



DIRECT SELLING ASSOCIATION

# 2015 Growth & Outlook Report • • •

U.S. Direct Selling in 2014

July 2015



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## From DSA's President



Dear colleague,

I am pleased to present the 2015 Growth & Outlook Report, DSA's annual market-sizing survey of the direct selling channel in the U.S.

Direct selling has continued to achieve record-setting growth both in terms of estimated retail sales and number of people involved. The fundamentals of direct selling are strong, and we expect this to continue in the next several years.

The 2015 Growth & Outlook Report delves into the size and scope of the direct selling industry in the U.S., year-over-year growth rates, operating benchmarks to measure marketplace effectiveness and more. This Report can be used as an educational tool to help you and your colleagues understand market trends, generate actionable insights for your company to optimize its direct selling operations and help understand the economic impact of direct selling in the U.S. and how it empowers millions of Americans across every state of the country to improve their lives.

Furthermore, DSA uses the findings in this report to support our advocacy efforts and demonstrate the economic impact that direct selling has in the U.S.

I am also pleased to report that we are experiencing unprecedented levels of participation in DSA research activities, including Growth & Outlook. I would like to sincerely thank the 108 firms which participated in this year's Growth & Outlook Survey by completing the questionnaire. The quality of the Report is related to the amount of participation from you, and we would not be able to generate robust reports without your active participation and your data.

Sincerely,

A handwritten signature in black ink, appearing to read "J. N. Mariano".

Joseph N. Mariano  
President  
Direct Selling Association

*"The 2015 Growth & Outlook Report comes at an exciting time for our industry. People today are looking for the kind of opportunity direct selling provides, a low-cost, low-risk way to earn extra income by selling high-quality products.*

*The direct selling model is sometimes misunderstood and seen as complex. All of us working together can clarify, simplify and demystify who we are. Strong communications backed by solid data are essential in achieving these goals.*

*Thanks to all the member companies who have contributed to our industry's research efforts by participating in this year's Growth & Outlook Survey!"*

**-Doug DeVos**, Chairman, World Federation of Direct Selling Associations (WFDSA) and President, Amway

*Only participating companies immediately receive a full copy of this report*

## Background and Objectives

The **2015 Growth & Outlook Report: U.S. Direct Selling in 2014** is the annual study conducted by the United States Direct Selling Association (USDOSA). This comprehensive study of the industry measures the size and activity of the direct selling sales method during the most recently completed calendar year. The study was conducted in early 2015 for calendar year 2014. The final report is based on the annual *Growth & Outlook Survey* of direct selling companies, as well as many secondary research resources. More information about the methodology of this survey can be found at the end of this report. Additional information about the Direct Selling Association can be found at [www.dsa.org](http://www.dsa.org).

- *U.S. Direct Selling in 2014* provides an estimate of the **aggregated size and growth of all direct selling in the United States**, including member companies of the USDOSA and non-member companies whose data is researched apart from the annual survey.
- *U.S. Direct Selling in 2014* provides the Association and its member companies with the current information needed to describe direct selling to various audiences including media representatives, investment companies, educators, consumers, legislators, regulators, and others.
- USDOSA reports these results to the World Federation of Direct Selling Associations (WFDSA), which collects and publishes similar statistics from more than 60 national DSAs globally. These statistics can be found at [www.wfdsa.org](http://www.wfdsa.org).

For more information about this report, a copy of the detailed cross-tabulations, or to request a copy of custom cross-tabs comparing your company's data to that of the industry, please contact DSA's research department at 202-452-8866.

*"By participating, we are giving the DSA the ability to use real facts when representing us on a federal or state issue about the size of the industry and the important opportunities that we create for residents in a state or nationally."*

**-John Whelpley**, Vector Marketing Corporation



*"In a largely privately owned industry, the Growth and Outlook Survey provides us benchmarking data and information about how the industry is growing/ changing/evolving. It provides us an additional context around our internal data."*

**-Leesa Martin**, Thirty-One Gifts

*"Stemtech participates in this annual Survey for the same reasons that we feel our DSA membership is essential: We believe the DSA is a valuable support for the integrity of our industry. The annual DSA Survey allows us to see industry changes year-over-year that can help us as we plan for our own company's growth."*

**-Don Karn**, Stemtech International, Inc.

## Executive Summary

### Sales

U.S. retail sales through the direct selling channel reached **U.S. \$34.47 billion in 2014, an increase of 5.5% over 2013, and the highest in recorded history.** This is the fifth year of growth in sales since the 2009 recession. Global direct sales experienced an increase of 6.4%, from U.S. \$171.8 billion in estimated retail sales (re-stated) in 2013 to \$182.8 billion in 2014. The 3-year Compound Annual Growth Rate (CAGR) for global retail sales during the period 2011 – 2014 is 6.5%. The United States maintains its position as the world's largest direct selling market in terms of retail sales.

**The smallest direct selling companies (those with annual U.S. retail sales of \$3 million or less) experienced the strongest growth** with an increase of more than 50% in annual retail sales over 2013. It is important to keep in mind that these smaller firms are growing from a much smaller base than the more established firms, so a higher growth rate is to be expected. The growth, however, is a marked increase from last year, highlighting an opportunity for start-up direct selling companies to achieve success. Mid-sized firms, those with \$3 – \$29.9 million in sales, increased more than 8%, but those with \$30 – \$200 million in sales declined by 3.5%. The largest companies (revenue above \$200 million) increased by nearly 10%.

Among **newer firms** (founded in 2000 or after) **72% experienced growth in 2014**, while nearly 39% of those with more tenure grew.

**Companies predominantly selling through person-to-person methods** experienced higher sales growth in 2014 than companies that predominantly sell through home parties, groups or classes. The same was true in 2013. A pattern seems to have emerged in the industry: after times of crisis such as 9/11 and the 2008 financial collapse, share of sales through the party plan model tends to increase as people may be more likely to stay at home and attend parties in homes to form stronger social connections. By comparison, in the absence of national crises, the person-to-person method continued to be the leading strategy in 2014.

The share of sales for wellness and other services categories has steadily increased since 2009. Personal care grew slightly for the first time since 2009 while home & family care/home durables have experienced a decline in share of sales over the past four years. Most of the home & family care/home durables sales are through the party plan model and may be affected by the same trends in times of crises mentioned above.



## Executive Summary (continued)

### Context

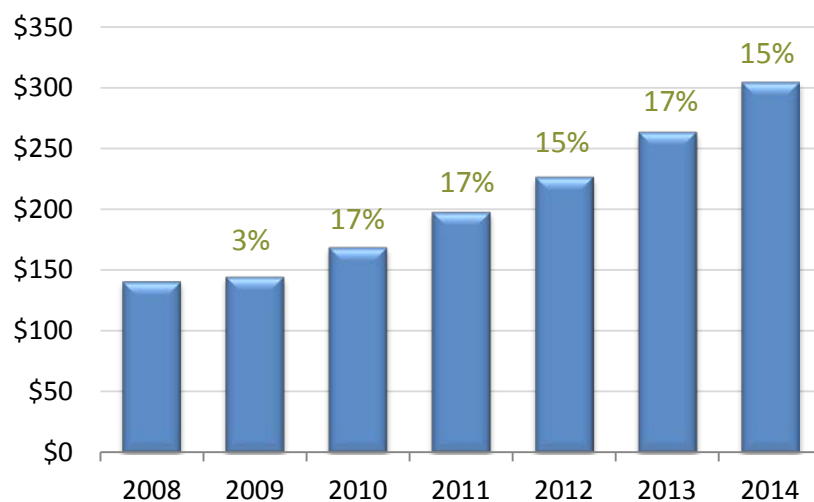
In comparison to external measures, **the direct selling annual growth rate of 5.5% is outpacing the U.S. retail sales growth rate of 3.7% and the GDP growth rate of 3.9%.**

Comparing direct selling to other industries:

- According to Internet Retailer, “2014 was another banner year for U.S. e-retailers. Web sales blew past the \$300 billion threshold for the first time, closing the year at \$304.91 billion, on an unadjusted basis, according to estimates released by the U.S. Commerce Department. Web sales were up 15.4% from \$264.28 billion in 2013... This is the fifth year in a row that web sales growth has been close to or above 15%.”<sup>1</sup>

The rapid growth in this area offers an opportunity for direct selling to achieve growth through more advanced technology with regard to online and mobile selling. E-commerce, social media, and mobile technologies are improving dramatically, which might create opportunities for direct selling companies to broaden company and salesperson reach, increase efficiency of the customer experience and complement in-person sales and its personal touch rather than replace it. However, this increase in e-commerce activity could also pose a challenge for companies by making the space more competitive and by raising consumers’ expectations about shipping times and cost, as well as return policies.

#### Web Sales (in Billions U.S.) and Growth by Year



Source: Enright, Allison. “U.S. Annual e-retail Sales Surpass \$300 Billion for the First Time,” Internet Retailer, February 17, 2015<sup>1</sup>

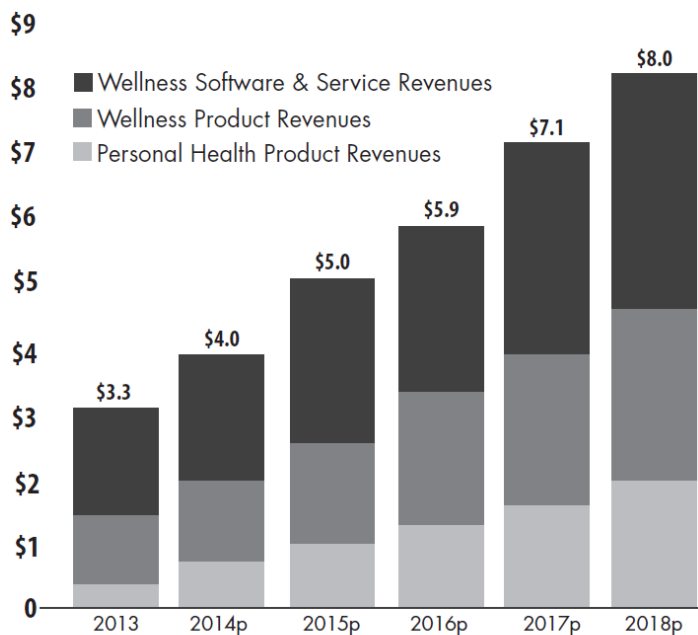




## Executive Summary (continued)

- “Franchise businesses are growing at a rate faster than any other sector of the economy. And they’re creating jobs at a faster clip, too. For the fifth consecutive year, 2015 is expected to see another big expansion,” according to the International Franchise Association. “Franchises are expected to add 247,000 jobs this year. That’s a 2.9 percent increase over 2014’s gains.”<sup>2</sup> A few potential dampening effects on the outlook, according to the 2015 International Franchise Association survey, include the impact of the Affordable Care Act and changes to minimum wage.
- “Sales of [electronically] connected personal health and wellness products are predicted to top \$8 billion by 2018,” according to the Consumer Electronics Association report of *Technology Trends to Watch 2015*.<sup>3</sup> “Design breakthroughs, technology advances and mass adoption of mobile consumer devices have made consumer-centric care possible in ways previously impossible. From wearable accelerometers to skin patches and smart contact lenses, inward-focused technology applications... ‘mirrors’ – are becoming less intrusive and increasingly popular.” The growing ubiquity of connected health devices might help propel continued growth in the direct selling wellness category.

### Connected Personal Health & Wellness Products: U.S. Revenues (Billions)



Source: Consumer Electronics Association | Research Copyright © Parks Associates 2013

Overall economic outlook continues to improve according to The National Retail Federation. “After a cold start to 2014, the year ended on an impressive note with stronger job creation, gains in economic activity, rising retail sales and a more confident consumer. Adding it up, the economy appears to be on solid ground, showing signs of forward momentum.”<sup>4</sup> The increase in retail sales continues with an estimate of 3.7% in 2014. The rate of growth, however, is down from 3.8% in 2013 and 4.9% in 2012. Direct sales’ percent of retail sales is up slightly from 0.73% in the previous three years to 0.74%.



## Executive Summary (continued)

### Salespeople

There were an estimated **18.2 million people involved in direct selling during 2014**, an 8.3% increase from 16.8 million in 2013. The percentage of households estimated to have someone involved in direct selling increased from 13.8% in 2013 to 14.9% of U.S. households in 2014. The majority of these people involved in direct selling work part-time and are primarily involved in purchasing for personal/household consumption.

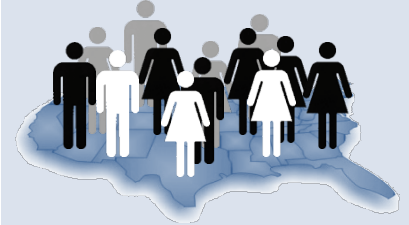
The recruitment rate (number recruited during the year as a percentage of people involved in direct selling during the year) increased 8.5% (or by 3.2 percentage points) in 2014 to 40.7%. The dropout rate is 33.5%, down from 35.7% in 2013.

Direct sales continues to provide opportunity and empowerment, in addition to being well-suited to diverse employees and representatives. The salesforce continues to be **predominantly female**. The percentage of males in the field had been on the rise; however, for the first time in the past six years, **the percentage of males in the salesforce remained roughly the same** with 25.6% in 2014 compared to 25.8% in 2013.



*Definition: "People Involved in Direct Selling" – an independent contractor eligible to order products/services during the year; people involved in direct selling may be called direct sellers, distributors, representatives, consultants or various other titles, and may participate in various ways, including selling the products themselves or through their sales organizations, providing training and leadership to their sales organizations, referring customers to the company and purchasing products and services for personal use. Compensation is ultimately based on sales and may be earned based on personal sales and/or the sales of others in their sales organizations.*

### Direct Selling Industry Estimates:



**18.2 million**  
*people involved in direct selling during 2014*



**14.9% of**  
*households with someone involved with direct selling\**

*\*Calculation: Estimated number of people involved in direct selling divided by estimate of current number of U.S. households, which is derived from the U.S. Population <http://www.census.gov/#7> divided by the number of persons per household <http://quickfacts.census.gov/qfd/states/00000.html><sup>8</sup>*

*"Unlike any other business people can enter into business for themselves with a minimal if any investment. They can then reward themselves by earning income to supplement or substantiate their lifestyle."*

**-John Whelpley, Vector Marketing Corporation**



## Outlook

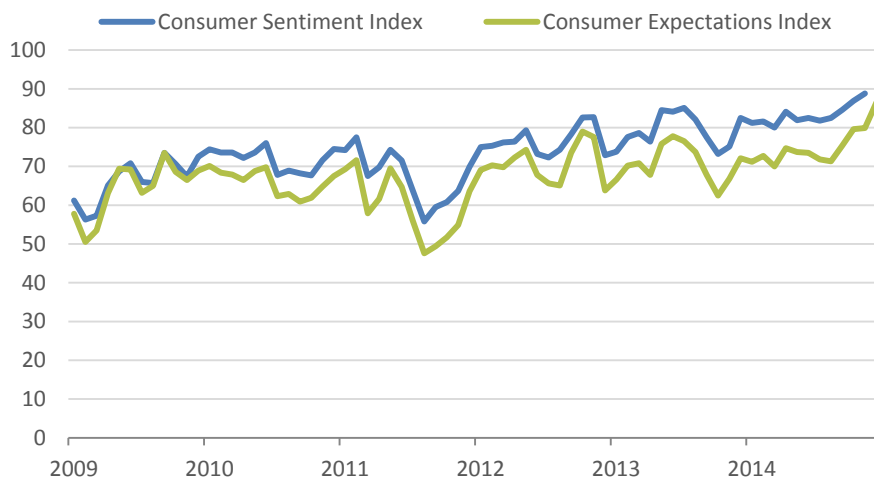
### Index of Consumer Expectations

The industry continues to grow after several flat or declining years during the recession and early economic recovery. Sales have continued to expand from the U.S. \$28.33 billion in 2009, reaching \$32.67 billion in 2013 and \$34.47 billion in 2014. This data suggests a sustained recovery from the recession of the past half decade. The growth rate of 5.5% exceeded the **DSA expectation of 3% - 5% year over year growth**. DSA forecasts 3 – 5% annual growth over the next three years with a prediction to reach approximately \$39 billion in sales in 2017.

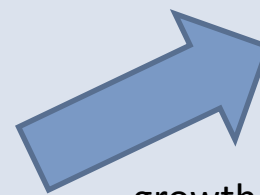
Many factors influence the outlook for the direct selling industry, from macroeconomics to industry-specific trends.

The Congressional Budget Office (CBO) “anticipates that, under current law, economic activity will expand at a solid pace in 2015 and over the next few years—reducing the amount of underused resources, or ‘slack,’ in the economy. In CBO’s estimation, increases in consumer spending, business investment, and residential investment will drive the economic expansion this year and over the next few years.” As measured by the change from the fourth quarter of the previous year, the CBO expects nominal GDP growth of 4.2% in 2015, 4.6% in 2016 and 4.5% in 2017.<sup>9</sup> Another informative indicator is the index of consumer expectations published by University of Michigan, which seeks to understand how consumers view their own financial situation as well as the short- and long-term general economy as a method to forecast changes in the economy. In 2014 consumer expectations reached their highest levels since 2007: “The Index of Consumer Sentiment rose in the most recent surveys to 88.2% in the 4th quarter of 2014...This represents a 15% gain over last year’s 4th quarter.”<sup>10</sup>

#### Consumer Indices: January 2009 - December 2014



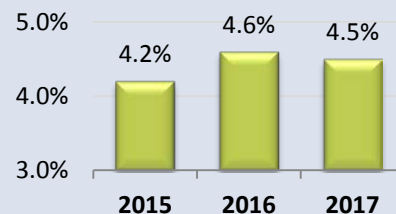
Source: University of Michigan Survey Research Center: Index of Consumer Expectations



**5.5%**  
growth for **2014**

**3-5% growth**  
**expected annually for**  
**the next three years**

#### Projected GDP Growth (nominal):



Source: The Congressional Budget Office: The Budget and Economic Outlook: 2015 to 2025<sup>9</sup>

*“Looking forward to the next five years, we’ll see an increase in the availability and prevalence of technology-focused tools that will allow you to run your business anywhere, anytime – from mobile phones to mobile credit card readers.”*

**-Kerry Brown, Stream Energy**

## Outlook (continued)

### Industry Outlook

Recent indicators from companies within the industry also are positive:

- Newer companies continue to grow at a strong pace and are contributing to overall industry growth.
- The service and wellness categories continue to grow and gain market share.
- Another continuing trend is the growth in the direct sales energy sector. The de-regulation of energy in several U.S. states has provided an opportunity for direct selling. Chris Chambless, Co-founder and CMO for Ambit Energy said, "With unprecedented enthusiasm for our business model, we expect 2015 to be a remarkable year of growth and expansion," during the company's January 24, 2015 simulcast conference.
- Sales for ten of the top twenty U.S. DSA member companies grew in 2014.

Overall **the direct selling business model appears likely to continue its growth trajectory of the last four years.**

DSA **projects a 3% to 5% annualized growth rate for direct selling over the next three years**, similar to the growth rate of the past three years.



*The Top 20 Companies are determined from 2014 U.S. net sales among DSA member companies:*

- One-half (10) of the 20 largest companies experienced growth in sales in 2014
- Retail sales for this group grew 5.9% in 2014
- The Top 20 companies account for \$12.66 billion in retail sales, which is 36.7% of the 2014 total retail sales of \$34.47 billion
- All of the Top 20 companies participated in the Growth & Outlook 2015 survey
- The Top 20 DSA member companies, in alphabetical order, are:
  - AdvoCare International, LP
  - Ambit Energy
  - Amway
  - Arbonne International
  - Herbalife
  - Isagenix International
  - LegalShield
  - LifeVantage Corporation
  - Mary Kay Inc.
  - Melaleuca, Inc.
  - Nature's Sunshine Products, Inc.
  - Nu Skin Enterprises
  - Rodan and Fields
  - Scentsy, Inc.
  - Shaklee Corporation
  - Stream Energy
  - Take Shape For Life, Inc. - Medifast
  - Team Beachbody
  - Thirty-One Gifts
  - USANA Health Sciences, Inc.

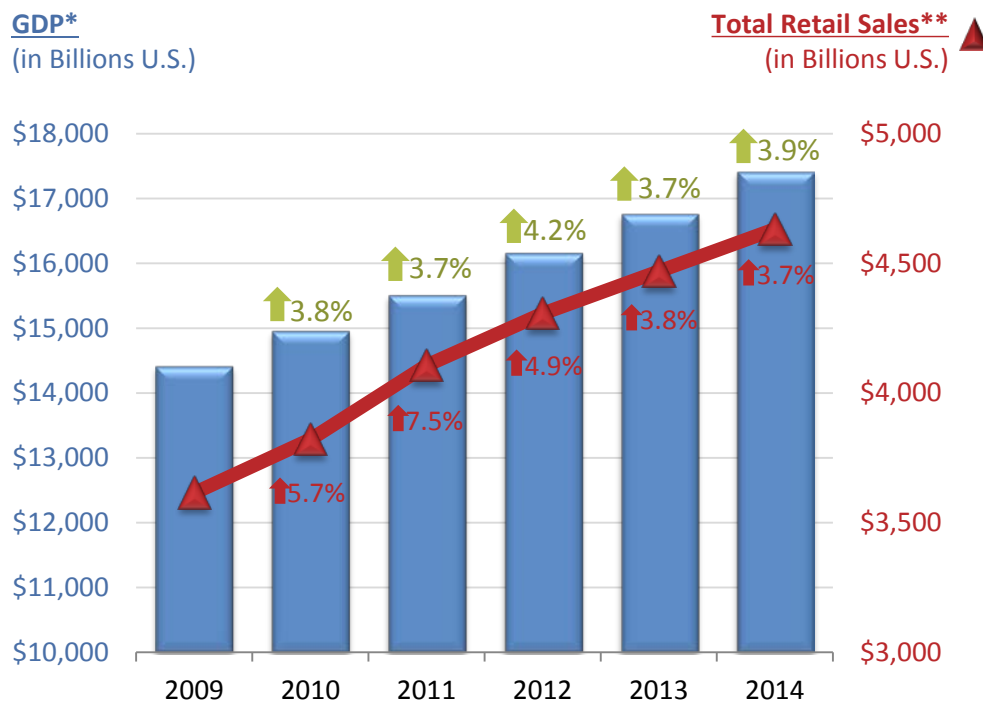
## Economic Context

### GDP and Total Retail Sales

The U.S. economy continued its climb out of the recession during 2014. Most indicators of economic activity maintained the positive trend and reflect a healthy economy. The unemployment rates have continued to decline as they begin to approach higher, pre-recession, full-time employment norms. Housing sales and prices continued to increase in most areas of the country, with the exception of the Northeast region, according to the National Association of Realtors data.<sup>11</sup>

Consumer debt remained at a level similar to 2013, but consumer spending increased throughout the year. As a result retail sales were up nearly 4%, similar to 2013, but not as strong a gain as the increases of the previous several years, but still healthy for the sector.

### GDP and Total Retail Sales



\*Source: *U.S. Department of Commerce, Bureau of Economic Analysis, National Economic Accounts*.<sup>12</sup> GDP is in billions of current dollars, released 4/29/15. NOTE: Annual revisions, cover at a minimum the quarters of the 3 most recent calendar years and incorporate newly available major annual source data. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

\*\*Total Retail Sales excluding food service sales, update released 5/13/15 including previous year data back to 2003 due to Sales for NAICS 443112  
Source: *The March 2015 Monthly Retail Trade and Food Services Report United States Census Bureau*<sup>13</sup>





## Economic Context (continued)

### Unemployment

Following the significant increase from 2008 to 2009, the annual average unemployment rate rose slightly from 2009 to 2010 and then began to experience a slight decline in 2011. The pace of the decline has not slowed through 2014.

*The Economist* and other notable business publications suggest that the true unemployment rate might actually be higher than the numbers reflect due to the change in federal extended unemployment benefits and because these metrics do not capture the high number of discouraged workers who drop out of the workforce when they cannot find employment. Thus, the underemployment rate, which includes discouraged, marginally-attached and part-time workers is sometimes considered a better measure than the employment rate. The underemployment rate has been falling at a slower rate than unemployment since 2011.

“America’s labour-force participation rate—the proportion of the population available to work—has been falling for years. The figure is now just 62.7%, the lowest level since 1977,”<sup>14</sup> according to *The Economist: America’s Labour Market*, due to increases in early retirement among baby boomers and potential workers at the younger end of the spectrum staying in higher education longer, as well as a rise in Disability Insurance recipients.

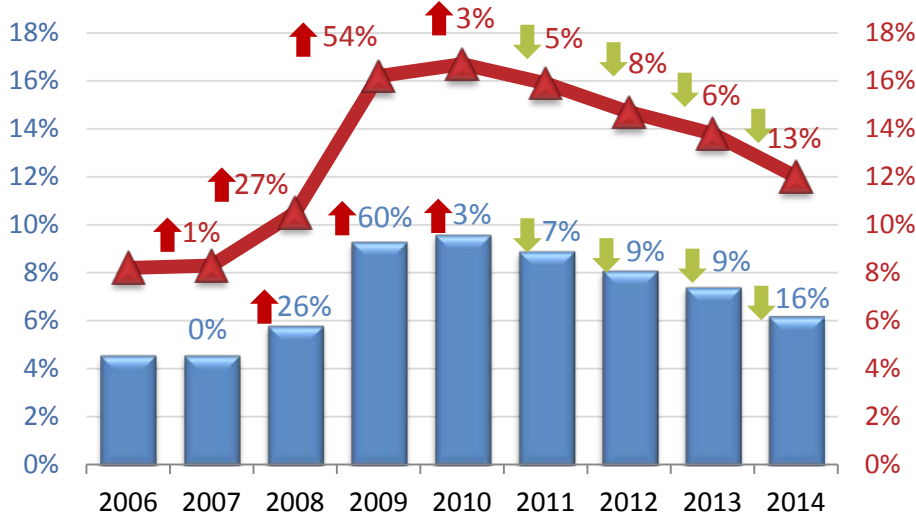
Direct selling offers the unemployed the opportunity to earn income and allows the underemployed to supplement part-time employment. Direct selling also provides personal development such as improved self-esteem and interpersonal skills and career development in terms of business and entrepreneurial skills and selling experience.

#### Actual Unemployment Rate

(U-3: Official unemployment rate, which is the proportion of the civilian labor force that is unemployed but actively seeking employment)

#### “Underemployment” Rate

(U-6: most comprehensive measure of unemployment and includes discouraged, marginally attached and part-time workers)



Source: U.S. Department of Labor, Bureau of Labor Statistics<sup>15</sup> U-6 Not Seasonally Adjusted, Note that the survey revises published estimates to improve its data series by incorporating additional information that was not available at the time of the initial publication of the estimates, released 5/8/15 and updated 5/18/15. In addition, note that neither the actual nor the underemployment rate fully capture the true unemployment rate in the U.S. because neither metric captures the significant number of discouraged workers who have dropped out of the workforce.

*“It would be wrong to conclude that America’s labour market has no ‘slack’. Yes, it may be difficult for the labour force to rise much, even as the economy improves. Yet there is plenty of capacity for those already in it to work longer hours. The number of full-time jobs is lower than before the recession hit. The number of part-time jobs is much higher. And many of those would prefer to work full-time instead. Fewer people now hold multiple jobs, which also suggests that Americans are not working as much as they would like. Who says hard work doesn’t pay off?”*

Source: *The Economist: America’s Labour Market*, April 22, 2015<sup>14</sup>

*According to DSA’s 2013 Sales Strategy Survey, minimum sign up costs for the majority of direct sales companies are less than \$100. “This low cost of entry provides a low risk opportunity for people to join a company and to build up their own business,” said Leesa Martin, Market Research Director at Thirty-One Gifts. “With direct selling they are able to decide how much time and effort they want to invest.”*

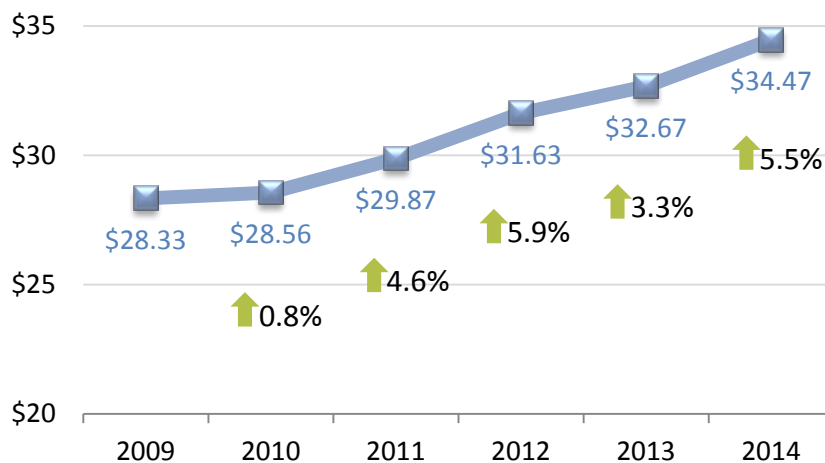
## Estimated Direct Retail Sales

The 2014 estimated retail sales of U.S. \$34.47 billion for the direct selling industry were up 5.5% in the United States, from \$32.67 billion in 2013.

This U.S. market increase of 5.5% in 2014 continued an upward trend that began after 2009 and brought the industry to a record high.

After a year of 0.8% sales growth in 2010, direct sales grew at of a compound annual growth rate of 4.89%.

### Estimated Direct Retail Sales\* - (in Billions U.S.)



\*Direct retail sales are defined as the dollar amount paid by the ultimate consumers of the products or services. Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources.

The majority of companies in the industry grew in 2014. Similar to 2013, nearly **six out of 10 companies (58%) experienced growth in 2014** while approximately four out of 10 (42%) experienced either no growth or a decline in direct retail sales.

### Direct Retail Sales Growth



**58%** Experienced growth (>0%)



**42%** Experienced no growth or a decline

Source: Growth & Outlook Survey data for 2014. Base = 108



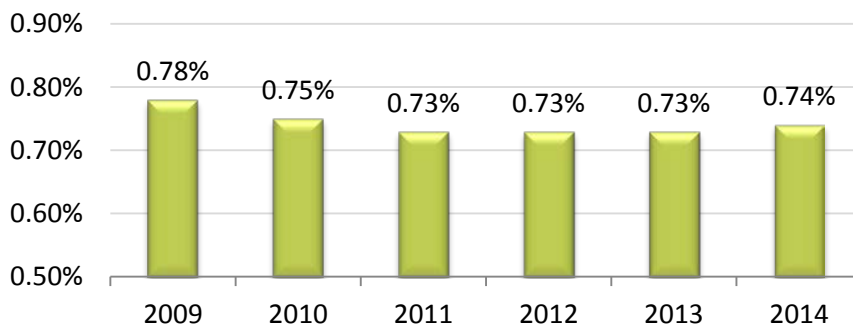
*"Technology in general and social media in particular have impacted the direct selling industry enormously. But technology and social media would be nothing without their important partner -- innovation. The ever-expanding industry, with new products and new ways for people to earn money by being their own bosses, will continue to have a dramatic impact."*

**-Don Karn, Stemtech International, Inc.**

## Estimated Total Direct Retail Sales (continued)

The ratio of direct retail sales to retail sales has remained fairly consistent over the past six years. Estimated direct retail sales account for less than 1% of total retail sales, suggesting that there is significant opportunity for growth.

### Estimated Direct Retail Sales as a Percentage of Retail Sales



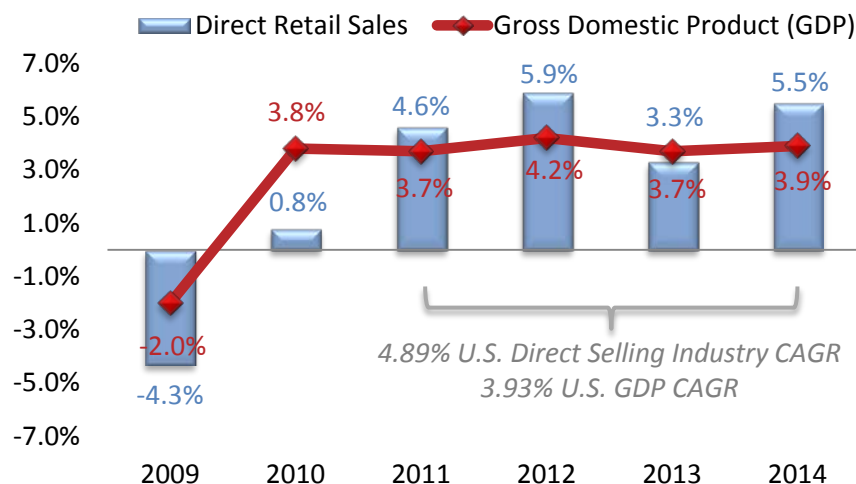
Note: Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources.

Total Retail Sales excluding food service sales, update released 5/13/15 including previous year data back to 2003 due to Sales for NAICS 443112

Source: *The March 2015 Monthly Retail Trade and Food Services Report United States Census Bureau*<sup>13</sup>

Following two years of estimated direct retail sales growth exceeding the U.S. economic growth, as measured by GDP, and one year of estimated direct retail sales growth slowdown (nearly matching the U.S. GDP growth), 2014 marked a return to estimated direct retail sales growth again exceeding the U.S. economic growth. In fact, the three-year Compound Annual Growth Rate (CAGR) of direct sales (4.89%) exceeds that of GDP (3.93%) over the same period.

### Estimated Direct Retail Sales Compared to GDP



Note: Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources.

\*Source: U.S. Department of Commerce, Bureau of Economic Analysis, National Economic Accounts.<sup>12</sup> GDP is in billions of current dollars, released 4/29/15 NOTE: Annual revisions, cover at a minimum the quarters of the 3 most recent calendar years and incorporate newly available major annual source data. Comprehensive (or benchmark) revisions are carried out at about 5-year intervals and incorporate major periodic source data, as well as improvements in concepts and methods that update the accounts to portray more accurately the evolving U.S. economy.

*“Continuing job gains and growth in consumer incomes will spur purchases of homes, cars, and other products and services. Lower gasoline prices are also putting more money into consumers’ pockets, helping to fuel spending in the months to come.”*

-David Payne, Kiplinger’s Economic Outlooks<sup>16</sup>





# Industry Dynamics

## Growth by Category

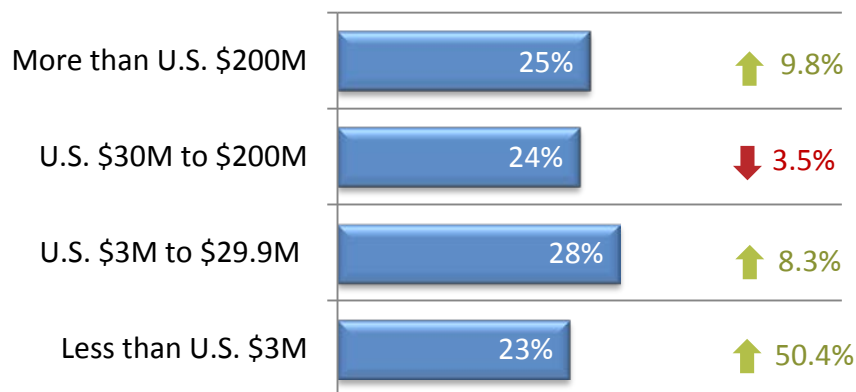
Direct selling companies are fairly evenly distributed based on retail sales volume. The \$3 million to \$29.9 million annual U.S. retail sales category is slightly larger representing 28% of all reporting firms.

Not all segments of the direct selling industry are growing at the same rate. Areas of strongest growth include:

- Companies predominantly selling through **person-to-person** methods experienced stronger growth in 2014.
- **Newer firms** – More than 72% of firms founded in the year 2000 or after experienced sales growth in 2014, versus almost 39% of those founded before the year 2000.
- The **Wellness** category continued to show the most growth as a share of total direct retail sales while Home & Family Care/Home Durables posted the greatest decline in 2014 as a share of total direct retail sales.
- The **smallest direct selling companies** (those with estimated retail sales of \$3 million or less) had growth of more than 50% in annual retail sales over 2013. Note that these firms are growing on a smaller base than more established firms.

## Growth Rates by Size of Company

Retail sales of...



Percentages in the above chart indicate the percent of responding firms in each size category. Percentages outside of the chart (in red and green) indicate the overall percent change in average annual retail sales for that size category.

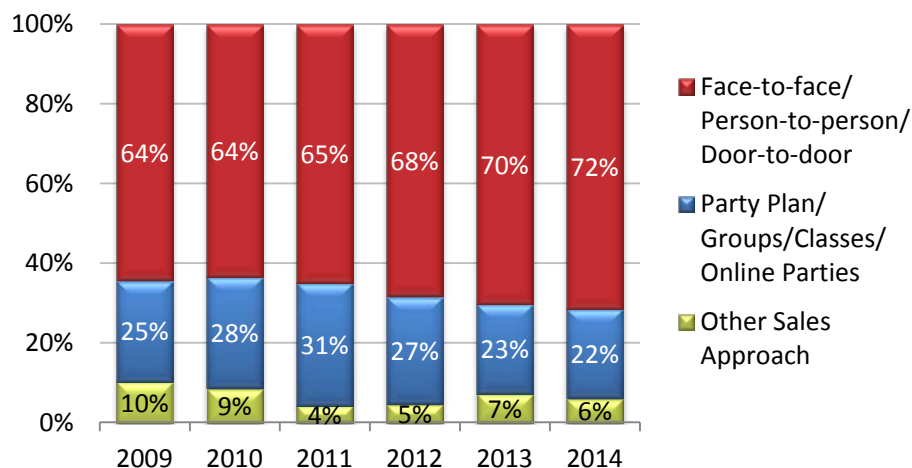
Source: Growth & Outlook Survey data for 2014 year. Base = 108



## Industry Dynamics (continued)

### Estimated Direct Retail Sales by Sales Strategy

Person-to-person selling continues to lead other approaches accounting for more than two-thirds of sales; however, the industry is still shaping the way it will approach and view online sales when they occur in support of other methods.



Source: Estimated based on survey data and extrapolated data from secondary sources.

Note: 2011-2014 percentages are not strictly comparable with 2009-2010 because of slight changes in question wording and categories. "Other Sales Approach" category includes sales at personal and company websites and via social media, sales at events and fairs, reorders, etc.

### Growth by Company Tenure

Companies that started direct selling in the U.S. in 2000 or after had stronger sales growth in 2014 than companies that started direct selling in the U.S. before 2000. This stronger growth rate for newer firms is likely due to the fact that they are growing on a substantially smaller base than more established firms. The direct selling climate is favorable for newer companies because of lower barriers to entry, higher productivity per employee (due to the independent salesforce sales), making it easier to approach economies of scale and providing the ability to scale up quickly.

#### Estimated Direct Retail Sales by Company Tenure

	Before 2000	2000 or After
Percent of firms with sales growth in 2014	39%	72%
Percent change in average annual direct retail sales	3%	19%

Source: Growth & Outlook Survey data for 2014. Base = 108

*"Everyone who runs a party plan company would like to see parties have numerous people there. We know how difficult it is in today's technology and social media-heavy world to actually connect with people in a real and meaningful way. What used to be a phone call is now a text. What used to be a person-to-person meeting is maybe a Facebook post. That's difficult for an industry that is built on human relationships. So I think that's one of the biggest changes. I don't necessarily think of that as a struggle -- it's more of a question of how do we leverage it? And how do we make it our own moving forward? We all sell great products and our distribution is as good as most other options, so, it's more about that personal touch."*

**-Jeff Morris, Pampered Chef**

Source: DSA Live! Call 2/25/15



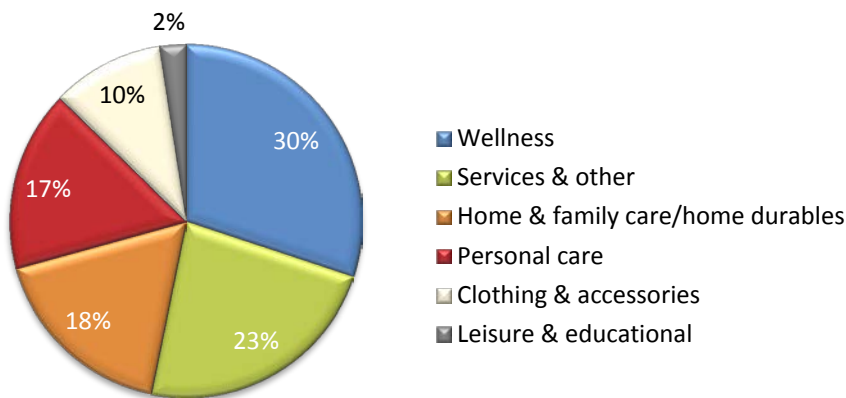
## Industry Dynamics (continued)

### Revenue by Product Category

The two product categories that continue to gain share as a percentage of retail sales in the direct selling industry are Wellness and Services. Personal care reversed its decline in market share for the first time since 2008 with a slight increase over the 2013 share.

Home & Family Care/Home Durables has experienced a decline since 2008. Clothing & Accessories have declined since 2011.

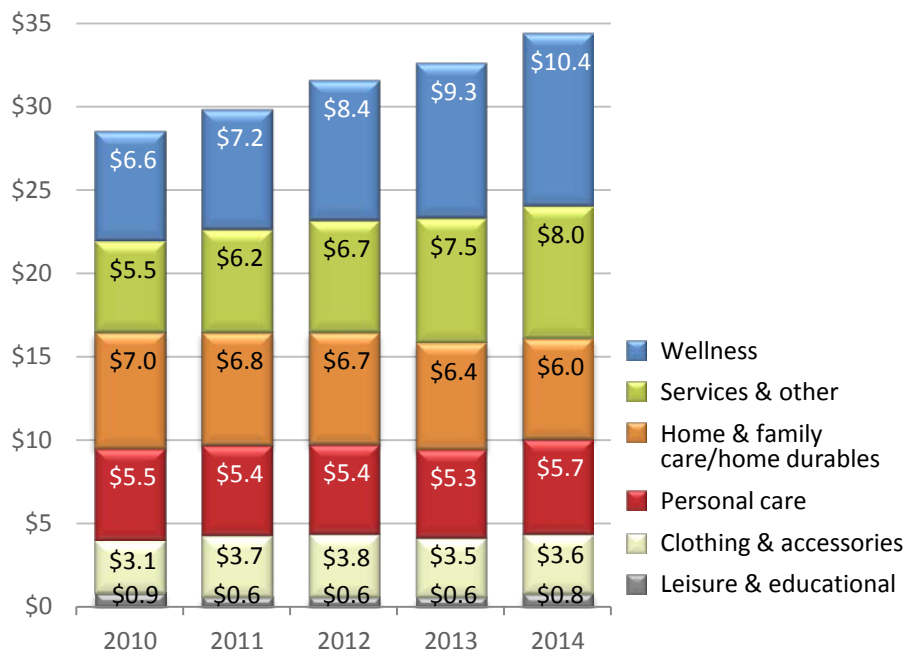
#### Share of 2014 Direct Selling Industry Retail Sales



Source: Estimated based on survey data and extrapolated from secondary sources.

#### Category Retail Sales in Billions of U.S. Dollars

While share of sales has remained stable for some categories, growth is occurring overall in many product category sales.



Source: Estimated based on survey data and extrapolated from secondary sources.

Note: Starting in 2014, adult products were moved from Other to Leisure & Educational.

#### Category Descriptions:

**Wellness Products:** Weight management products/programs, nutritional supplements, sports/energy & body-building, health foods & beverages, children's supplements, exercise equipment, health/nutrition/fitness, instructional materials

**Services:** Financial, telecom/long-distance, Internet, energy, legal, travel and group buying services and clubs

**Home & Family Care:** Home care/cleaning products, auto care products, animal & pet care products, gourmet foods & beverages

**Home Durables:** Cookware, cutlery, crystal/china, house/kitchenware, tableware, candles, gifts, decorative, accessories, holiday decorations, collectibles, art/framing, gardening, furniture/furnishings, home appliances, air filters/air filtration systems, water treatment systems/filters, vacuum cleaners, bedding & linens

**Personal Care:** Cosmetics, skincare, fragrances, hair care, nail care, toiletries/daily care/oral care

**Clothing & Accessories:** Clothing, lingerie, sleepwear, jewelry, fashion accessories

**Leisure/Educational Products:** Books, encyclopedias, educational publications, CDs/cassettes/ videos/DVDs, computer software, crafts, toys and games, scrapbooking/photo albums/ photography, sporting goods, adult products

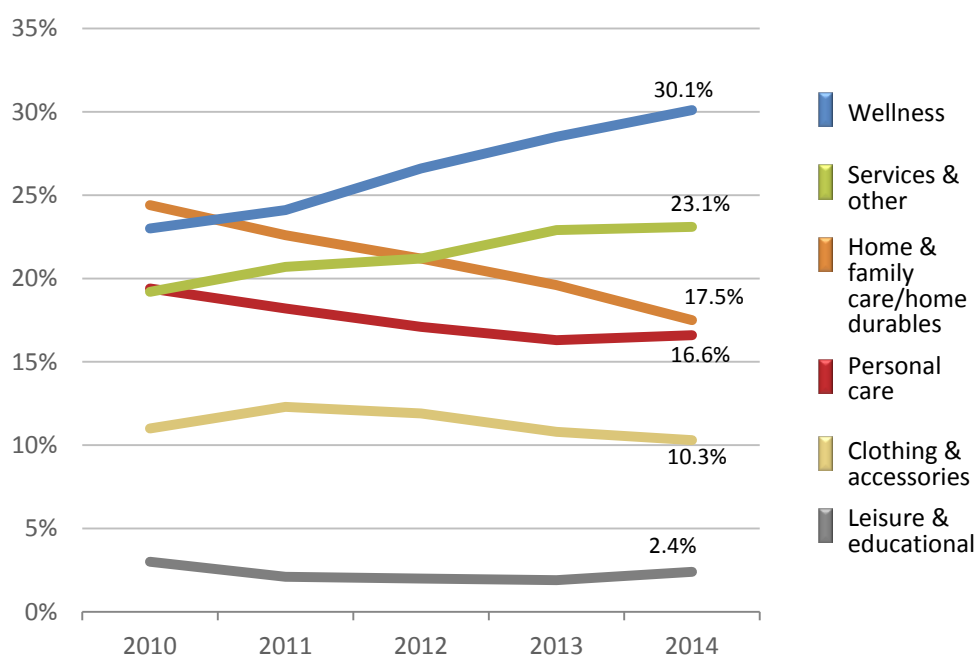


## Industry Dynamics (continued)

### Wellness and Service Sector Growth

The trends of consumers seeking ways to maintain and improve their own health and create healthier lifestyles, overall, continues. This may contribute to the growth in direct selling's wellness category. Deregulation in the services industry has created growth and opportunity in the services sector, in particular for direct sellers of utilities including electricity, natural gas and solar power for consumers.

#### Share of Direct Selling Industry Retail Sales 2010-2014\*



Source: Estimated based on survey data and extrapolated from secondary sources.

#### Growth in Wellness:

*"What began as a fringe movement of people interested in organic food, yoga and shopping at Whole Foods and Trader Joe's has turned into a national trend, driven by a broad constituency of consumers of all incomes, ethnicities and genders," Liebmann said. That's translated into a cross-section of shoppers seeking healthy choices beyond traditional health categories, such as food, beauty, home, active wear and technology. 'That creates opportunities for lots of brands, categories and retailers,' she said."*

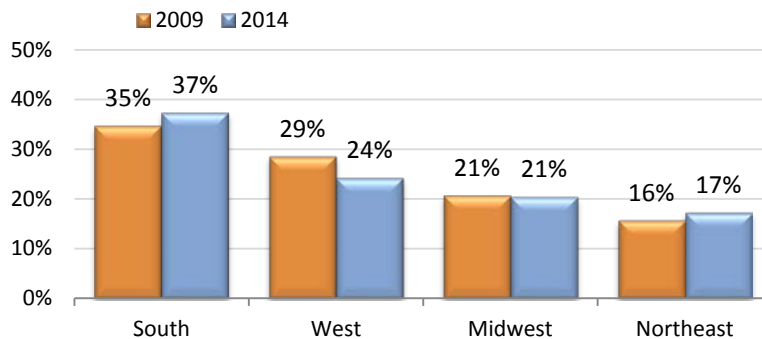
**-Barbara Thau, 7 Retail Trends That Will Shape How You Shop This Year, Forbes<sup>17</sup>**

## Industry Dynamics (continued)

### Revenue by Region

Among geographic regions in the United States, the West had the greatest change in share of estimated direct retail sales in the past five years (2009-2014), with a drop of 5%. The South and Northeast saw some growth in share, 2% and 1% respectively, and the Midwest remained stable between this period.

#### Share of Direct Selling Industry Sales:



Source: Estimated based on survey data and extrapolated from secondary sources.

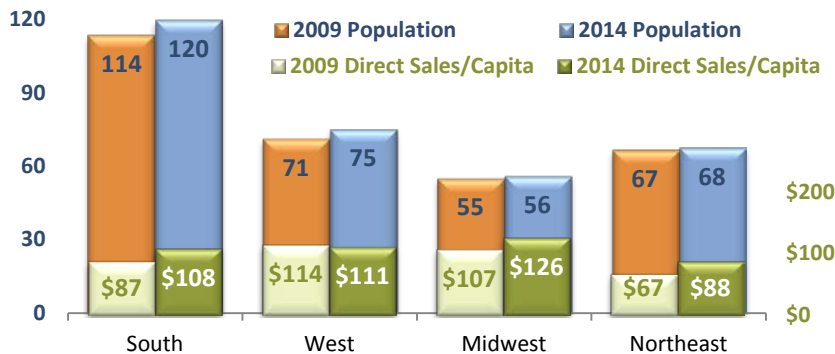
Note: Sales share of the U.S. commonwealth, territories of Guam, Puerto Rico and U.S. Virgin Islands, not collected for 2009 – 2010, are excluded. The share for 2011 & 2012 was 0.6%; for 2013 & 2014 it was 0.5%.

Note: Figures may not total to 100% due to rounding.

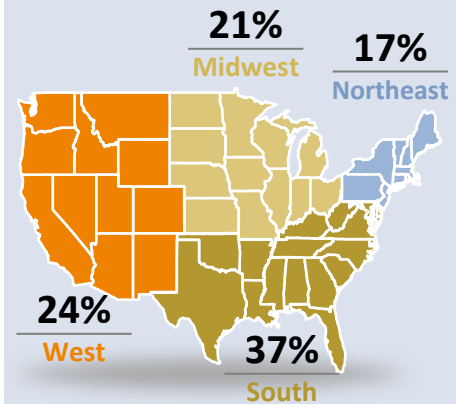
Key factors which may contribute to the share of sales changes by region include regional population changes as well as the applicability for some of the high-growth direct sales industries by region.

Looking more closely at broader U.S. population trends, the South is the most populated region, comprising 37.6% of the total U.S. population according to the U.S. Census Bureau<sup>18</sup>. The share of U.S. direct sales for the South and West closely align with their share of the U.S. population. The share of direct sales for the Midwest is higher than the Midwest share of the U.S. population and the opposite is true in the Northeast where the U.S. direct sales share is less than their share of the U.S. population. The only region with a decline in direct sales per capita since 2009 is the West, despite having high sales per capita. The highest regional sales per capita is in the Midwest. The South and Northeast post the strongest growth in sales per capita since 2009, both with greater than 20% increases over this period.

#### U.S. Population by Region (Millions) & U.S. Direct Sales by Region (Billions)



Source: U.S. Census Bureau: *Annual Population Estimates United States Regional Population by Year*<sup>19</sup>



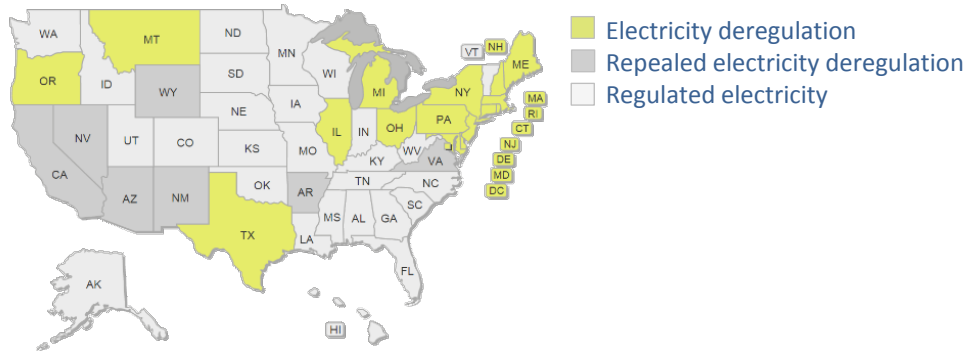
## Industry Dynamics (continued)

### Revenue by Region (continued)

As noted on the previous page, over the last five years, U.S. population growth has been greatest in the South and West regions. However, the growth of direct sales do not seem to fully reflect these regional population shifts. The effect of high-growth direct sales segments, such as Wellness and Services in areas of the country where they are most prevalent, may also be a factor in the regional changes from 2009 to 2014.

For example, according to *Electricity Local* (see chart below), the West region is among the most regulated areas of the country. Regulated electricity markets are a barrier to the direct sales of electricity, which may contribute to lower energy direct sales. The Northeast is the most deregulated, which means opportunity for energy direct sales growth.

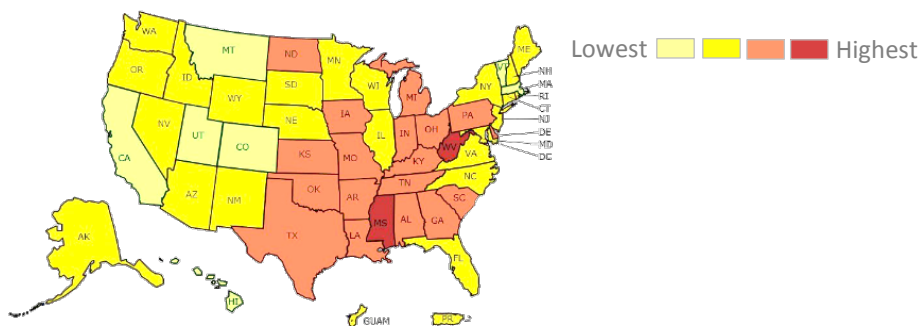
#### Electrical Deregulation by State



Source: *Electricity Local*<sup>20</sup>

According to the Center for Disease Control and Prevention (see chart below), the South region is highest for self-reported obesity rates, followed by the Midwest. The West region reports as having the lowest levels of obesity. This trend may also account for lower sales in the West region, despite overall population growth.

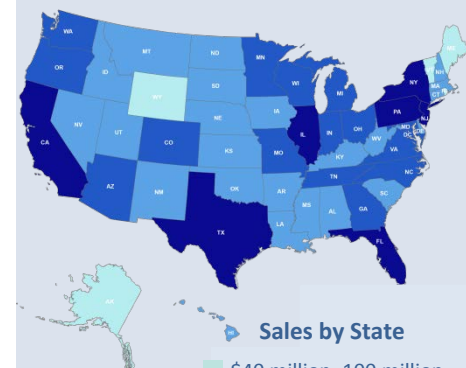
#### Self-reported Obesity by State



Source: Center for Disease Control and Prevention; *Prevalence of Self-Reported Obesity Among U.S. Adults by State and Territory*<sup>21</sup>

Furthermore, energy and weight management subcategories show strength particularly among newer companies with direct sales beginning after 2000.

#### Direct Selling Retail Sales By State



Note: These estimated sales figures are based on survey data submitted directly from DSA members and secondary research; map generated by Map Mercantile.



## Industry Dynamics (continued)

### Corporate Employees of Direct Selling Companies

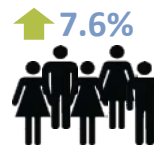
The number of people employed by direct selling companies in the U.S. increased by 4.1% in 2014 to 55,300, and the annual retail sales per employee rose in 2014 to \$623,327, an increase of 1.3%. The number of direct sellers per employee is 219, an increase of 7.6% since 2013.



Percent change in the number of employees of direct selling companies



**U.S. \$623,327**  
Annual retail sales per employee



**219**  
Number of direct sellers per employee\*

\* Year-end number of direct sellers divided by the year-end number of employees.  
Source: Estimated based on survey data and extrapolated from secondary sources.

It is helpful for member companies to compare the ratio of their direct salesforce and employee workforce to other similar-sized organizations. Retail sales per employee rise substantially as company size increases.

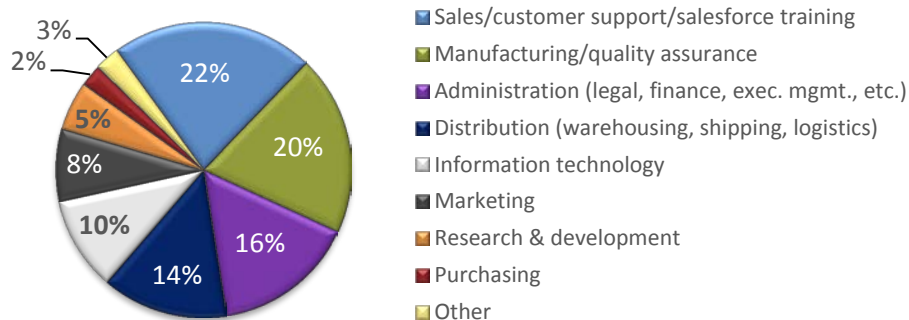
Larger firms can take advantage of economies of scale when it comes to support services, translating to much higher average sales per employee.

	Very Small (Under \$3M)	Small (\$3M to \$29.9M)	Mid-Size (\$30M to \$200M)	Large (Over \$200M)
2013 average number of employees per firm	10	40	278	827
2014 average number of employees per firm	13	42	272	845
2013 retail sales per employee*	\$86k	\$277k	\$400k	\$660k
2014 retail sales per employee*	\$99k	\$290k	\$391k	\$720k

\* Annual retail sales of consumer products and services divided by the year-end number of employees.  
Source: Growth & Outlook Survey data for 2014. Base=102. Data on number of employees is collected for two years – 2013 and 2014.

The Direct Selling Industry is responsible for creating a wide variety of jobs.

#### Employees by Function (Percent of Year-End Employees)



Source: Estimated based on survey data and extrapolated from secondary sources.

*DSA's 2015 Management Compensation and Benefits Survey offers even more information about corporate hiring practices, salary and benefit information and other benchmarks to help drive HR decisions. For more information about this Survey, contact DSA's research department at 202-452-8866. Another useful resource that DSA offers is its Career Center: <http://careercenter.dsa.org/>*

## Salesforce

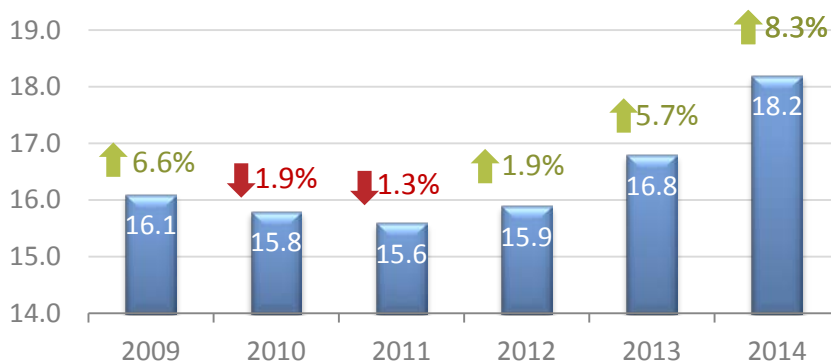
The size of the direct selling salesforce increased 8.3% to 18.2 million in 2014, a record high.

The industry has experienced an increase in new direct selling independent representatives since 2012 with 2014 seeing the largest increase.

One potential factor is the lasting effect of the recession on wages. *The Economist* notes, “Despite five years of growth American real wages are still 1.2% below what they were at the beginning of 2009.” There are recent signs of progress in the U.S., “average real pay is up by 2.2% over the past year” however there is also the possibility that “average pay data in America and Britain may be hiding the continuing plight of the median worker behind the success of the most sought after.”<sup>22</sup> Some people may be seeking to supplement their stagnant income with the opportunities provided by direct selling.

### Number of People Eligible to Order/Sell Products over the Course of 2014

(Millions)



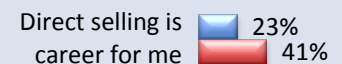
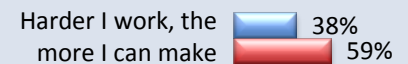
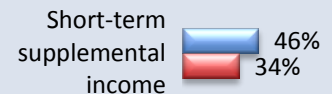
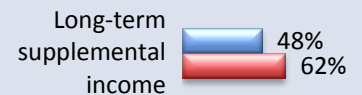
Note: Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources. The number of sellers reflects all of those involved during the full year, not a snapshot at year end.

*DSA's 2014 National Salesforce Study finds that there are a variety of motivations to become involved and stay involved in direct selling from entrepreneurial, to lifestyle, to loving the products. Almost all of these factors become stronger over time as reasons to continue in direct selling.*

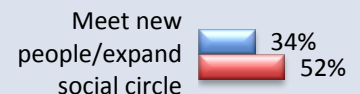
### Motivation to:

- Become Direct Seller
- Continue Direct Sales

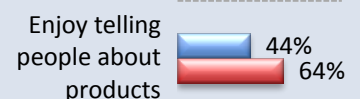
### Entrepreneurial:



### Lifestyle:



### Product Loving:



Source: 2014 National Salesforce Study

## Salesforce (continued)

### Salesforce Compared to Estimated Direct Retail Sales

The annual percentage change in the number of direct sellers and the annual percentage change in estimated direct retail sales reflect trends in the overall economy. During the difficult economic times in 2009 people turned to direct selling for opportunities. 2010 and 2011 saw a decrease in the number of direct sellers, but a return to growth in direct sales overall, as the economy began improving. In 2014, the growth in sales increased as did the growth in sellers, similar to the relationship of growth in sales to sellers in 2013.

One factor contributing to the higher growth in sellers compared to sales could be the trend toward person-to-person vs. party-plan sales. The Growth & Outlook Survey data for 2014 supports this hypothesis since 2014 productivity measured as average annual retail sales per independent contractor eligible to order during the year for the party-plan sales method was \$2,754, nearly double the productivity for the person-to-person method of \$1,675. Another factor could be the continuing high rates of “underemployment” which may drive those who can only find part-time work to supplement their income with direct sales participation.

#### Annual Percent Change

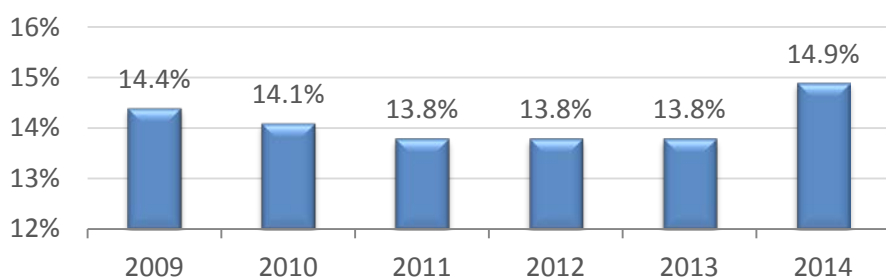
	2009	2010	2011	2012	2013	2014
Direct Sales (U.S. \$)	-4.3%	0.8%	4.6%	5.9%	3.3%	5.5%
Number of Sellers	6.6%	-1.9%	-1.3%	1.9%	5.7%	8.3%

*Note: Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources.*

### People Involved in Direct Selling During the Year as a Percentage of U.S. Households

The estimated percentage of U.S. households that have someone involved in direct selling as a member was 14.9% in 2014, up from 13.8% in each of the three prior years. (It is possible that a household has multiple direct sellers, such as a couple that runs a direct selling business together, or that a direct seller may represent more than one company.) This year marked the high point for the past five years including 2009 when this estimated household penetration rate was 14.4%, as the economy hit its low point.

#### Sellers as a Percentage of Households



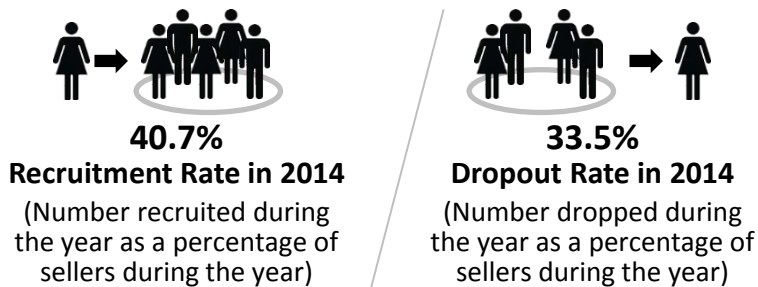
*Note: Estimated direct retail sales are based on survey data and extrapolated data based on secondary sources.*



## Salesforce (continued)

### Salesforce Recruitment and Attrition

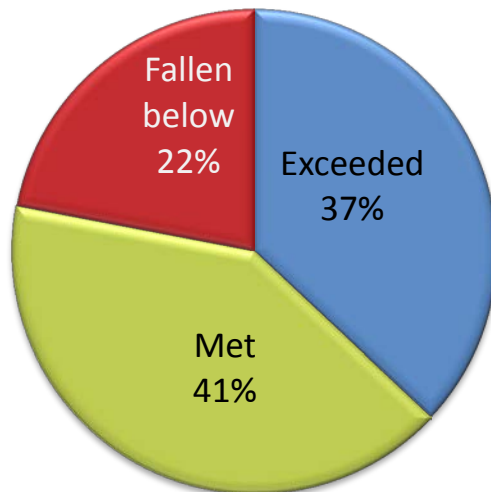
More than four in ten of the 2014 salesforce were new recruits (40.7%) and the dropout rate was 33.5%. For comparison, the 2013 recruitment rate was 37.5% and dropout rate was 35.7%. The rise in recruitment rate combined with the decrease in dropout rate contribute to the highest percent change in direct sellers since 2007.



Source: Estimated based on survey data and extrapolated from secondary sources.

### Expectations for Direct Selling

One explanation for the positive salesforce growth and retention statistics noted above could be that the majority (78%) of direct sellers (from DSA's 2014 National Salesforce Study) report that their experience in direct selling has either met or exceeded their expectations.



Source: 2014 National Salesforce Study



*Among respondents who participated in the Direct Selling Association 2014 National Salesforce Study, nearly six in ten (59%) independent sales representatives have represented their company for two or more years. Nearly two in 10 (18%) have represented their company for more than 10 years.*

***Nearly all independent sales representatives (96%) say they are likely to continue to represent their company in the next year***

Source: Direct Selling Association 2014 National Salesforce Study



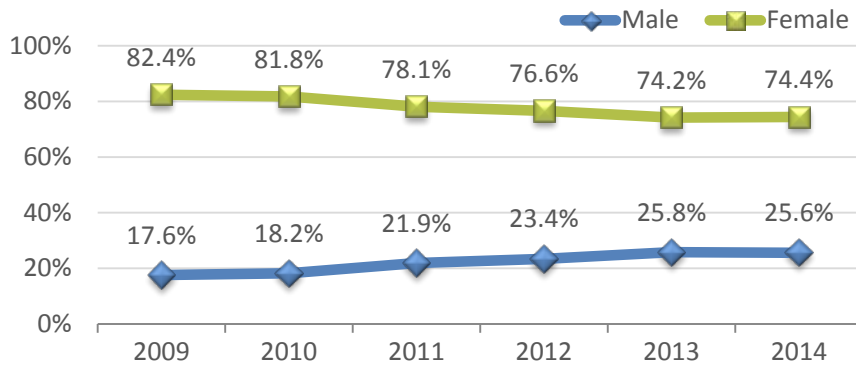
## Salesforce (continued)

Direct selling provides opportunities for people across the country with different ages, gender, race and ethnicity.

### Salesforce by Gender and Age

The salesforce continues to be predominantly female. The percent of men had increased for five years until leveling off this year.

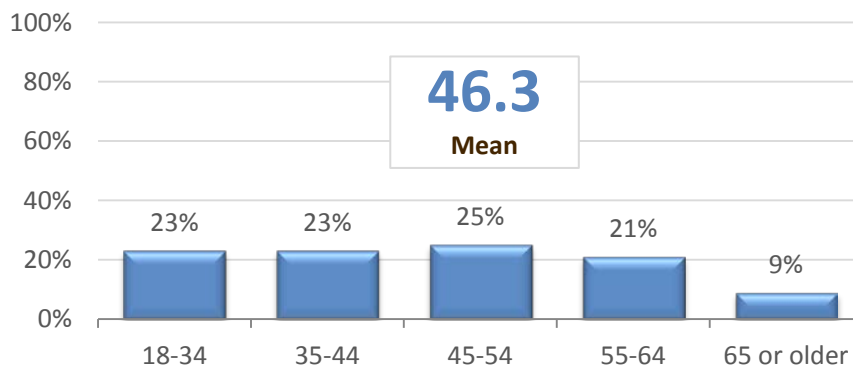
#### Gender Makeup of Direct Sellers



Source: Estimated based on survey data and extrapolated from secondary sources.

The salesforce is well distributed across age groups including Millennials (18-34 year olds), which represent a growth opportunity.

#### Salesforce by Age



Source: 2014 National Salesforce Study

According to the Direct Selling Association 2014 National Salesforce Study, women are much more likely to become and stay on as a direct seller for the product discount; men are more likely to think of direct selling as long-term supplemental income and because the harder they work, the more income they can make.

Women spend more time hosting parties than men and have higher retail sales per party. They are also more likely to say they work at their business continuously.

Source: Direct Selling Association  
2014 National Salesforce Study



## Salesforce (continued)

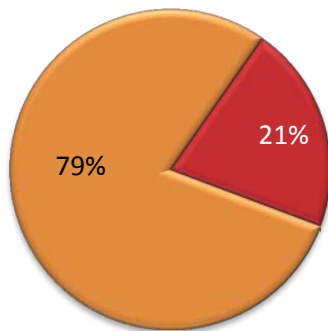
### Salesforce by Ethnicity and Race

Industry-wide estimates of the salesforce reflect the U.S. Census data of the broader U.S. population quite closely.

#### Salesforce by Ethnicity and Race

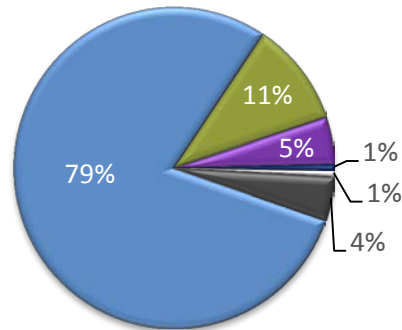
##### Percentage Hispanic Ethnicity

People Involved in Direct Selling:



■ Hispanic  
■ Non-Hispanic

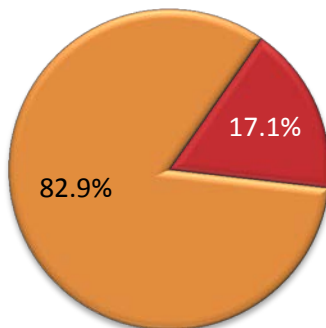
##### Percentage by Race



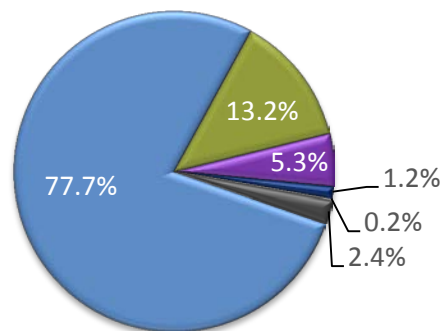
■ White/Caucasian  
■ Black/African American  
■ Asian  
■ American Indian or Alaska Native  
■ Native Hawaiian or Pacific Islander  
■ Other

Source: Estimated based on survey data and extrapolated from secondary sources.

U.S. Population:



■ Hispanic  
■ Non-Hispanic



■ White/Caucasian  
■ Black/African American  
■ Asian  
■ American Indian or Alaska Native  
■ Native Hawaiian or Pacific Islander  
■ Two or more races

Source: U.S. Census Bureau: [USA People QuickFacts](#) data updated 6/30/14 for 2013;



## Corporate Social Responsibility

Industry-wide, nearly two-thirds (63%) of direct selling companies made cash donations in 2014 in the U.S. with an estimated value of U.S. \$70.1 million. Direct selling companies also make in-kind donations with over half (60%) donating nearly U.S. \$140 million. Over one-quarter (27%) of direct selling firms have employee volunteer programs donating more than 200,000 hours industry-wide in the U.S. Overall, these firms are contributing positively to the communities in the U.S. and around the world.

### U.S. Industry-wide Estimates for 2014



#### Cash donations in U.S. in 2014

**63%** of companies made cash donations  
Total cash donations in 2014 – U.S. \$70.1 million



#### In-kind donations in U.S. in 2014

**60%** of companies made in-kind donations  
Total in-kind donations in 2014 – U.S. \$139.8 million



#### Employee Volunteer Programs

**27%** of companies with such programs  
Total employee volunteer hours – 204,940

Source: Estimated based on survey data and extrapolated from secondary sources.

Among direct selling firms surveyed, charitable contributions in the U.S. vary by the size of the company with larger, established firms contributing more.

### 2014 Charitable Giving by Company Size

	Very Small (Under \$3M)	Small (\$3M to \$29.9M)	Mid-Size (\$30M to \$200M)	Large (Over \$200M)
Percent of firms donating cash, (n=102)	58%	73%	92%	100%
Avg. cash donation, (n=66)	U.S. \$16k	U.S. \$62k	U.S. \$441k	U.S. \$1.46m
% firms donating in-kind product/service, (n=102)	58%	63%	60%	78%
Average in-kind product/service donation, (n=45)	U.S. \$41k	U.S. \$181k	U.S. \$325k	U.S. \$3.64m
Percent of firms with employee volunteer programs, (n=98)	23%	30%	54%	77%
Avg. employee volunteer hours per firm, (n=25)	165 hours	90 hours	1.9k hours	12.2k hours
% of companies with a focus for its charitable activities, (n=98)	46%	57%	67%	82%

Source: Growth & Outlook Survey data for 2014. Base = 102



## Methodology

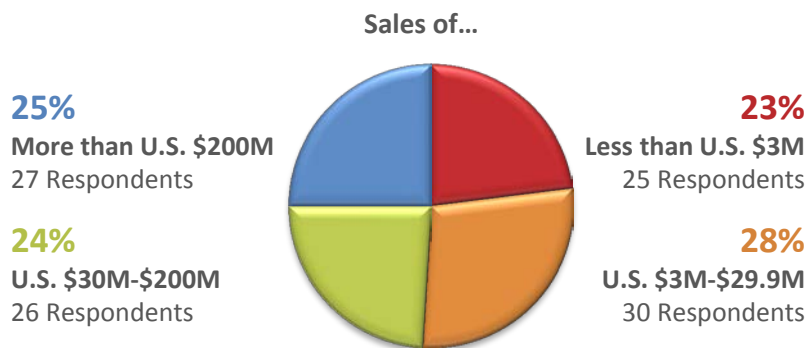
The annual Growth & Outlook Survey is the primary resource for creating a comprehensive review of the status of 2014 direct selling in the U.S. The questionnaire for this year's survey was distributed via email by the USDSA to direct selling companies on January 14, 2015, with a due date of March 13, 2015. Every effort is made to encompass the entire direct sales industry including non-members and the many small and start-up companies. USDSA staff followed up extensively to encourage participation. Nathan Associates Inc., an independent third-party research firm, compiled survey results and strictly protects participant confidentiality. Artemis Strategy Group assisted with the creation of the final report.

### Company Participation 2014

Out of 180 active DSA member companies and 61 applicant companies, 108 firms participated in the survey this year, including 40 (80%) of the 50 largest members.

The following chart refers to respondents of the *2015 Growth & Outlook Survey*, not the full direct selling market.

#### Estimated Direct Retail Sales of Responding Companies



**New to this year's report is the opportunity for you to get custom cross-tabs with your company's data to compare to peer group and industry averages. If you'd like this additional data, please let DSA's research department know (202-452-8866).**

#### **Growth and Outlook Survey Data Collection:**

*"All individual companies' data are treated confidentially, as specified in a confidentiality agreement between DSA and Nathan and Associates. The survey findings are reported only in aggregate with no identification of companies participating in the survey. In terms of vetting individual companies, submissions are reviewed for irregular answers. For example we check to see if percentage distributions sum to one hundred percent, a company's data are also compared to other information about the company, such as last years submission to the survey, if any."*

- Paul Bourquin, Nathan Associates

Source: DSALive! Call 2/25/15



## Methodology (continued)

### Other Data Sources

While the annual Growth & Outlook Survey provides an extensive amount of data about companies that participate, additional resources are needed to estimate the size and activity of all direct selling in the U.S. Therefore, the following data sources were used:

- Company responses to USDSA's DataTracker, a quarterly performance survey of USDSA members
- USDSA's database of member and non-member companies
- Previous Growth & Outlook analysis
- Public company filings with the U.S. Securities and Exchange Commission
- Information made public by companies through press releases and their websites
- Media articles
- Company information from private vendors, such as Dun & Bradstreet

Information sources outside the industry were used to provide benchmarks with which to compare U.S. direct selling. The World Federation of Direct Selling Associations (WFDSA) contributed additional statistics on direct selling to provide global industry context. U.S. statistics on gross domestic product, overall retail sales and number of households were compiled from U.S. Government sources.

### *How Direct Selling Companies Use the Survey Findings:*

Companies use the survey findings to **benchmark** their performance against their peer groups of companies and against direct selling companies in general.

Direct selling companies use the survey findings to describe the direct selling model and tell the direct selling story

- to media representatives,
- to investment and financing companies and other funding sources,
- to legislators and regulators,
- to potential customers of the direct selling income opportunity,
- to potential customers of products and services,
- and to company employees, especially those new to direct selling.

# Appendix

## Definitions

**Direct Retail Sales** – the dollar amount paid by the ultimate consumers of the products and services.

**Direct Seller** – an individual eligible to order products/services during the year; people involved in direct selling may be called direct sellers, distributors, representatives, consultants or various other titles, and may participate in various ways, including selling the products themselves or through their sales organizations, providing training and leadership to their sales organizations, referring customers to the company and purchasing products and services for personal use. Compensation is ultimately based on sales and may be earned based on personal sales and/or the sales of others in their sales organizations. These individuals are independent contractors.

**Direct Selling** – a business model that offers entrepreneurial opportunities to individuals as independent contractors to market and/or sell products and services, typically outside of a fixed retail establishment, through one-to-one selling, in-home product demonstrations or online.

**Employee** – a person who is corporately hired to provide services to a direct selling company on a regular basis in exchange for compensation. (Does not include independent direct sellers as defined above).

**Estimated Retail Sales** – are direct selling company revenues plus an estimated retail margin.

**Party Plan Sales Strategy** – the sale of a product or service in a group or class setting and away from a fixed location, often in the home of a host or hostess.

**Person-to-Person Sales Strategy** – a one-to-one sales interaction generally involving a salesperson and one customer, away from a fixed retail location, often in the home of the customer or in a mutually agreeable location.

## Category Descriptions

**Wellness Products:** Weight management products/programs (weight management supplements, meal replacement bars & drinks), nutritional supplements (vitamins, minerals, dietary supplements, herbals & specialty), sports/energy & body-building (supplements, energy bars, sports & protein drinks), health foods & beverages, children's supplements, exercise equipment, health/nutrition/ fitness, instructional materials

**Services:** Financial, telecom/long-distance, Internet, (e.g., ISP, web design, email services), energy (gas, electric, etc.), legal, travel and group buying services and clubs

**Home & Family Care:** Home care/cleaning products, auto care products, animal & pet care products, gourmet foods & beverages

**Home Durables:** Cookware, cutlery, crystal/china, house/ kitchenware, tableware, candles, gifts, decorative, accessories, holiday decorations, collectibles, art/framing, gardening, furniture/ furnishings, home appliances, air filters/air filtration systems, water treatment systems/filters, vacuum cleaners, bedding & linens

**Personal Care:** Cosmetics, skincare, fragrances, hair care, nail care, toiletries/daily care/oral care

**Clothing & Accessories:** Clothing, lingerie, sleepwear, jewelry, fashion accessories

**Leisure/Educational Products:** Books, encyclopedias, educational publications, CDs/cassettes/ videos/DVDs, computer software, crafts, toys and games, scrapbooking/photo albums/ photography, sporting goods, adult products (*prior to 2014 adult products were classified in "other"*)

## Appendix (continued)

**Link to Growth & Outlook Questionnaire:** [www.dsa.org/2015GOQuestionnaire](http://www.dsa.org/2015GOQuestionnaire)

**2014 Industry Stats Page:** [www.dsa.org/research/industry-statistics](http://www.dsa.org/research/industry-statistics)

## Endnotes

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## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Total Number of Firms	1,400	108	63	45	25	30	26	27	44	64
U.S. Sales Volume & Growth <sup>1</sup>										
Average Retail Sales per Firm (\$thousands)										
2013	\$23,336	\$183,147	\$262,181	\$73,577	\$870	\$11,393	\$107,294	\$595,942	\$303,459	\$96,365
2014	\$24,621	\$197,528	\$288,865	\$70,903	\$1,309	\$12,341	\$103,574	\$654,058	\$312,064	\$114,913
Percent change	5.5	7.9	10.2	-3.6	50.4	8.3	-3.5	9.8	2.8	19.2
Other 2014 Retail-Sales Growth Rate Data Percent Change from Prior Year										
Simple average <sup>2</sup>	n/a*	89.3	46.7	148.4	221.9	21.4	1.0	134.3	1.1	152.9
Median <sup>3</sup> (second quartile)	n/a*	4.1	3.7	4.7	81.3	4.2	-1.6	3.9	-2.2	23.1
Middle 50% range: <sup>4</sup>										
Low (first quartile)	n/a*	-9.1	-5.1	-12.4	7.4	-9.1	-16.1	-6.6	-12.4	-2.2
High (third quartile)	n/a*	44.6	25.2	58.6	304.4	23.1	5.8	24.0	4.1	79.5
Percent of Firms Whose Growth Rate Was:										
More the 0%	n/a*	58.1	57.4	59.1	78.3	58.6	38.5	59.3	38.6	72.1
Equal or less than 0%	n/a*	41.9	42.6	40.9	21.7	41.4	61.5	40.7	61.4	27.9
Number of Firms		105	61	44	23	29	26	27	44	61

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

<sup>1</sup>Company "estimated retail sales" is defined as the total aggregated amount paid by the ultimate consumers of the products and services. Only firms with sales in both 2013 and 2014 are included.

<sup>2</sup>For all reporting firms and for each subgroup of reporting firms, the simple average is derived by calculating a retail sales growth rate (i.e., the percentage change in a firm's retail sales from 2013 to 2014) for each of the reporting firms and averaging them. Each firm counts equally by calculating the average in this manner.

<sup>3</sup>For all reporting firms or for a given subgroup of reporting firms, one-half of the reporting firms had growth rates less than the median value, and one-half had growth rates greater than the median value.

<sup>4</sup>For all reporting firms or for a given subgroup of reporting firms, one-half of the reporting firms had growth rates between the low and high values of the middle 50% range.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales by Sales Method Percent of 2014 Retail Sales										
Person-to-person/face-to-face/door-to-door	71.5	73.5	84.9	9.2	44.7	57.0	59.2	76.1	73.3	73.9
Party plan/groups/classes, including online parties	22.4	20.6	8.8	87.5	52.3	38.8	29.5	18.8	19.5	22.7
Other <sup>1</sup>	6.1	5.9	6.4	3.3	3.0	4.2	11.3	5.1	7.2	3.4
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		108	63	45	25	30	26	27	44	64

Note: Totals may not sum due to rounding.

<sup>1</sup>Includes sales at personal and company websites and via social media, sales at events and fairs, reorders, etc.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

		Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
			All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
				Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
<b>Sales by Product Line</b>											
<b>Percent of 2014 Retail Sales</b>											
<b>Clothing &amp; Accessories</b>		<b>10.3</b>	<b>3.96</b>	<b>0.00</b>	<b>26.26</b>	<b>26.60</b>	<b>13.05</b>	<b>10.36</b>	<b>2.79</b>	<b>2.22</b>	<b>7.34</b>
Clothing, lingerie, sleepwear, shoes		n/a*	0.04	0.00	0.26	10.65	0.98	0.00	0.01	0.00	0.11
Jewelry, fashion accessories		n/a*	3.93	0.00	26.00	15.95	12.07	10.36	2.78	2.22	7.23
<b>Personal Care</b>		<b>16.6</b>	<b>19.92</b>	<b>21.93</b>	<b>8.62</b>	<b>15.06</b>	<b>12.91</b>	<b>6.99</b>	<b>21.98</b>	<b>21.51</b>	<b>16.84</b>
Cosmetics		n/a*	5.59	5.34	6.99	2.05	2.65	1.75	6.22	6.66	3.51
Skin care		n/a*	12.45	14.51	0.87	9.20	9.39	3.12	13.90	12.22	12.91
Fragrances		n/a*	0.78	0.80	0.67	2.46	0.00	1.38	0.71	1.02	0.31
Hair care, nail care		n/a*	0.53	0.61	0.05	1.08	0.87	0.14	0.58	0.76	0.08
Toiletries/daily care/oral care		n/a*	0.57	0.67	0.05	0.27	0.00	0.60	0.58	0.85	0.03
<b>Home &amp; Family Care</b>		<b>1</b>	<b>2.48</b>	<b>1.63</b>	<b>7.27</b>	<b>9.24</b>	<b>9.71</b>	<b>5.37</b>	<b>1.89</b>	<b>3.40</b>	<b>0.71</b>
Home & auto care/cleaning products		n/a*	1.77	1.61	2.70	0.60	1.49	2.62	1.66	2.61	0.15
Animal & pet care products		n/a*	0.02	0.02	0.00	0.00	0.24	0.11	0.00	0.00	0.05
Gourmet foods & beverages		n/a*	0.66	0.00	4.32	8.64	6.09	2.62	0.24	0.79	0.39
Self defense products & emergency supplies		n/a*	0.04	0.00	0.25	0.00	1.89	0.03	0.00	0.00	0.11
<b>Home Durables<sup>2</sup></b>		<b>1</b>	<b>10.89</b>	<b>4.20</b>	<b>48.56</b>	<b>11.73</b>	<b>7.18</b>	<b>24.62</b>	<b>8.95</b>	<b>11.61</b>	<b>9.51</b>
Cookware		n/a*	1.61	0.07	10.27	0.00	0.70	5.80	1.02	2.44	0.02
Cutlery		n/a*	0.83	0.81	0.97	0.00	0.09	5.61	0.15	1.26	0.01
Crystal/china		n/a*	0.01	0.00	0.04	0.00	0.05	0.04	0.00	0.01	0.00
House/kitchen wares		n/a*	3.40	0.03	22.36	1.36	0.14	0.92	3.84	2.39	5.36
Tableware		n/a*	0.39	0.00	2.55	1.38	0.05	0.01	0.45	0.58	0.01
Candles, gifts, decorative accessories, holiday decorations, collectibles, art/framing		n/a*	1.58	0.00	10.44	8.99	1.07	1.61	1.57	0.31	4.03
Gardening		n/a*	0.28	0.15	0.98	0.00	0.00	0.06	0.32	0.42	0.00
Home appliances		n/a*	0.09	0.11	0.02	0.00	0.00	0.03	0.11	0.14	0.01
Air filters/air filtration systems		n/a*	0.18	0.20	0.04	0.00	2.04	0.70	0.06	0.23	0.06
Water treatment systems/filters		n/a*	0.35	0.25	0.91	0.00	1.60	1.22	0.20	0.53	0.02
Vacuum cleaners		n/a*	2.15	2.53	0.00	0.00	0.00	8.62	1.25	3.26	0.00
Bedding & linens		n/a*	0.03	0.03	0.00	0.00	1.45	0.00	0.00	0.04	0.00

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

<sup>1</sup>Home and family care products / home durables account for 17.5% of sales.

<sup>2</sup>The product subcategory furniture/furnishings is not shown, because no sales were reported.

## U.S. Direct Selling in 2014

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		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales by Product Line (Continued)										
Percent of 2014 Retail Sales										
Wellness	30.1	33.50	38.97	2.79	33.41	35.67	39.79	32.53	37.07	26.59
Weight mgmt products/programs (wgt mgt supplements, meal replacement bars & drinks)	n/a*	13.54	15.94	0.07	2.98	3.11	7.95	14.61	11.97	16.60
Nutritional supplements (vitamins, minerals, dietary supplements, herbals & specialty)	n/a*	11.20	13.11	0.49	18.89	28.55	25.13	8.77	13.85	6.07
Sports/energy & body-building (body-bldg supplements, energy bars, sports & protein drinks)	n/a*	3.62	4.26	0.05	9.97	1.11	0.78	4.08	5.09	0.77
Health foods & beverages	n/a*	1.89	1.86	2.05	1.57	1.82	5.93	1.30	1.90	1.86
Children's supplements	n/a*	0.15	0.17	0.01	0.00	0.13	0.00	0.17	0.22	0.01
Exercise equipment	n/a*	0.10	0.10	0.11	0.00	0.96	0.00	0.10	0.03	0.24
Health/nutrition/fitness instructional/ materials	n/a*	0.42	0.49	0.00	0.00	0.00	0.00	0.49	0.09	1.05
Essential oils & pharmacy		2.58	3.04	0.00	0.00	0.00	0.00	3.02	3.91	0.00
Leisure/Educational <sup>1,2</sup>	2.4	1.17	0.22	6.50	1.53	14.79	6.83	0.04	1.69	0.16
Books, encyclopedias, educational publications	n/a*	0.13	0.16	0.00	0.00	6.97	0.05	0.00	0.19	0.02
CDs/cassettes/videos/DVDs	n/a*	0.02	0.03	0.00	0.00	0.95	0.05	0.00	0.03	0.02
Toys/games and crafts	n/a*	0.86	0.00	5.67	1.53	0.00	6.48	0.04	1.24	0.12
Sporting goods & adult products	n/a*	0.15	0.04	0.83	0.00	6.87	0.24	0.00	0.23	0.00
Services <sup>3</sup>	23.1	28.06	33.05	0.00	2.44	6.69	6.04	31.80	22.50	38.86
Financial & legal services (including insurance)	n/a*	13.35	15.72	0.00	2.11	0.00	0.06	15.61	20.21	0.03
Telecommunications/long distance services	n/a*	0.65	0.76	0.00	0.00	0.00	5.15	0.00	0.98	0.01
Internet services (e.g., ISP, Web site design)	n/a*	0.02	0.03	0.00	0.32	0.10	0.18	0.00	0.03	0.01
Energy (gas, electric, etc.)	n/a*	13.28	15.64	0.00	0.00	0.00	0.66	15.45	0.13	38.82
Group buying clubs/services & identity theft protection	n/a*	0.76	0.89	0.00	0.00	6.60	0.00	0.75	1.15	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Number of Firms		107	62	45	25	30	25	27	43	64

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding. An other category is not shown, because no sales were reported.

<sup>1</sup>In 2014, adult products were moved from the other category to the leisure/educational category.

<sup>2</sup>The product subcategories of computer software and scrapbooking/photo albums/photography are not shown, because no sales were reported.

<sup>3</sup>The product subcategory of travel services is not shown, because no sales were reported.



## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

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		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
<b>Sales by State</b>										
<i>Percent of 2014 Retail Sales</i>										
Alabama	n/a*	1.05	1.03	1.16	0.41	1.58	0.79	1.09	1.26	0.69
Alaska	n/a*	0.27	0.24	0.37	0.34	0.55	0.24	0.26	0.27	0.26
Arizona	n/a*	1.64	1.65	1.61	2.02	1.52	1.66	1.64	1.85	1.28
Arkansas	n/a*	0.61	0.56	0.85	0.22	0.61	0.59	0.62	0.68	0.50
California	n/a*	11.60	11.62	11.48	17.22	10.03	15.22	11.03	14.05	7.41
Colorado	n/a*	1.96	1.95	2.01	1.97	1.70	2.05	1.95	2.37	1.25
Connecticut	n/a*	0.90	0.93	0.78	0.81	0.53	1.11	0.88	0.74	1.18
Delaware	n/a*	0.34	0.33	0.38	0.93	0.12	0.46	0.32	0.41	0.22
Florida	n/a*	4.80	5.08	3.44	6.96	5.38	5.43	4.69	5.79	3.12
Georgia	n/a*	2.37	2.43	2.10	2.74	2.75	2.17	2.40	2.53	2.10
Hawaii	n/a*	0.51	0.52	0.49	0.48	2.74	0.63	0.45	0.51	0.52
Idaho	n/a*	0.59	0.56	0.75	0.87	0.50	0.64	0.58	0.63	0.53
Illinois	n/a*	3.98	3.88	4.52	6.11	2.56	4.92	3.86	4.14	3.73
Indiana	n/a*	1.66	1.48	2.56	1.92	1.43	1.58	1.68	1.93	1.19
Iowa	n/a*	1.16	1.01	1.91	1.63	1.66	0.93	1.19	1.33	0.87
Kansas	n/a*	1.06	0.98	1.45	0.41	0.98	1.39	1.01	1.19	0.84
Kentucky	n/a*	0.81	0.69	1.39	0.86	1.24	0.75	0.81	0.85	0.73
Louisiana	n/a*	0.95	0.96	0.92	0.40	1.81	0.99	0.93	1.04	0.79
Maine	n/a*	0.26	0.22	0.50	0.21	0.22	0.44	0.24	0.26	0.27
Maryland	n/a*	1.89	1.90	1.84	1.38	1.43	2.29	1.83	1.61	2.36
Massachusetts	n/a*	1.11	1.07	1.28	0.91	0.86	1.72	1.02	1.19	0.98
Michigan	n/a*	2.19	1.93	3.46	2.02	2.09	2.46	2.15	2.51	1.65
Minnesota	n/a*	2.02	1.92	2.48	4.85	2.07	1.45	2.10	2.37	1.42
Mississippi	n/a*	0.63	0.63	0.66	0.23	1.62	0.67	0.61	0.72	0.49
Missouri	n/a*	1.48	1.35	2.15	3.19	1.74	1.26	1.51	1.61	1.27
Montana	n/a*	0.43	0.42	0.48	1.13	0.47	0.56	0.41	0.41	0.47
Nebraska	n/a*	0.68	0.61	1.06	0.41	0.55	0.50	0.72	0.80	0.48
Nevada	n/a*	0.82	0.84	0.74	1.49	0.92	0.93	0.80	0.98	0.55
New Hampshire	n/a*	0.30	0.26	0.47	0.29	0.43	0.37	0.28	0.32	0.27
New Jersey	n/a*	3.36	3.66	1.86	1.82	2.82	2.48	3.52	2.41	4.99
New Mexico	n/a*	0.58	0.57	0.66	0.21	0.46	0.69	0.57	0.73	0.33
New York	n/a*	7.23	7.78	4.49	4.02	3.81	6.68	7.39	6.46	8.54
North Carolina	n/a*	2.31	2.16	3.05	1.73	2.69	2.66	2.24	2.73	1.58
North Dakota	n/a*	0.38	0.34	0.56	0.60	0.45	0.27	0.39	0.39	0.36
Ohio	n/a*	2.83	2.50	4.48	4.09	2.99	3.25	2.76	3.31	2.01
Oklahoma	n/a*	1.20	1.17	1.37	0.52	0.90	1.34	1.19	1.32	1.00
Oregon	n/a*	1.49	1.56	1.17	0.64	1.18	1.69	1.47	1.72	1.10
Pennsylvania	n/a*	4.39	4.14	5.62	3.65	6.95	3.67	4.46	3.03	6.71
Rhode Island	n/a*	0.19	0.19	0.18	0.05	0.09	0.18	0.20	0.23	0.12
South Carolina	n/a*	0.89	0.84	1.13	0.84	1.42	0.80	0.89	0.94	0.81

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person	Party	Under			Over	Before 2000	2000 or After
			to Person	Plan/ Groups	\$3 Million	\$3-29.9 Million	\$30-200 Million	\$200 Million		
<b>Sales by State (Continued)</b>										
<i>Percent of 2014 Retail Sales</i>										
South Dakota	n/a*	0.34	0.29	0.54	0.41	0.44	0.32	0.34	0.40	0.22
Tennessee	n/a*	1.54	1.46	1.91	1.21	3.05	1.28	1.55	1.73	1.21
Texas	n/a*	16.67	18.36	8.30	10.70	10.23	9.66	17.96	11.05	26.28
Utah	n/a*	1.06	1.09	0.95	1.52	1.21	2.11	0.89	1.09	1.02
Vermont	n/a*	0.14	0.11	0.27	0.03	0.20	0.26	0.12	0.14	0.13
Virginia	n/a*	2.03	1.78	3.30	2.34	2.96	2.38	1.95	2.19	1.76
Washington	n/a*	2.11	2.08	2.26	1.01	2.62	2.45	2.05	2.32	1.75
West Virginia	n/a*	0.37	0.26	0.92	0.66	0.97	0.36	0.36	0.35	0.40
Wisconsin	n/a*	1.84	1.56	3.19	1.07	3.86	2.19	1.74	2.17	1.26
Wyoming	n/a*	0.24	0.21	0.35	0.35	0.27	0.39	0.21	0.24	0.23
District of Columbia	n/a*	0.20	0.24	0.03	0.14	0.08	0.08	0.22	0.07	0.42
Guam	n/a*	0.05	0.06	0.03	0.00	0.05	0.02	0.06	0.05	0.06
Puerto Rico	n/a*	0.43	0.50	0.08	0.00	0.20	0.60	0.40	0.54	0.24
U.S. Virgin Islands	n/a*	0.03	0.03	0.00	0.01	0.02	0.01	0.03	0.04	0.01
		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
<i>Number of Firms</i>		<b>87</b>	<b>50</b>	<b>37</b>	<b>19</b>	<b>24</b>	<b>21</b>	<b>23</b>	<b>38</b>	<b>49</b>
<b>Sales by Census Division<sup>1</sup></b>										
<i>Percent of 2014 Retail Sales</i>										
<b>Northeast</b>	<b>17.3</b>	<b>17.9</b>	<b>18.4</b>	<b>15.4</b>	<b>11.8</b>	<b>15.9</b>	<b>16.9</b>	<b>18.1</b>	<b>14.8</b>	<b>23.2</b>
New England	3.6	2.9	2.8	3.5	2.3	2.3	4.1	2.7	2.9	2.9
Middle Atlantic	13.7	15.0	15.6	12.0	9.5	13.6	12.8	15.4	11.9	20.2
<b>Midwest</b>	<b>20.5</b>	<b>19.6</b>	<b>17.9</b>	<b>28.4</b>	<b>26.7</b>	<b>20.8</b>	<b>20.5</b>	<b>19.4</b>	<b>22.1</b>	<b>15.3</b>
East North Central	13.4	12.5	11.3	18.2	15.2	12.9	14.4	12.2	14.1	9.8
West North Central	7.1	7.1	6.5	10.2	11.5	7.9	6.1	7.3	8.1	5.5
<b>South</b>	<b>37.4</b>	<b>38.7</b>	<b>39.9</b>	<b>32.7</b>	<b>32.3</b>	<b>38.8</b>	<b>32.7</b>	<b>39.7</b>	<b>35.3</b>	<b>44.5</b>
South Atlantic	16.5	15.2	15.0	16.2	17.7	17.8	16.6	14.9	16.6	12.8
East South Central	4.6	4.0	3.8	5.1	2.7	7.5	3.5	4.0	4.6	3.1
West South Central	16.3	19.4	21.1	11.4	11.8	13.6	12.6	20.7	14.1	28.6
<b>West</b>	<b>24.3</b>	<b>23.3</b>	<b>23.3</b>	<b>23.3</b>	<b>29.2</b>	<b>24.2</b>	<b>29.3</b>	<b>22.3</b>	<b>27.2</b>	<b>16.7</b>
Mountain	7.4	7.3	7.3	7.5	9.5	7.0	9.0	7.1	8.3	5.7
Pacific	16.9	16.0	16.0	15.8	19.7	17.1	20.2	15.3	18.9	11.1
<b>Commonwealths &amp; Territories</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.1</b>	<b>0.0</b>	<b>0.3</b>	<b>0.6</b>	<b>0.5</b>	<b>0.6</b>	<b>0.3</b>
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of Firms</i>		<b>87</b>	<b>50</b>	<b>37</b>	<b>19</b>	<b>24</b>	<b>21</b>	<b>23</b>	<b>38</b>	<b>49</b>

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

<sup>1</sup>Census Division Definitions: New England-CT, MA, ME, NH, RI, VT; Middle Atlantic-NJ, NY, PA; East North Central-IL, IN, MI, OH, WI; West North Central-IA, KS, MN, MO, ND, NE, SD; South Atlantic-DC, DE, FL, GA, MD, NC, SC, VA, WV; East South Central-AL, KY, MS, TN; West South Central-AR, LA, OK, TX; Mountain-AZ, CO, ID, MT, NM, NV, UT, WY; Pacific-AK, CA, HI, OR, WA; commonwealth & territories-GU, PR, VI.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales Force Overview										
Total Number of Members of Company Independent Sales Forces <u>During 2014</u> <sup>1</sup>	18,200,000									
Average Number of Independent Contractors per Firm										
1. Independent contractors eligible to submit orders as of 1/1/2014	7,714	73,628	114,626	16,421	1,178	24,816	36,995	222,988	143,983	25,187
2. <b>Plus:</b> independent contractors recruited in 2014	5,286	37,874	58,257	9,433	1,043	3,985	22,549	120,864	64,896	19,269
3. <b>Equals:</b> number of independent contractors during 2014	13,000	111,502	172,883	25,854	2,221	28,801	59,544	343,852	208,879	44,456
4. <b>Less:</b> independent contractors dropped in 2014	4,357	27,271	40,841	8,337	711	1,852	24,006	81,827	47,407	13,407
5. <b>Equals:</b> independent contractors eligible to submit orders as of 12/31/2014	8,643	84,231	132,042	17,517	1,510	26,949	35,538	262,025	161,472	31,049
<b>Dropout Rate</b> [(Row4/Row3)x100]	33.5%	24.5%	23.6%	32.2%	32.0%	6.4%	40.3%	23.8%	22.7%	30.2%
<b>Turnover Rate</b> [(Row4x100)/((Row1+Row5)/2)]	53.3%	34.6%	33.1%	49.1%	52.9%	7.2%	66.2%	33.7%	31.0%	47.7%
<b>Retention Factor</b> [(Row5-Row2)x100/Row1]	43.5%	63.0%	64.4%	49.2%	39.6%	92.5%	35.1%	63.3%	67.1%	46.8%
<b>Number of Firms</b>		103	60	43	25	29	22	27	42	61

<sup>1</sup>A total of 18.2 million people in the U.S. were eligible to submit orders at some point during the full year of 2014.

Note: Totals may not sum due to rounding.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales Force Size & Growth										
Average Number of Independent Contractors per Firm Eligible to Submit Orders at the End of the Year										
2012	7,500	69,263	106,200	17,724	866	23,102	38,100	207,567	136,511	22,962
2013	7,714	73,628	114,626	16,421	1,178	24,816	36,995	222,988	143,983	25,187
2014	8,643	84,231	132,042	17,517	1,510	26,949	35,538	262,025	161,472	31,049
Percent change from prior year:										
2013	2.9%	6.3%	7.9%	-7.4%	36.0%	7.4%	-2.9%	7.4%	5.5%	9.7%
2014	12.0%	14.4%	15.2%	6.7%	28.2%	8.6%	-3.9%	17.5%	12.1%	23.3%
Average Number of Independent Contractors per Firm Eligible to Submit Orders during the Year										
2013	12,000	99,368	152,694	24,960	1,799	26,497	63,474	297,225	190,492	36,627
2014	13,000	111,502	172,883	25,854	2,221	28,801	59,544	343,852	208,879	44,456
Percent change from prior year:										
2014	8.3%	12.2%	13.2%	3.6%	23.5%	8.7%	-6.2%	15.7%	9.7%	21.4%
Number of Firms for Sales Force Size & Growth Data										
		103	60	43	25	29	22	27	42	61

Note: Totals may not sum due to rounding.



## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales Force Recruitment										
Average Number of Independent Contractors per Firm Recruited during the Year										
2013	4,500	30,105	46,494	7,236	933	3,395	25,374	89,658	53,981	13,665
2014	5,286	37,874	58,257	9,433	1,043	3,985	22,549	120,864	64,896	19,269
Percent change	17.5%	25.8%	25.3%	30.4%	11.8%	17.4%	-11.1%	34.8%	20.2%	41.0%
Recruitment Rate <sup>1</sup>										
2013	37.5%	30.3%	30.4%	29.0%	51.9%	12.8%	40.0%	30.2%	28.3%	37.3%
2014	40.7%	34.0%	33.7%	36.5%	47.0%	13.8%	37.9%	35.2%	31.1%	43.3%
Sales Force Attrition										
Average Number of Independent Contractors per Firm Dropped during the Year										
2013	4,286	25,740	38,068	8,539	621	1,681	26,479	74,237	46,509	11,440
2014	4,357	27,271	40,841	8,337	711	1,852	24,006	81,827	47,407	13,407
Percent change	1.7%	5.9%	7.3%	-2.4%	14.5%	10.2%	-9.3%	10.2%	1.9%	17.2%
Dropout Rate <sup>2</sup>										
2013	35.7%	25.9%	24.9%	34.2%	34.5%	6.3%	41.7%	25.0%	24.4%	31.2%
2014	33.5%	24.5%	23.6%	32.2%	32.0%	6.4%	40.3%	23.8%	22.7%	30.2%
Sales Force Productivity										
Average Annual Retail Sales per Independent Contractor Eligible to Order During the Year										
2013	\$1,945	\$1,849	\$1,719	\$2,959	\$445	\$413	\$1,787	\$2,005	\$1,652	\$2,556
2014	\$1,894	\$1,779	\$1,675	\$2,754	\$555	\$431	\$1,818	\$1,902	\$1,550	\$2,521
Percent change	-2.6%	-3.8%	-2.6%	-6.9%	24.7%	4.3%	1.7%	-5.1%	-6.2%	-1.3%
Number of Firms for Recruitment / Attrition / Productivity Data										
		103	60	43	25	29	22	27	42	61

Note: Totals may not sum due to rounding.

<sup>1</sup>Recruitment rate is defined as the number of independent contractors recruited during the year as a percent of the number of independent contractors during the year.

<sup>2</sup>Dropout rate is defined as the number of independent contractors dropped during the year as a percent of the number of independent contractors during the year.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
<b>Sales Force by Gender</b>										
<i>Percent of Independent Contractors</i>										
Women	74.4	73.8	71.5	92.2	72.1	56.6	67.9	77.2	76.8	65.5
Men	25.6	26.2	28.5	7.8	27.9	43.4	32.1	22.8	23.2	34.5
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of Firms</i>		92	49	43	25	26	19	22	36	56
<b>Sales Force by Hispanic Ethnicity</b>										
<i>Percent of Independent Contractors</i>										
Percent of Hispanic or Latin origin	21.0	20.4	20.4	20.0	44.3	13.2	29.2	19.9	25.2	10.7
<i>Number of Firms</i>		72	43	29	18	23	14	17	26	46
<b>Sales Force by Race</b>										
<i>Percent of Independent Contractors</i>										
American Indian or Alaska Native	0.6	0.5	0.4	0.8	1.3	0.4	0.2	0.5	0.6	0.3
Asian	4.8	3.1	2.9	4.7	5.0	3.6	4.0	2.9	3.6	2.1
Black or African-American	10.5	10.5	10.9	8.4	18.2	7.1	13.7	10.9	10.4	10.8
White or Caucasian	79.1	80.5	80.3	81.9	72.0	88.2	80.9	78.9	81.0	79.5
Native Hawaiian or Pacific Islander	0.6	0.6	0.6	0.6	1.3	0.4	0.6	0.7	0.8	0.2
Other / not identified	4.4	4.7	4.9	3.6	2.2	0.3	0.6	6.1	3.6	7.1
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Number of Firms</i>		60	31	29	17	20	7	16	21	39

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person	Party	Under			Over	Before 2000	2000 or After
			to Person	Plan/ Groups	\$3 Million	\$3-29.9 Million	\$30-200 Million	\$200 Million		
<b>Sales Force by State</b>										
<i>Percent of Year-end 2014 Independent Contractors</i>										
Alabama	n/a*	1.51	1.54	1.25	0.31	2.12	0.96	1.52	1.73	0.84
Alaska	n/a*	0.26	0.26	0.25	0.20	0.05	0.20	0.29	0.25	0.30
Arizona	n/a*	1.98	2.00	1.73	2.34	1.41	2.21	2.02	2.05	1.76
Arkansas	n/a*	1.19	1.21	0.93	0.26	6.01	0.33	0.71	1.41	0.52
California	n/a*	11.35	10.60	19.52	18.74	15.15	15.37	10.31	12.29	8.48
Colorado	n/a*	2.54	2.58	2.10	1.63	3.61	1.97	2.49	2.87	1.56
Connecticut	n/a*	0.76	0.79	0.51	1.07	0.11	0.78	0.84	0.65	1.10
Delaware	n/a*	0.26	0.26	0.25	0.64	0.02	0.35	0.28	0.23	0.36
Florida	n/a*	5.81	5.95	4.26	10.14	7.16	8.32	5.29	6.13	4.82
Georgia	n/a*	3.01	2.95	3.74	3.95	6.25	1.74	2.78	2.92	3.28
Hawaii	n/a*	0.66	0.66	0.68	0.50	1.71	0.69	0.53	0.50	1.15
Idaho	n/a*	0.58	0.57	0.65	1.24	0.12	0.81	0.60	0.56	0.64
Illinois	n/a*	4.15	4.23	3.37	4.74	2.07	5.83	4.18	4.05	4.46
Indiana	n/a*	2.03	2.02	2.16	1.47	1.60	1.85	2.11	2.33	1.13
Iowa	n/a*	1.52	1.54	1.32	1.39	2.35	0.98	1.49	1.74	0.86
Kansas	n/a*	1.06	1.06	1.06	0.45	1.20	1.10	1.05	1.14	0.84
Kentucky	n/a*	0.85	0.83	1.06	0.77	0.67	0.70	0.89	0.89	0.71
Louisiana	n/a*	1.21	1.26	0.72	0.41	3.51	0.71	1.00	1.39	0.68
Maine	n/a*	0.27	0.26	0.39	0.10	0.04	0.22	0.30	0.26	0.28
Maryland	n/a*	1.53	1.52	1.69	1.59	0.52	2.34	1.55	1.39	1.95
Massachusetts	n/a*	1.22	1.24	1.03	0.90	0.43	1.34	1.31	1.10	1.60
Michigan	n/a*	2.84	2.82	3.07	1.66	2.06	2.26	3.01	3.19	1.77
Minnesota	n/a*	2.42	2.45	2.03	4.16	1.68	1.13	2.68	2.73	1.48
Mississippi	n/a*	0.78	0.77	0.79	0.27	2.05	0.29	0.69	0.86	0.52
Missouri	n/a*	2.01	2.01	2.06	0.72	4.99	1.30	1.74	2.24	1.33
Montana	n/a*	0.47	0.48	0.38	0.46	0.08	0.49	0.52	0.43	0.60
Nebraska	n/a*	0.80	0.80	0.76	1.09	1.19	0.31	0.82	0.91	0.48
Nevada	n/a*	0.78	0.78	0.85	1.51	0.51	1.23	0.76	0.80	0.75
New Hampshire	n/a*	0.31	0.31	0.33	0.34	0.06	0.25	0.35	0.32	0.30
New Jersey	n/a*	2.59	2.67	1.74	2.57	0.90	2.58	2.81	2.17	3.89
New Mexico	n/a*	0.53	0.54	0.53	0.36	0.09	0.99	0.53	0.55	0.48
New York	n/a*	5.83	6.08	3.19	6.11	2.01	5.57	6.34	5.25	7.62
North Carolina	n/a*	2.31	2.28	2.62	1.83	2.29	2.08	2.34	2.40	2.03
North Dakota	n/a*	0.39	0.39	0.37	0.32	0.05	0.23	0.45	0.39	0.36
Ohio	n/a*	2.97	2.87	4.06	2.23	1.53	2.85	3.17	3.31	1.95
Oklahoma	n/a*	1.68	1.72	1.24	0.66	2.42	1.54	1.61	1.82	1.24
Oregon	n/a*	1.41	1.40	1.53	0.62	0.73	1.54	1.48	1.51	1.10
Pennsylvania	n/a*	3.43	3.39	3.80	2.42	0.77	3.10	3.80	2.68	5.70
Rhode Island	n/a*	0.18	0.19	0.12	0.17	0.02	0.12	0.21	0.18	0.18
South Carolina	n/a*	1.03	1.01	1.17	0.56	1.54	0.78	1.00	1.06	0.92

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

		Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
			All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
				Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Sales Force by State (Cont.)											
Percent of Year-end 2014 Independent Contractors											
South Dakota	n/a*	0.38	0.38	0.35	0.37	0.62	0.20	0.37	0.43	0.21	
Tennessee	n/a*	1.90	1.81	2.92	1.13	3.79	1.28	1.75	2.11	1.28	
Texas	n/a*	12.33	12.76	7.65	10.20	8.11	10.47	13.11	9.81	20.00	
Utah	n/a*	1.06	1.06	1.12	1.07	0.60	2.66	0.90	0.94	1.43	
Vermont	n/a*	0.13	0.13	0.13	0.06	0.04	0.10	0.15	0.14	0.12	
Virginia	n/a*	2.18	2.13	2.69	2.51	1.09	2.10	2.32	2.26	1.94	
Washington	n/a*	2.22	2.21	2.31	1.62	1.54	2.70	2.24	2.25	2.14	
West Virginia	n/a*	0.29	0.25	0.68	0.40	0.08	0.21	0.32	0.27	0.34	
Wisconsin	n/a*	2.18	2.16	2.42	1.31	2.36	1.58	2.25	2.46	1.33	
Wyoming	n/a*	0.28	0.28	0.24	0.29	0.60	0.17	0.26	0.31	0.19	
District of Columbia	n/a*	0.18	0.19	0.03	0.11	0.02	0.10	0.21	0.16	0.25	
Guam	n/a*	0.03	0.03	0.03	0.00	0.00	0.04	0.03	0.02	0.05	
Puerto Rico	n/a*	0.26	0.28	0.09	0.04	0.06	0.96	0.20	0.13	0.67	
U.S. Virgin Islands	n/a*	0.02	0.02	0.00	0.01	0.00	0.00	0.03	0.02	0.02	
		100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Number of Firms		76	45	31	15	21	18	22	31	45	
Sales Force by Census Division <sup>1</sup>											
Percent of Year-end 2014 Independent Contractors											
Northeast	n/a*	14.7	15.1	11.2	13.7	4.4	14.1	16.1	12.8	20.8	
New England	n/a*	2.9	2.9	2.5	2.6	0.7	2.8	3.2	2.7	3.6	
Middle Atlantic	n/a*	11.9	12.1	8.7	11.1	3.7	11.3	13.0	10.1	17.2	
Midwest	n/a*	22.8	22.7	23.0	19.9	21.7	19.6	23.3	24.9	16.2	
East North Central	n/a*	14.2	14.1	15.1	11.4	9.6	14.4	14.7	15.3	10.6	
West North Central	n/a*	8.6	8.6	7.9	8.5	12.1	5.2	8.6	9.6	5.6	
South	n/a*	38.0	38.4	33.7	35.7	47.6	34.3	37.4	36.8	41.7	
South Atlantic	n/a*	16.6	16.5	17.1	21.7	19.0	18.0	16.1	16.8	15.9	
East South Central	n/a*	5.0	5.0	6.0	2.5	8.6	3.2	4.8	5.6	3.4	
West South Central	n/a*	16.4	16.9	10.5	11.5	20.0	13.1	16.4	14.4	22.5	
West	n/a*	24.1	23.4	31.9	30.6	26.2	31.0	22.9	25.3	20.6	
Mountain	n/a*	8.2	8.3	7.6	8.9	7.0	10.5	8.1	8.5	7.4	
Pacific	n/a*	15.9	15.1	24.3	21.7	19.2	20.5	14.9	16.8	13.2	
Commonwealths & Territories	n/a*	0.3	0.3	0.1	0.1	0.1	1.0	0.3	0.2	0.7	
Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of Firms		76	45	31	15	21	18	22	31	45	

\*An industry-wide estimate was not calculated for this item.

Note: Totals may not sum due to rounding.

<sup>1</sup>Census Division Definitions: New England-CT, MA, ME, NH, RI, VT; Middle Atlantic-NJ, NY, PA; East North Central-IL, IN, MI, OH, WI; West North Central-IA, KS, MN, MO, ND, NE, SD; South Atlantic-DC, DE, FL, GA, MD, NC, SC, VA, WV; East South Central-AL, KY, MS, TN; West South Central-AR, LA, OK, TX; Mountain-AZ, CO, ID, MT, NM, NV, UT, WY; Pacific-AK, CA, HI, OR, WA; commonwealth & territories-DC, PR, GU, VI.

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Size & Growth of Employee Workforce										
Average Number of Employees per Firm										
12/31/2013	37.93	290	392	156	10	40	278	827	533	120
12/31/2014	39.50	295	409	143	13	42	272	845	538	124
Percent change	4.1%	1.5%	4.3%	-7.9%	29.0%	5.3%	-2.4%	2.2%	0.9%	3.1%
Number of Firms		102	58	44	22	30	24	26	42	60
Retail Sales per Employee <sup>1</sup>										
2013	\$615,254	\$581,666	\$614,567	\$472,498	\$86,119	\$277,401	\$400,259	\$659,993	\$506,981	\$814,442
2014	\$623,327	\$625,127	\$659,942	\$494,372	\$98,795	\$290,255	\$391,111	\$720,195	\$521,695	\$941,568
Percent change	1.3%	7.5%	7.4%	4.6%	14.7%	4.6%	-2.3%	9.1%	2.9%	15.6%
Number of Firms		100	57	43	21	29	24	26	42	58
Sales Force Members per Employee <sup>2</sup>										
2013	203	227	258	108	14	617	131	254	248	173
2014	219	250	278	125	11	639	128	298	279	184
Percent change	7.6%	10.1%	7.6%	15.5%	-18.7%	3.6%	-2.1%	17.0%	12.4%	6.9%
Number of Firms		99	57	42	23	28	22	26	41	58

Note: Percentage changes may not calculate from figures due to rounding.

<sup>1</sup>Annual retail sales of consumer products and services divided by the year-end number of employees.

<sup>2</sup>Year-end number of independent sales force members divided by the year-end number of employees.



## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Employees by Function Percent of Year-end Employees										
Research & development	5.2	5.4	5.7	4.2	13.1	3.8	3.4	4.9	4.9	6.4
Manufacturing / quality assurance	19.6	19.7	21.6	12.4	18.6	16.4	22.7	19.2	24.6	10.1
Purchasing	2.5	2.4	2.4	2.1	9.5	3.1	1.9	1.3	1.4	4.4
Marketing	8.3	7.9	8.0	7.7	10.3	11.5	7.6	7.4	6.7	10.4
Sales / customer support / salesforce training	22.2	22.2	22.6	20.7	14.8	22.4	24.5	22.6	22.0	22.4
Distribution (warehousing, shipping, logistics)	13.4	13.8	9.2	31.6	11.1	10.9	12.3	14.9	11.4	18.5
Information technology (IT)	10.1	10.3	10.8	8.5	10.1	8.2	10.3	10.5	9.9	11.3
Administration (legal, finance, executive mgnt, etc.)	15.9	15.6	16.9	10.6	12.4	20.3	13.6	16.5	16.5	14.0
All other	2.8	2.7	2.8	2.2	0.1	3.4	3.9	2.6	2.7	2.6
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms		100	57	43	23	30	24	23	39	61

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
<b>Manufacture or Assemble in U.S.</b>										
Percentage of companies that manufacture or assemble products <u>in-house</u> in the United States	33.0	46.1	48.3	43.2	29.2	40.0	70.8	45.8	61.0	36.1
<i>Number of Firms</i>		102	58	44	24	30	24	24	41	61
Percentage of companies that <u>outsource</u> the manufacture or assembly of products in the United States	45.7	66.7	67.2	65.9	37.5	80.0	66.7	79.2	75.6	60.7
<i>Number of Firms</i>		102	58	44	24	30	24	24	41	61
<b>Outside Vendors</b>										
Average number of outside vendors in the U.S. from which products and services were purchased in 2014	79	422	558	236	25	67	482	1,073	795	173
<i>Number of Firms</i>		85	49	36	16	26	21	22	34	51

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Charitable Giving										
Cash Donations										
Percentage of companies that made cash donations in the U.S. in 2014	63.0	80.4	81.0	79.5	58.3	73.3	92.0	100.0	90.5	73.3
Number of Firms		102	58	44	24	30	25	23	42	60
Average cash donations in U.S. in 2014 per company that made such donations (\$thousand)	\$79	\$543	\$764	\$243	\$16	\$62	\$441	\$1,458	\$966	\$167
Number of firms		66	38	28	13	16	19	18	31	35
In-kind Donations										
Percentage of companies that made in-kind donations of company products/services in the U.S. in 2014	59.6	64.7	62.1	68.2	58.3	63.3	60.0	78.3	73.8	58.3
Number of firms		102	58	44	24	30	25	23	42	60
Average value of in-kind donations in the U.S. in 2014 per company that made such donations (\$thousands)	\$168	\$1,098	\$593	\$1,789	\$41	\$181	\$325	\$3,641	\$821	\$1,340
Number of firms		45	26	19	12	11	10	12	21	24

## U.S. Direct Selling in 2014

## Detailed Survey Data Tabulations

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Charitable Giving (Cont.)										
Employee Volunteer Programs										
Percentage of companies with programs for employees to volunteer in the U.S.	26.6	44.9	53.6	33.3	22.7	30.0	54.2	77.3	56.1	36.8
Number of firms		98	56	42	22	30	24	22	41	57
Average employee volunteer hours in the U.S. in 2014 per company with such programs	550	4,621	6,598	1,655	165	90	1,901	12,174	8,809	755
Number of firms		25	15	10	4	4	9	8	12	13
Focus of Charitable Activities in U.S.										
Percentage of companies that have a particular focus for its charitable activities in the U.S.	48.9	62.2	60.7	64.3	45.5	56.7	66.7	81.8	65.0	60.3
Number of firms		98	56	42	22	30	24	22	40	58

	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
Compensation Structure										
Percent of Firms										
Multilevel	95.7	96.3	93.7	100.0	100.0	96.7	88.5	100.0	90.9	100.0
Single level	4.3	3.7	6.3	0.0	0.0	3.3	11.5	0.0	9.1	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms										
		108	63	45	25	30	26	27	44	64
Percent of Retail Sales Dollars										
Multilevel	97.1	98.0	97.6	100.0	100.0	95.3	85.1	100.0	97.0	100.0
Single level	2.9	2.0	2.4	0.0	0.0	4.7	14.9	0.0	3.0	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms										
		108	63	45	25	30	26	27	44	64
Percent of Sales Force Members										
Multilevel	98.8	99.9	99.9	100.0	100.0	99.9	99.3	100.0	99.9	100.0
Single level	1.2	0.1	0.1	0.0	0.0	0.1	0.7	0.0	0.1	0.0
Other/hybrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Number of Firms										
		105	61	44	25	30	23	27	42	63

Note: Total may not sum due to rounding.



	Industry Wide Estimates	Tabulations of Data from Firms Participating in the Growth & Outlook Survey								
		All Reporting Firms	Sales Method		Annual Retail Sales				1st Year of Direct Selling in U.S.	
			Person to Person	Party Plan/ Groups	Under \$3 Million	\$3-29.9 Million	\$30-200 Million	Over \$200 Million	Before 2000	2000 or After
<b>Predominant Sales Method</b>										
<b>Percent of Firms</b>										
Person-to-person/face-to-face/door-to-door	n/a*	58.3	100.0	0.0	40.0	50.0	65.4	77.8	65.9	53.1
Party plan/groups/classes, incl. online parties	n/a*	41.7	0.0	100.0	60.0	50.0	34.6	22.2	34.1	46.9
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Number of Firms</b>										
		108	63	45	25	30	26	27	44	64
<b>Percent of Retail Sales Dollars</b>										
Person-to-person/face-to-face/door-to-door	n/a*	85.0	100.0	0.0	47.0	58.9	67.2	88.3	88.3	78.4
Party plan/groups/classes, incl. online parties	n/a*	15.0	0.0	100.0	53.0	41.1	32.8	11.7	11.7	21.6
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Number of Firms</b>										
		108	63	45	25	30	26	27	44	64
<b>Percent of Sales Force Members</b>										
Person-to-person/face-to-face/door-to-door	n/a*	91.4	100.0	0.0	65.9	69.3	85.0	94.8	94.0	82.8
Party plan/groups/classes, incl. online parties	n/a*	8.6	0.0	100.0	34.1	30.7	15.0	5.2	6.0	17.2
Other	n/a*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>Number of Firms</b>										
		105	61	44	25	30	23	27	42	63

\*An industry-wide estimate was not calculated for this item.

Note: Tabulation may not sum due to rounding.