

Involvement of Women in Direct Selling Enterprises

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KEYWORDS Gender. Direct Selling. Products. Entrepreneurs'. Income Contribution

ABSTRACT Present investigation was undertaken to study the involvement of women in direct selling enterprises and their income contribution. The purposively selected direct selling enterprises were Amway, Aviance, Avon, Oriflame and Tupperware. The total sample for the study comprised of 298 respondents from Ludhiana city selected through probability proportional to size sampling method. Data were collected through personal interview method. The findings revealed that majority of the respondents were middle-aged, graduates, having nuclear families and housewives before joining the enterprises. Maximum number of the respondents joined these enterprises during the year 2002-2003 by just paying membership fee less than rupees 5000. Income earned by the respondents ranged between rupees 5000 to 15,000 per month from their respective enterprises.

INTRODUCTION

In spite of traditional gender role expectations and attitudes in a developing nation like India, women are coming up in a big way. Enabling women to help themselves through direct selling enterprises raises their sense of self-worth and has social, economic and community benefits. One is that the expertise and experience are usually perpetuated and passed on to others making them successful as well. Women entrepreneurs in the earlier years after independence and up to 1970s were confined to entrepreneurship in traditional areas like food-processing, preservation, embroidery, knitting and stitching. However, later in the 1980s subsequently women have branched out to several non-traditional areas like engineering, consultancy, advertising, nursery education, beauty parlors, health clinics, boutiques, fine arts and latest being direct selling enterprises.

Direct selling is one of the fastest growing methods of sales in the world. Many millions of people of all nationalities are now enjoying the benefits of this method compared to the traditional way of selling through retail stores. In India, around 65 per cent of sales persons are women and around 250-300 product categories are sold the country through direct selling (Sanker 2007). This method of selling offers advantages for both the customers as well as people looking for an earning opportunity. In direct selling whether one wants to work part time or take this

opportunity as a full-time career is entirely up to the individual. Either ways, one can decide one's working hours and one can remain one's own boss. Across the globe, the range of the products being sold through direct selling is growing manifold. According to Srinivas Krishanan (2003) twenty nine per cent of industry's revenue came from home care products and 25 per cent from cosmetics sold by different direct selling enterprises. In Amway India, six nutritional products out of total 40 contribute to 35 per cent of sales, and its sale force is made up women with time on their hands.

No doubt many research studies in the past have been done with respect to the involvement of women in different income generating activities, production and marketing problems of their products etc, the emergence of women on the economic scene as involving themselves in direct selling is a new and significant development in the country. In the modern scenario with rising aspirations of people and increasing prices, it's a good career opportunity for women as compared to other jobs. It can be self-employment training for the poor women and entrepreneurship to those who are educated, skilled and more resourceful. Finally, it is necessary to build up an effective research data base in the field of women joining direct selling business. Thus, keeping the above facts in view the present investigation was designed with following specific objectives:

1. To study the involvement of women in direct selling enterprises
2. To know their income contribution

MATERIALS AND METHODS

The present study was conducted in Ludhiana city of Punjab. Five direct selling enterprises namely Amway, Aviance, Avon, Oriflame and Tupperware were selected purposively as a quite good number of women were involved in these enterprises. After selecting these enterprises a list of women with minimum three years of experience in a particular enterprise up to March 2007 and having monthly earnings minimum up to Rs. 5000/- was prepared separately with the consultation of the officials of each enterprise. Out of the total number of women involved in each of five purposively selected enterprises, 298 women were selected according to the probability proportional sampling method. Keeping in view the objectives of the study a structured interview schedule was prepared for the collection of data. Personal interview method was used for data collection. Data were tabulated

for precise and systematic analysis for the presentation of results.

RESULTS AND DISCUSSION

Extent of Involvement of the Respondents in Selected Enterprises and Their Income Contribution

Extent of involvement of women in different enterprises includes the data pertaining to the year of joining; membership fee paid and reasons for selecting particular direct selling enterprise and finally income earned from their respective enterprises and its utilization.

Socio-economic Characteristics of the Respondents

The study revealed that 54.36 per cent of the women respondents were in the age group of 35-45 years. 71.81 per cent were educated upto

Table 1: Distribution of the respondents according to their socio-economic characteristics

<i>Socio- economic characteristics</i>	<i>Amway (n= 84)</i>	<i>Aviance (n=42)</i>	<i>Avon (n=65)</i>	<i>Oriflame (n=51)</i>	<i>Tupper ware (n=56)</i>	<i>Total (n=298)</i>
<i>Age (Years)</i>						
25-35	26(30.95)	8(19.05)	21(32.31)	9(17.65)	18(32.14)	82(27.52)
35-45	47(55.95)	23(54.76)	36(55.38)	32(62.75)	24(42.86)	162(54.36)
45-55	9(10.71)	7(16.67)	8(12.31)	8(15.69)	7(12.50)	35(11.74)
>55	2(2.38)	4(9.52)	0(0.00)	2(3.92)	7(12.50)	19(6.38)
<i>Education</i>						
Under Matric	1(1.19)	12.38	0(0.00)	11.96	4(7.14)	72.35
Matric	15(17.86)	2(4.76)	6(9.23)	2(3.92)	2(3.57)	27(9.06)
10+2	5(5.95)	13(30.95)	16(24.62)	815.69	8(14.29)	50(16.78)
Graduate & above	63(75.00)	26(61.90)	43(66.15)	40(78.43)	42(75.00)	214(71.81)
<i>Family Type</i>						
Nuclear	60(71.43)	34(80.95)	47(72.31)	45(88.24)	41(73.21)	227(76.17)
Joint	24(28.57)	8(19.05)	18(27.69)	6(11.76)	15(26.79)	71(23.83)
<i>Family Size (Members)</i>						
Upto – 4	26(30.95)	8(19.05)	17(26.15)	7(13.73)	11(19.64)	69(23.15)
5-7	55(65.48)	32(76.19)	40(61.54)	38(74.51)	39(69.64)	204(68.46)
8 and above	3(3.57)	2(4.76)	8(12.31)	6(11.76)	6(10.71)	25(8.39)
<i>Family Occupation</i>						
Service	27 (32.14)	20 (35.71)	20 (47.62)	31 (47.69)	24 (47.06)	122 (40.94)
Business	57 (67.86)	36 (64.29)	22 (52.38)	34 (52.31)	27(52.94)	176 (59.06)
<i>Occupation Before Joining Enterprises</i>						
Business	2(2.38)	2(4.76)	6(9.23)	4(7.84)	1(1.79)	15(5.03)
Service	29(34.52)	6(14.29)	12(18.46)	7(13.73)	13(23.21)	67(22.48)
House wife	53(63.10)	34(80.95)	47(72.31)	40(78.43)	42(75.00)	216(72.48)
<i>Total Family Income (Rs./Month)</i>						
Up to -15,000	5(5.95)	1(1.79)	1(2.38)	1(1.54)	2(3.92)	10(3.36)
15,000-25,000	11(13.10)	17(30.36)	6(14.29)	11(16.92)	9(17.65)	54(18.12)
25,000-35,000	15(17.86)	10(17.86)	16(38.10)	26(40.00)	12(23.53)	79(26.51)
35,000-45,000	19(22.62)	14(25.00)	8(19.05)	14(21.54)	10(19.61)	65(21.81)
45,000-55,000	16(19.05)	10(17.86)	6(14.29)	7(10.77)	10(19.61)	49(16.44)
>55,000	18(21.43)	4(7.14)	5(11.90)	6(9.23)	8(15.69)	41(13.76)

Figures in parentheses indicate percentages

graduate and above level and majority of them 76.17 per cent had nuclear families, in the total sample 59.06 per cent of the respondents belonged to business class and 72.48 per cent of the respondents were housewives prior to their joining the enterprises. The total monthly family income of 26.51 per cent of the respondents was between rupees 25,000-35,000 and 21.81 per cent had rupees 35,000-45,000 per month (Table 1).

Year of Joining the Enterprise

Table 2 shows that the maximum number of the respondents joined these enterprises in the year 2002-2003 whereas almost same number of the respondents, that is 17.11 and 17.45 per cent joined during the years 2000-01 and 2001-2002. The membership fee at the time of joining Avon, Oriflame and Tupperware enterprises was less than rupees 1500/-, whereas who became members for Aviance enterprise paid rupees 1550/- and that for Amway enterprise paid more than rupees 4500/-.

Membership Fee Paid

To become the member of any enterprise, one has to pay membership fee. It can be observed from Table 3 that cent per cent of the respondents who joined Avon, Oriflame and Tupperware enterprises paid membership fee less than rupees 1500/- at the time of joining. Further it is seen from the table that respondents involved

themselves in Aviance enterprise paid between rupees 1500-3000 as membership fee, whereas 76.19 per cent of Amway members paid fee between rupees 3000-4500 and 6.71 per cent paid more than rupees 4500 as membership fee. The reason being for this difference in membership fee regarding Amway enterprise is the changing decision for fee structure by the company itself, which may help them to attract more number of the respondents. Thus it can be concluded that it is easy for anyone to join any direct selling enterprise as the membership fee is less than rupees 5000/- as compared to start their own business like beauty parlours, boutiques or food processing units etc, as they require large amount of initial investment for infrastructure, material and further employment of workers.

Reasons for Selecting a Particular Enterprise

Reason for selecting a particular enterprise varies from person to person. Therefore, understandings of reasons, which influence women's selection for a particular enterprise, have been presented in Table 4. For each reason mean scores were calculated on the basis of response categories that is most important, important and not important with scores of 3, 2, and 1 respectively. The mean scores were then ranked to determine the reasons affecting their choice. As far as Amway enterprise is concerned "the reputation of the company" was ranked at number

Table 2: Distribution of the respondents according to the year of joining enterprises

Year	Amway (n= 84)	Aviance (n=42)	Avon (n=65)	Oriflame (n=51)	Tupper ware (n=56)	Total (n=298)
1998-99	8(9.52)	3(7.14)	4(6.15)	7(13.73)	4(7.14)	26(8.72)
1999-2000	14(16.67)	2(4.76)	10(15.38)	4(7.84)	3(5.36)	33(11.07)
2000-01	10(11.90)	10(23.81)	13(20.00)	10(19.61)	8(14.29)	51(17.11)
2001-02	11(13.10)	8(14.29)	15(23.00)	9(17.65)	9(16.07)	52(17.45)
2002-03	24(28.57)	13(30.95)	12(18.46)	13(25.49)	18(32.14)	80(26.85)
2003-04	17(20.24)	6(4.29)	11(16.92)	8(15.69)	14(25.00)	56(18.79)

Figures in parentheses indicate percentages

Table 3: Distribution of the respondents according to the membership fee paid at the time of joining the enterprise

Fee Paid(Rs)	Amway (n= 84)	Aviance (n=42)	Avon (n=65)	Oriflame (n=51)	Tupper ware (n=56)	Total (n=298)
<1500	-	-	65(100.00)	51(100.00)	56(100.00)	172(57.72)
1500-3000	-	42(100.00)	-	-	-	42(14.09)
3000-4500	64(76.19)	-	-	-	-	64(21.48)
>4500	20(23.81)	-	-	-	-	20(6.71)

Figures in parentheses indicate percentages

Table 4: Ranking according to reasons for choosing particular direct selling enterprises

Reasons characteristics	Amway (n= 84)		Aviance (n=42)		Avon (n=65)		Oriflame (n=51)		Tupper ware (n=56)		Overall (n=298)	
	Mean score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank	Mean score	Rank
Typically feminine	2.02	7	2.09	4	2.63	1	2.59	1	2.23	2	2.29	1
Success of friends	2.34	2	2.23	1	2.34	3	2.22	3	2.21	3	2.28	2
Popularity of the products	2.27	4	2.19	2.5	2.41	2	2.02	8	2.25	1	2.25	3
Low investment	2.25	5	2.19	2.5	2.29	4	2.33	2	2.09	6	2.23	4
Reputation of the company	2.45	1	2.02	5	2.18	5	2.16	4	2.05	7	2.20	5
Easy to start	2.29	3	1.97	6	2.03	7	2.14	5	2.13	4	2.16	6
Heavy demand of products	1.90	8	1.64	7.5	2.10	6	2.00	6	2.11	5	2.00	7
High profit margins	2.20	6	1.64	7.5	1.98	8	1.82	7	1.86	8	1.95	8
No competition	1.64	9	1.33	10	1.52	9	1.29	10	1.54	9	1.49	9
Dissatisfied from earlier job	1.57	10	1.42	9	1.20	10	1.33	9	1.36	10	1.37	10

one with mean score of 2.45 followed by “success of friends” and “easy to start the enterprise” with mean scores of 2.34 and 2.29 respectively. Regarding Aviance enterprise “success of friends” was ranked as number one with a mean score of 2.23 followed by “popularity of products” and “low investment” with a mean score of 2.19 for each reason. From further perusal of the table, it can be observed that “typically feminine nature of products” was considered as the major reason among Avon, and Oriflame enterprises with mean scores of 2.63 and 2.59 respectively. “Popularity of the Avon products” and “low investment” in case of Oriflame was the second reason for joining these enterprises with a mean score 2.41 and 2.33. In case of Tupperware “popularity of products” was ranked as number one with a mean score of 2.25 followed by “typically feminine products” (mean score 2.23) and “success of friends” (mean score 2.21). As far as overall ranking is concerned “typically feminine nature of products”, “success of friends” and “popularity of product” were ranked as number first with a mean score of 2.29,

second (mean score 2.28) and third (mean score 2.25) respectively, whereas “dissatisfied from earlier job” was at lowest rank with a mean score of 1.37. Thus, it can be concluded that mostly women joined the different enterprises due to “typically feminine nature of products” and “the success of their friends” in the business. The results are in accordance with the results of Sharma et al (2001), Grover and Grover (2002) and Sharma (2003) who also reported that women involved themselves in indirect selling enterprises because of the feminine nature of some of the products as well as popularity and utility of products among households.

Involvement of the Respondents in Different Entrepreneurial Activities of Selected Enterprises

The main activities related to the direct selling enterprises are making members/customers, marketing of products, attending and organizing meetings, record keeping and sales promotion by

Table 5: Distribution of the respondents according to their involvement in entrepreneurial activities in selected enterprises

Reasons	Amway (n= 84)	Aviance (n=42)	Avon (n=65)	Oriflame (n=51)	Tupper ware (n=56)	Total (n=298)
Making members/ customers	80(95.24)	39(92.86)	63(96.92)	51(100.00)	53(94.64)	286(95.97)
Marketing of products	79(94.05)	40(95.24)	61(93.85)	50(98.04)	52(92.86)	282(94.63)
Attending business meeting	73(86.90)	39(92.86)	62(95.38)	50(98.04)	50(89.28)	274(91.95)
Record keeping	76(90.48)	38(90.48)	59(90.77)	46(90.20)	50(89.28)	269(90.27)
Organizing meetings	70(83.33)	33(78.57)	52(80.00)	48(94.12)	44(78.57)	247(82.88)
Sales promotion (by offering gifts)	65(77.38)	32(76.19)	42(64.61)	43(84.31)	38(67.86)	220(73.82)

Multiple responses

Figures in parentheses indicate percentages

Table 6: Distribution of the respondents according to income earned from selected direct selling enterprises

Income Category (Rs/month)	Amway (n= 84)	Aviance (n=42)	Avon (n=65)	Oriflame (n=51)	Tupper ware (n=56)	Total (n=298)
Upto 5000	23(27.38)	7(16.67)	5(7.69)	10(19.61)	11(19.64)	51(17.11)
5001-10,000	31(36.90)	25(59.52)	36(55.38)	23(45.10)	26(46.43)	127(42.62)
10001-15,000	30(35.71)	10(23.80)	24(36.92)	18(35.29)	19(33.93)	120(40.27)

 $\chi^2 = 29.77$

*Significant at 5% level

Figures in parentheses indicate percentages

offering gifts and discounts. Data regarding these activities have been enfolded in table 5. A glance at data shows that almost all women involved in selected enterprises were performing all the above-mentioned activities. Majority of the respondents 95.97 per cent were involved in making members/customers followed by marketing of products (94.63%), attending business meetings regularly 91.95 per cent, record keeping 90.27 per cent and organizing meetings 82.88 per cent; whereas 73.82 per cent were involved in sales promotion of the products by offering gifts and discounts. Thus, it can be concluded that in direct selling business almost everyone has to make members to form chain of entrepreneurs to run the business successfully, thus maximum number of the respondents belonging to different direct selling enterprises were mainly involved in making of more and more number of customers/members. Results are in line with the findings of Porwal (2002) that social network and influencing more people to enter in business brings success.

Income Earned by Respondents from Their Enterprises

Direct selling is a home based business with zero investment and one can earn income just by investing a few hours. Data enfolded in Table 6 indicates the income earned by respondents from their respective enterprises. Overall analysis of the table shows that maximum 42.62 per cent of the respondents earned income ranging from rupees 5001-10,000 per month followed by 40.27 per cent who earned between rupees 10,001-15,000 per month. Only 17.11 per cent women earned income upto rupees 5000 per month. Further glance at table shows that in all enterprises namely Amway, Aviance, Avon, Oriflame and Tupperware most of the women earned income either rupees 5001-10,000 per month or rupees 10,000-15,000 per month. Chi-square (29.77) value was found to be significant

which shows that there is association between the income earned and selling of products of a particular enterprise. Thus, it can be concluded that respondents earned good amount of income by involving themselves in direct selling business that too by maintaining a healthy balance between their direct selling business and proper up keep of their houses. Results are in accordance with the findings of Sharma and Batish (2000), Sharma (2003) and Bakshi (2004) that women entrepreneurs earned good amount of income after involving themselves in business activities.

CONCLUSIONS

From the study it was concluded that It is easy for anyone to join any enterprise, as the membership fee is less than rupees 5000/ only. Mostly women joined the different enterprises due to typically feminine nature of products and the success of friends in business. Various enterprises dealt with variety of products such as home care, personal care ,cosmetics, kitchenware, nutritional and health, gift and jewellery Almost all the respondents engaged in different direct selling entrepreneurial activities and earned income per month from their enterprises ranging from rupees 5001to 15000 per month.

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