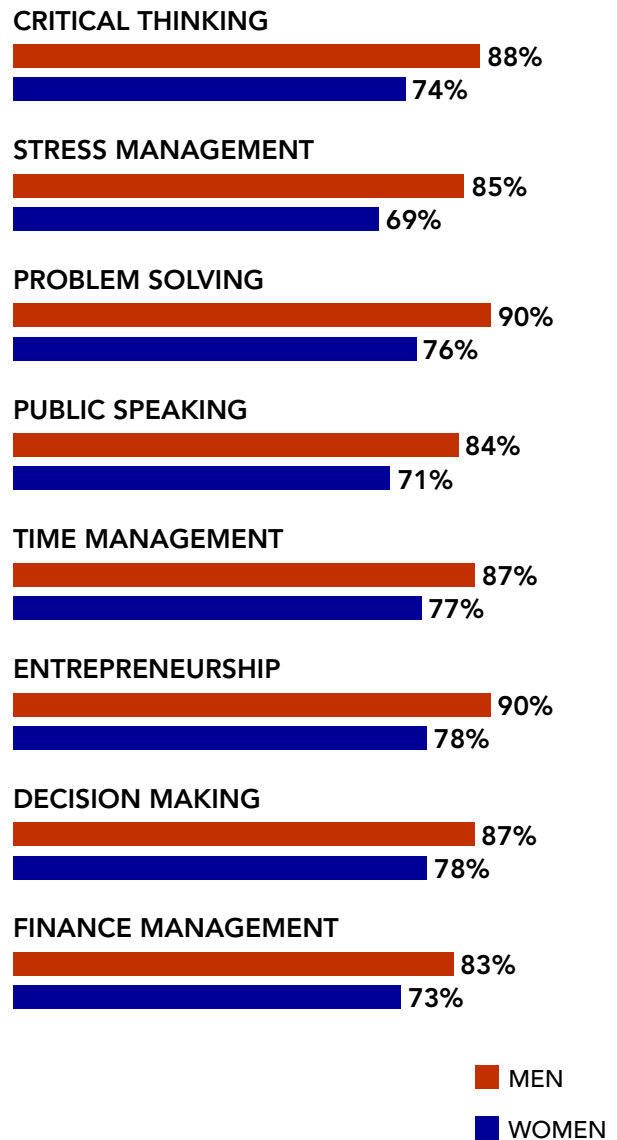
- Enhanced critical thinking ability (88% versus 74%)
- Better at coping with and managing stress (85% versus 69%)
- Better at problem solving (90% versus 76%)
- Feel more at ease in front of an audience (84% versus 71%)
- Better at time management (87% versus 77%)
- Improved entrepreneurial skills (90% versus 78%)
- Improved decision-making (87% versus 78%)
- Better at managing finances (83% versus 73%)

Differences between male and female direct sellers with respect to their reasons for joining a direct selling company and the skill levels gained from a direct selling experience suggests a variety of managerial implications. Additional research is required to understand motivations underlying said differences as well as their implications. For example, direct selling companies might consider instituting, emphasizing, and/or communicating different recruiting, training, and retention programs for men and women.

There were no significant differences in self-perceived skills between urban and rural direct sellers or among survey participants with different lengths of time working with their current direct selling company. Similarly, there were generally no significant differences between millennials and non-millennials with respect to self-perceived business/professional skill levels resulting from their direct selling experience.

However, three self-perceived skills differed between millennials and non-millennials in the context of their personal lives. Proportionally more millennials than non-millennials agreed that their direct selling experience improved their

## PERSONAL SKILLS BELIEVED TO HAVE BEEN IMPROVED BY DIRECT SELLING Men vs. Women



decision-making skills (86% versus 78%), helped them improve their interpersonal relationships (87% versus 75%), and made them more able to cope with and manage stress in their personal lives (81% versus 70%). These differences suggest that consideration be given to creating different recruiting, training, and retention programs for millennials and non-millennials analogous to those for male and female direct sellers.

Moreover, similar to the male and female direct seller differences observed, differences between millennials and non-millennials should be subjected to additional research.

In an absolute sense, a majority of all direct sellers studied, current as well as former, believed that both their business/professional and personal life skills were improved by their direct selling experience. From a relative perspective, though, current direct sellers believed that their direct selling experience improved all of the business/professional and personal life skills studied to a significantly greater degree than did former direct sellers. Moreover, self-perceived skill level differences between current direct sellers and former direct sellers were in general greater for personal life skills than for business/professional skills. For example, the largest difference between the two groups occurred for the self-perceived personal life skill “I am better at interpersonal relationships.” Seventy-nine percent of the current direct sellers somewhat or strongly agreed with this skill statement as compared with 52 percent of the former direct sellers who somewhat or strongly agreed with the statement. Such differences in perceptions may reflect better company training programs now than in the past, differences in the demographic makeup or motivations of the two groups, or a combination of differences in training programs and the demographic makeup or motivations of the two direct seller groups. Additional research is recommended.

### DIRECT SELLING SUCCESS

Survey participants were asked, “How successful do you consider yourself compared to other independent contractors in your direct selling company?” Based on a 7-category rating scale anchored by “much less successful” and “much more successful,” 45 percent of the survey participants who were current direct sellers rated

## PERSONAL SKILLS BELIEVED TO HAVE BEEN IMPROVED BY DIRECT SELLING Millennials vs. Non-Millennials

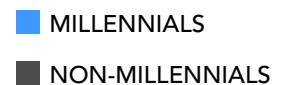
### DECISION MAKING



### INTERPERSONAL RELATIONSHIPS



### STRESS MANAGEMENT



themselves as successful (i.e., they responded “5,” “6,” or “7” on the scale). Using the same approach, only 25 percent of the former direct sellers considered themselves successful direct sellers. As before, this perceptual difference may be due to better company training programs now than in the past, differences between the two groups—including actual success—or both company training and direct seller characteristics. Indeed, to the extent that perceptions reflect reality, the self-perceived performance of former direct sellers may be a reason they left direct selling.

Responses to each of the 27 business/professional and personal life skill statements were significantly and positively related to responses to the self-perceived success scale ( $p < .001$ ) for the current direct seller sample. Similarly, summary indices of business/professional and personal life skill responses respectively correlated significantly ( $p < .001$ ) with self-perceived direct selling success. This means that survey participants who believed their direct selling experience improved their business/professional



and personal life skills also believed they were more successful direct sellers than other direct sellers in their company. Again, if perceptions reflect reality, this implies that a direct selling company should target skill improvements during recruiting and training since doing so should benefit the company financially and its direct sellers both financially and personally.

## PERFORMANCE IN NON-DIRECT SELLING JOBS

Eighty percent of the survey participants who were current direct sellers stated that they also had a job other than direct selling. (This reinforces the conclusion that direct selling tends to be a part-time pursuit.) These survey participants (and former direct sellers surveyed) were asked whether they agreed or disagreed with the statement, “Because of my direct selling experience, I perform better in other, non-direct selling jobs,” using a 4-category rating scale ranging from “strongly disagree” to “strongly agree.” A substantial percentage of the survey participants who were current direct sellers and who held a non-direct selling job—84 percent—noted improved performance due to lessons learned through their direct selling experience. As might be expected, given differences in reasons for joining a direct selling company and self-perceived skill levels between current and former direct sellers, the percentage of current sellers (84%) believing their direct selling experience helped them perform better in a non-direct selling job was significantly larger than the corresponding percentage (66%) observed for former direct sellers. Likewise, proportionally more male direct sellers (90%) than female direct sellers (80%) believed their direct selling experience helped them perform better in a non-direct selling job.

Self-perceived performance in a non-direct selling job was significantly and positively correlated with self-perceptions of direct selling success. In addition, survey participants holding a non-direct

selling job also believed that skills emanating from their direct selling experience improved their performance in their non-direct selling job. Moreover, survey participants who stated that one reason for joining a direct selling company was to improve their personal development (i.e., become more confident, better business-minded) also believed that skills emanating from their direct selling experience enhanced their performance in a non-direct selling job.

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**[I]ndividuals considering a direct selling job may use that job to gain valuable skills that can be applied in a non-direct selling job as well as in their personal lives.**

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Finally, each of the 27 business/professional and personal life skills studied was significantly and positively correlated with perceived performance in a non-direct selling job. This finding corroborates the suggestion that a direct selling company target the improvement of skills of its direct sellers since doing so is beneficial to both the company and its direct sellers. When recruiting direct sellers, a company can communicate that even if a direct seller does not remain in direct selling, he or she can obtain skills that will improve performance in a non-direct selling job. Simultaneously, individuals considering a direct selling job may use that job to gain valuable skills that can be applied in a non-direct selling job as well as in their personal lives.

In brief, a substantial majority of the current direct sellers surveyed in this research—more than three-fourths of the individuals surveyed—agreed that their direct selling experience improved their skill levels for 14 business/professional skills and 13 personal life skills. Self-perceived skill levels were in turn related



to perceptions of direct selling success. To the extent that current direct sellers believed that their direct selling experience improved their skill levels, they also believed that they were more successful than other direct sellers in their company.

Additionally, those direct sellers surveyed who also held a non-direct selling job believed that their direct selling experience improved their performance in this non-direct selling job. And, analogous to self-perceived direct selling success, the more direct sellers believed that their direct selling experience improved their business/professional and personal life skills, the better they perceived their non-direct selling job performance to be.

While these direct selling experience-related benefits existed across all direct sellers surveyed, certain groups of direct sellers (i.e. male direct sellers or millennial direct sellers), appeared to differ in the benefits gleaned from their direct selling experiences. As such, based on the present research, a direct selling experience can lead to personal as well as societal benefits that go beyond the economic value of direct selling per se. At a minimum, the present results suggest that an individual's perceived self-efficacy can be enhanced due to a direct selling experience.

### SELECTED BUSINESS IMPLICATIONS

Given the many different reasons why individuals join a direct selling company, direct selling companies might consider screening (perhaps by a straightforward questionnaire) potential independent contractors on the basis of the number and type of reasons they give for wanting to be direct sellers as well as accounting for different patterns of reasons cited by different demographic segments. More research is obviously needed, but if significant links could be identified between reasons for joining a direct selling company and sales productivity or

tenure as a direct seller, the resources expended on recruiting, training, and retaining direct sellers might be utilized more effectively.

Indeed, more selective recruiting and training could well lead to higher sales and lower costs, especially if the pool of potential direct sellers is expanding. Moreover, if the reasons given for joining a direct selling company relate to direct selling performance and/or job satisfaction, predictive models might be created to more effectively and efficiently select productive direct selling candidates. In sum, based on the results of the present research, a "one size fits all" recruitment or training model is probably sub-optimal.

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Consider the differences observed between current male and female direct sellers surveyed in terms of their respective reasons for joining a direct selling company. More than half of the male direct sellers surveyed joined a direct selling company in search of a full-time career, proportionally more than twice as many as female direct sellers. In conjunction with their other reasons for joining a direct selling company, such as male direct sellers' desire for recognition and career development (implicitly to increase their personal sales), and the fact that males reported they were more likely than females to work longer hours and for two or more direct selling companies, this suggests that (perhaps markedly) different recruiting, training, and retention strategies should be considered

for males and females, strategies that take into account their different interests, preferences, and behaviors.

Responses to the business/professional and personal life skill sets suggest several managerial implications. Skill statements could be posed as questions when screening potential direct sellers, and training programs could be constructed around skill sets to explicitly focus on specific skill characteristics that are highly valued by direct sellers and/or relate to actual as well as perceived direct selling success. Stated somewhat differently, because these skill sets are “take-a-ways” from a direct selling experience, they could be used when recruiting potential direct sellers to demonstrate the value of the direct selling experience apart from a financial benefit and, indeed, apart from direct selling. Given the capabilities of online communication and learning, cost-effective customized recruiting and training programs could be constructed that would offer a variety of benefits to a direct selling company and its direct sellers.

During recruiting, a direct selling company could articulate the benefits of a direct selling experience for non-direct selling jobs and with respect to possible improvements in a personal lifestyle. In other words, a direct selling company might communicate and focus on the benefits of a direct selling experience even if a potential direct seller does not intend to pursue a direct selling career. Likewise, because they are highly valued, the skills studied here (among others) could be explicitly emphasized during training to further their development and perceived value in the context of non-direct selling jobs and personal life experiences. Analogous to creating customized recruiting (and retention) programs for specific demographic segments such as males or millennials, customized programs could be developed on the basis of skill sets when training direct sellers (and thereby perhaps

increase both their loyalty to the direct selling company as well as their sales effectiveness).

## FUTURE RESEARCH

Although the present research produced practical insights into certain nonfinancial professional and personal benefits of a direct selling experience, it also raises questions worthy of further study. Indeed, virtually every finding and relationship reported needs to be verified. For example, possible antecedents and consequences of the differences observed between male and female direct sellers, and millennial and non-millennial direct sellers, need to be explored and validated.

More generally:

- How are (perceived and actual) skill sets acquired and improved from a direct selling experience?
- Which skills are learned and transmitted from a direct seller or direct selling company to other direct sellers or downlines, and how does the learning and transmission occur?
- How do the skill sets relate to customer engagement and actual sales performance and, for direct sellers with downlines in multilevel companies, how do they relate to downline recruiting and training?
- Do skill sets differ between full-time and part-time direct sellers, or between direct sellers in multilevel and non-multilevel companies, and if so, how?
- Do skill sets differ across demographic segments, and if so, why and how, especially those skill sets and demographic characteristics not studied here?
- Are there direct selling company cultures that are more conducive to creating and developing beneficial skill sets than other company cultures, and if so, what are they and how do they do so?
- How can the economic and psychological benefits of the skill sets be quantified?
- Do the present results generalize beyond the United States?

One particular line of research that would extend and supplement the present research is exploring in detail the idiosyncratic nature of lessons learned from a direct selling experience.

Another line of research could be longitudinal in nature—tracking business/professional and personal life skill set acquisition and possible changes over time. Thus, for instance, will the current perceptions of millennials be constant or will they change as millennials age? Only by monitoring cohorts of millennials—and the follow-on “Generation Z”—will the long-term impacts of a direct selling experience be known.

The research summarized here should be considered a starting point for creative inquiries into the nonfinancial benefits offered by direct selling. Hopefully this research will stimulate further explorations of the benefits of a direct selling experience.

#### RESEARCH METHODOLOGY

A national internet survey of 495 current direct sellers and 456 former direct sellers was conducted to investigate (1) the characteristics of direct sellers; (2) the reasons why an individual became an independent contractor for a direct selling company; (3) whether a direct selling experience improved skill levels related to business/professional activities; (4) whether a direct selling experience resulted in skills being transferred to the direct sellers’ personal lives; and (5) self-perceived success as a direct seller

and performance in a non-direct selling job. The survey incorporated standard, accepted research procedures, methods, and techniques such that the resulting data and inferences should be considered reliable, valid, and generalizable.

With respect to the characteristics of the current direct sellers surveyed, survey participants appeared to be both representative of current direct sellers generally and possess educational characteristics reflective of the general adult population of the United States. The median household income of the current direct sellers surveyed was somewhat higher than that of United States households in general. Approximately 31 percent of the current direct sellers surveyed were males; millennials constituted 37 percent of the surveyed direct sellers; 77 percent were Caucasians; 62 percent had some college or possessed a bachelor’s degree; 60 percent were married; and 62 percent resided in a self-reported urban environment.

About 79 percent of the survey participants who were current direct sellers were associated with one direct selling company; 21 percent were associated with two or more direct selling companies. Seventy-five percent of the survey participants were associated with a multilevel direct selling company. Of those survey participants who were associated with a multilevel direct selling company, 63 percent stated they had a downline, with seven distributors being the median number of direct sellers in a downline.





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