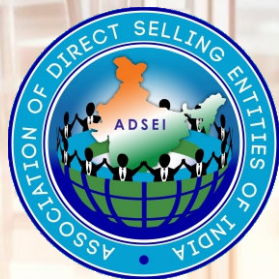


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INDIA'S DIRECT SELLING INDUSTRY: ADVANCING TOWARDS FUTURE READY GROWTH

Research Partner

KANTAR



MESSAGE FROM PRESIDENT



Dr. Sanjeev Kumar,
President,
ADSEI

India's Direct Selling industry continues to evolve as a distinct and relevant part of the country's consumer landscape. Built on personalized engagement and relationship-led selling, the sector has expanded its presence across regions, product categories, and consumer segments, while also supporting flexible income opportunities and entrepreneurial participation at scale.

In recent years, the industry has transitioned into a more structured phase of development. Growth is increasingly shaped by improving compliance, strengthening credibility, and greater integration of digital tools, alongside sustained demand in key categories such as wellness, personal care, and lifestyle products. Regulatory clarity has further contributed to formalization, enhancing confidence among both businesses and consumers.

This report presents a comprehensive, evidence-based view of the Direct Selling ecosystem in India. It brings together market estimates, industry perspectives, regulatory insights, and direct seller experiences to provide a holistic understanding of the sector. The analysis captures not only the overall market size and growth trajectory, but also the structural characteristics, regional dynamics, and key enablers and constraints shaping the industry.

The findings indicate that the sector is on a path of steady and sustainable growth. At the same time, the industry is characterized by a set of structural realities, including concentration of value across select markets, the need for improved

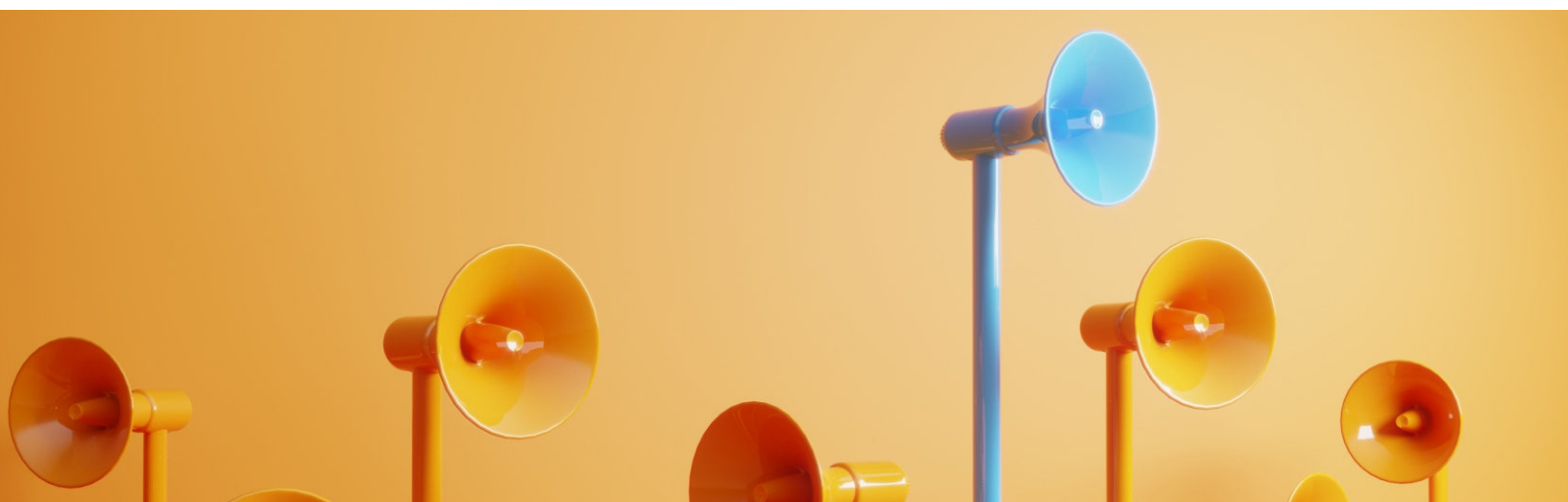
seller productivity, and the increasing importance of training, governance, and consistent implementation in enabling scale.

Going forward, the trajectory of Direct Selling in India will depend on continued efforts to deepen value creation, strengthen trust, build capabilities, and reinforce compliance. The next phase of growth is expected to be less about expansion in participation alone and more about enhancing productivity, improving consumer engagement, and driving long-term sustainability.

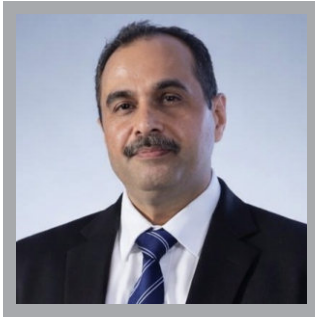
We look forward to continue this journey of excellence and innovation by aiming to become one of the Top 10 Direct Selling markets in the globe. As we move forward, our focus should remain on achieving long-term growth through continuous transformation, skill development initiatives, and expanding our reach to every part of the country. Direct Selling entities have been able to build a robust ecosystem that not only creates sustainable livelihoods but also empowers individuals to fulfill their entrepreneurial aspirations. It is very important that the industry remains steadfastly aligned with government policies and strategic directions to continue its growth story.

The future of the Direct Selling industry in India is exceptionally promising, driven by the entry of global enterprises and increasing investments in manufacturing. Together, we must harness this momentum to elevate the sector to new heights and realize its full potential.

I take this opportunity to express my sincere appreciation to KANTAR for leveraging its expertise in compiling this report. I would also like to thank ADSEI team for their unwavering dedication & commitment towards such an important industry initiative. A special note of thanks to all ADSEI member companies for their invaluable contributions & support, which has been instrumental in shaping this report making it a meaningful reflection of the Direct Selling industry's progress and potential.



MESSAGE FROM KANTAR



Puneet Avasthi,
Director,
Kantar

India's Direct Selling industry stands at an important point of evolution, transitioning from a participation-led growth model to one increasingly driven by productivity, value creation, and ecosystem maturity. Built on a foundation of relationship-led engagement, the sector continues to play a meaningful role within India's broader consumer and entrepreneurial landscape, supporting income generation, skill development, and inclusive growth.

This report has been developed to provide a comprehensive and analytically grounded view of the industry, integrating multiple evidence streams including market estimates, stakeholder consultations, regulatory analysis, and direct seller insights. Our objective has been to move beyond isolated indicators and present a structurally coherent understanding of how the industry operates, evolves, and creates value in a rapidly changing environment.

Our analysis highlights a sector characterized by

steady, consumption-linked growth, with increasing formalization driven by regulatory clarity, enhanced governance frameworks, and deeper integration of digital tools. At the same time, structural realities remain - particularly the need to improve per-capita consumption, strengthen seller productivity, and ensure consistent on-ground execution of regulations across markets.

Looking ahead, the next phase of growth will be defined not by scale expansion alone, but by the industry's ability to deepen engagement, enhance capability, and build sustained consumer trust. This will require a sharper focus on training, innovation in higher-value product categories, disciplined digital enablement, and continued alignment with evolving policy frameworks.

India remains one of the most promising Direct Selling markets globally, supported by favourable demographics, rising entrepreneurial aspirations, and expanding digital reach. With the right emphasis on value creation and ecosystem strengthening, the sector has the potential to significantly enhance its contribution to both economic development and individual empowerment.

At Kantar, we remain committed to supporting this journey through robust data, deep insights, and evidence-based perspectives, enabling stakeholders to make informed decisions and drive sustainable, long-term growth for the industry.



MESSAGE FROM GENERAL MANAGER



Abhishek Kumar,
General Manager,
ADSEI

The Direct Selling industry in India is going through an evolving phase, where the business model has gone through several transformations and been able to seize new opportunities. Over the past several years, the Direct Selling industry has advanced significantly, from being recognized primarily as an alternative distribution channel to emerging as a dynamic contributor to entrepreneurship, women empowerment, digital commerce, and inclusive economic growth.

As we look ahead, India's Direct Selling ecosystem is steadily evolving into a more future-ready and resilient industry, propelled by innovation, technological advancement, regulatory clarity, and shifting consumer aspirations. The sector has demonstrated exceptional adaptability and sustained growth, particularly in an era defined by rapid digital transformation, changing market dynamics, and an increasing demand for personalized and consumer-centric engagement.

India represents one of the most promising growth markets for the Direct Selling industry globally. With one of the world's largest youth populations, the country enjoys a significant demographic advantage, offering a dynamic and energetic workforce at a time when many major economies are experiencing rapid population aging. As entrepreneurial aspirations continue to rise among young Indians, the nation presents a unique opportunity to harness this demographic dividend and foster inclusive economic growth. The Direct Selling industry has successfully captured the imagination of the youth by providing a flexible and accessible platform for entrepreneurship. Beyond enabling individuals to embark on their entrepreneurial journeys, the sector also plays a pivotal role in nurturing leadership, empowering young people with the skills, confidence, and opportunities needed to become the leaders of tomorrow.

Through this industry study, we have analysed the growth story of the Indian Direct Selling industry across various parameters and business verticals. While compiling this report, we carefully examined and incorporated the perspectives, insights, and inputs of key stakeholders within the Direct Selling

ecosystem. Their valuable contributions, views, suggestions, and industry forecasts have enabled us to gain a deeper understanding of the sector's growth trajectory and future outlook.

One of the important findings of the industry report is India's steady progress towards becoming the top-ten Direct Selling markets. While the growth in the recent years is really promising, the road ahead will be challenging. Achieving a position among the global Top 10 markets will require more than an expansion in consumer and Direct Sellers' participation; it would require a multi-fold increase in per-capita consumption, which could come through higher repeat consumption. The Indian Direct Selling industry is facing a lack of monetisation power. Despite high participation by consumers & Direct Sellers, the per-capita consumption remains well below global benchmarks, limiting value creation. As a result, growth can no longer rely primarily on expanding participation; it must come from increasing consumption per user.

One of the ways to increase the per-capita consumption could be to bring-out more high-end, special and premium products, which is expected to create a niche for Direct Selling giving an advantage over other retail channels. While there are some Direct Selling entities that have on offer some unique products, going forward, the demand for specialized products for specific needs is expected to increase. In such a scenario, the Indian Direct Selling entities can seize the opportunity by increasing innovation-led specialized products that can result in tapping that niche market and help gain momentum in pushing per-capita consumption.

Going by the current trend, India is expected to remain a large market for Direct Selling but without creating higher-value consumption, the country might miss-out on the global strategic influence. Hence, the next phase of growth must be driven by productivity rather than mere participation. With seller expansion reaching its limits and attrition remaining structurally high, sustainable growth will depend on improving seller effectiveness, engagement, and tenure rather than simply increasing recruitment.

During the preparation of this report, we observed that sustainable and responsible business practices continue to remain at the forefront of the long-term vision and strategic priorities of Direct Selling entities in India. It is particularly encouraging to note the sector's growing commitment to sustainability, reflected in its increasing focus on environmentally responsible products, sustainable sourcing practices, and transparent business operations.

Furthermore, Direct Selling companies are strengthening their governance frameworks and aligning them with global best practices, while remaining responsive to evolving consumer expectations and values. These efforts underscore the industry's commitment to fostering sustainable growth, building stakeholder trust, and creating long-term value for society. As the industry continues to evolve, its emphasis on innovation, responsibility, and consumer-centricity positions it as a significant contributor to India's economic and entrepreneurial landscape.

Increased exposure and usage of digital tools & platforms have emerged as a key driver of growth for Direct Selling by significantly expanding market reach, improving seller training and engagement, and enhancing the scalability of operations. Digital platforms and social media have enabled sellers to connect with a broader customer base, accelerate on-boarding, and operate more efficiently than traditional models. However, these benefits are accompanied by growing compliance, monitoring, and reputational challenges. Unregulated digital selling can lead to misleading claims, inconsistent messaging, which may potentially weaken consumer trust and brand credibility. As the industry becomes increasingly digital, the key challenge will be to leverage technology-driven growth while maintaining the trust, transparency, and governance standards that form the foundation of the direct selling model.

As an industry association, we remain committed to fostering a robust, ethical, and innovation-driven Direct Selling ecosystem in India. We firmly believe that sustained collaboration among industry stakeholders, policymakers, consumer groups, and entrepreneurs will be instrumental in unlocking the sector's full potential. By working together, we can create an enabling environment that promotes responsible growth, encourages innovation, strengthens consumer trust, and ensures the long-term sustainability and success of the Direct Selling industry in the years ahead.

India's Direct Selling industry is not merely adapting to change; it is actively shaping the future of entrepreneurship & enterprises in the country. With the right ecosystem, continued regulatory support, and a strong focus on trust and innovation, the industry is well-positioned to become a significant contributor to India's economic and social development journey.

As the sector continues to evolve and expand its reach, it holds immense potential to empower entrepreneurs, generate livelihood opportunities, promote financial inclusion, and contribute meaningfully to the vision of a Viksit Bharat. We remain optimistic about the industry's future and committed to supporting its growth through advocacy, collaboration, and the promotion of global best practices.





SETTING THE CONTEXT: KANTAR PERSPECTIVE

Direct Selling in India represents a unique intersection of commerce, entrepreneurship, and relationship-led engagement within the broader consumer economy. Unlike purely transactional channels, the model combines product distribution with personalized interaction, enabling both consumer guidance and income generation through distributed networks.

As the industry has evolved, it has moved beyond a phase of rapid participation expansion into a more structured and maturity-driven trajectory. Growth today is increasingly shaped by factors such as seller productivity, category depth, regulatory compliance, and digital enablement. At the same time, the sector continues to be influenced by broader shifts in consumption patterns, competitive intensity from alternate channels, and changing expectations from both sellers and consumers.

This report has been developed to provide a comprehensive and analytically grounded perspective on the Direct Selling ecosystem in India. The approach integrates multiple evidence streams, including market sizing, stakeholder consultations, regulatory analysis, and direct seller insights, to build a 360° view of the industry. The objective is to move beyond isolated metrics and present a structurally coherent understanding of how the sector operates, evolves, and creates value.

From a market standpoint, the analysis reflects a sector that is demonstrating steady, consumption-linked growth, with strong category concentration and wide geographic participation. At the same time, structural contrasts are evident across regions, states, and participant segments, highlighting differences in consumption intensity, seller engagement, and value realization.

The report also underscores that the next phase of industry evolution will be defined by a shift toward value-led growth. Enhancing per-seller productivity, deepening consumer engagement, strengthening governance frameworks, and ensuring consistency in regulatory execution will be critical to sustaining long-term development. In parallel, digital tools and training ecosystems are expected to play an increasingly central role in shaping seller capability and market reach.

It is intended that the insights presented in this report support informed decision-making for stakeholders across the ecosystem, including industry participants, policymakers, and allied institutions. By combining data-driven analysis with grounded industry perspectives, the report aims to contribute to a more nuanced understanding of Direct Selling and its role within India's evolving consumer landscape.

BACKGROUND OF THE STUDY

The Direct Selling industry in India has evolved into a significant and distinct component of the country's consumer and entrepreneurial ecosystem. Over the past decade, the sector has witnessed steady growth, expanding its reach across geographies, product categories, and consumer segments. This growth has been supported by increasing consumer acceptance, rising entrepreneurial aspirations, and the expanding role of digital and social selling platforms.

At the same time, the industry operates within a dynamic environment shaped by multiple structural shifts. These include changing consumption patterns, increasing competition from organized retail and e-commerce channels, evolving regulatory frameworks, and growing expectations around transparency, compliance, and governance. The introduction of the Consumer Protection (Direct Selling) Rules, 2021 marked a pivotal step in formalizing the sector, enhancing credibility, and establishing clearer operational guidelines for industry participants.

Despite its scale and widespread participation, the industry continues to face important structural challenges. These include relatively low per-capita

consumption compared to global benchmarks, high seller attrition rates, and uneven depth of market development across regions. Additionally, the need to improve seller productivity, strengthen training and governance mechanisms, and building sustained consumer trust has become increasingly critical for long-term growth.

In this context, there is a need for a comprehensive, data-driven understanding of the Direct Selling ecosystem in India - one that goes beyond headline metrics to examine the underlying drivers, structural characteristics, and future growth pathways of the industry.

This study has been undertaken to address this need by providing a holistic view of the Direct Selling sector in India. It integrates insights from market data, stakeholder perspectives, regulatory analysis, and direct seller inputs to build a 360-degree understanding of the industry. The objective is to support informed decision-making for stakeholders across the ecosystem, including industry participants, policymakers, and allied institutions, while enabling a clearer assessment of the sector's role in driving inclusive economic growth, entrepreneurship, and value creation.

EXECUTIVE SUMMARY

India's Direct Selling market stands at stands at ₹23,522 crore in FY 2024–25, having CAGR of ~7% over the last five years.

Future growth is likely to be steady rather than accelerated, signalling a transition from expansion driven by participation to one driven by consolidation, credibility, and value creation.

Market value is highly concentrated geographically and structurally.

The Top 10 states contribute ~70% of national sales led by Maharashtra, West Bengal, Uttar Pradesh, Karnataka, and Gujarat. Future growth is expected to be driven by a limited set of structurally strong states rather than uniform national expansion. Maharashtra and Uttar Pradesh emerge as the only states combining large seller bases with strong offtakes while Bihar is penetration-heavy, low-monetisation market. Odisha and Punjab on the other hand, remain secondary build-out markets. These three states namely Bihar, Odisha and Punjab may join Maharashtra and Uttar Pradesh to become both scale and offtake led markets.

Awareness, compliance and consumer protection require deeper last-mile execution

More than half of Direct Sellers (52%) report as being fully aware of policies. The industry can aim at strengthening seller-level awareness and reinforcing monitoring systems to ensure compliance and better on-ground execution.

Industry structure is top-heavy, with a long tail of small players.

A small number of large companies account for the dominant share of industry revenue, while around 83% of companies operate below the ₹10-crore threshold. Strengthening the ability of more firms to scale beyond this level is critical for overall industry value growth.

India is a high-participation but low value-density market globally

Despite a large seller base and pan-India presence, India's per-capita direct selling consumption remains low at ~USD 2, compared to USD 8–12 in lower-end global (top 10) markets. This makes value uplift per seller as the key to long-term growth lever, rather than further seller expansion.

Active seller growth is broad-based, but participation varies by gender

India has ~91 lakh active direct sellers. While male gender composition remains marginally higher at 53%, the narrowing gap with female participation placed at 47% points to a gradual diversification of the seller-base, with women playing an increasingly important role in driving category growth and expanding consumer reach. Around 69% of active Direct Sellers are concentrated in the 25–44 age group, indicating strong participation from individuals in their prime.

Digitalisation expands reach and capability, but disciplined governance is essential.

Sellers identify social selling and digital connectivity as growth driver at 54%. Thus, digital and social selling tools have expanded reach, training, and engagement, particularly in non-metro markets. At the same time, uncontrolled digital activity poses reputational and compliance risks, reinforcing the need for structured governance, training, and monitoring. Digitalization therefore needs structured training, monitoring and clear conduct standards rather than being treated as a substitute for relationship-led selling.

Wellness, personal care, and cosmetics together account for ~86% of industry sales, with wellness alone contributing around 61%.

While this concentration has supported scale and resilience, future growth will depend on deepening value within these categories and selectively expanding into higher value sub-segments.

Strengthening the ecosystem requires better products, capability, trust and institutional support

Direct Sellers place product quality and range first among required ecosystem changes at 37%, followed by training and education and regulation and government support. These are considered as the primary levers for change. There is lower emphasis on structural levers like digital enablement, earnings structures, operational processes, and enforcement suggesting current challenges are perceived more around people, rather than systems alone.

Seller economics in terms of age-bracket.

Direct selling participation peaks among 25–34-year-olds, closely followed by the 55–65 age group. This highlights strong engagement from both younger demographics and experienced cohorts.

Public perception is broadly positive, with scope to convert neutrality into trust

General sentiment towards Direct Selling is favourable, but a sizeable neutral segment suggests that consistent communication, ethical selling practices, and visible consumer safeguards are key to strengthening mainstream acceptance.

Pricing is not a structural barrier to growth. Direct Selling products are largely perceived as competitively priced vs online and retail channels, reinforcing that future growth will be driven more by value creation, differentiation, and repeat consumption.

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Understanding Selling and Distribution Formats in the Consumer Economy

Across global consumer markets, products and services are distributed through a wide range of selling and distribution formats, reflecting differences in consumer needs, buying behaviour, and usage contexts. Traditional physical retail continues to anchor everyday consumption by offering immediacy, visibility, and ease of access. Distributor-led trade and wholesale networks play a critical role in extending geographic reach and enabling scale, particularly in fragmented and population dense markets.

Over the past decade, ecommerce and direct consumer models have expanded rapidly, driven by rising digital adoption, greater convenience, extended assortments, and improvements in last mile logistics. These channels have reshaped purchase journeys, especially for standardised and repeat purchase categories.

Alongside these transactional channels, assisted and relationship based selling formats continue to remain relevant, particularly in categories that require explanation, demonstration, reassurance, or ongoing engagement. Products linked to personal wellbeing, beauty, nutrition, or lifestyle enhancement often benefit from guided selling and trust based interaction. The coexistence of multiple formats underscores a core reality of consumer markets that no single channel can uniformly address the full spectrum of needs across categories, income groups, and consumption occasions.

Direct Selling as a Relationship Led Distribution Model

Direct Selling represents one such relationship based distribution format within the broader consumer ecosystem. It involves the marketing and sale of products and services directly to consumers, typically outside permanent retail environments, through independent sellers who engage customers via personalized interaction. These interactions often include product demonstrations, usage explanations, recommendations, and sustained relationship building.

Traditionally conducted in homes, workplaces, or community settings, Direct Selling has increasingly integrated digital and social platforms to expand reach while retaining its core emphasis on personal engagement. Digital tools now complement face to face interactions by enabling social commerce, remote product demonstrations, and network based selling.

In compliant Direct Selling models, earnings are derived strictly from the sale of products or services and not from recruitment, clearly distinguishing legitimate operations from prohibited pyramid or money circulation schemes. As a result, Direct Selling occupies a distinct position in the consumer economy, combining assisted commerce, trust based engagement, and flexible income opportunities within a regulated framework.



Global Direct Selling Landscape and Structural Characteristics

Globally, Direct Selling has evolved into a sizeable and established distribution channel that operates alongside traditional retail and digital commerce rather than in direct competition with them. The industry generates substantial annual retail sales and supports a large global base of independent sellers across both developed and emerging markets.

Industry value is structurally concentrated, with a relatively small number of countries accounting for a significant share of global sales. In mature markets, growth has largely stabilized, with performance driven less by expansion in seller participation and more by improvements in seller productivity, product innovation, and deeper consumer engagement.

Asia Pacific has emerged as the largest contributing region globally, reflecting the relevance of Direct Selling in population scale markets and consumption environments where trust, personal recommendation, and relationship led selling play a meaningful role. Across regions, Direct Selling continues to function as a complementary channel, serving specific categories and consumer segments where guided commerce adds distinct value beyond convenience alone.

India's Direct Selling Industry in the Global Context

Within this global landscape, India has established itself as a prominent and steadily expanding Direct Selling market. The industry demonstrates wide geographic presence, supporting a large and diverse seller base across both urban and non-urban regions. Growth has been underpinned by rising consumer interest in wellness oriented categories, increased participation across demographic segments, and gradual strengthening of formal business practices.

The contribution of Direct Selling in India extends beyond product sales. The sector plays a role in income generation, entrepreneurship, and allied employment across training, logistics, distribution, and digital enablement functions. While market value remains concentrated in a limited number of structurally strong states, participation is broad based, reflecting India's demographic scale and economic diversity.

Shaped by evolving consumption patterns, increasing digital integration, and a maturing regulatory framework, Direct Selling in India functions as a complementary selling format within the broader retail and services economy. Its continued development reflects a transition towards a more organized, compliant, and value-led growth rather than rapid participation only expansion.



OVERALL IMPLICATION

The Indian Direct Selling industry is positioned for sustainable, medium-term growth, anchored in value deepening rather than scale expansion. Continued progress will depend on improving depth of policy understanding, strengthening regulatory consistency across states, building seller capability and productivity, and reinforcing consumer trust through transparent practices. With pricing largely competitive and innovation active but incremental, future growth will be driven by higher-value portfolios, better engagement of neutral audiences, disciplined digital governance, and a sustained shift from participation-led expansion to credibility- and productivity-led value creation.

KEY GROWTH ENABLERS OF THE DIRECT SELLING INDUSTRY

The growth of India's Direct Selling industry over recent years has been shaped by a set of structural and ecosystem-led enablers. These factors have supported not only expansion in scale, but also a gradual strengthening of credibility, participation, and market reach.



Indian Direct Selling Entities Outshining MNC Contemporaries

In recent years, domestic Direct Selling companies have demonstrated exceptional resilience and growth, frequently surpassing many multinational contemporaries in market adaptability, consumer engagement, and grassroots expansion. A primary factor contributing to the success of Indian companies is their profound understanding of local consumer preferences, particularly in sectors such as wellness, nutraceuticals, Ayurveda, personal care, and affordable lifestyle products. Indian brands have successfully engaged with consumers in Tier 2, Tier 3, and rural markets by providing culturally relevant products and flexible income opportunities.

Furthermore, Indian Direct Selling companies have implemented localized strategies, digital outreach, vernacular communication, and enhanced distributor support systems. Their ability to swiftly adapt to changing market conditions and regulatory reforms has further bolstered consumer trust and distributor confidence. There has been a notable rise in the number of individuals choosing Direct Selling as a full-time career, reflecting the increasing acceptance of Direct Selling as a legitimate self-employment and entrepreneurial opportunity. As India's consumer market continues to develop, Indian Direct Selling companies are progressively establishing themselves as robust, sustainable, and trusted brands, effectively competing with global MNCs through innovation, localization, and the empowerment of entrepreneurs.



Industry's growth after notification of Consumer Protection (Direct Selling) Rules, 2021

The notification of the Consumer Protection (Direct Selling) Rules, 2021 marked a pivotal moment for India's Direct Selling sector. These Rules were established by the Government of India to oversee Direct Selling enterprises, protect consumer rights, and eradicate deceptive pyramid and money circulation schemes. Following the notification, the industry witnessed improved credibility and structured growth. This regulatory clarity has bolstered consumer trust and motivated legitimate businesses to broaden their operations. Additionally, the sector has created more employment and entrepreneurial prospects, particularly for women and youth, supported by clear recognition and increased consumer confidence. The Direct Selling industry has undergone significant evolution and reform over the past 5-6 years since the Rules were notified, which has fortified the foundation of the Direct Selling sector by encouraging ethical practices, safeguarding consumers, and promoting sustainable growth within the industry.

Direct Selling business doing well in sub-urban & rural areas and making significant contribution to industry growth

Direct Selling business model has increasingly been penetrating in the sub-urban and rural areas of India and emerging as an important driver of industry growth. Improved digital connectivity, rising awareness, and better transportation networks in these areas, have enabled the Direct Selling entities to reach customers beyond urban markets, making way to the rural and hinterland of the country. One of the main reasons that the Direct Selling business is getting popular in rural and semi-urban regions is because it provides self-employment opportunities and provides a platform where people can start their entrepreneurial journey. Factors like low-cost entry, freedom to choose working hours and access to training and skill development has made Direct Selling a viable & apt choice for people in these areas, who otherwise do not have access to traditional jobs much. Through Direct Selling, people in the hinterland get easy access to quality products through personal interaction and doorstep service. Women, homemakers, students, and unemployed youth are actively participating as Direct Sellers, contributing to financial independence and local economic development.

One of the most important features of Direct Selling is community selling, which plays a major role in the growth of the industry in rural and semi-urban areas. In these regions, people share strong social and community relationships, and purchasing decisions are often influenced by trust, personal interaction, and word-of-mouth recommendations. Direct Selling works effectively in such markets because products are promoted through known individuals within the community. Consumers tend to trust recommendations from friends, relatives, neighbours, and local sellers more than traditional advertisements.

Demand for health, wellness, personal care, home care, and lifestyle products are growing steadily in these regions. Trust-based relationships and word-of-mouth promotion further strengthen the acceptance of Direct Selling among rural consumers. As a result, the expansion of Direct Selling into sub-urban and rural markets is widening the industry's consumer base, boosting sales, and supporting inclusive economic growth across the country.



Focused impetus on self-employment, entrepreneurship and leadership

A major strength of the Direct Selling industry is its focused impetus on self-employment, entrepreneurship, and leadership development. The industry provides individuals with an opportunity to start their own business with minimal investment and flexible working conditions. This makes Direct Selling an attractive career and income-generating option for people from diverse backgrounds, including women, youth, students, and homemakers. Direct Selling not only creates self-employment opportunities but also nurtures entrepreneurial aspirations by encouraging individuals to manage sales, build networks, and develop customer relationships independently. Through regular training, mentoring, and team-building activities, the industry also helps individuals develop leadership qualities such as communication, motivation, confidence, and decision-making skills. The emphasis on entrepreneurship and leadership has enabled many people to achieve financial independence and personal growth. As a result, Direct Selling has emerged as an important contributor to employment generation, skill development, and inclusive economic growth in both urban and rural areas.



METHODOLOGY

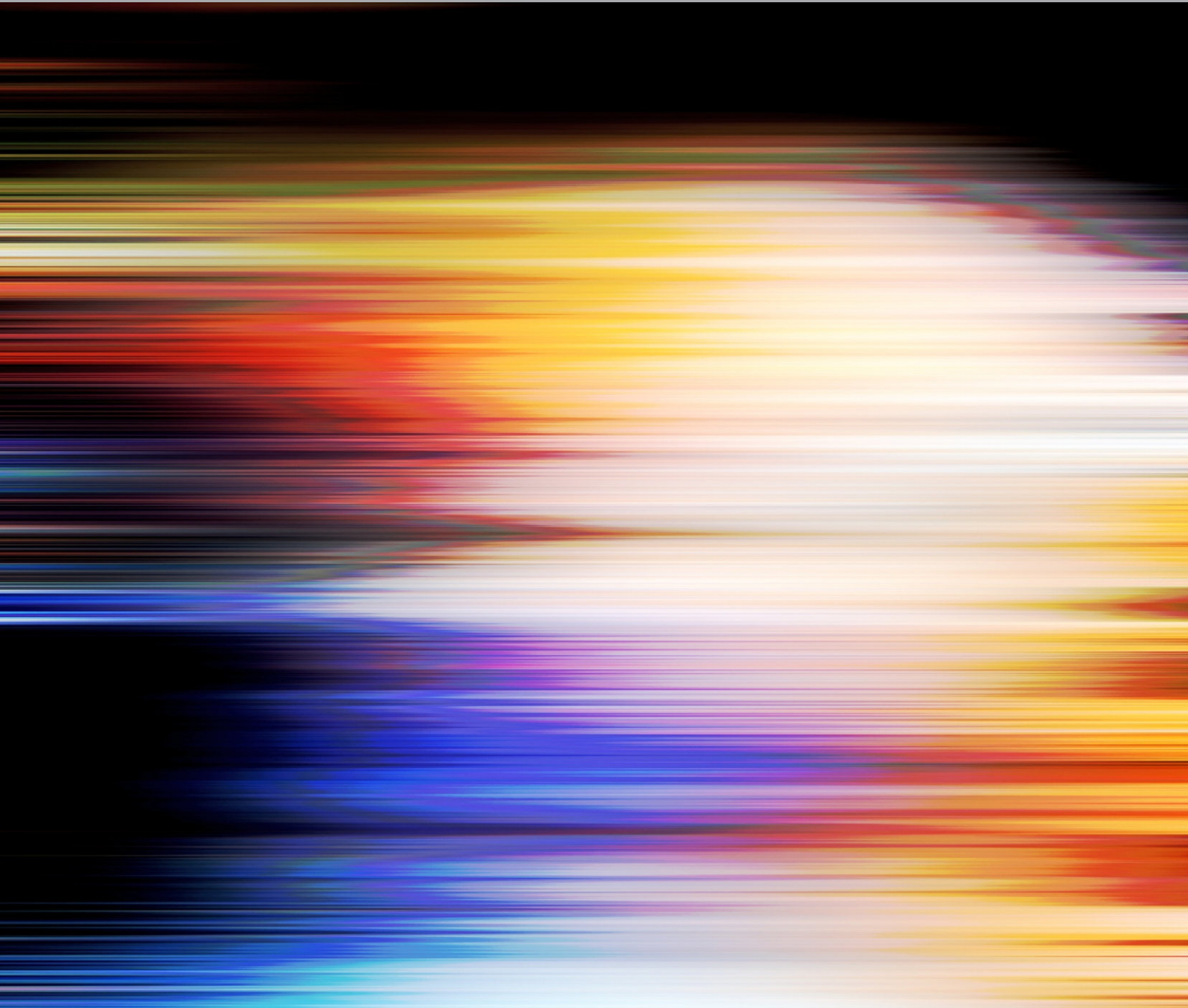
The estimation of the Direct Selling industry was undertaken through a structured three stage methodology, integrating both secondary and primary research approaches.

In the first stage, a comprehensive universe of Direct Selling companies was created using a mix of industry sources, company disclosures and MCA filings. This was followed by an analysis of financial and operational data over the past seven years, wherever available. Growth trends were derived using a consistent methodology, with CAGR calculations adjusted to reflect disruptions such as COVID 19 and the resulting fluctuations in performance. New entrants were incorporated, while entities that were unable to sustain operations over time were excluded, ensuring a robust and relevant company base.

In the second stage, the estimates were validated through in depth interviews with key stakeholders across Direct Selling organisations. These interactions provided insights into business models, operating dynamics and evolving industry nuances, enabling a more grounded interpretation of the data.

This was followed by a quantitative survey among Direct Sellers to assess on ground trends, validate key hypotheses and understand the future direction across segments. The findings were further triangulated through consultations with industry experts to strengthen the overall reliability of the analysis.

Finally, the consolidated estimates were assessed across multiple scenarios, including business as usual, optimistic and pessimistic cases, incorporating industry specific drivers and uncertainties. This scenario based approach enabled a comprehensive and forward looking assessment of the Direct Selling industry.





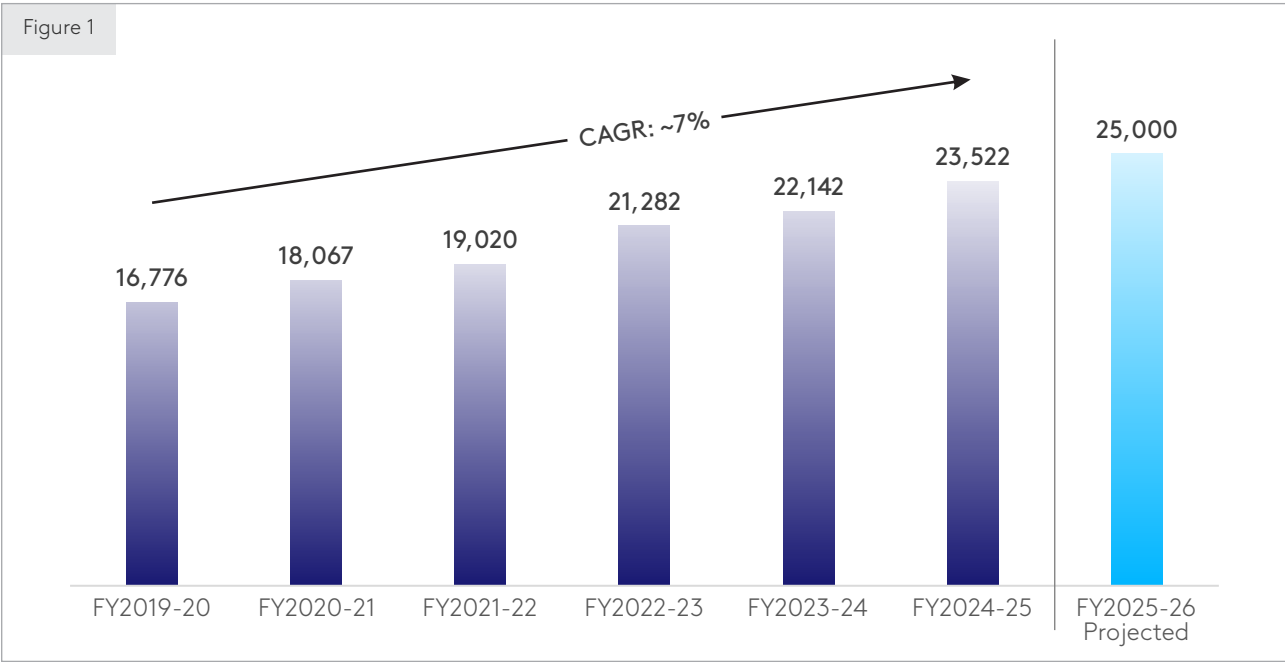
CHAPTER 1: **DIRECT SELLING** **INDUSTRY OF INDIA**

CHAPTER 1: DIRECT SELLING INDUSTRY OF INDIA

The chapter offers a concise yet comprehensive overview of India’s Direct Selling industry in 2024-25, detailing the overall market size and its distribution across regions, states, town classes, and company size segments. It also outlines the industry’s growth outlook, providing a forward looking perspective on the expected market trajectory.

1.1 Market Size

The segment sets out a consolidated estimate of the Indian Direct Selling industry’s market size for FY 2024-25. It covers the overall industry value, recent growth trends, the broader macro-level valuation context, and the key structural factors driving market expansion.



Indian Direct Selling Industry Size FY 2019-20 to FY 2024-25 (in ₹ crores)

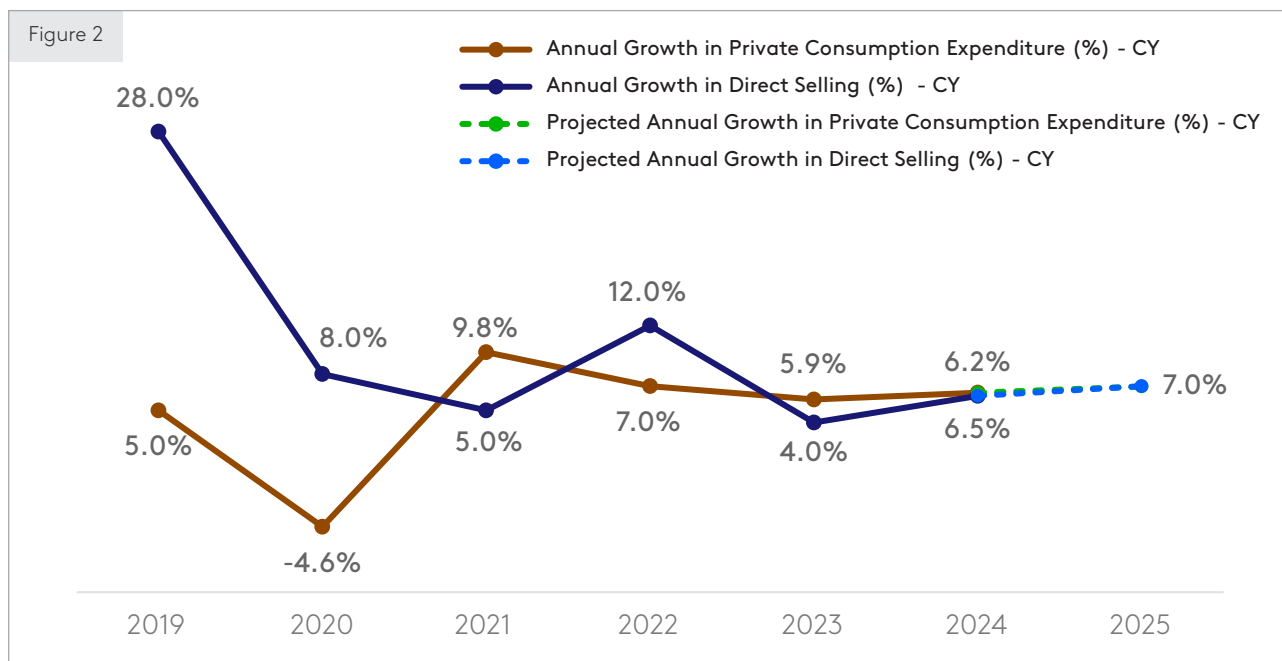
Note: The CAGR shown is computed using the actual market size observed between FY2019-20 and FY2024-25. The market size for FY2025-26 represents an estimate derived from forward projections and is not included in the CAGR calculation.

India's Direct Selling market has expanded steadily over the past five years, increasing from ₹16,776 crore in FY 2019-20 to ₹23,522 crore in FY 2024-25. Based on historical estimates available for this period, the industry has grown at a mid-single-digit annual pace, reflecting consistent expansion over time. This growth is notable for a relatively mature, consumer-facing industry and points to sustained, broad-based development, rather than short-term recovery effects or isolated surges. The trajectory suggests gradual deepening of consumption, wider geographic participation, and increasing formalization within the sector.

The trajectory has been supported by deeper geographic penetration, portfolio diversification, and operating scale gains among leading players, alongside a gradual strengthening of formalization through improved regulatory compliance, transparency, and the increasing dominance of organised, compliant business models.



India's Consumption Expenditure Growth vs Direct Selling Growth



India's Consumption Expenditure Growth vs Direct Selling Growth

Sources: World Bank, Direct Selling Industry Reports

A comparison of household consumption expenditure growth with the growth of the Indian Direct Selling industry indicates a strong structural linkage between the two, with overall consumption trends shaping the underlying demand environment.

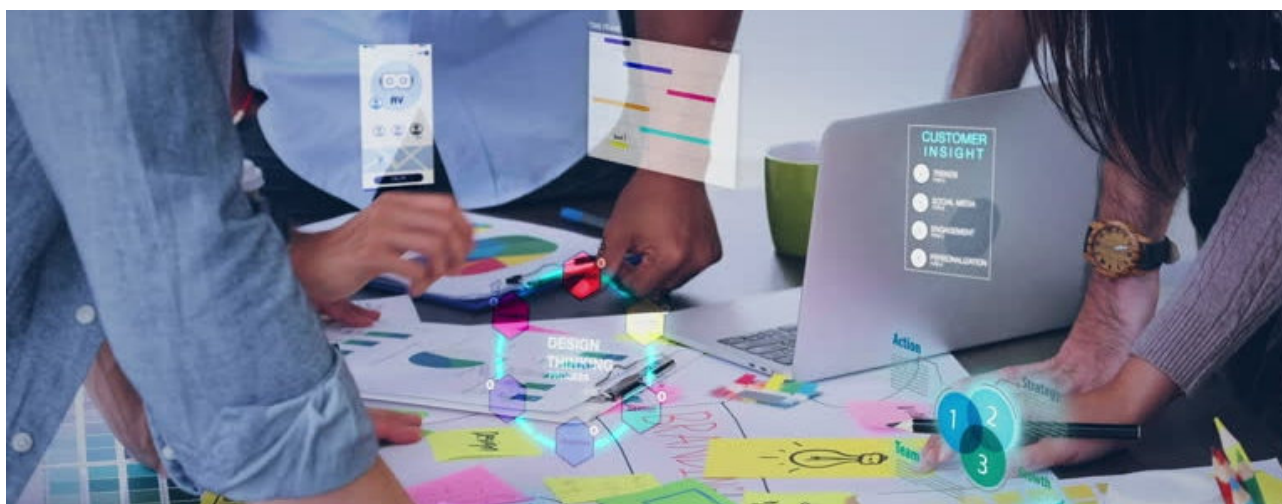
However, Direct Selling demonstrates relatively higher responsiveness across economic cycles. During periods of disruption, the sector showed resilience, sustaining positive growth even as aggregate consumption weakened. Conversely, during phases of economic recovery, Direct Selling growth accelerated at a faster pace than overall consumption, supported by expansion in wellness led categories, higher seller participation, and adaptable distribution models.

Over the period spanning 2019 to 2024, household

consumption expenditure recorded a normalized growth trend between 6-7%. Over the corresponding period, measured on a financial year basis, the Direct Selling industry expanded at a faster CAGR of about ~7 percent, underscoring its ability to outpace broad consumption growth over the medium term.

In 2024, annual growth in Direct Selling moderated slightly to ~6.2 percent, compared to ~4 percent in the previous year, reflecting a gradual growth with stabilising consumption trends.

As consumption growth has stabilised in recent years, Direct Selling growth has gradually converged with broader household expenditure trends, indicating a transition towards a more mature, consumption aligned industry trajectory.



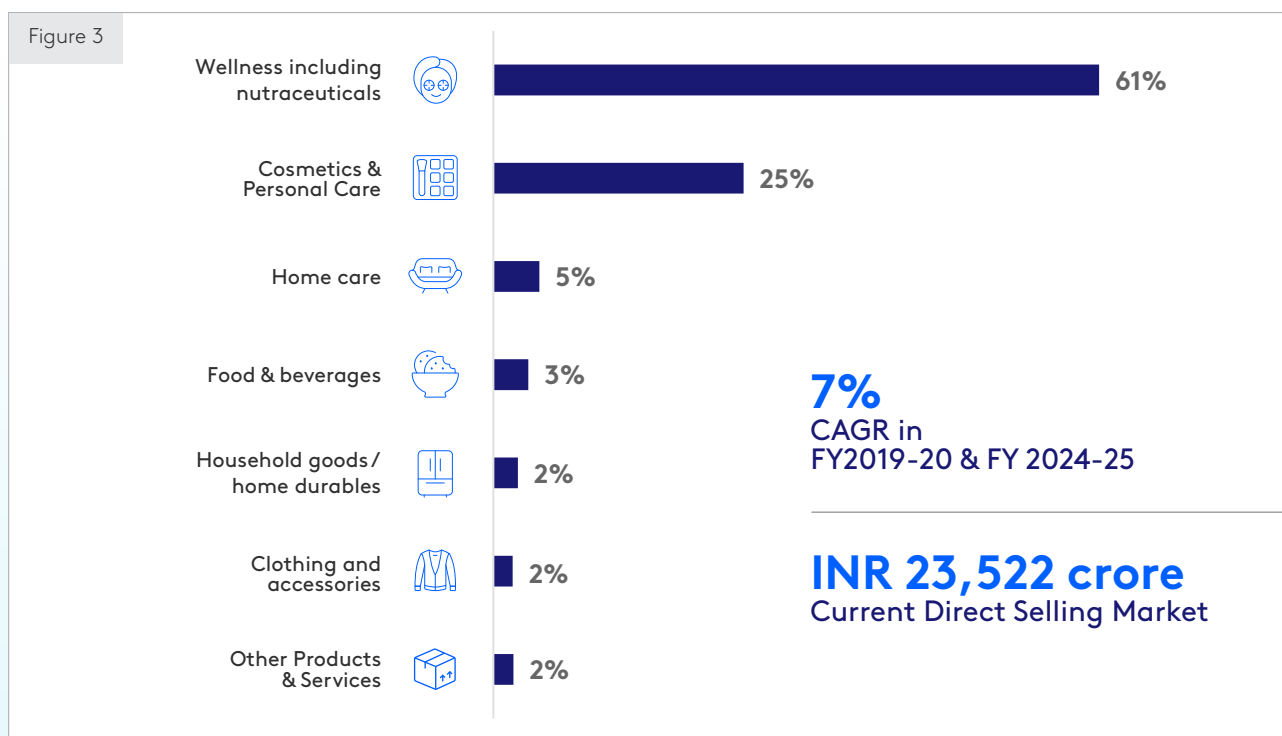
Growth Trend, Market Scale and Key Drivers

India's Direct Selling industry has continued to grow steadily in line with broader industry trends, supported by increasing consumer acceptance and the expansion of organized Direct Selling formats across the country.

Between FY 2019-20 and FY 2024-25, the industry recorded a CAGR of about ~7%, broadly in line with and marginally higher than India's household consumption growth, which averaged around 6 to 7 % over the same period based on Private Final Consumption Expenditure trends. Now scaled to an approximately ₹23,522 crore market, Direct Selling has moved beyond a niche channel, demonstrating pan-India presence and growing economic relevance.



Top-ranking product categories (by sales) in India's Direct Selling industry



Top-ranking product categories (by sales) in India's Direct Selling industry in FY 2024-25

The product mix in India's Direct Selling industry remains highly concentrated in wellness-led categories, with wellness including nutraceuticals alone accounting for ~61% of total sales. This reinforces the central role of health, preventive consumption, and lifestyle-driven demand in shaping industry growth.

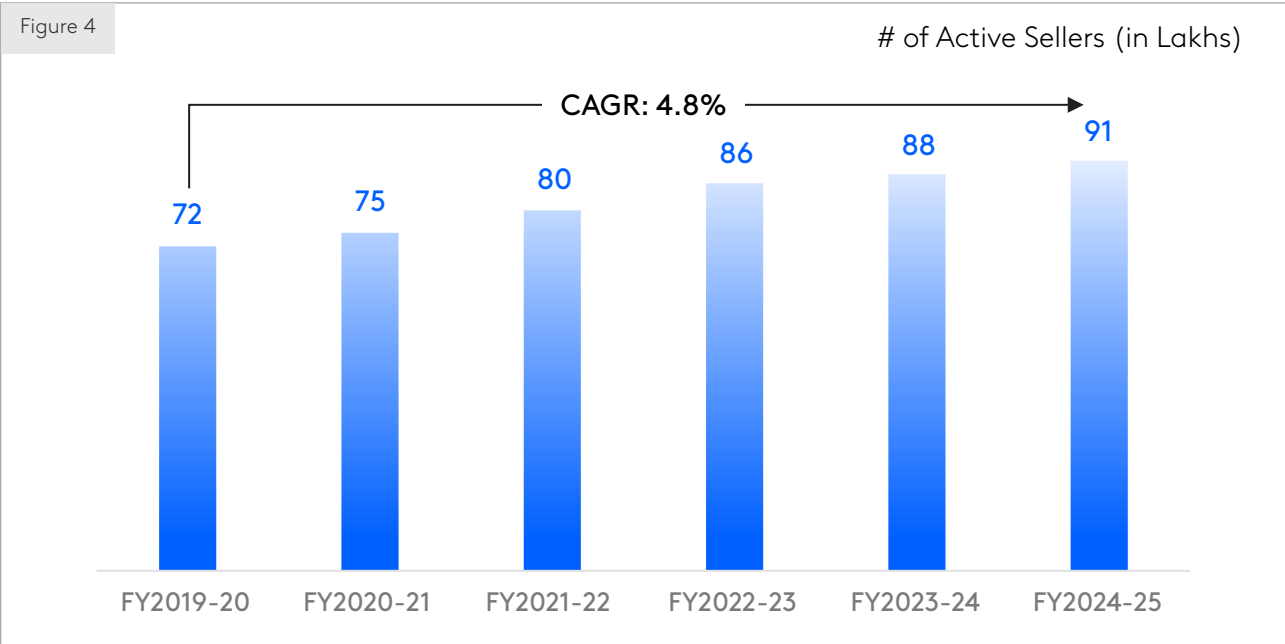
Cosmetics and personal care form the second-largest segment at ~25%, taking the combined share of wellness and beauty-related categories to over 85% of total sales. These categories benefit from high repeat consumption, aspirational appeal, and strong alignment with relationship-led

selling models.

In contrast, non-core categories such as home care (5%), food & beverages (3%), and other segments (2% each) collectively form a long tail with limited individual contribution. This indicates that while the industry has a diversified portfolio, value creation remains heavily skewed towards a few core, high-engagement categories.

Overall, the category mix reflects a clear structural bias toward high-value, repeat-driven, and consultative product segments, rather than mass FMCG or transactional categories.

Growth in Active Direct Sellers

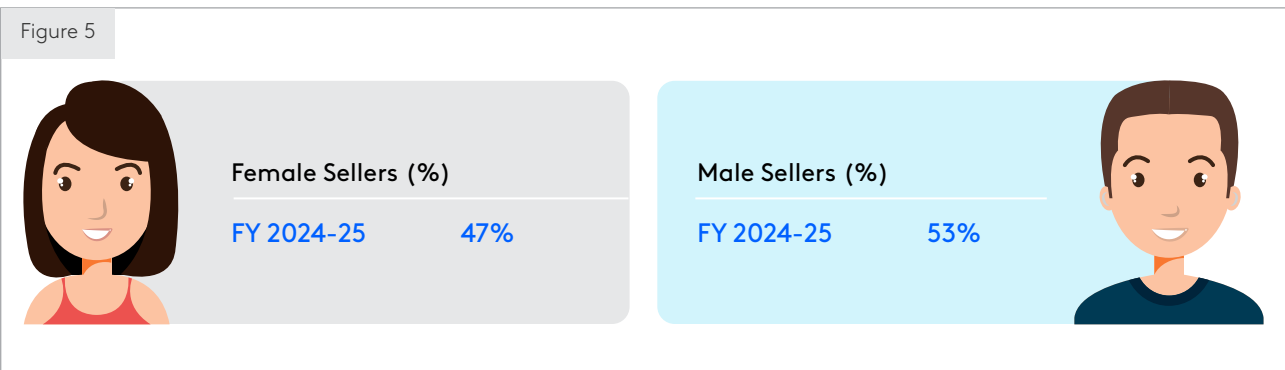


Number of active direct sellers in India in FY 2024-25

The active Direct Seller base in India has shown steady and sustained growth over the last five years, increasing from 72 lakhs in FY 2019-20 to 91 lakhs in FY 2024-25, translating into a CAGR of ~4.8%. Growth in FY 2024-25 stood at ~3% over

the previous year, indicating continued expansion despite a maturing base. Overall, the seller ecosystem has grown at a ~4.8% trend rate over the last five years, reflecting stable onboarding and sustained participation in the industry.

Growth in Active Direct Sellers



Gender composition of active Direct Sellers in India (FY 2024-25)

The gender composition of the Direct Selling workforce reflects a progressive shift towards higher female participation, with women now accounting for 47% of total sellers in FY 2024-25 indicating a steady move toward a more balanced and inclusive participation base.

The increasing presence of women highlights the sector's role as an accessible, flexible income-generation platform, particularly for individuals seeking entrepreneurial opportunities alongside other responsibilities. The model's low entry-barriers, flexible engagement structure, and strong

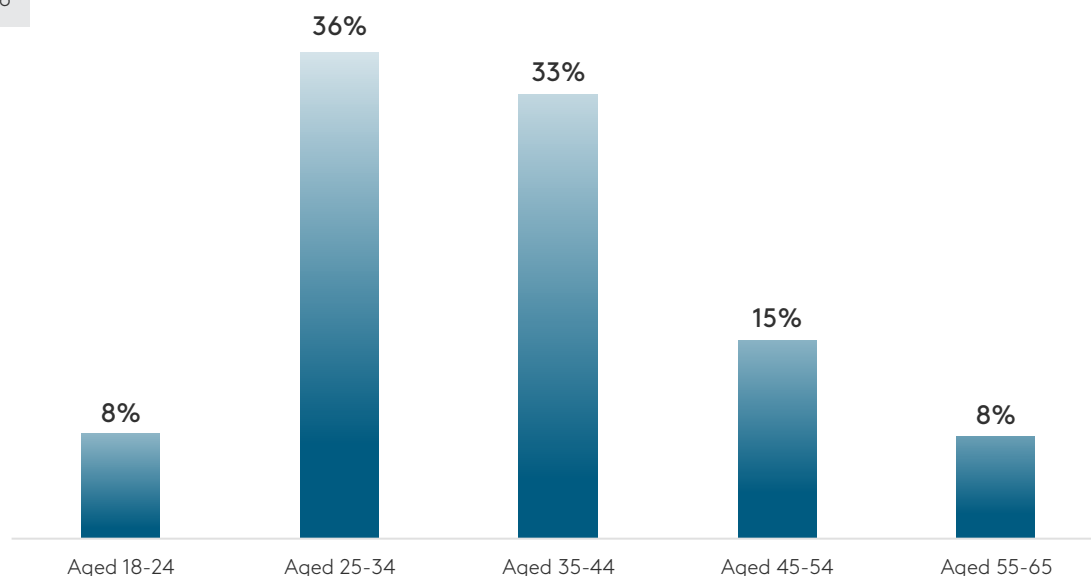
alignment with wellness and personal-care categories have further supported this trend.

While male participation remains marginally higher at 53%, the narrowing gap points to a gradual diversification of the seller-base, with women playing an increasingly important role in driving category growth and expanding consumer reach.

Overall, the shift reflects the evolution of Direct Selling into a more gender-balanced ecosystem, with rising female participation emerging as a key structural growth-driver.

Age wise distribution of sellers

Figure 6



Age wise split of active Direct Sellers in India (FY 2024-25)

Around 69% of active Direct Sellers, or about 63 lakh out of 91 lakh, are concentrated in the 25-44 age group, indicating strong participation from individuals in their prime working years. The 25-34 segment leads with 36%, followed by 35-44 at 33%, reflecting the appeal of Direct Selling as a flexible income option for mid-career earners. Participation is lower among 18-24 years (8%) and 55-65 years (8%), while 45-54 years account for 15%, showing tapering engagement at both age extremes.

Youth Contribution

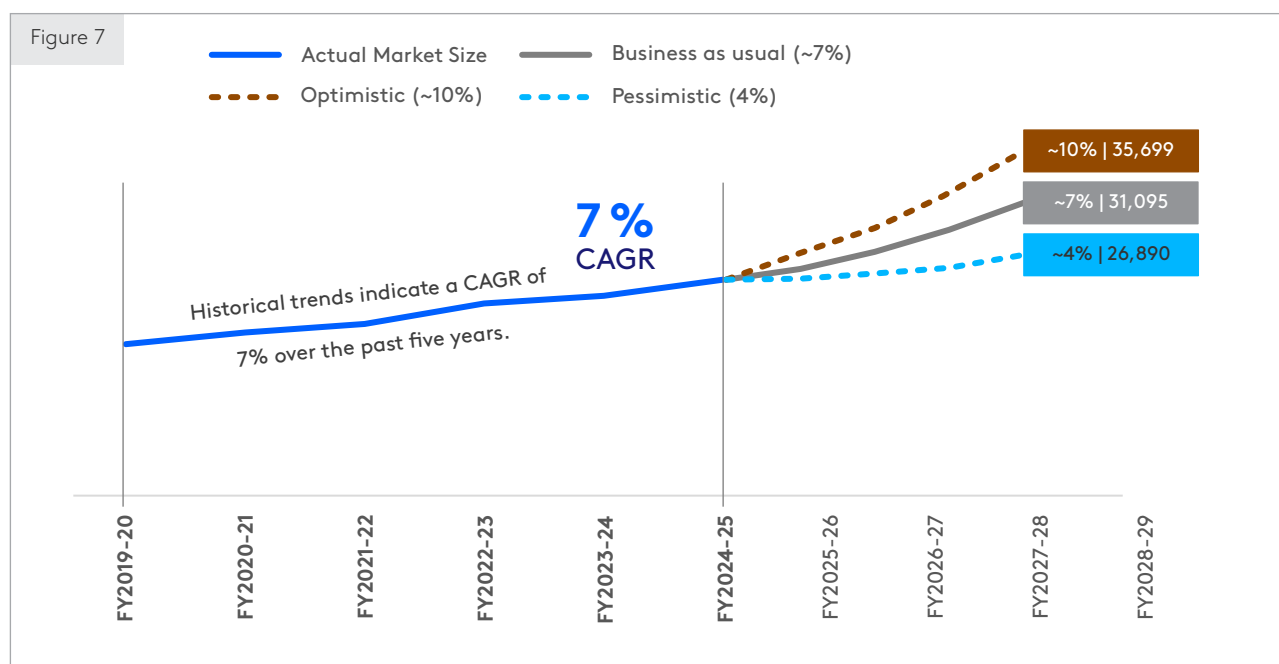
Youth participation plays a pivotal role in shaping the active direct seller base, particularly within the 25-44 age cohort, which represents the core working population of the industry. Industry stakeholders consistently highlight that individuals in this age group are attracted by flexible working models, supplemental income opportunities, and

the ability to leverage personal networks alongside digital tools. The strong uptake of wellness, personal care, and nutraceutical products further aligns with the health-conscious and aspirational mindset prevalent among younger working adults.

At the same time, participation from younger cohorts of 18-24 years remains relatively limited, reflecting preference for quicker and more predictable income options such as gig platforms, digital employment, and entry-level corporate roles. Several respondents noted higher churn among younger entrants, driven by expectations of rapid returns and lower tolerance for the relationship-building cycle inherent to Direct Selling. However, digital enablement, social media outreach, influencer marketing, and app-based selling platforms are gradually improving engagement with millennials and Gen Z, particularly in tier-2 and tier-3 cities.

- India's Direct Selling industry has demonstrated steady, broad-based growth, expanding from ₹16,776 crore in FY2019-20 to ₹23,522 crore in FY2024-25 at a CAGR of ~7%, and is expected to cross ₹25,000 crore by FY2025-26.
- Growth has been driven by wider geographic reach, product portfolio diversification, rising consumer acceptance, and stronger regulatory formalization following the Direct Selling Rules, 2021.
- The market is largely anchored in wellness, personal care and cosmetics, which together account for about 86% of sales. Seller participation is concentrated among prime working-age individuals, with nearly 70% in the 25-44 age group, while female participation has risen meaningfully to 45-47% in FY2024-25.
- Overall, the industry has evolved into a pan-India, organized distribution channel with stable growth prospects, supported by digital enablement, flexible income opportunities, and structurally improving credibility.

Market Forecast



Market Forecast of Direct selling Industry till FY 2028-29

Forecast approach and methodology

The market forecast has been developed using a historical trend-anchored scenario framework, designed to capture both the underlying growth trajectory of the industry and potential upside and downside deviations. Year-on-year growth rates observed over the last five to six years were analysed to derive two key parameters: the compound annual growth rate (CAGR) and the standard deviation (SD) of annual growth.

Over this period, the industry recorded a historical CAGR of ~7.0%, while annual growth volatility, measured through standard deviation, was approximately 3%. These two metrics were used in combination to construct three forecast scenarios, ensuring consistency in time horizon and data comparability.

- The **Business-as-Usual (BAU)** scenario assumes that the industry continues to grow in line with its historical average, and therefore applies the CAGR of ~7.0% to estimate future market size. This represents the most likely outcome under stable operating conditions and reflects continuation of current structural trends.

- The **Optimistic** scenario captures potential upside by applying CAGR plus one standard deviation, resulting in a growth assumption of ~10.0%. This scenario reflects conditions where favourable drivers such as stronger regulatory execution, faster expansion in non-metro markets, and improved seller productivity materialise simultaneously.
- The **Pessimistic** scenario reflects downside risk by applying CAGR minus one standard deviation, yielding a lower growth assumption of ~4.0%. This scenario accounts for potential headwinds, including slower seller onboarding, elevated churn, uneven state-level implementation of regulations, and broader macroeconomic pressures on consumption.

This approach ensures that all scenarios remain **anchored to observed historical performance**, while explicitly allowing for realistic variability around the long-term growth trend.

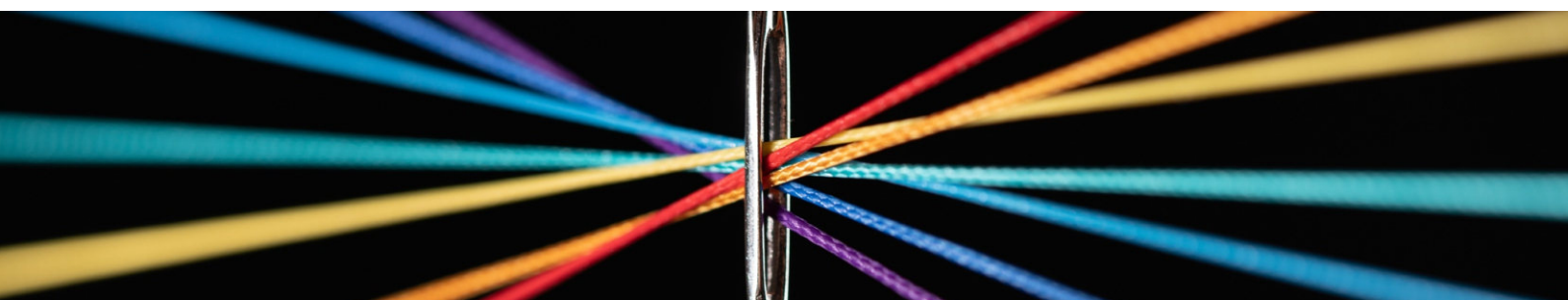


Table 1

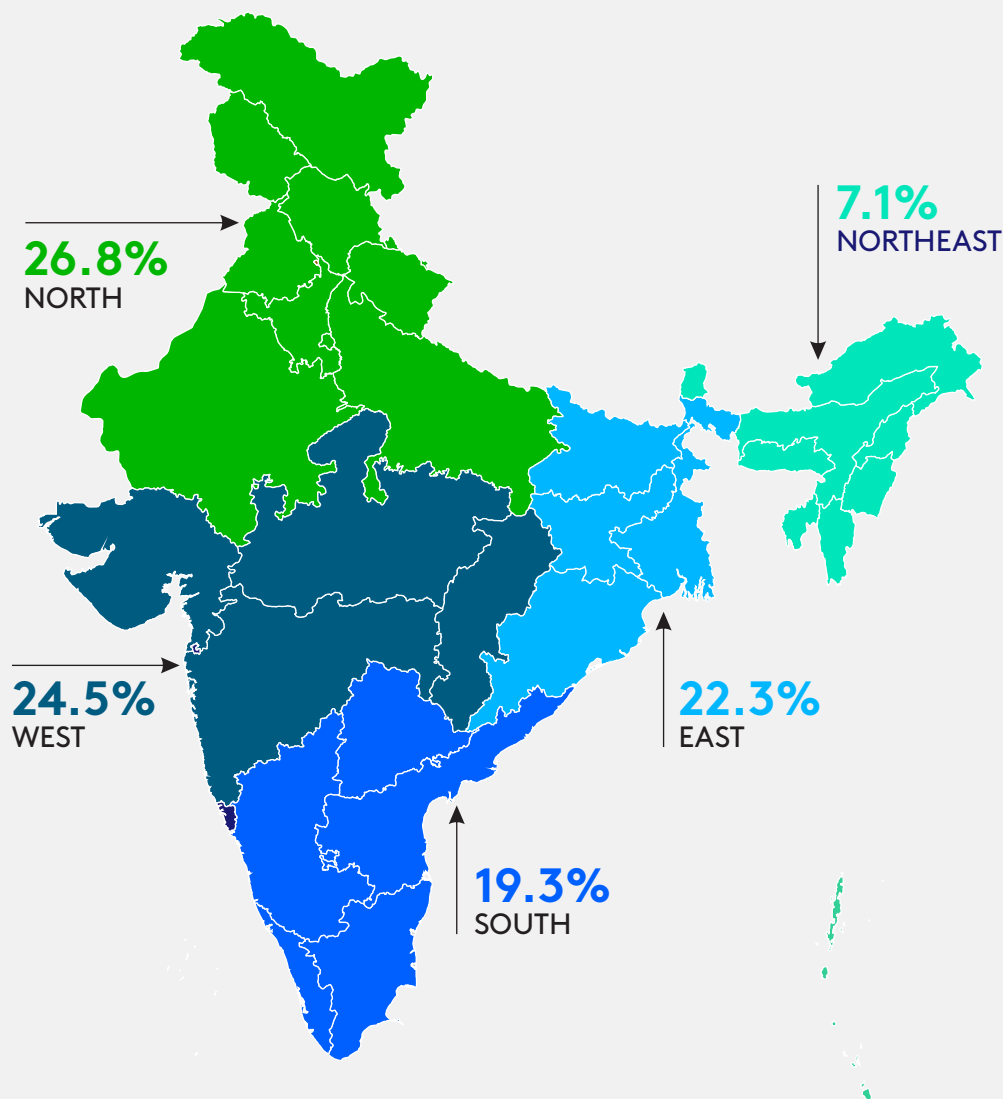
Parameter	Business as Usual (BAU)	Optimistic Scenario	Pessimistic Scenario
Growth assumption	Historical CAGR	CAGR + 1 Standard Deviation	CAGR - 1 Standard Deviation
CAGR used	7.0%	10.0%	4.0 %
Projected market size (FY 2028-29)	₹31,095 crore	₹35,699 crore	₹26,890 crore
Core growth drivers	Steady expansion of large companies; gradual geographic spread; stable consumer demand	Faster seller onboarding; strong non metro expansion; higher seller productivity	Slower seller growth; muted consumer demand; operational disruptions
Verbatim	The industry continues to grow steadily year on year; demand is recurring even if growth is not explosive.	Regulatory clarity is far better today, giving companies confidence to scale. Tier 2 and Tier 3 towns are adding distributors at a much faster pace. Digital tools are improving seller productivity.	State level implementation remains uneven and can disrupt operations. Retention remains a concern once income expectations are not met.
Structural implications	Industry grows along historical trajectory with incremental improvements	Acceleration beyond trend driven by simultaneous regulatory, digital, and geographic tailwinds	Growth undershoots trend due to policy uncertainty, churn, and macro pressure
Key risks embedded	Limited upside from existing structure	Execution risk if regulatory momentum or digital enablement slows	Regulatory friction, high seller churn, inflation led demand pressure

FY 2028-29 Market Size Forecast: BAU, Optimistic and Pessimistic Scenarios



1.2 FY 2024-25 Market size by regions

Figure 8



Region wise contribution to Direct Selling Industry sales in FY 2024-25

In FY 2024-25, the Northern region continued to be the largest contributor to India's Direct Selling market, accounting for 26.8% of the total value. The region comprises Uttar Pradesh, Rajasthan, Punjab, Haryana, Uttarakhand, New Delhi, Himachal Pradesh, Jammu & Kashmir and Chandigarh, with Uttar Pradesh and New Delhi-NCR being key volume drivers.

The Western region emerged as the second-largest contributor, with a 24.5% share of the market. This region includes Maharashtra, Gujarat, Madhya Pradesh, Goa, Chhattisgarh and the Union Territories of Dadra & Nagar Haveli and Daman & Diu, supported largely by Maharashtra's continued dominance and a strong presence of organised players in Gujarat.

The Eastern region contributed 22.3% of total market value, driven by West Bengal, Bihar, Odisha, and Jharkhand. Eastern India continues to benefit from deep seller penetration and strong

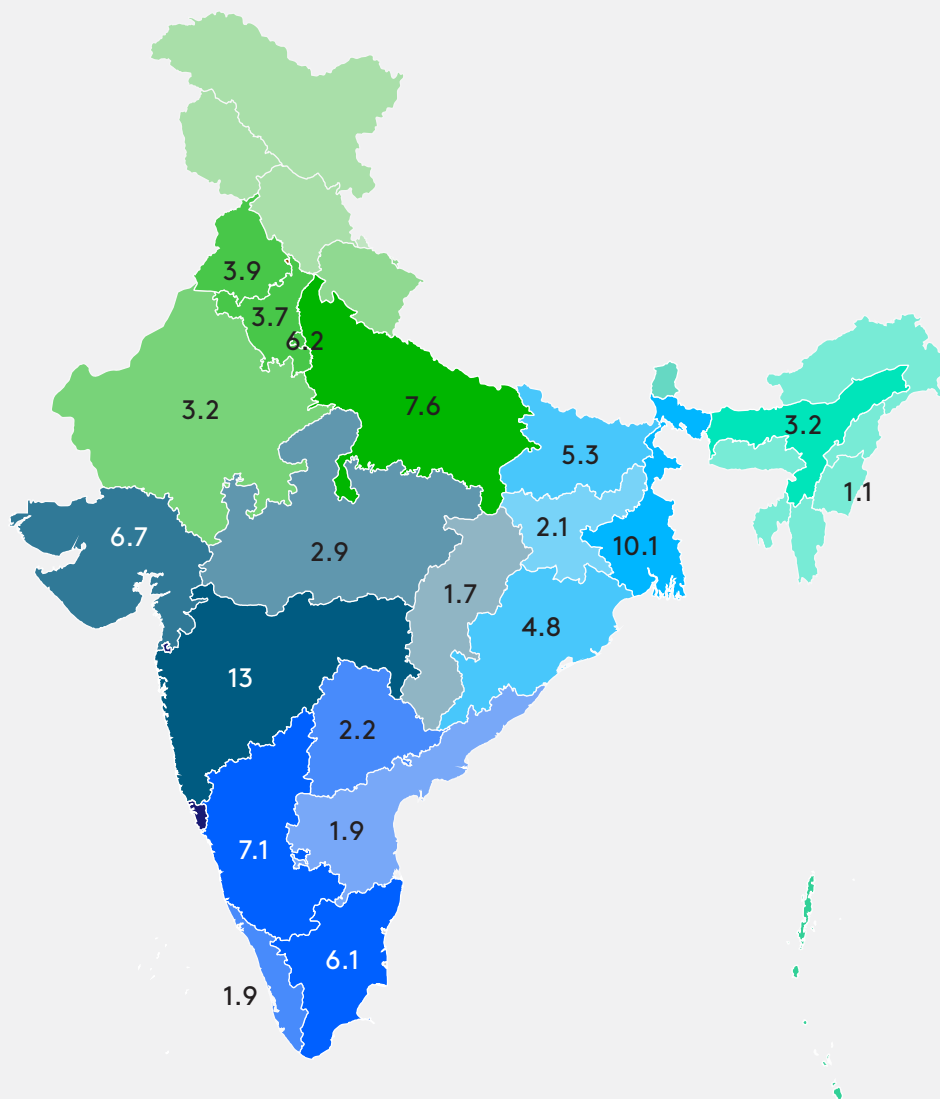
participation across both urban and rural markets, with West Bengal and Bihar remaining major contributors.

The Southern region accounted for 19.3% of the overall Direct Selling market in FY 2024-25. The region covers Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, and the Union Territories of Andaman & Nicobar Islands, Puducherry, and Lakshadweep. Improved regulatory clarity and company-led expansion have supported steady growth across key southern states.

The North-Eastern region, comprising Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura, accounted for 7.1% of the total market. While smaller in absolute size, the region maintains relatively high engagement levels, particularly in Assam and select adjoining states.

Region wise growth pockets

Figure 9



Region wise growth pockets of Direct Selling Industry sales in FY 2024-25

Note: States contributing less than 1% share are excluded from the map representation)

Region wise dominating states (FY 2024-25)

- **North (26.8%):** Dominated by Uttar Pradesh (7.6%) and New Delhi (6.2%), together accounting for ~14% of the national market, followed by Punjab (3.9%) and Haryana (3.7%).
- **West (24.5%):** Led by Maharashtra (13.0%), the single largest state contributor nationally, with Gujarat (6.7%) as the second key driver; other western states contribute smaller, fragmented shares.
- **East (22.3%):** Strengthened by West Bengal (~10.1%) and Bihar (~5.3%), together accounting for ~15% nationally, with Odisha (~4.8%) further adding to the region's

expanded contribution.

- **South (19.3%):** Led by Karnataka (~7.1%), and Tamil Nadu (~6.1%) which continue to anchor the region and contribute over two-thirds of the southern market. Telangana (~2.2%) and Andhra Pradesh (~1.9%) provide additional scale, though the region's overall share has moderated.
- **North-East (7.1%):** Concentrated primarily in Assam (3.2%), which contributes nearly half of the region's share; the remaining contribution is distributed across smaller states.

- **Baseline outlook:** India's Direct Selling industry is projected to grow at a -7% BAU CAGR, reaching ~₹31,095 crore by FY 2028-29, supported by recurring demand, gradual geographic expansion, and organized players.
- **Upside scenario:** Growth could accelerate to a 10.0% CAGR (~₹35,699 crore) if regulatory clarity, tier-2/3 town expansion, and digital-led seller productivity gains materialize.
- **Downside scenario:** Growth may moderate to 4.0% CAGR (~₹26,890 crore) amid slower onboarding, higher churn, uneven state-level implementation, and macro pressures.
- **Regional concentration:** Market value remains concentrated in structurally strong states, despite a pan-India footprint.
 - **North India leads:** Uttar Pradesh and New Delhi-NCR drive scale-led growth, supported by population breadth and urban consumption.
 - **West as value engine:** Maharashtra and Gujarat anchor the western region, benefiting from higher maturity and strong organized-player presence.
 - **Deep Eastern penetration:** West Bengal and Bihar contribute meaningfully through strong seller penetration across urban and rural markets.
 - **Stable South:** Karnataka and Tamil Nadu underpin balanced southern growth, aided by regulatory clarity and sustained company-led expansion.
 - **Niche North-East:** Smaller in absolute terms, with Assam showing consistent engagement.
- **Overall takeaway:** Growth is driven by scale-led North and West and structurally strengthening East and south, with outcomes hinging on execution, digital enablement, and policy continuity.

1.3 FY 2024-25 Market size by states

Table 2

State / Union Territory	Share in Indian Direct Selling Sales (In %)	Direct Selling Sales in FY2024-25 (₹ crore)	Number of Active Direct Sellers (Lakhs)
Uttar Pradesh	7.6	1,787.70	18.6
New Delhi	6.2	1,458.40	1.1
Punjab	3.9	917.4	1.6
Haryana	3.7	870.3	1.7
Rajasthan	3.2	752.7	3.1
Others	2.2	517.4	1.6
Total North Region	26.8	6,303.90	27.7
Maharashtra	13	3,057.90	8.7
Gujarat	6.7	1,576.00	2.3
Madhya Pradesh	2.9	682.1	5.3
Chhattisgarh	1.7	399.9	3.6
Others	0.2	47	0.5
Total West Region	24.5	5,762.90	20.4

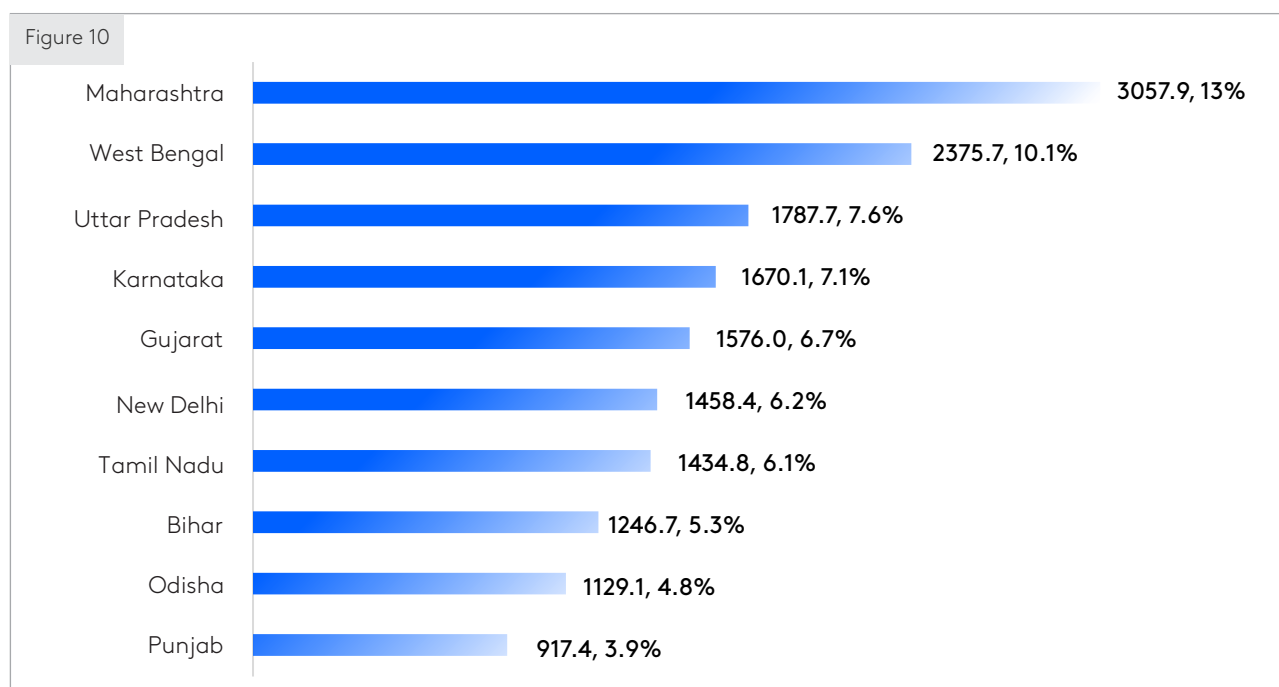
State / Union Territory	Share in Indian Direct Selling Sales (In %)	Direct Selling Sales in FY2024-25 (INR Crore)	Number of Active Direct Sellers (Lakhs)
Karnataka	7.1	1,670.10	2.1
Tamil Nadu	6.1	1,434.80	1.1
Telangana	2.2	517.5	1.2
Andhra Pradesh	1.9	446.9	1.8
Kerala	1.9	446.9	1.4
Others	0.1	23.5	0.7
Total South Region	19.3	4,539.70	8.3
West Bengal	10.1	2,375.70	4.6
Bihar	5.3	1,246.70	16.1
Odisha	4.8	1,129.10	4.1
Jharkhand	2.1	493.9	5.4
Total East Region	22.3	5,245.40	30.2
Assam	3.2	752.7	2.5
Manipur	1.1	258.7	0.5
Others	2.8	658.7	1.4
Total Northeast Region	7.1	1,670.10	4.4
Total India	100	23,522.00	91

State wise Direct Selling sales (in ₹ crore) and number of active Direct Sellers (in lakhs).

Union Territories (UTs) and states with low contribution towards Direct Selling from the respective regions have been classified under the Others



State wise contribution analysis (FY 2024-25)



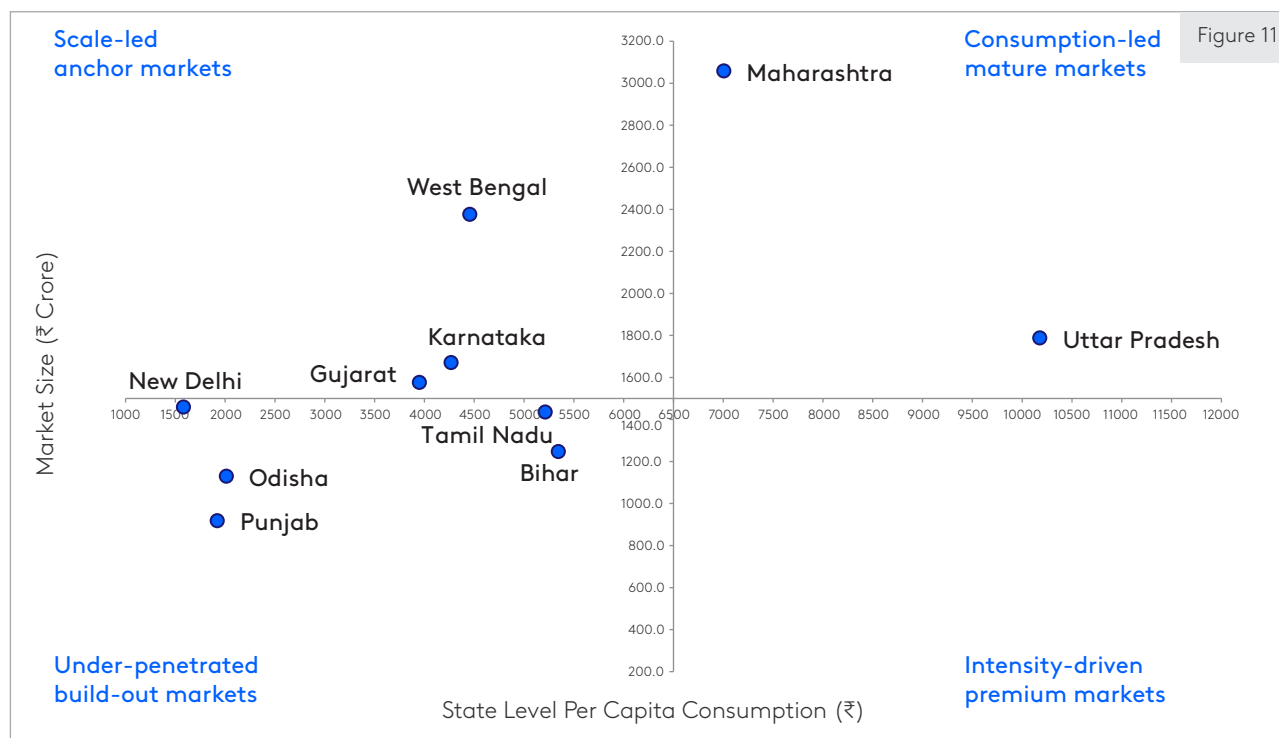
State wise contribution to Direct Selling Industry sales across the Top 10 states in FY 2024-25

India's Direct Selling market in FY 2024-25 remains highly concentrated, with the Top 10 states accounting for ~70% of national sales (~₹16,500-16,700 crore).

- Maharashtra leads the market with a 13.0% share (~₹3,058 cr), followed by West Bengal at 10.1% (~₹2,376 cr) and Uttar Pradesh at 7.6% (~₹1,788 cr).
- Southern markets of Karnataka and Tamil Nadu contribute 7.1 and 6.1 respectively (Karnataka- ₹1670.1 and Tamil Nadu – ₹1434.8 cr), highlighting a moderation in regional share, while Gujarat contributes 6.7% (~₹1,576 cr).
- New Delhi stands out with a 6.2% share (~₹1,458 cr) despite a relatively small seller base. Bihar (5.3%; ~₹1,247 cr), Odisha (4.8%; ~₹1,129 cr), and Punjab (3.9%; ~₹917 cr) complete the Top 10, reflecting a mix of high-value urban markets and emerging volume-driven states shaping the overall demand landscape.



Consumption Intensity levels of Top 10 States (State level capita consumption vs State-wise Market size)



Consumption Intensity levels (State level capita consumption vs State-wise Market size) across the Top 10 states in FY 2024-25

Consumption-led mature markets (High per-capita consumption and high market size)

- States in this quadrant combine strong consumption intensity with meaningful absolute market size, indicating relatively mature Direct Selling consumption ecosystems.
- Maharashtra anchors this segment, reflecting deep consumer adoption alongside the largest value contribution nationally.
- Uttar Pradesh continues to feature in this quadrant, driven by very high per capita consumption translating into a sizable market, despite the state's large and geographically dispersed population base.

Scale-led anchor markets (High market size with moderate per-capita consumption)

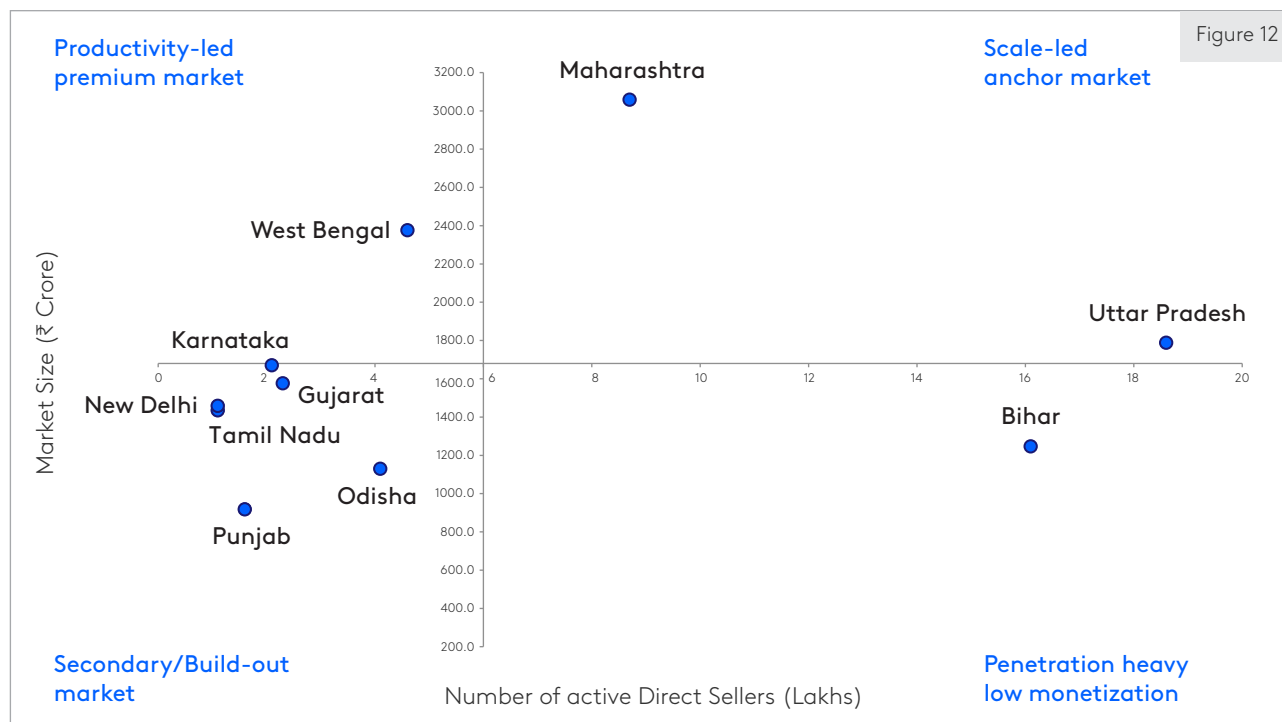
- This quadrant captures states where market size is driven primarily by scale rather than elevated consumption intensity.
- West Bengal leads this cluster as a major value-contributing market with per-capita consumption close to the industry average.
- Karnataka, Tamil Nadu, Gujarat, and New Delhi are also positioned in this segment, reflecting strong value contribution supported by urbanisation and distribution reach, with further headroom for deepening per-consumer consumption.

Under penetrated build out markets (Low per capita consumption and low market size)

- Under penetrated build out markets are characterized by limited scale and subdued consumption depth, indicating early stage development of Direct Selling consumption.
- Bihar, Odisha, and Punjab fall within this quadrant. These states currently contribute modestly to overall industry value, constrained by uneven access, lower awareness, and limited spending power, but represent long term growth opportunities as ecosystem maturity improves.

Market penetration levels of Top 10 States (value vs seller intensity)

An assessment of 'sales value' versus 'seller intensity' across the top contributing states in FY 2024-25 reveals clear structural differences in market penetration and monetisation.



State wise contribution to Direct Selling Industry sales across the Top 10 states in FY 2024-25

Scale led anchor markets (High value - High seller intensity)

- Maharashtra and Uttar Pradesh emerge as the only states combining large seller bases with strong value contribution. These states represent structurally important anchor markets, driven by both scale of participation and broad based consumption.

Productivity led premium markets (High value - Low seller intensity)

- West Bengal, Karnataka and Tamil Nadu, Gujarat and New Delhi generate disproportionately high value relative to their seller bases.
- These markets exhibit higher value realization per seller, reflecting stronger purchasing power, higher average ticket sizes, and more mature or organized selling ecosystems.
- New Delhi stands out as a clear outlier, delivering high value with one of the smallest seller bases among the Top 10 states.

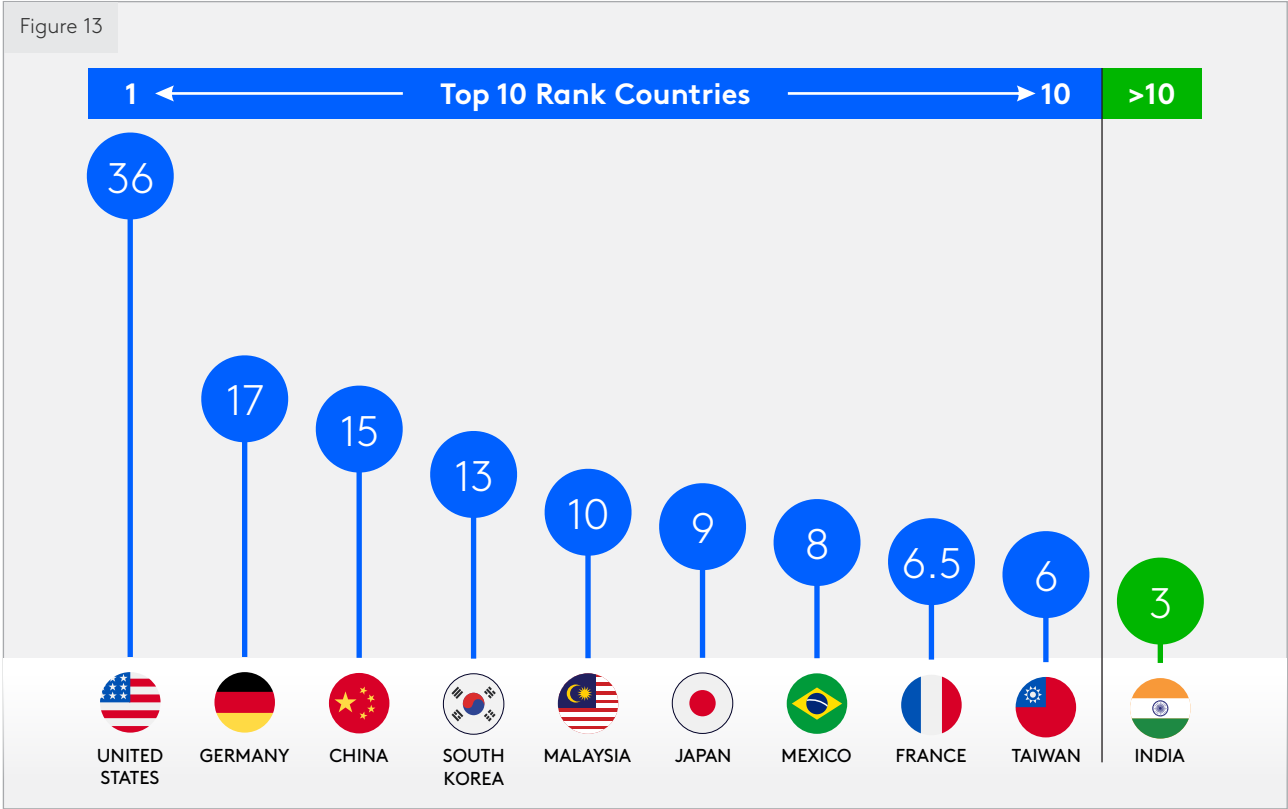
Penetration heavy, low monetisation markets (Low value - High seller intensity)

- Bihar represents the most prominent participation led market, characterized by deep seller penetration but comparatively lower value realization per seller.
- This indicates widespread adoption of the Direct Selling model, with scope for future upside through improved monetisation and product mix.

Secondary/build out markets (Low value - Low seller intensity)

- Odisha and Punjab contribute meaningfully to the national market but do not yet dominate on either seller scale or value metrics, positioning them as secondary markets with headroom for expansion.

Country Wise Market Size of Direct Selling Industry (in \$ Bn)



Top global Direct Selling markets (CY 2024) & India (FY 2024-25)

Note: Market sizes are rounded WFDSA retail sales estimates expressed in constant USD.

Global Direct Selling landscape and India’s position

The global Direct Selling industry generated USD 163.9 billion in retail sales in CY 2024, reflecting a largely stable and mature global market following post-pandemic normalization. Sales remain highly concentrated, with the Top 10 markets accounting for a significant share of global value, underscoring the scale advantage of a small set of structurally advanced countries. Globally, 21 countries qualify as billion-dollar markets, together contributing over 90% of total industry sales, highlighting the steep value gradient beyond the top tier.

Where India stands today

India’s Direct Selling market, valued at approximately USD 2.8-3.0 billion in FY 2024-25, places it firmly within the billion-dollar market cohort, while remaining below the threshold of the global Top 10 Direct Selling markets. In absolute terms, India currently operates at less than half the scale of the lowest-ranked Top 10 markets, such as Taiwan and France, underscoring the gap

between India’s participation scale and value realization.

At the same time, India differs meaningfully from most mature Direct Selling markets in that it continues to display steady mid-single-digit annual growth, whereas global industry growth has remained largely flat in recent years. This divergence positions India among the stronger growth markets globally, even as its absolute market size remains comparatively smaller. The contrast highlights India’s role as a market with ongoing headroom for expansion rather than one constrained by saturation dynamics.

It is important to note that global retail sales estimates for Direct Selling are typically derived using a standardized adjustment, whereby reported company turnover is scaled upward to account for distributor margins and downstream value capture. This methodological approach is applied consistently across countries to enable international comparability and underpins the retail market size estimates cited for both India and other global markets.

What would it take for India to enter the global Top 10?

To break into the global Top 10, India would need to reach a minimum market size of USD 6-7 billion, implying a 2.2-2.4x expansion over the current base.

2.2 - 2.4x
CURRENT BASE



REACHED
USD 6-7 billion
MARKET SIZE



At India's current Business as Usual growth rate, such scale would only be achieved over the longer term. Entry into the Top 10 within the next decade would require a sustained acceleration to low double digit growth (approximately 12-14% CAGR) a level well above India's historical trend and substantially stronger than global averages.

This step change cannot be achieved through seller additions alone. Instead, India's pathway to the Top 10 is fundamentally value led rather than participation led.

Current Growth Trajectory



SLOW & STEADY
LONG-TERM TIMELINE

Required Growth Rate

ACCELERATED GROWTH
12-14% CAGR NEXT DECADE



Per-capita consumption as the binding constraint

India's relatively low global ranking in Direct Selling is largely influenced by low per capita consumption, rather than a lack of market access or distributor presence. However, this gap highlights a significant growth opportunity. By increasing consumer awareness, strengthening trust, and driving higher product adoption, the industry can unlock substantial expansion potential, positioning India for strong growth in the coming years.

- India's current per-capita spend: ~USD 2
- Lower-end top-10 markets: ~USD 8-12 per capita

For India to reach a USD 6-7 billion market size, per-capita consumption would need to rise to ~USD 5-6, implying a 2.5-3x increase from current levels. This gap explains why India, despite its large population and extensive seller base, continues to trail smaller but more consumption-dense economies.

State and regional concentration of future growth

India's transition into the global Top 10 in Direct Selling is expected to be driven by a limited set of consumption-intensive regions, rather than uniform expansion across all states. The growth pathway reflects a combination of current

consumption maturity in select markets and future uplift potential in large, scale-driven regions.

Consumption-led mature regions (current intensity anchors)

A small number of regions already exhibit relatively higher consumption intensity alongside meaningful market scale. These markets benefit from higher urbanisation, stronger organised company presence, and better distributor productivity, positioning them as anchors for near-term value-led growth.

- Western region, led by Maharashtra as a representative mature market

Scale-led regions with rising consumption potential (transition markets)

Several large regions contribute significantly to overall industry scale but currently operate at moderate consumption intensity levels. With improvements in product mix, distributor productivity, and repeat consumption, these regions are expected to play a critical role in driving incremental value over the medium term.

- Northern region, illustrated by Uttar Pradesh
- Southern region, illustrated by Karnataka
- Eastern region, illustrated by West Bengal

Build-out regions (longer-term opportunity)

Other regions remain under-penetrated in both scale and consumption intensity, contributing to seller participation but requiring sustained structural interventions to meaningfully influence national market value. These markets represent long-term growth optionality rather than immediate Top 10 drivers.

Product mix comparison and gaps

India's product mix is broadly aligned with global trends. Wellness, personal care, and cosmetics already account for nearly **86% of total sales**, comparable to leading global markets. However, India under-indexes in **higher-value sub-segments** that materially lift per-capita spend in top-ranked countries, including:

- Advanced and life-stage nutrition (sports nutrition, healthy ageing solutions)
- Premium beauty solutions and beauty devices
- Wellness-linked home and lifestyle durables
- Subscription and auto-replenishment-led consumption models

In contrast, Top 10 markets monetise depth of consumption per consumer, while India remains broad in participation but shallow in value realisation.

Opportunity for India to enter the global Top 10

India's progress towards joining the global top-10 Direct Selling markets is closely linked to an ongoing shift from volume-oriented growth to a more value-focused development trajectory. While the industry is characterised by wide participation, many companies currently operate at early revenue stages, underscoring the sector's evolving nature. Creating an enabling environment that helps more enterprises scale beyond the 10 crore threshold could unlock additional growth potential and reinforce India's competitive positioning internationally.

A confluence of favourable demographics, improving regulatory clarity, rising wellness awareness, and increasing digital enablement provides a credible platform to support this transition and lift per-capita consumption over the medium term. If consumption intensity deepens across a concentrated set of leading states and higher-value product categories gain scale, India has the potential to significantly expand potentially doubling or tripling its Direct Selling market size over the next decade. In a global industry that is otherwise showing signs of stabilisation, such momentum would position India as a long-term contender for Top 10 status, rather than merely a high-participation emerging market.

Competitive dynamics of India's Direct Selling Ecosystem

Figure 14



Competitive dynamics of India's Direct Selling Ecosystem

Table 3

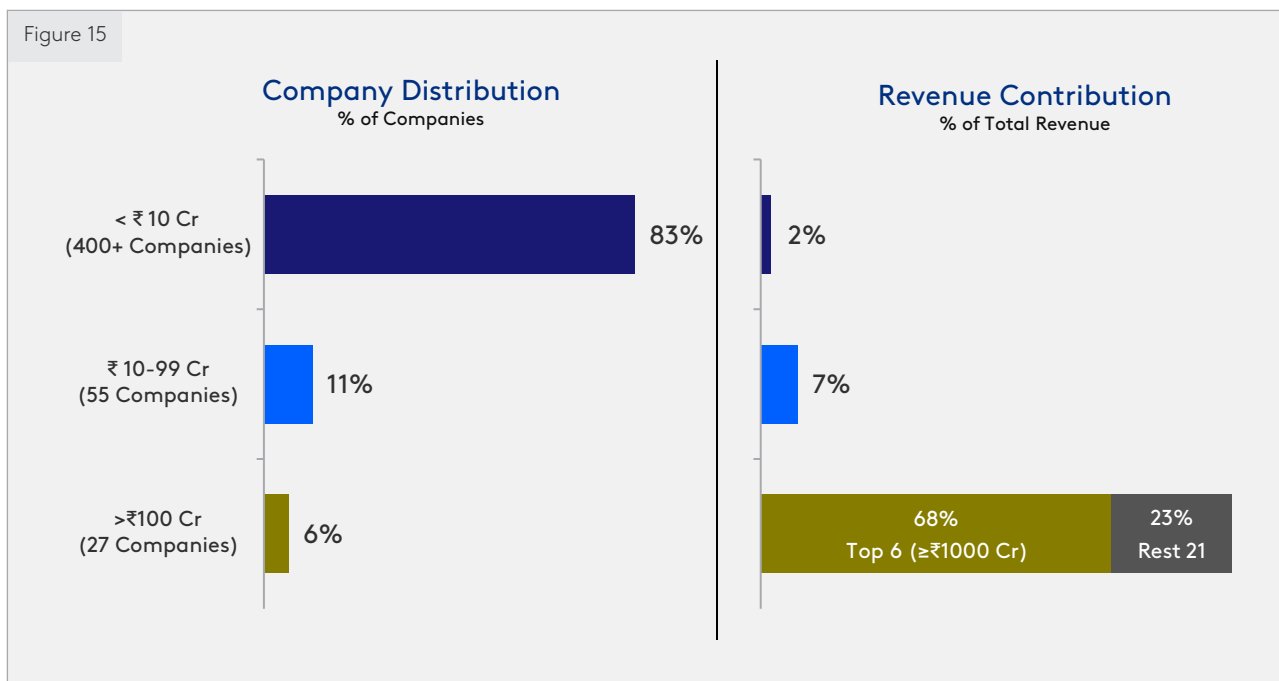
Entry Conditions	Moderated, but Evolving	Entry remains selective, shaped by regulation, brand trust, and distributor engagement. While digital tools ease outreach, scaling is still constrained by compliance readiness, supply chain strength, and trust based brand building.
Consumption Alternatives	High Choice, Differentiated Value	Direct Selling competes in a high choice environment alongside retail, e commerce, and D2C, but differentiates through relationship led selling and advisory engagement, particularly in wellness and personal care categories.
Competitive Intensity	Fragmented Base, Uneven Scale	The market features a long tail of smaller players and few scaled firms, with competition focused on distributor productivity, retention, and category depth rather than price led rivalry.
Supply Ecosystem	Structurally Supportive	Diversified sourcing, contract manufacturing, and improving domestic capabilities help contain input pressures and support operational flexibility, especially in high value wellness led segments.
Buyer Influence	Informed, Value Seeking	Buyers are increasingly well informed and value conscious; while switching costs are low, influence is moderated in models that emphasize guidance, trust, and long term engagement.

- Taken together, the market penetration and consumption intensity analyses indicate that future growth in India's direct selling industry will be driven primarily by states that combine scale with depth of engagement, either on the seller side or the consumer side.
- Maharashtra emerges as the most structurally mature market, with strong performance across both seller productivity and consumption intensity, positioning it as a stable anchor for near-term value growth.
- Uttar Pradesh represents a critical scale-led growth market, where high consumption intensity among active consumers and large market size coexists, but further upside is contingent on improving seller-level monetisation and penetration.
- Karnataka and Tamil Nadu reflect structurally balanced markets with moderate scale and consumption depth, supporting steady, sustainable growth.
- In contrast, states such as Bihar, Odisha, and Punjab remain under-penetrated, with growth potential that is longer-term and dependent on gradual ecosystem development rather than immediate value accretion.

Geographic disparities and structural contrasts

- Urbanised and economically advanced states (Maharashtra, New Delhi, Tamil Nadu, Karnataka) generate disproportionately higher value per seller, driven by purchasing power, urban consumption and organised distribution.
 - Northern and Eastern heartland states (Uttar Pradesh, Bihar, Odisha, Jharkhand) underpin the industry through large seller bases, but with lower average ticket sizes and value realisation.
 - Western India (led by Maharashtra and Gujarat) combines scale with higher productivity, creating a strong value-growth engine.
 - North-East India, demonstrates relatively high seller engagement in specific states such as Assam, though logistical constraints limit scale.
 - Smaller states and Union Territories remain marginal contributors, reinforcing concentration in a limited number of large markets.
- Overall, the FY 2024-25 pattern underscores a market shaped by high concentration at the top, volume-led participation in the hinterland, and structural differences in consumption capacity across regions.

1.4 FY 2024-25 Market size by company and revenue distribution



Market size by Direct Selling company and revenue distribution in FY 2024-25

In FY 2024-25, the Direct Selling industry displayed a highly tilted revenue distribution, with 27 companies reporting annual revenues exceeding ₹100 crore.

Notably, the top six companies with revenues above ₹1,000 crore together accounted for approximately 68% of total industry revenue, underscoring the high degree of concentration at the upper end of the market.

The top tier is followed by 55 mid-sized companies operating in the ₹10-99 crore revenue bracket, contributing meaningfully to the industry's expansion and category depth.

In contrast, a significant proportion of companies (≈83%) generate annual revenues below ₹10 crore, highlighting a pronounced long-tail structure and considerable fragmentation within the industry. While their individual revenue contributions remain modest, this segment plays a critical role in

broadening market reach, particularly across emerging geographies and niche product categories.

These smaller players are often characterized by localized distribution networks, focused portfolios, and lower entry barriers, enabling them to serve underserved consumer segments and experiment with differentiated business models. Over time, this segment also acts as a pipeline for future scale players, with select companies demonstrating the potential to graduate into higher revenue brackets as their distributor base and brand visibility expand.

However, the fragmented nature of this cohort also reflects variability in scale, operational maturity, and distributor productivity, which constrains their ability to contribute more significantly to overall industry revenues at present.





CHAPTER 2: **INDUSTRY VOICE:** **THEMATIC ANALYSIS**

CHAPTER 2: INDUSTRY VOICE: THEMATIC ANALYSIS

This chapter consolidates perspectives from industry stakeholders to surface common patterns, areas of convergence, and underlying tensions shaping India's Direct Selling landscape. Insights are organized into ten thematic lenses reflecting growth outlook, distribution dynamics, enablers and inhibitors, structural challenges, and evolving expectations from policy and governance.

2.1 Theme 1: Market size & growth: consensus range driven by optimism

There is a broad sense of agreement on the current size of the Indian Direct Selling market, even as exact figures differ. The industry largely situates itself within a ₹22,000 crore to ₹30,000 crore band. Most views cluster around the middle of this range for FY 2024-25, suggesting convergence rather than fragmentation in market perception.

Recent growth is described as moderate and steady, typically seen in the 5 to 8 percent range year on year. A smaller set of perspectives point to slightly higher momentum, largely driven by wellness heavy portfolios and stronger regional performance in select states.

What is notable is the nature of optimism. Growth expectations are not framed around sharp acceleration, but around continuity and stabilization. The emphasis is on durability rather than speed, with confidence linked to maturity of the ecosystem rather than expansion alone.

"The industry is not jumping anymore, but it is also not falling. That itself is a big shift."

"We are seeing regular growth now, not headline numbers, and that is healthier."

2.2 Theme 2: Pan-India presence of Direct Selling, uneven depth

"We are present everywhere, but the business is not equally alive everywhere."

"In some states you feel the network working on its own, in others it needs constant push."

Direct Selling in India is widely understood to have presence across nearly all regions. However, there is a strong distinction made between presence and depth.

- Northern and Eastern states are repeatedly seen as having denser seller networks and higher activity
- Parts of Western and Southern India are described as having presence without equivalent intensity
- The North eastern region is viewed as emerging, with participation growing from a small base

This imbalance is linked to differences in income profiles, alternative earning options, community structures, and variation in how local ecosystems support relationship based selling. As a result, national reach does not automatically translate into uniform performance.

2.3 Theme 3: The trio of growth drivers: 'wellness + legitimacy + digital reach'

Growth today is rarely attributed to a single factor. Instead, it is described as the outcome of three forces working together.

- Wellness demand, particularly nutrition and health supplements, continues to anchor revenues for most organizations, often contributing between half and two thirds of total sales
- Legitimacy and regulatory clarity have reduced hesitation among sellers and consumers, improving confidence in long term participation
- Digital tools have expanded reach by enabling training, communication, and engagement beyond physical meetings

These drivers are seen as reinforcing each other. Wellness creates demand, legitimacy supports continuity, and digital channels make scale more achievable.

"Health products are pulling the business, but trust is what is keeping people in."

"Digital made scale possible, but only because the rules became clearer."

2.4 Theme 4: Key inhibitors: 'implementation fragmentation + alternative income + channel pressure'

"People now compare effort everywhere, not just within our industry."

"The rule is clear, but the way it plays out keeps changing by location."

At the same time, growth is described as operating within clear constraints. Three inhibitors recur consistently.

- Variation in state level execution, which increases effort and uncertainty for companies operating across jurisdictions
- Competing income options, including gig and short cycle earning avenues, which have reduced patience for longer gestation models
- Pressure from e-commerce and quick commerce, especially in categories where speed and convenience dominate decision making

These are not framed as passing challenges. They are seen as part of the environment within which Direct Selling must now operate.

2.5 Theme 5: Product breadth, but wellness-heavy concentration continues

While most companies point to diversified portfolios across wellness, personal care, home care, and select FMCG categories, revenue tells a more concentrated story. Wellness continues to dominate, often accounting for more than 50 percent of turnover.

This concentration is acknowledged as both a strength and a vulnerability. It has supported scale and credibility, but also increases exposure to category specific regulation, perception shifts, and saturation. There is clear recognition that future resilience will require broader value creation beyond core wellness products.

"Whatever we add, wellness still pays for most of it."

"The basket is wide, but the billing comes from very few categories."

2.6 Theme 6: Scale is huge; leakage is structural

"People join easily, and leave easily. That has always been true."

"Retention is about seriousness, not recruitment."

The industry operates at significant scale in terms of participation, with seller bases ranging from tens of thousands to several lakhs at the company level. At the same time, attrition is openly recognized as structural.

Indicatively:

- Annual dropout rates are commonly described in the 40 to 60 percent range, especially among first year entrants
- A large share of participants are part time or exploratory, testing the model before committing

Attrition is not viewed as a failure, but as an outcome of low entry barriers and mixed motivations. As a result, improving productivity and tenure is seen as more critical than expanding headcount.

2.7 Theme 7: Digitalisation: enabler or conflict amplifier

Digital adoption is widely credited with improving training coverage, internal communication, and recruitment efficiency. Many organizations report sharper reach and faster mobilization as a result.

At the same time, concerns are visible:

- Unregulated social media selling blurs boundaries with affiliate models
- Content creation without adequate training increases reputational exposure
- Speed sometimes comes at the cost of relationship depth

Digitalization is therefore framed as an enabler that requires discipline and governance, not a substitute for the core model.

"Digital helps us reach more people, but it also creates noise."

"Everyone can post now, not everyone should."

2.8 Theme 8: Policy and governance are welcome

"The rules helped the industry breathe again."

"Now it is less about new laws and more about how they are applied."

There is strong acceptance of the current policy framework as a step forward for the industry. Regulatory clarity is widely credited with filtering unethical practices and improving legitimacy.

However, effectiveness is linked to execution. Expectations now focus on:

- Greater consistency across states
- Clearer procedural alignment
- Wider dissemination of compliance understanding within seller networks

Governance is regarded as an evolving process rather than a completed milestone.

2.9 Theme 9: Training is positioned as the retention lever

Training emerges repeatedly as the most important lever available to the industry. Strong training is linked to better confidence, improved selling quality, and longer seller tenure.

Conversely, gaps in training are associated with mis selling, attrition, and perception risks. Many organizations describe increasing investments in structured training, signalling a shift from optional support to institutional backbone.

"Training decides who lasts and who drops out."

"Without learning, people lose belief very fast."

2.10 Theme 10: CSR & Legitimacy

"People need to see what the industry stands for, not only what it sells."

"Trust comes as much from conduct as from products."

CSR is not described as a direct growth engine. Instead, it plays a supporting role in shaping credibility and trust. Initiatives linked to health, education, women participation, and community development are seen as helping counter historical skepticism and positioning Direct Selling as a socially embedded economic activity.

- The Direct Selling industry is operating in a phase of measured stability, with overall market size widely viewed in the ₹22,000 crore to ₹30,000 crore range and growth typically seen in the mid single digit band. Expectations are oriented toward steady, sustainable expansion rather than rapid acceleration.
- The industry has achieved near national presence, but depth of engagement remains uneven across regions. Northern and eastern markets show stronger activity and seller density, while parts of western and southern India continue to lag in intensity.
- Growth is largely anchored in wellness categories, supported by improved regulatory legitimacy and expanded digital reach. Together, these factors are enabling continuity and scale rather than headline driven growth.
- Structural constraints persist, including variation in state level execution, high availability of alternative income options, and increasing pressure from ecommerce and quick commerce models.
- Participation scale remains large, but attrition is embedded in the model, particularly among early stage sellers. As a result, focus is shifting from expanding seller numbers to improving productivity, retention, and capability.
- Training and governance are increasingly seen as central to long term credibility, while CSR plays a supporting role in strengthening trust and reinforcing the industry's social acceptance.



CHAPTER 3: **POLICY, COMPLIANCE & EASE OF DOING BUSINESS**

CHAPTER 3: POLICY, COMPLIANCE & EASE OF DOING BUSINESS

This chapter examines the regulatory and operating environment governing India's Direct Selling industry, with a focus on policy clarity, compliance experience, and ease of doing business across jurisdictions. It draws on stakeholder inputs to highlight progress achieved since the introduction of the Consumer Protection (Direct Selling) Rules, 2021, while also identifying areas where implementation frictions and regulatory inconsistencies continue to shape industry outcomes.

3.1 Consumer Protection (Direct Selling) Rules, 2021

The end-to-end impact of the Consumer Protection (Direct Selling) Rules, 2021 from establishing a clear regulatory framework to defining compliance obligations and enabling state-level supervision. Together, these elements have contributed to greater formalization, improved consumer trust, and stronger compliance discipline within India's Direct Selling industry.

Consumer Protection (Direct Selling) Rules, 2021: From Policy to Industry Impact

Figure 16



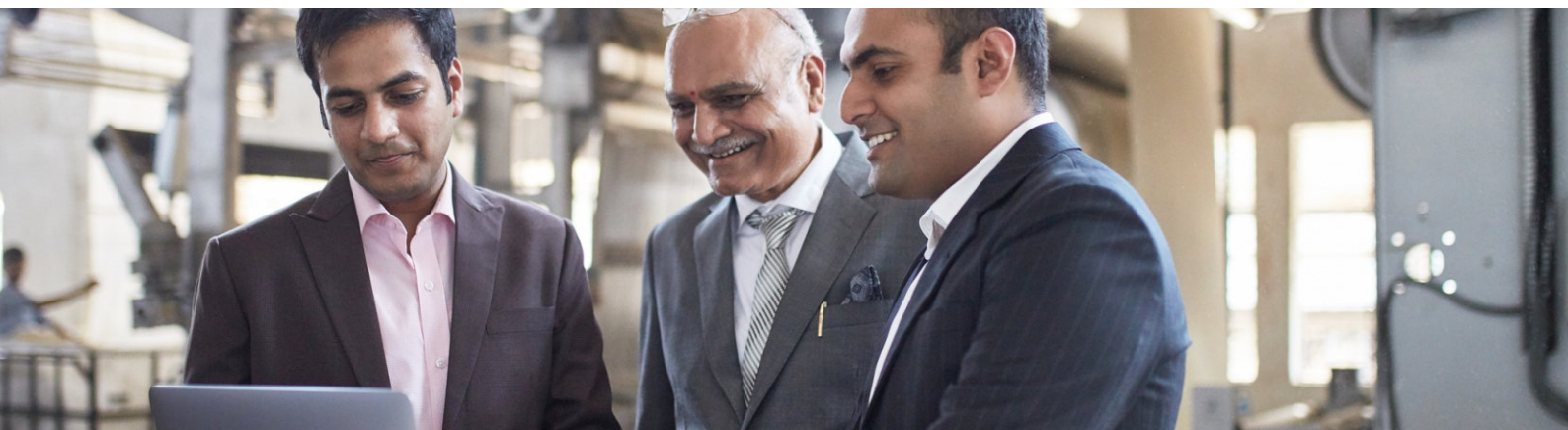
Consumer Protection (Direct Selling) Rules, 2021

'The Rules' apply uniformly across all Direct Selling entities operating in India, provided earnings are strictly linked to the sale of goods or services and not mere recruitment. By clearly defining key concepts such as Direct Selling entities, Direct Sellers, networks of sellers, cooling-off periods, and prohibited schemes, the legislative framework has reduced long-standing ambiguity around legitimate business practices.

From a compliance standpoint, The 'Rules' introduce structured obligations related to written seller agreements, transparent product and income disclosures, dedicated grievance redressal systems, return and refund policies, and responsible seller conduct. These requirements have strengthened internal compliance systems across companies and enhanced accountability within seller networks.

Rule 11 further mandates state governments to establish monitoring mechanisms for supervising Direct Selling activities. In response, several states have notified dedicated monitoring authorities or guidelines, reinforcing regulatory supervision at the state level. While broadly aligned with 'The Rules', these mechanisms differ in procedural requirements and implementation approach.

Overall, the Consumer Protection (Direct Selling) Rules, 2021 have brought greater regulatory clarity and legitimacy to the Direct Selling ecosystem. Although compliance intensity has increased, the framework has helped institutionalise the sector, improve consumer trust, and create a more predictable operating environment. The effectiveness of the framework now hinges on awareness, consistency in implementation, and on-ground interpretation issues explored in the following sections.



3.2 Awareness & Compliance Execution On-ground

While awareness of the Consumer Protection (Direct Selling) Rules, 2021 is generally strong among Direct Selling companies, its on-ground application varies across seller networks and states. Practical compliance challenges stem largely from uneven awareness at the seller level, differences in state-level procedures, and the operational complexity of monitoring large, decentralized networks. As a result, effective compliance depends not only on regulatory clarity, but also on sustained training, harmonized interpretation, and consistent implementation across jurisdictions.

Awareness vs Execution in Direct Selling Compliance

Figure 17



Direct Selling Awareness & Compliance Execution

While the Consumer Protection (Direct Selling) Rules, 2021 have established a clear regulatory framework, their effectiveness on the ground is shaped by levels of awareness among stakeholders and the practical realities of compliance across a diverse operating landscape.

Awareness of The Rules is generally strong at the level of Direct Selling companies, particularly among organised and established players with dedicated compliance and governance structures. These companies demonstrate a clear understanding of core requirements such as sales-linked earnings, written agreements with Direct Sellers, disclosure norms, and grievance redressal mechanisms.

However, awareness and interpretation vary across seller networks, especially among part-time, new, or intermittently active sellers. While high-level principles such as the prohibition of recruitment-linked income are broadly understood, detailed knowledge of disclosure requirements, permissible marketing practices, and grievance processes is less uniform. This results in uneven translation of centrally designed compliance frameworks into consistent on-ground behaviour.

From an execution standpoint, compliance

challenges arise primarily from scale and complexity rather than regulatory ambiguity. Large, decentralised seller networks require continuous training, monitoring, and enforcement to ensure alignment with compliant practices. In addition, companies operating across multiple states face procedural differences arising from state-level monitoring mechanisms notified under Rule 11, including variation in reporting formats, documentation requirements, and supervisory processes.

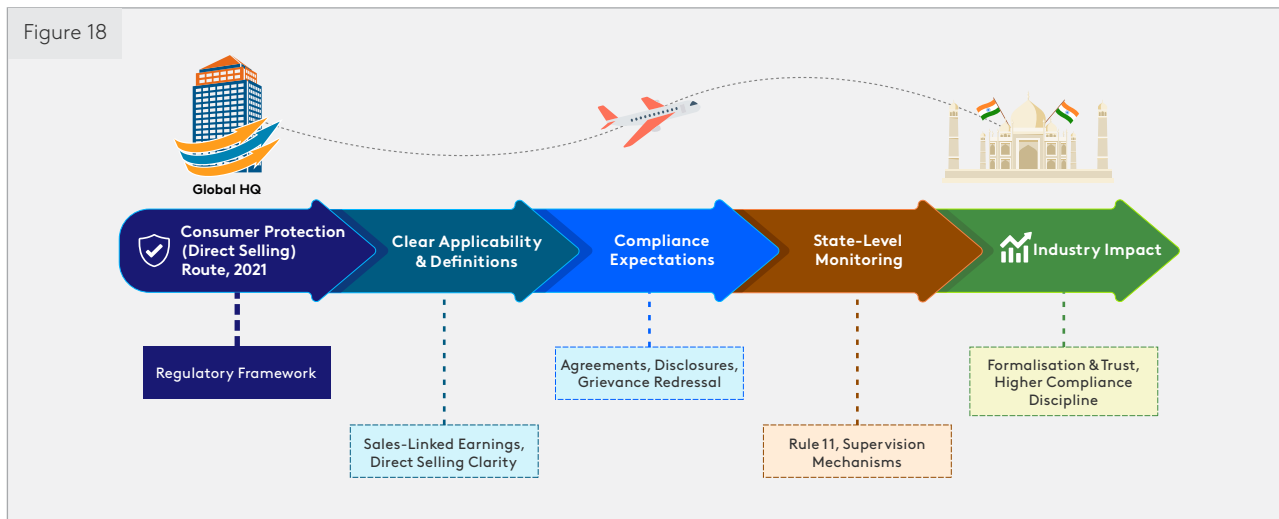
These structural factors contribute to gaps between awareness and execution, particularly at the last mile. As a result, effective compliance increasingly depends on sustained capacity-building, harmonised interpretation across states, and ongoing engagement between companies, seller networks, and regulatory authorities.

Overall, on-ground experience indicates that while awareness of the regulatory intent is well established, consistent execution remains a work in progress. Strengthening seller-level awareness, improving standardisation across state-level mechanisms, and reinforcing monitoring systems will be key to fully realising the objectives of the Consumer Protection (Direct Selling) Rules, 2021.

3.3 Cross-border Business

Cross-border Direct Selling companies operating in India typically adapt global models to meet local regulatory requirements under the Consumer Protection (Direct Selling) Rules, 2021. While this localization increases compliance intensity through India-specific disclosures, agreements, and state-level supervision, it also provides regulatory clarity and long-term operating legitimacy.

Operating in India: Adaption Pathway for Multinational Direct Selling Companies



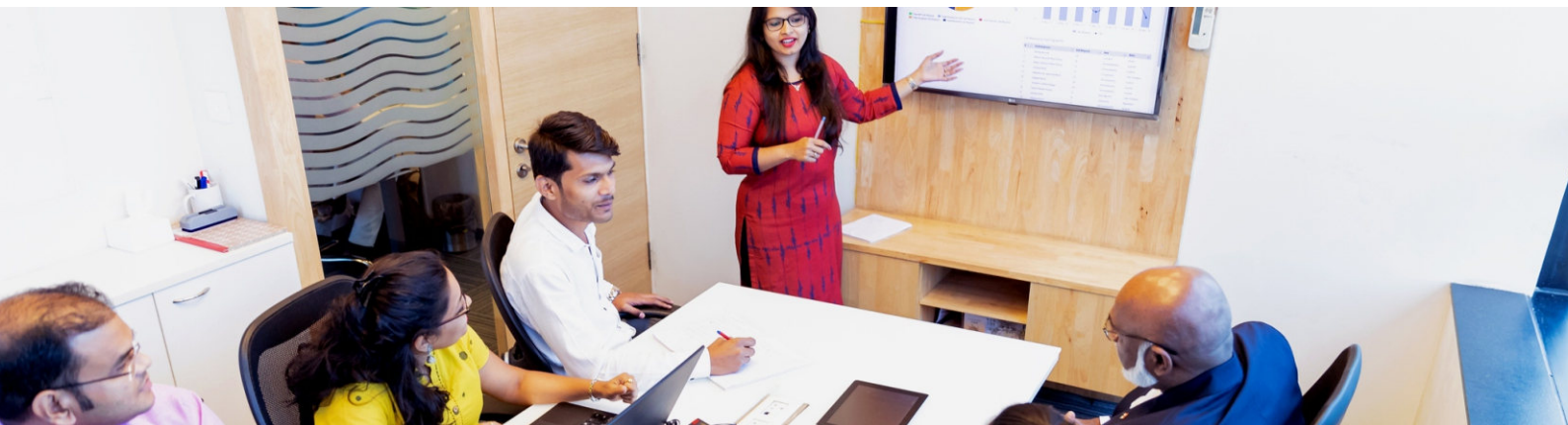
Adaption Pathways for Multinational Direct Selling Companies

Cross-border Direct Selling companies operating in India typically enter the market by adapting global business models to local regulatory requirements rather than replicating them in full. While multinational players bring established governance frameworks, product portfolios, and operating standards, effective participation in the Indian market requires alignment with the Consumer Protection (Direct Selling) Rules, 2021.

In practice, this localization involves restructuring compensation plans to ensure earnings are strictly linked to product sales, adopting India-specific disclosures and seller agreements, and establishing formal grievance redressal mechanisms. These adjustments are necessary to align global operating principles with India's consumer protection framework and regulatory expectations.

Additionally, state-level supervision under Rule 11 introduces a further layer of engagement for cross-border entities. Companies operating across multiple states must navigate varying procedural requirements, reporting mechanisms, and supervisory interactions, increasing operational complexity but also reinforcing regulatory oversight at the local level.

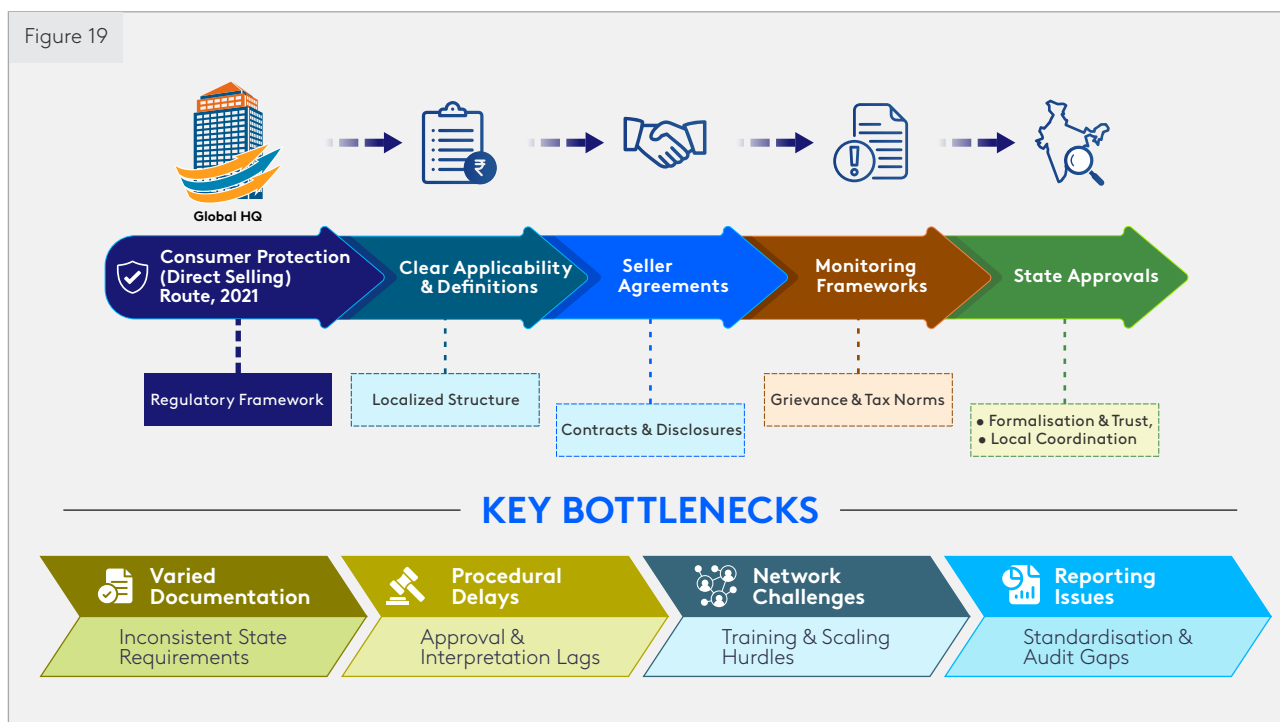
Overall, the Indian regulatory framework does not restrict cross-border participation but requires deliberate and structured adaptation. While compliance intensity is higher compared to some other markets, this process enhances formalization, strengthens consumer trust, and provides clarity and legitimacy for multinational Direct Selling companies seeking sustained operations in India.



3.4 Start-up/Expansion Timelines & Bottlenecks

The ease and speed with which Direct Selling companies can commence or expand operations in India are shaped by a combination of regulatory requirements, procedural sequencing, and local implementation variations. While the Consumer Protection (Direct Selling) Rules, 2021 have improved clarity around permissible business models and compliance expectations, the operationalization of these requirements involves multiple steps that influence start up and expansion timelines.

India vs. South-East Asia/EU/US



Starting or Expanding Direct Selling in India with Key Bottlenecks

Start up and expansion process

Establishing Direct Selling operations in India typically involves a structured sequence of activities, including legal entity set up, formulation of compliant compensation plans, execution of seller agreements, creation of disclosure and grievance redressal frameworks, and alignment with applicable tax and consumer protection norms. For companies already operating in other markets, this often requires India specific localization rather than simple replication of existing models.

Expansion within India whether through geographic spread, new product categories, or scaling seller networks similarly requires adjustments to internal systems, training protocols, and reporting mechanisms to ensure alignment with both Central Rules and state level supervision requirements.

Indicative timelines

For organized companies with prior regulatory experience, initial set up timelines are generally manageable, though sequential compliance requirements can extend time to market. Expansion timelines tend to vary by state and by the extent of interaction required with local monitoring mechanisms established under Rule 11. As state level frameworks are still evolving, companies often factor in additional lead time for procedural clarifications and documentation alignment.

Key bottlenecks and friction points

On ground experience indicates that delays and bottlenecks arise less from policy uncertainty and more from **process intensity**. Common friction points include:

- Variations in documentation formats and procedural requirements across states

- Differences in interpretation and readiness of state level monitoring mechanisms
- Time required to standardize compliant practices across large, decentralized seller networks
- Internal capacity constraints related to training, monitoring, and reporting at scale

These factors can collectively increase administrative effort, particularly for companies operating across multiple states simultaneously.

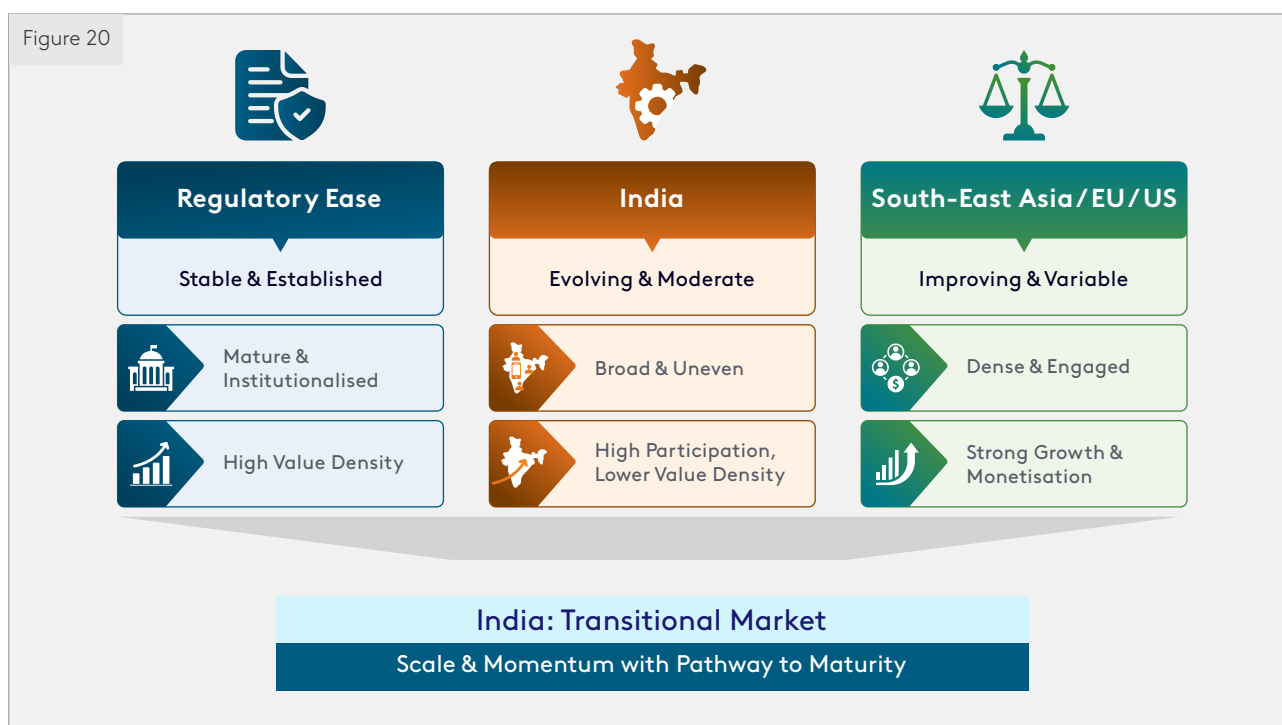
Overall assessment

Overall, India offers a clear and rule based pathway for starting and expanding Direct Selling operations, but the process remains compliance intensive. Predictability has improved post 2021, yet timelines are influenced by local procedural variations and the need for sustained compliance engagement. Streamlining processes, improving standardization across states, and strengthening institutional capacity would further enhance ease of doing business without diluting consumer protection objectives.

3.5 India vs. South East Asia / EU / US

This section positions India's Direct Selling industry against South-East Asia, the EU, and the US through a comparative lens on regulatory ease, ecosystem maturity, and value realization. It highlights India's transitional position combining scale and growth momentum with evolving regulatory clarity and ecosystem depth.

India vs. South-East Asia / EU / US



India vs. South East Asia / EU / US

Regulatory Ease, Ecosystem Support, and Cross Market Benchmarks

Situating India's Direct Selling industry within a global context highlights the structural differences in regulatory clarity, ecosystem maturity, and value realization across regions. While India stands out as one of the faster growing markets, its operating environment, support systems, and monetisation dynamics differ materially from those observed in South East Asia and in mature Western markets such as the EU and the US.

Regulatory Ease

The US and EU represent the most mature regulatory environments for Direct Selling. Long standing legislation, strong self regulatory mechanisms, and consistent enforcement have created high levels of legal certainty and consumer trust. Entry requirements, compliance obligations, and dispute resolution mechanisms are well understood, enabling stable operations but also coinciding with relatively slow growth due to market maturity.

South East Asia exhibits a mixed but improving regulatory landscape. Several markets in the region have strengthened Direct Selling frameworks over the last decade, balancing government oversight with industry led codes of conduct. While clarity has improved, regulatory interpretation and enforcement still vary by country, placing SE Asia between mature Western markets and emerging ones.

India's framework is newer and still evolving. The introduction of dedicated regulatory framework has marked an important step toward formalization and legitimacy. However, differences in state level implementation and evolving interpretational clarity mean that regulatory ease remains moderate. As consistency improves, India is expected to steadily close the gap with more mature regimes.

Ecosystem Support

Ecosystem maturity in the US and EU is high, supported by institutionalized training systems, robust digital infrastructure, and established compliance and advisory ecosystems. These markets emphasize productivity gains and value optimization rather than participation growth.

SE Asia benefits from dense distributor led networks and high seller engagement, particularly in urban centres. Digital and social commerce tools have accelerated seller productivity, although ecosystem depth varies across countries

and income segments.

India's ecosystem is broad but uneven. The country supports a large seller base and wide geographic reach, with increasing adoption of digital tools. However, seller productivity, training depth, and institutional support vary significantly by company and region. Compared with SE Asia, India offers scale but lower ecosystem density; compared with the US and EU, it remains less standardized, indicating scope for structural strengthening.

Cross Market Benchmarks and Positioning

From a benchmarking perspective, the US and EU are characterized by high per seller and per consumer value realization, despite limited growth. SE Asia combines relatively strong monetisation at the seller level with faster participation growth in several markets.

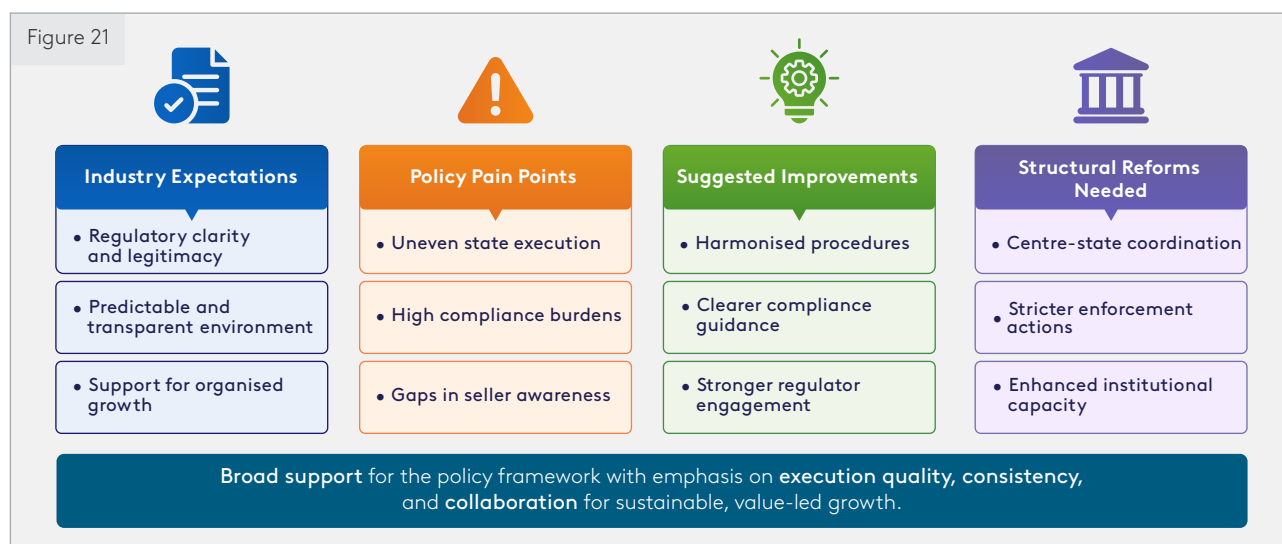
India, in contrast, is a high participation, lower value density market. Its long term growth pathway is therefore expected to be value led, driven by productivity improvements, deeper category engagement, and stronger ecosystem capabilities rather than further expansion in seller numbers alone.

Overall, India occupies a transitional position less mature than Western markets, distinct from SE Asia in monetisation structure, and positioned to converge toward global benchmarks as regulatory clarity and ecosystem depth improve.

3.6 Stakeholder voice on Policy

This chapter consolidates stakeholder perspectives on the policy and regulatory environment shaping India's Direct Selling industry, drawing out common expectations, implementation challenges, and perceived gaps. It also captures suggested improvements and structural reforms needed to improve ease of doing business while maintaining consumer protection and regulatory credibility.

Stakeholder Voice on Policy: from clarity to execution refinement



Industry expectations

Industry stakeholders broadly recognize the Consumer Protection (Direct Selling) Rules, 2021 as a significant step towards formalizing the Direct Selling sector and providing long awaited regulatory clarity. There is a clear expectation that policy should continue to support legitimacy, consumer trust, and business continuity by offering a predictable and transparent operating environment. Stakeholders expect regulations to enable organized growth, protect compliant players, and reinforce Direct Selling as a distinct and credible distribution model within the broader consumer economy.

Policy pain points

While the regulatory intent is widely supported, stakeholders highlight pain points arising primarily from on ground execution rather than policy design. Variations in interpretation, documentation requirements, and monitoring practices across states have increased operational complexity, particularly for companies operating across multiple jurisdictions. Ensuring consistent seller level awareness and compliance at scale is also cited as a challenge, given the decentralized nature of Direct Selling networks. These factors collectively raise the cost and effort associated with compliance without necessarily improving regulatory outcomes.

Suggested improvements

Stakeholders suggest that incremental improvements focused on uniform implementation could materially enhance ease of doing business. Key suggestions include greater harmonization of state level procedures, standardized reporting formats, and clearer guidance on compliance expectations for both companies and sellers. Improved communication channels between regulators and industry bodies, along with targeted awareness initiatives for sellers, are viewed as practical measures that could strengthen compliance while reducing friction.

Structural reforms needed

From a longer term perspective, stakeholders highlight the importance of structural reforms that improve regulatory coordination, institutional capacity, and predictability. Strengthening consistency between central intent and state level execution, enhancing enforcement against non compliant and fraudulent schemes, and reinforcing trust through transparent governance are seen as critical for sustainable and value led industry development. As the ecosystem mat users, stakeholders emphasize that effective policy outcomes will increasingly depend on execution quality and collaboration rather than the introduction of additional regulations.

- The Consumer Protection (Direct Selling) Rules, 2021 have provided long needed regulatory clarity, strengthened consumer trust, and accelerated formalisation across India's direct selling industry.
- While awareness of the Rules is strong among organised companies, on ground compliance execution remains uneven due to seller level knowledge gaps and decentralised operating structures.
- State level supervision under Rule 11 has reinforced oversight, but procedural differences across states continue to create compliance complexity for multi state operations.
- Cross border Direct Selling companies view India's framework as compliance intensive but credible, requiring structured localisation that enhances legitimacy and long term operating certainty.
- Start up and expansion timelines are generally predictable under the post 2021 framework, though process intensity and state level procedural variation remain key friction points.
- In global comparison, India occupies a transitional position, combining high participation and growth momentum with moderate regulatory ease and lower value density relative to mature Western markets.
- Stakeholders broadly support the current policy framework, with a clear emphasis on improving consistency, execution quality, and coordination to enhance ease of doing business without diluting consumer protection.



CHAPTER 4: DIRECT SELLER VOICE

CHAPTER 4: DIRECT SELLER VOICE

This chapter captures the lived experience of Direct Sellers in India, examining their income dynamics, unit economics, and drivers of earnings, alongside perspectives on industry growth, policy awareness, and future expectations. Insights are drawn from seller responses to understand what sustains participation, shapes performance, and influences confidence in the Direct Selling ecosystem.

4.1 Seller Economics

Seller economics examines the operating model and income dynamics of Direct Sellers, covering order volumes, unit-level earnings, income stability, and the degree of dependence on Direct Selling as a livelihood.

Unit economics & earnings (Number of orders/customers per month)

Table 4

 No. of orders/ customers per month	 Gender 		Age (in years)				
	Male	Female	 18-24	 25-34	 35-44	 45-54	 55-65
	120	104	93	163	68	95	121

Unit economics & earning of Direct Selling Industry (number of orders/customers per month) in FY 2024-25

The average direct seller services around 112 orders/customers per month, indicating a steady level of engagement.

Male Direct Sellers report a higher monthly volume (120) compared to female Direct Sellers (104).

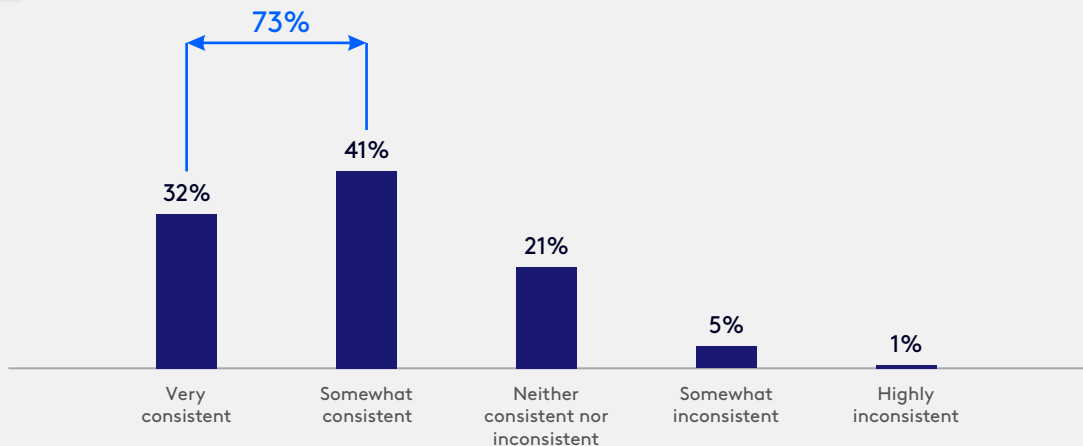
By age, activity peaks among 25-34 year olds (163

orders/customers), followed by 55-65 years (121), suggesting strong participation from both younger and experienced cohorts. In contrast, relatively lower volumes are observed among 35-44 year olds (68), highlighting variations in engagement intensity across life-stage segments.



Consistency in Direct Selling income month-to-month

Figure 22

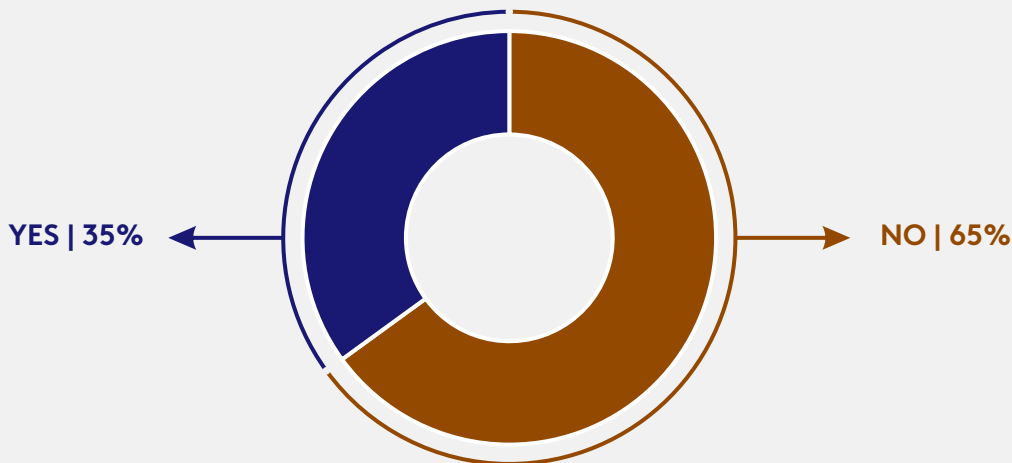


Consistency in Direct Selling income month-to-month in FY 2024-25

- Income consistency emerges as a structural strength of Direct Selling, with a large majority reporting stable month-to-month earnings.
- The skew toward "somewhat consistent" rather than "very consistent" suggests incomes are predictable but still sensitive to activity levels, seasonality, and network performance.
- Very low reports of high inconsistency indicate that sharp income volatility is limited to a small minority.
- Overall, the pattern reflects a model of broad stability with variable intensity, rather than one characterized by irregular or uncertain earnings.

Additional income sources apart from Direct Selling

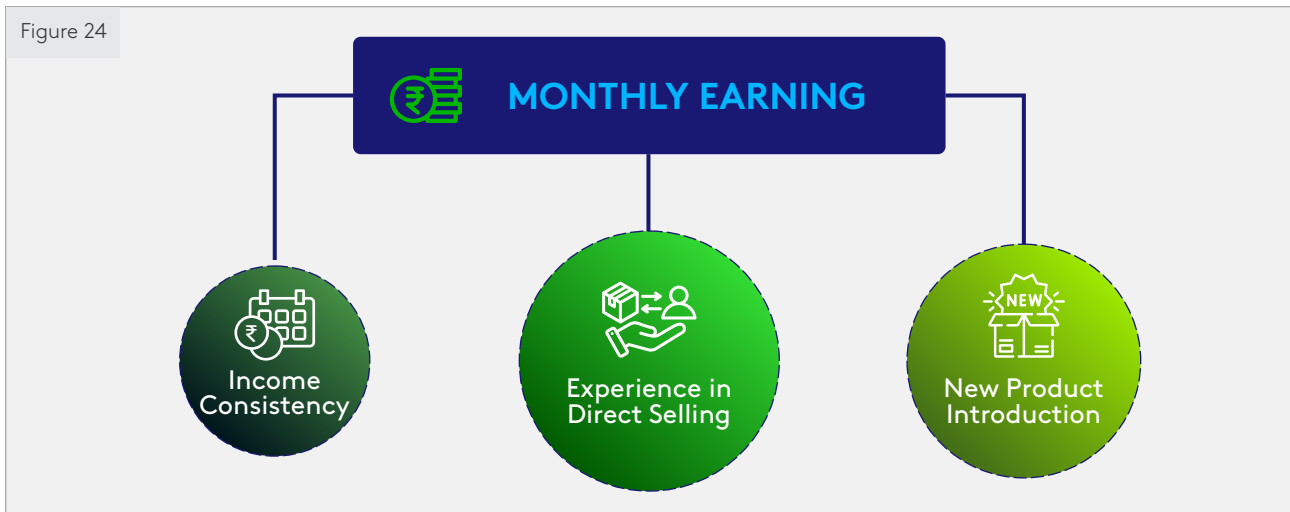
Figure 23



Additional income apart from Direct Selling in FY 2024-25 | Total Base: 572

- Direct Selling is the primary income source for a majority, with 65% of sellers reporting no additional income from other sources.
- Around 35% supplement their earnings with alternate income streams, indicating a portfolio income approach among a sizeable minority.
- Among those with additional income, 79% disclosed the value, suggesting that supplementary earnings are structured and trackable rather than incidental.
- The average additional income of ~₹18,000 per month points to a meaningful stabilizing contribution, rather than a marginal top-up.

4.2 What drives Monthly Earnings (₹) for Direct Sellers



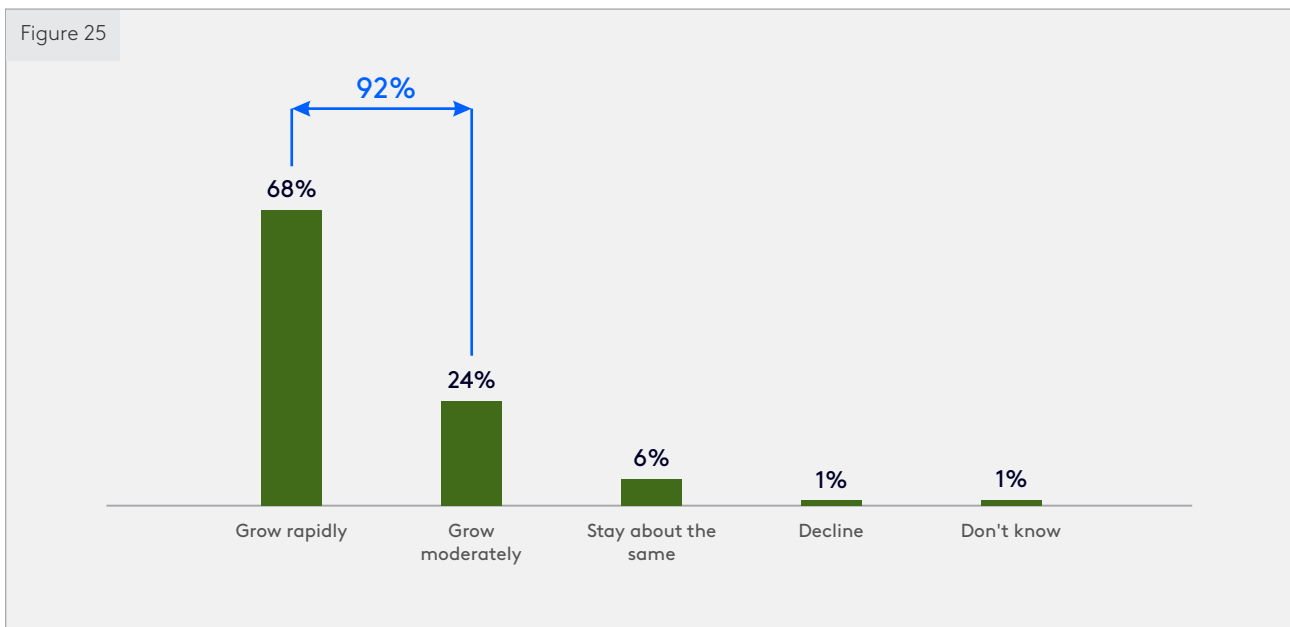
Factors driving monthly earnings for Direct Sellers in 2024-25

Monthly earnings show the strongest positive correlation with experience in Direct Selling, indicating that earnings tend to improve as sellers gain tenure. New product availability is moderately correlated with earnings, suggesting

that product refresh may support income potential. Income consistency shows a relatively weaker correlation, implying that earnings levels are influenced more by experience and selling opportunities than by short-term income stability.

4.3 Outlook for the Industry + What will drive/hold back growth

Direct Selling industry's performance over the next two years



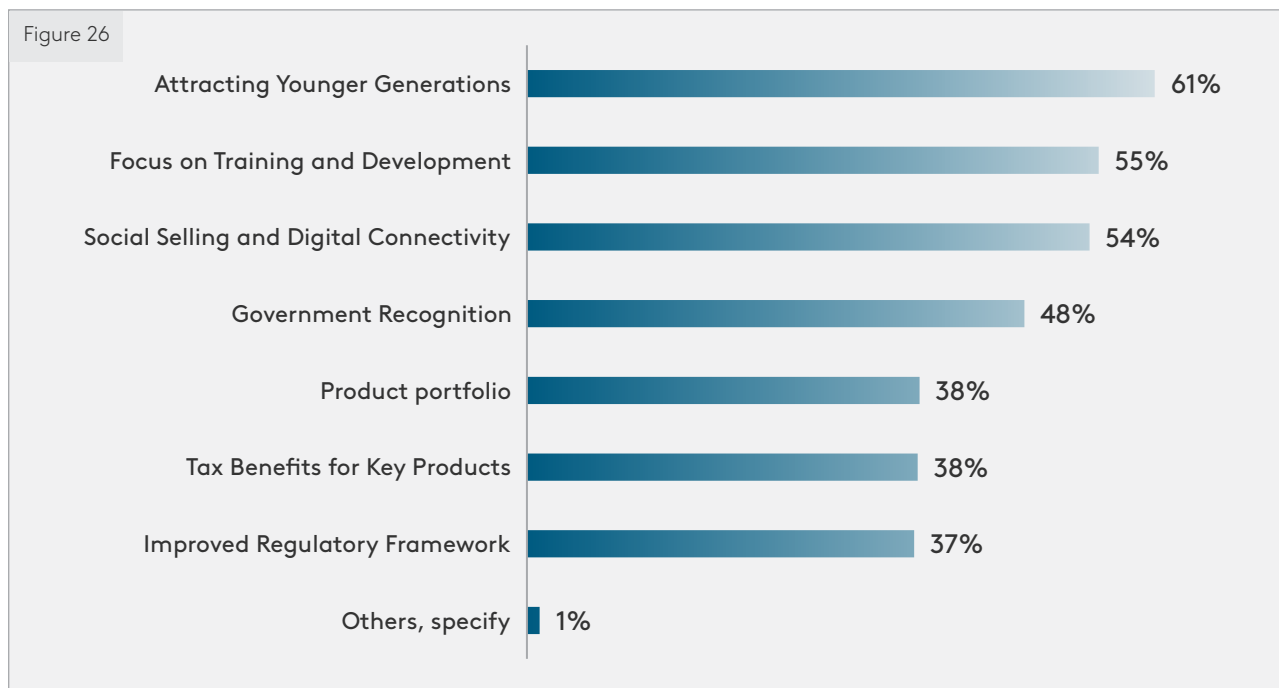
Direct Selling industry's performance over the next two years

- The top 2 boxes score of 92% reflects strong optimism about the near-term prospects of the Direct Selling industry, with an overwhelming majority expecting growth over the next two years.
- Growth expectations are skewed toward acceleration rather than moderation, with a large share anticipating rapid expansion signaling confidence in demand, seller

participation, and operating conditions.

- The very small proportion expecting stagnation or decline suggests limited downside perception, indicating that risks are viewed as manageable rather than structural.
- Overall, the pattern points to an industry that is firmly in an expansionary phase, supported by positive sentiment and forward-looking confidence among Direct Sellers.

Factors driving growth



Factors driving growth in Direct Selling

Note: As this was a multiple-response question, respondents could select more than one option; therefore, percentages may exceed 100%

- Growth drivers are people- and capability-led, with attracting younger generations emerging as the most cited factor highlighting the importance of demographic renewal for sustaining industry momentum.
- A strong emphasis on training, skill development, and digital/social selling indicates that respondents view future growth as dependent on capability building and technology-enabled outreach, rather than scale alone.
- The prominence of government recognition and regulatory support underscores the role of

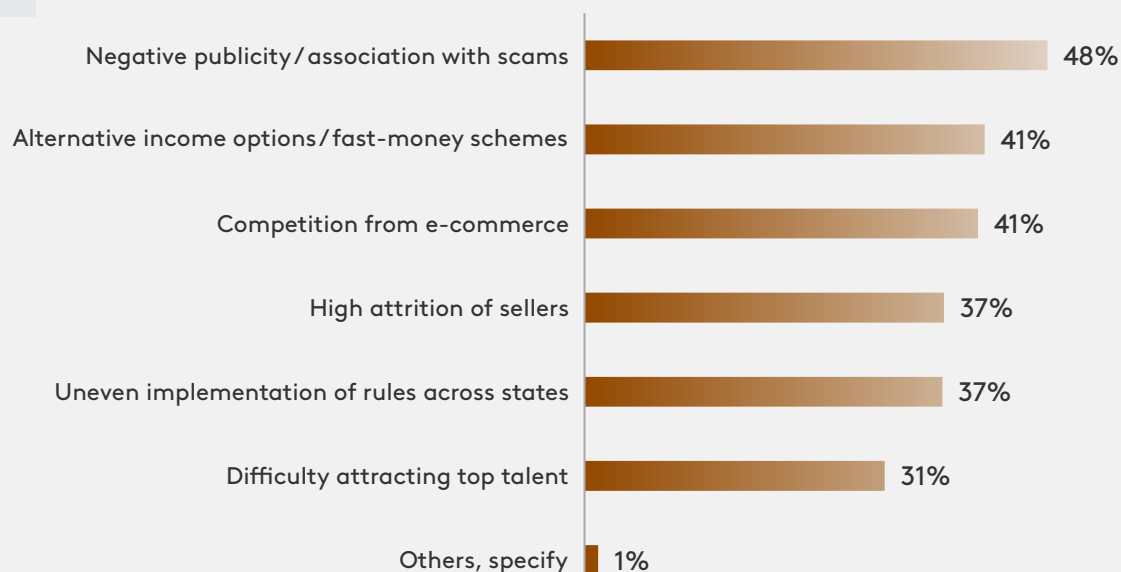
policy certainty and legitimacy in unlocking wider participation and long-term expansion.

- Product-side levers, including portfolio expansion and tax benefits, feature as important but secondary enablers suggesting that structural and ecosystem factors are seen as more critical than incremental product changes.
- Overall, the pattern reflects a growth narrative anchored in youth engagement, skills, digitalization, and regulatory confidence, rather than short-term tactical drivers.



Growth Inhibitors

Figure 27



Factors inhibiting growth in Direct Selling

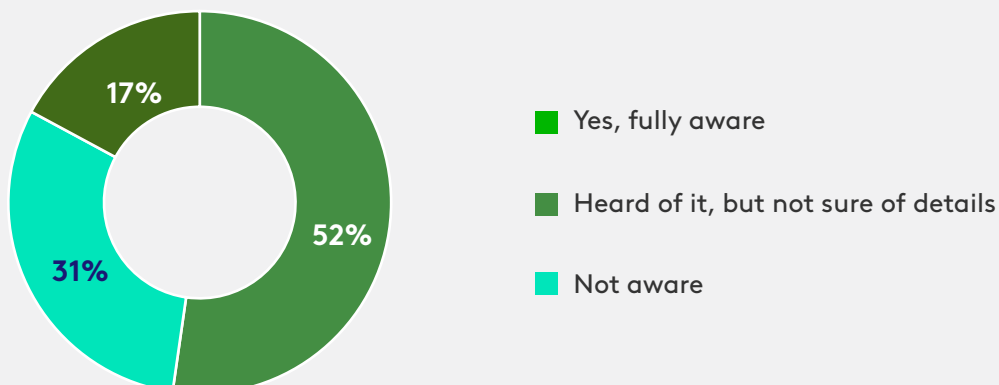
Note: As this was a multiple-response question, respondents could select more than one option; therefore, percentages may exceed 100%.

- Reputational concerns dominate the list of growth inhibitors, with negative publicity and people mistakenly confusing legitimate Direct Selling with scams emerging as the single largest constraint highlighting the continued sensitivity of the industry to perception and trust deficits.
- Competitive and alternative earning pressures from e-commerce platforms and fast-money income options indicate that Direct Selling is competing not just within retail, but with broader income and opportunity ecosystems.
- Structural frictions persist within the ecosystem, as reflected in high seller attrition and uneven implementation of rules across states, which can undermine scalability and seller confidence.
- Challenges in attracting high-quality talent further reinforce the impact of reputational and regulatory uncertainty on the industry's ability to professionalize.
- Overall, the pattern suggests that future growth will depend less on demand creation alone and more on strengthening credibility, regulatory consistency, and long-term seller retention.

4.4 Imagining the future of Direct Selling Industry from the eyes of Direct Sellers

Awareness of policies

Figure 28

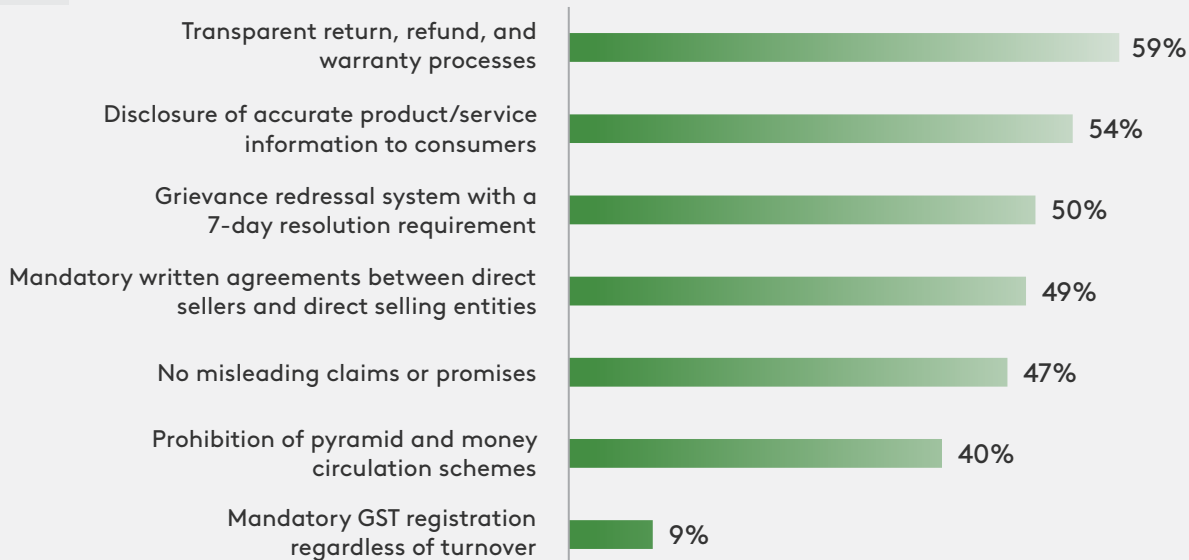


Level of awareness on policies amongst the Direct Sellers | Total Base: 572

- Just over half of Direct Sellers (52%) report being fully aware of the relevant policies, indicating a reasonable baseline level of policy understanding across the industry.
- Nearly 17% have heard of the policies but lack clarity on details, highlighting gaps in depth of understanding.
- A notable 31% of respondents remain not aware of the policies, pointing to scope for further outreach and communication.
- Overall awareness is relatively strong, but targeted education initiatives could help convert partial and low awareness into informed compliance.

Awareness of policies

Figure 29

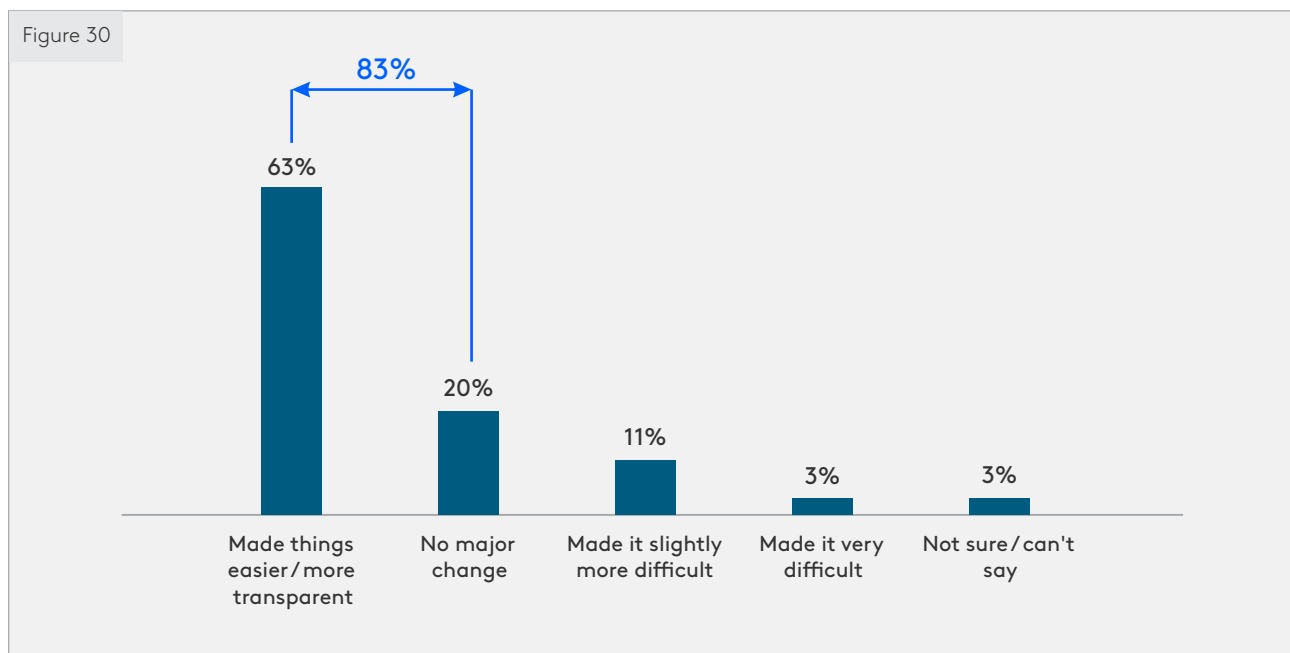


Important rules for Direct Sellers to comply with (Base = Respondents who are fully aware of policies)

Note: As this was a multiple-response question, respondents could select more than one option; therefore, percentages may exceed 100%.

- **Consumer protection-led priorities:** Direct sellers most commonly identify transparent return/refund/warranty processes (59%) and accurate product or service disclosure (54%) as key compliance requirements, underscoring a strong consumer-centric emphasis.
- **Accountability mechanisms matter:** Half of the respondents highlight grievance redressal systems with a 7-day resolution timeline (50%), reflecting the importance of formal complaint-handling frameworks.
- **Contractual and ethical safeguards:** Mandatory written agreements (49%) and avoidance of misleading claims or promises (47%) are widely recognized as essential for maintaining trust and regulatory alignment.
- **Lower salience of tax compliance:** Mandatory GST registration, regardless of turnover, is cited by relatively fewer respondents (9%), indicating comparatively lower awareness or perceived relevance among Direct Sellers.

Impact of policy

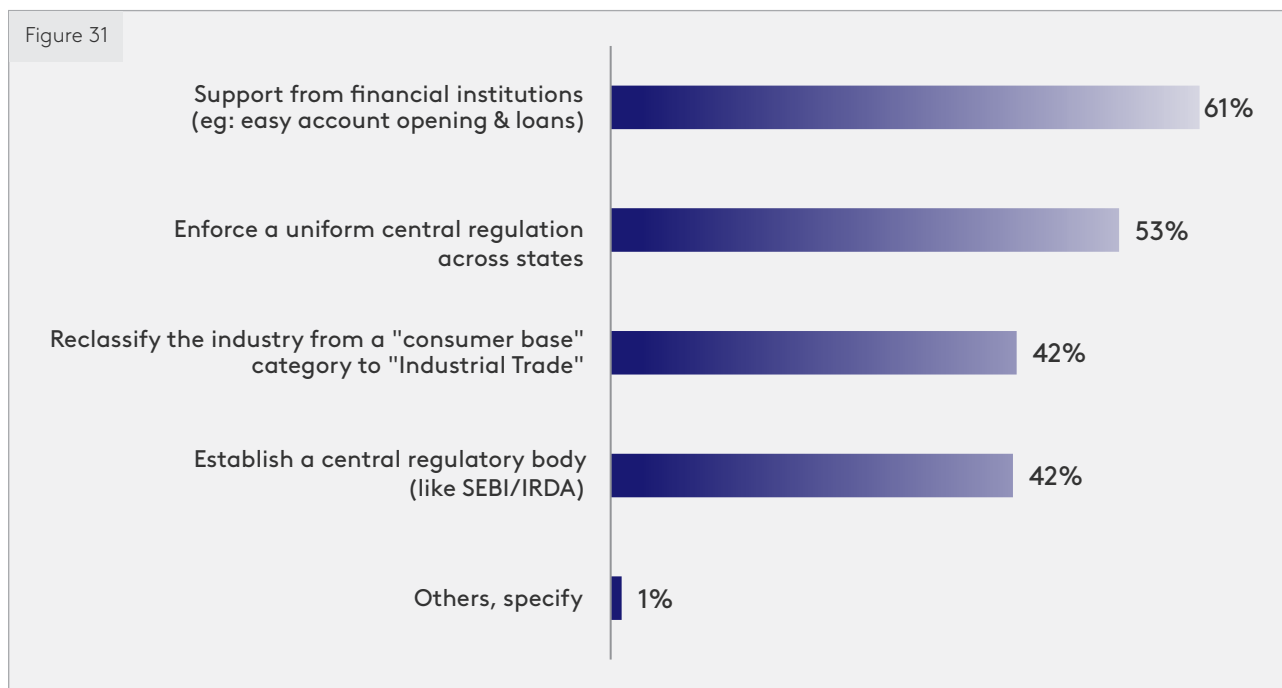


Impact of policies on Direct Selling business

- A strong majority of Direct Sellers perceive the policy influence positively, with 83% rating the impact favourably (Top 2 Boxes), indicating broad acceptance and perceived benefits.
- Nearly two-thirds (63%) state that the policies have made processes easier and more transparent, suggesting improvements in operational clarity and trust.
- Only a small proportion report negative effects 11% find it slightly more difficult and 3% very difficult implying minimal friction introduced by policy implementation.
- One in five respondents (20%) report no major change, highlighting that while the policies add structure, they have not significantly disrupted existing practices for most.



Expectations from the Government to further ease Direct Selling

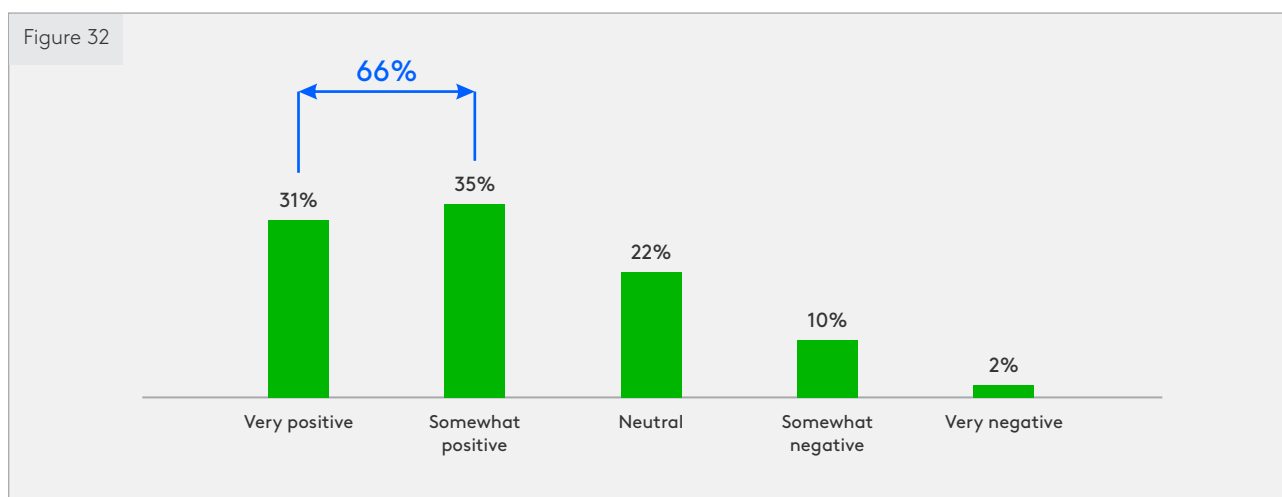


Expectations from the Government to further ease Direct Selling

Note: As this was a multiple-response question, respondents could select more than one option; therefore, percentages may exceed 100%.

- **Access to formal finance is the top ask:** A majority of Direct Sellers (61%) expect stronger support from financial institutions, particularly for easier account opening and access to loans, signalling the need for greater financial inclusion.
- **Demand for regulatory uniformity:** Over half (53%) call for a uniform central regulation across states, reflecting challenges arising from fragmented state-level implementation.
- **Push for structural recognition:** Around two in five respondents (42%) seek reclassification of the industry from a “consumer base” to an “industrial trade,” alongside the establishment of a dedicated central regulator, to improve legitimacy and governance.
- **Clear priorities, limited divergence:** Expectations are largely concentrated around regulation and institutional support, with very few respondents (1%) citing alternative or unspecified needs.

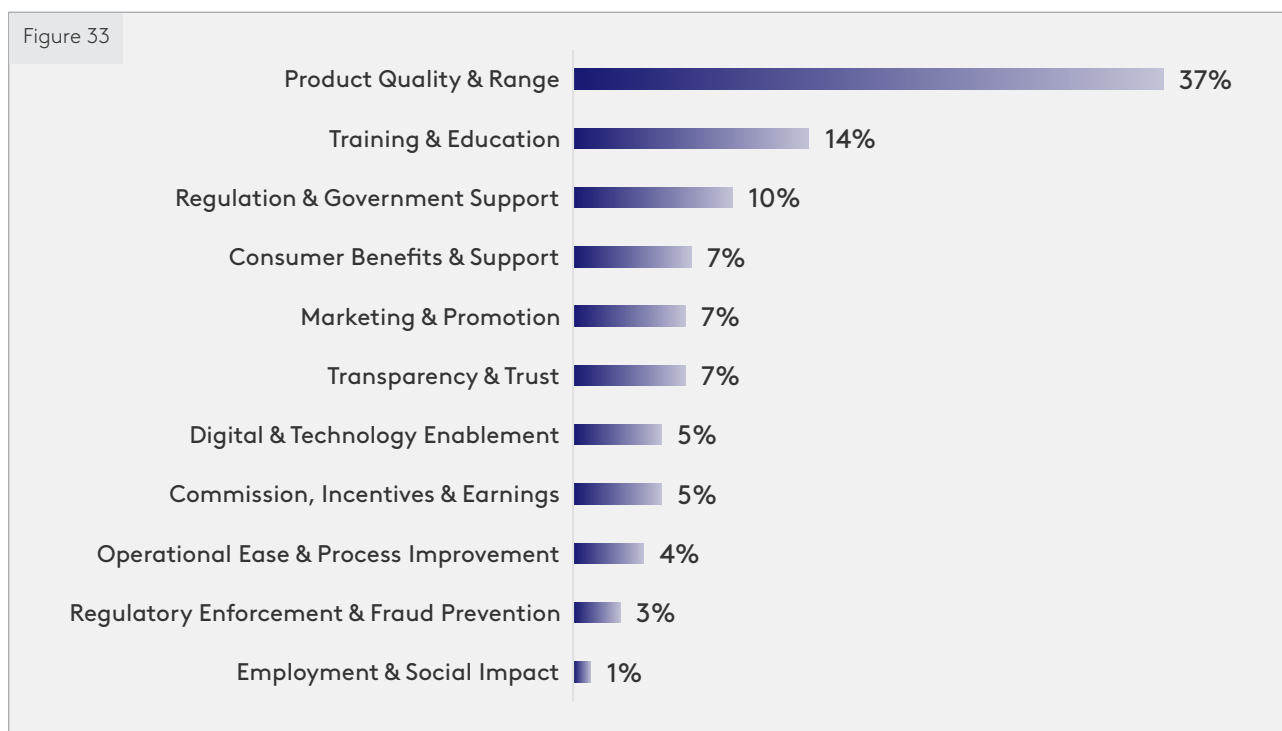
General public perception of Direct Selling



General public perception of Direct Selling

- Nearly two-thirds of respondents (66%, Top 2 Boxes) hold a positive perception of Direct Selling, indicating overall acceptance among the general public.
- Positive opinion is fairly evenly split between very positive (31%) and somewhat positive (35%), suggesting both strong advocacy and moderate approval.
- About one in five respondents (22%) report a neutral perception, pointing to a segment that may be influenced through greater awareness and engagement.
- Only a small minority (around 12%) express negative views, highlighting that adverse perceptions remain relatively contained.

Key Changes Required to Strengthen the Direct Selling Ecosystem



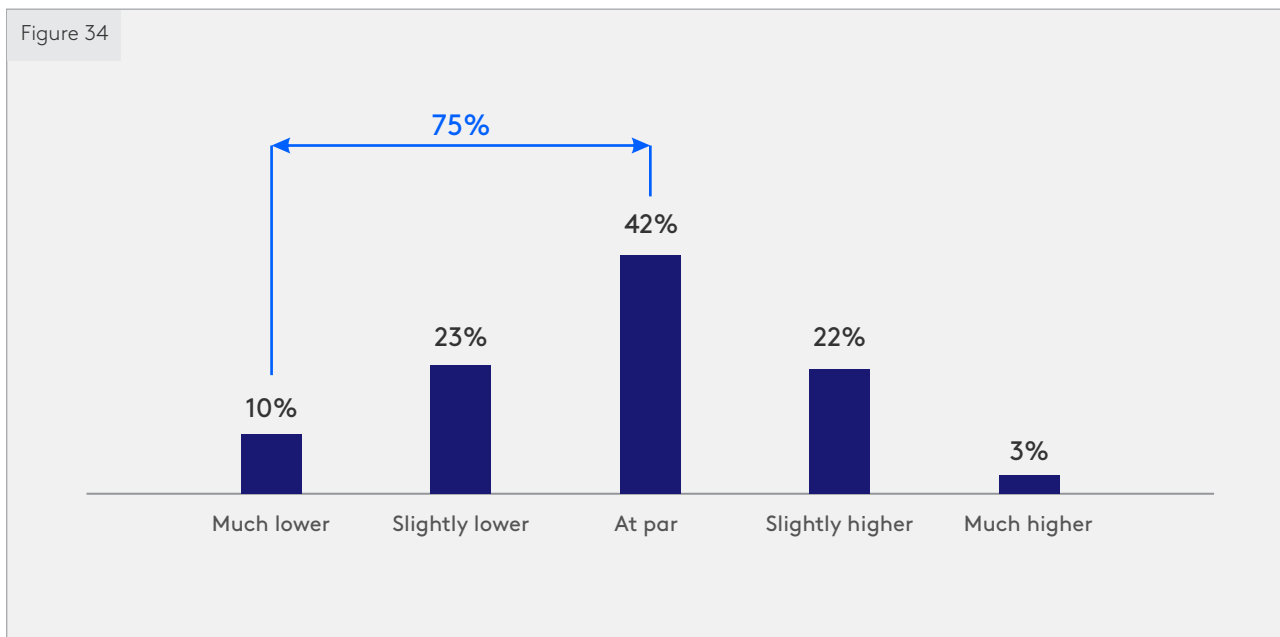
Key Changes Required to Strengthen the Direct Selling Ecosystem

- **Product offering is the primary lever:** Over one-third of respondents (37%) identify product quality and range as the most critical area for improving the Direct Selling ecosystem, underscoring the centrality of strong, differentiated portfolios.
- **Supportive ecosystem enablers:** Regulation and government support (10%) along with consumer benefits, marketing, and trust-related factors (each ~7%) are seen as important, though secondary, drivers of improvement.
- **Capability building matters:** Training and education (14%) emerge as the second key priority, highlighting the importance of skill development and knowledge dissemination among Direct Sellers.
- **Lower emphasis on structural levers:** Digital enablement, earnings structures, operational processes, and enforcement are cited by relatively fewer respondents, suggesting current challenges are perceived more around offer and people, rather than systems alone.



4.5 Product Portfolio & Pricing Positioning

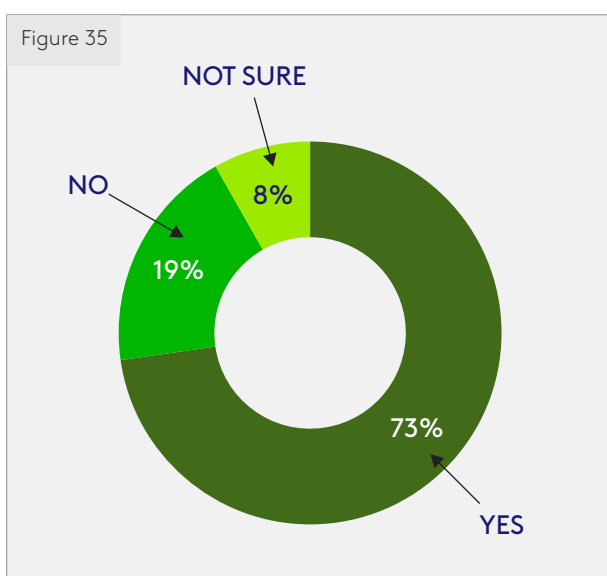
Direct Selling Product Price Positioning Compared to Online and Retail Channels



Direct Selling Product Price Positioning Compared to Online and Retail Channels

- **Price parity dominates perception:** The largest share of respondents (42%) believe Direct Selling products are priced at par with online and retail channels, indicating broad price competitiveness.
- **Net positive price positioning:** Three-fourth of respondents (75%, Top 3 Boxes) perceive Direct Selling products as priced lower than online and retail alternatives, strengthening the industry's value proposition.
- **Limited premium perception:** About a quarter view prices as higher (22% slightly higher; 3% much higher), suggesting that premium pricing concerns are relatively contained.
- **Overall balanced positioning:** The spread across segments indicates that Direct Selling is largely seen as reasonably priced, neither significantly cheaper nor expensive, supporting mainstream acceptance.

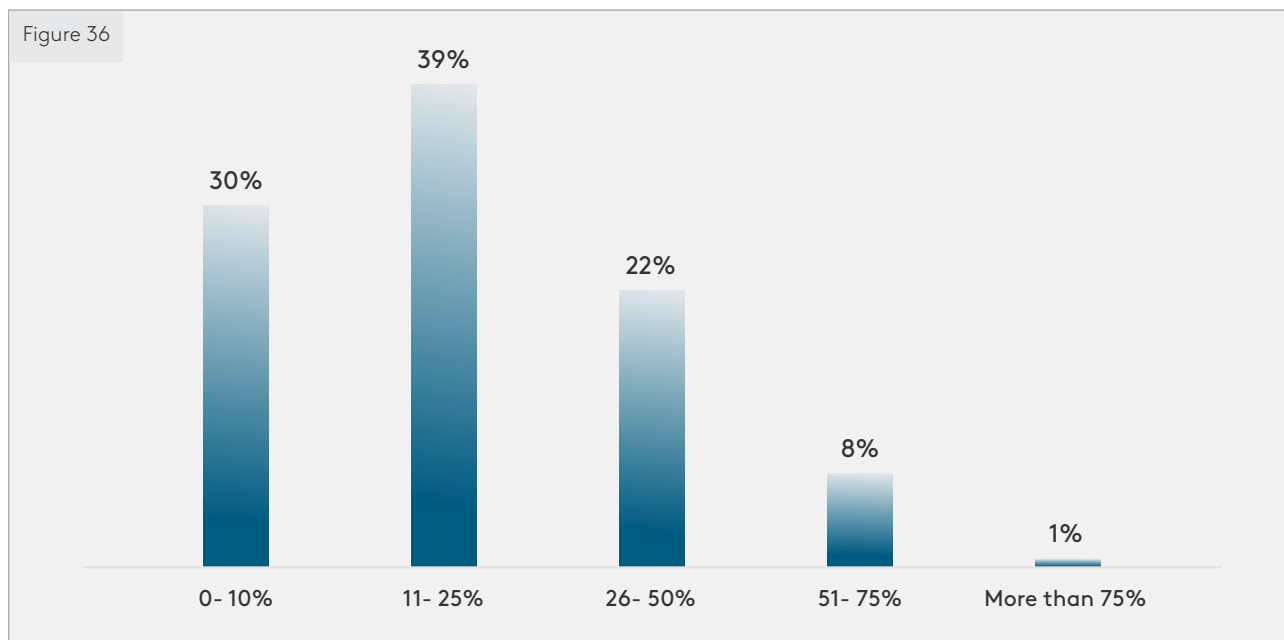
New products or variants launched



New products or variants launched | Total Base: 572

A strong majority of Direct Sellers (73%) reported that new products or variants were launched during the year, indicating an active focus on innovation and portfolio refresh within the industry. While 19% stated that no new launches took place and 8% were not sure, the overall results highlight that continuous product introduction remains a key feature of the Direct Selling business model, supporting customer engagement and repeat consumption.

Percent of monthly orders/sales from new products or variants



Percent of monthly orders/sales from new products or variants

- For most Direct Sellers, new products or variants contribute up to 25% of monthly orders, with the largest cohort falling in the 11-25% range (39%), indicating steady innovation-led sales.
- Nearly one-quarter of respondents (22%) report that 26-50% of their monthly sales come from new launches, highlighting a segment that relies more strongly on product refreshes.
- Only 9% of respondents derive more than half of their sales from new products, suggesting that blockbuster launches remain relatively uncommon.
- Overall, the distribution points to a measured and sustained role of new products, complementing core portfolios rather than replacing them.

- Policy awareness among Direct Sellers is moderate to strong, with 52% fully aware and a sizeable partial awareness segment at 17%, indicating that depth of understanding remains a bigger gap than reach.
- Among those who are fully aware, compliance priorities are strongly consumer-centric, led by transparent return, refund and warranty processes at 59% and accurate product or service disclosure at 54%, reinforcing the centrality of trust and fairness.
- Formal accountability is widely recognized, with grievance redressal within seven days cited by 50% and written agreements by 49%, reflecting a shift towards more structured and documented selling practices.
- The policy environment is viewed as largely positive, with 83% rating the impact favourably and 63% stating that processes have become easier and more transparent, suggesting improved operational clarity rather than increased friction.
- Expectations from government focus on ecosystem enablement, led by access to formal finance at 61% and uniform central regulation across states at 53%, highlighting the need for consistency and institutional support to unlock scale.
- Public perception of Direct Selling is broadly positive at 66%, while a meaningful neutral segment at 22% signals scope to strengthen credibility through awareness and engagement.

- 
- Looking ahead, sellers see the biggest opportunities to strengthen the ecosystem through better product quality and range at 37% and training and education at 14%, while pricing is viewed as broadly competitive, reinforcing that portfolio strength and capability building matter more than price alone.
 - Innovation activity is high, with 73% reporting new product or variant launches, though for most sellers these contribute a limited share of monthly orders, typically up to 25%, indicating that newness complements rather than replaces core portfolios.

TEAM ADSEI

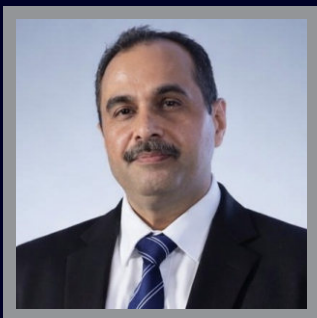


Abhishek Kumar,
General Manager,
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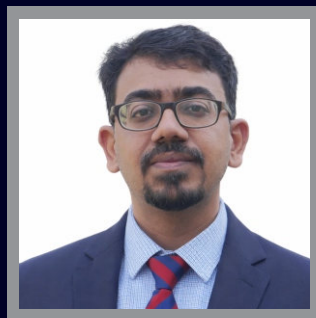


Swati Saxena,
Senior Executive - Communication & Operations,
ADSEI

TEAM KANTAR



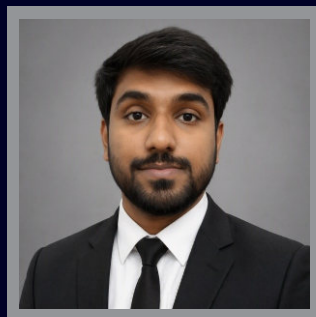
Puneet Avasthi,
Director,
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Sumesh Pansari,
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Kantar



Rahul Saxena,
Group Account Director,
Kantar



Akshay Kharat,
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