

Direct selling succeeds through personal touch, stringent codes

According to the Direct Selling Association of South Africa, this successful sector provides jobs for 1.1 million independent business owners, which is increasing by over 13% annually. It contributes more than R11 billion in sales to the South African economy and revenue is anticipated to grow by at least 7% this year.



Ernest du Toit, chairman of the Direct Selling Association

“Direct selling is tried-and-tested and remains as relevant today, in the age of social media, big data and digital marketing, as it ever was,” says Ernest du Toit, chairman of the Direct Selling Association. He is someone who should know, having effectively grown one of South Africa’s most successful beauty brands almost entirely through direct sales.

“Instead of banging out tons of information on digital platforms and passively waiting for the sales to happen, direct sellers actively follow up on leads, make sense of swathes of information for consumers and provide the personal touch that many brands advertise but don’t deliver.”

From a business perspective, direct selling also has some distinct advantages. Research proves that up to 57% of purchase decisions around beauty and health products are made based on personal endorsement.

Another benefit is that unlike retail outlets, direct selling is not restricted to specific locations, but can extend as far as a salesperson can travel or deliver the product. It is also an effective way for businesses to extend their reach to rural areas without huge capital outlay, costly infrastructure and fragmented marketing campaigns.

Good image upheld

While the numbers and business opportunities may appear compelling, sceptics will argue that direct selling’s image problem trumps these.

Du Toit concedes that while some bygone practices, a lack of training and occasional instances of unprofessional behaviour have contributed to this perception, he is adamant that in South Africa, the DSA has over many years, got the house in order.

An independent direct selling administrator enforces the DSA's stringent Code of Conduct to which all its current 36 members must abide.

As well as defining ethical sales practices, providing recourse and redress for consumers and sanction for non-compliant members, amongst other provisions, the code also requires members to provide comprehensive training, both in acceptable sales methods and product knowledge.

"The Code sets the standards for member companies, the direct sales agents to whom they offer the business opportunity as well as the relationships between the parties – and it is tough. It exceeds existing legal requirements and has been aligned with the Consumer Protection Act."

Work-integrated learning projects

"However, there is more to building consumer confidence and enhancing the reputation of the sector than by waving a big stick."

Together with the University of Johannesburg, the DSA has co-developed a work-integrated learning project to provide practical experience for students studying personal selling and sales management.

The project not only seeks to enhance students' employment prospects when they complete the course, but also how to establish and grow their own direct selling businesses.

"It has the dual benefits of enhancing standards and professionalism in the industry and encouraging the establishment of micro, small and medium businesses in a growth sector of the economy."

Since inception, more than 14,000 student have benefited from the programme, have made sales exceeding R22m and have earned more than R8m.

"The DSA has taken on a lot: setting rigorous standards, enforcing these, providing succour for consumers, improving training, challenging outdated perceptions and enhancing the sector's reputation, all while reinforcing the benefits of membership.

"We are being ambitious but make no apologies or concessions for this. If we succeed we will double the size of the sector with all resultant benefits for the economy, businesses, job-seekers and consumers alike," concludes du Toit.

For more information, click [here](#).