Building a strong brand and generating consumer demand are important parts of any business model, and for the past 75 years it’s been almost an article of faith that advertising is key to achieving those two goals.

But what if there were another way to build a business, one that didn’t rely primarily on advertising? Welcome to the world of direct selling, the oldest “Next Big Thing” in the world of commerce. Direct selling relies almost exclusively on word-of-mouth promotion, peer-to-peer sales, and network building.

Direct selling is a $32 billion-a-year business in the U.S. alone, and it’s used by some of the world’s most recognizable brands to market products and services to consumers, says Joseph N. Mariano, president and CEO of the Direct Selling Association (DSA). Its defining characteristic is the use of an independent sales force that provides personalized service to customers, along with the opportunity for individual direct sellers to start, manage, and grow their own business with minimal upfront capital investment. The direct-selling model works particularly well with products and services that benefit from demonstration or explanation, but virtually every kind of product or service can be sold through this channel, Mariano says.

Direct selling differs from other business models in another significant way, says Wendy Lewis, co-founder and COO of Jeunesse, a direct selling company that specializes in healthy living products, with distribution in more than 100 countries. “The best thing about our company, and the direct selling industry as a whole, is that this model is quite different from traditional business—it’s a lot more fun. It’s a great opportunity to run a profitable business on a global platform, but it’s also a

Direct Selling: A Popular and Accessible Path to Entrepreneurship

This booming sector takes ethics seriously, yet proves that running a business can be fun.

(continues on the following page)
Opportunities come in all shapes and sizes, but few offer the kind of unique business proposition that characterizes Team National. Team National is a coast-to-coast leading membership company with hundreds of thousands of customers and members. We enrich the lives of our members through our value-added program and by inspiring their entrepreneurial spirit.

We negotiate terrific prices in a variety of areas. Do you shop online with name brand retailers, use a cell phone, go to the dentist, or buy home furnishings? Do you shop at local businesses or use auto & home insurance? We have options in these areas that can help you save on your next purchase of items you are already buying.

If you are a business owner you can save on your expenses as well. If you join our business network you can advertise to our local, regional, and nationwide members, providing them value and increasing your sales. Saving money is great, but the exciting part is that we pay you for sharing our membership program with others—just like you do when you eat at a good restaurant or see a great movie.

America is the land of opportunity. We want to provide you with choices, encourage your entrepreneurial spirit and reward you for helping others. Our total product, membership and service sales in 2014 were $399 million dollars. Yet, what is more rewarding are the hundreds of thousands of lives we have touched and the people we have helped since 1997.
Bringing people together under the simple idea that everyone deserves a chance to discover youth and financial freedom.

Proud member of the Direct Selling Association

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great way to connect with like-minded, uplifting people and build lasting, rewarding relationships,” she says.

To be sure, direct selling has battled some challenges that have arisen from a general lack of understanding about what it is and does, not to mention the misdeeds of a few bad actors who sought to exploit its basic approach in deceptive or unethical ways. That’s part of why the DSA, which traces its roots to a 1910 trade association of traveling salesmen—the original direct sellers—exists. “The industry has given itself a special obligation to deal with both consumers and individual regulatory approach,” Mariano says. (For more, see the box below.)

Entrepreneurial Appeal, Squared

Direct selling draws budding entrepreneurs from all walks of life, and lots of them: It’s estimated that about 14 percent of U.S. households have a member who is a direct seller.

direct sellers through ethical and legitimate business practices and with the highest level of customer service,” Mariano says. “That’s the raison d’etre of our existence.”

The association’s membership is testimony to the broad appeal of direct selling: It has about 180 companies representing some 17 million independent direct sellers, and there are about 50 companies with membership applications awaiting approval at any given time. The review process is rigorous and averages about 18 months before a company can become a full, active member. “We want to make sure that all our members abide by the highest standards of consumer responsiveness in the marketplace and by our code of ethics, which encapsulates the tenets of our self-

The DSA Code of Ethics

The DSA Code of Ethics spells out in detail consumer and sales force protection standards that member companies and independent direct selling consultants must meet. For example, consumers are entitled to a full refund for purchases returned during a cooling-off period of at least three days. Individual direct sellers who leave the business are entitled to a 90 percent buyback by the direct selling company of certain items purchased within the past 12 months.