

The Mastermind Event State of the Profession Report

2018 Direct Selling Market Report courtesy of The Mastermind Event®

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2017 WAS A BREAKOUT YEAR!

**THE SIZE OF THE DIRECT SELLING
SALES FORCE GREW TO 116 MILLION
AND SALES GREW TO \$189 BILLION
— BOTH RECORD HIGHS!**

—Art Jonak
Mastermind Event Founder

DIRECT SELLING GLOBAL SALES

In 2017, Direct Selling hit a RECORD **\$189.6 BILLION** in Global Retail Sales



Data Source: WfDSA | Graphic: MastermindEvent.com

\$76 BILLION Paid To Distributors In 2017

Direct Selling companies share a large percentage of their sales with their distributors



COMPANIES SHARE THEIR PROFITS

- Direct Selling companies hit a record \$189.6 Billion in sales in 2017.



\$76 BILLION IN COMMISSIONS

- Direct Selling companies paid over \$76 Billion to their distributors in 2017.



\$208 MILLION A DAY

- Direct Selling distributors earned over \$200 MILLION A DAY in commission.

\$1.5

TRILLION

Direct Selling companies generated nearly
1.5 TRILLION dollars in sales since 2009.

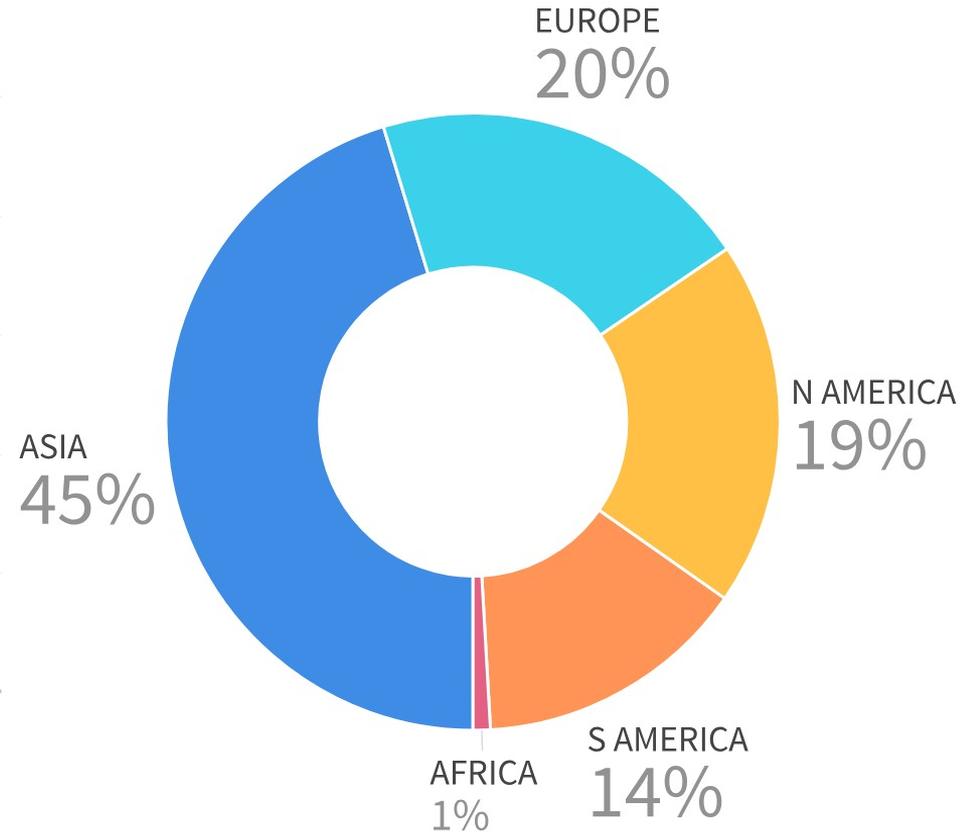
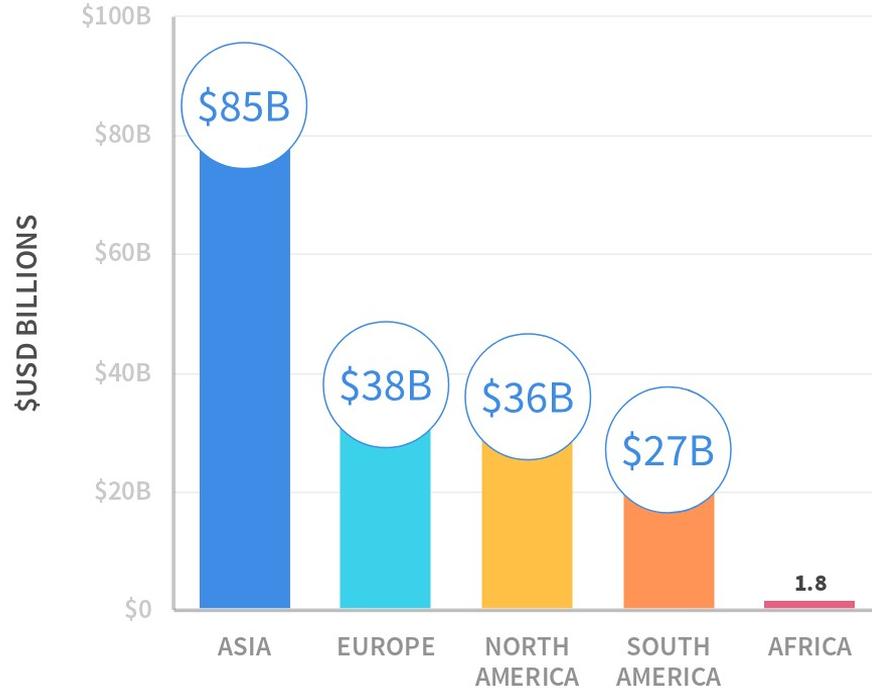
\$600

BILLION

Direct Selling **DISTRIBUTORS** have been **paid**
over \$600 BILLION in commissions since 2009!



2017 DIRECT SELLING SALES BY REGION



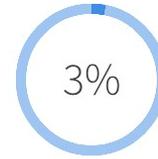
2017 TOP 10 DIRECT SELLING MARKETS



1. UNITED STATES



5. JAPAN



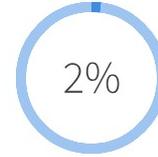
9. MALAYSIA



2. CHINA



6. BRAZIL



10. TAIWAN



3. KOREA



7. MEXICO



ALL OTHER COUNTRIES



4. GERMANY



8. FRANCE

2017 DIRECT SELLING **BILLION DOLLAR** MARKETS

Global Rank 1-12 • Source WfDSA

- United States • \$34.9B
- China • \$34.3B
- Korea • \$17.2B
- Germany • \$16.7B
- Japan • \$15.3B
- Brazil • \$11.9B
- Mexico • \$5.89B
- France • \$4.99B
- Malaysia • \$4.67B
- Taiwan • \$3.94B
- United Kingdom • \$3.70B
- Italy • \$3.23B

2017 DIRECT SELLING **BILLION DOLLAR** MARKETS

Global Rank 13-24 • Source WfDSA

- Russia • \$2.82B
- Thailand • \$2.79B
- Colombia • \$2.36B
- Argentina • \$2.22B
- Canada • \$1.99
- Peru • \$1.76
- India • \$1.51B
- Indonesia • \$1.42B
- Philippines • \$1.31B
- Ecuador • \$1.19B
- Poland • \$1.09B
- Australia • \$1.06B

2017 DIRECT SELLING **BILLION DOLLAR** MARKETS

BY REGION

AMERICAS

1. United States (down 1.8%)
2. Brazil (down 1.1%)
3. Mexico (up 2%)
4. Colombia (down 4.4%)
5. Argentina (up 36.5%)
6. Canada (up 1.4%)
7. Peru (up 2.9%)
8. Ecuador (up 9.4%)

ASIA PACIFIC

1. China (up 3%)
2. Korea (down 0.9%)
3. Japan (up 0.4%)
4. Malaysia (up 0.3%)
5. Taiwan (up 2.1%)
6. India (up 7.0%)
7. Indonesia (up 20.3%)
8. Philippines (up 11.5%)
9. Australia (down 3.6%)

EUROPE

1. Germany (up 3.7%)
2. France (up 3.5%)
3. United Kingdom (up 1.0%)
4. Italy (up 2.5%)
5. Russia (up 5.9%)
6. Poland (down 2.4%)

WHICH COUNTRY WILL BE THE **TOP** GLOBAL DIRECT SELLING MARKET IN 2018?

UNITED STATES

YEAR	SALES	CHANGE
2014	\$34.47	5.5%
2015	\$36.12	4.8%
2016	\$35.54	1.6%
2017	\$34.90	-1.8%

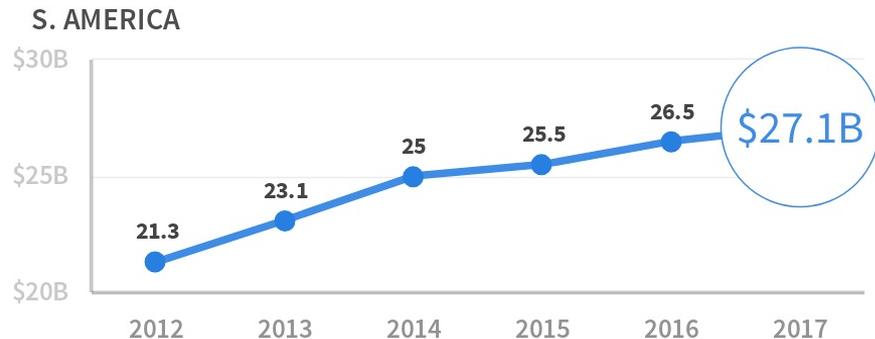
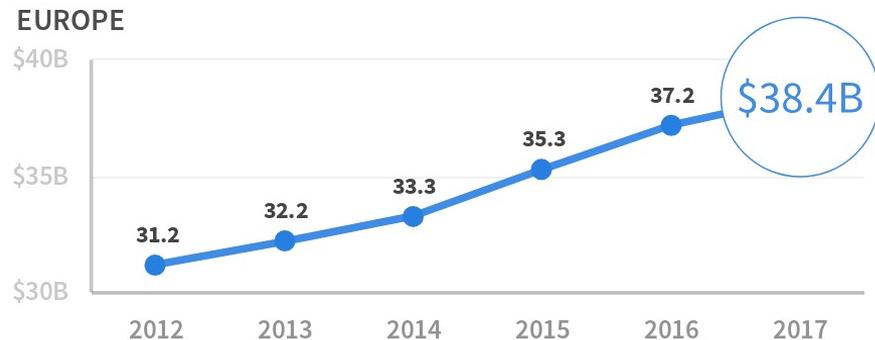
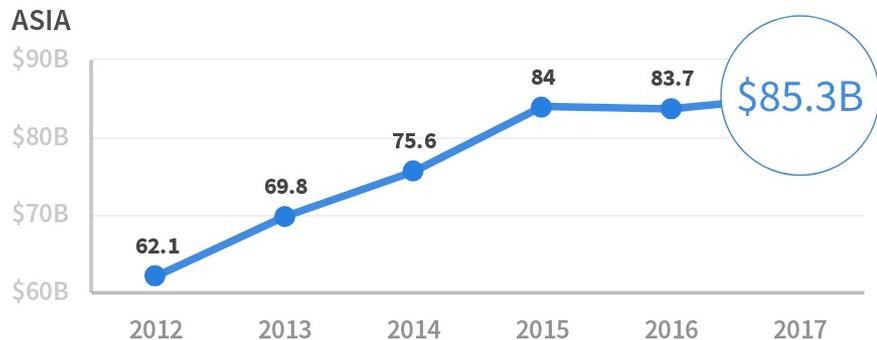
* Sales in US\$ Billions

CHINA

YEAR	SALES	CHANGE
2014	\$27.45	18.6%
2015	\$32.67	9.0%
2016	\$33.29	1.9%
2017	\$34.29	3.0%

* Sales in US\$ Billions

DIRECT SELLING GROWTH BY REGION



2012-2017 DIRECT SELLING GROWTH BY REGION



AFRICA/MIDDLE EAST
\$1.1B to \$1.8B



ASIA
\$62.1B to \$85.3B



SOUTH AMERICA
\$21.3B to \$27.1B



EUROPE
\$31.2B to \$38.4B

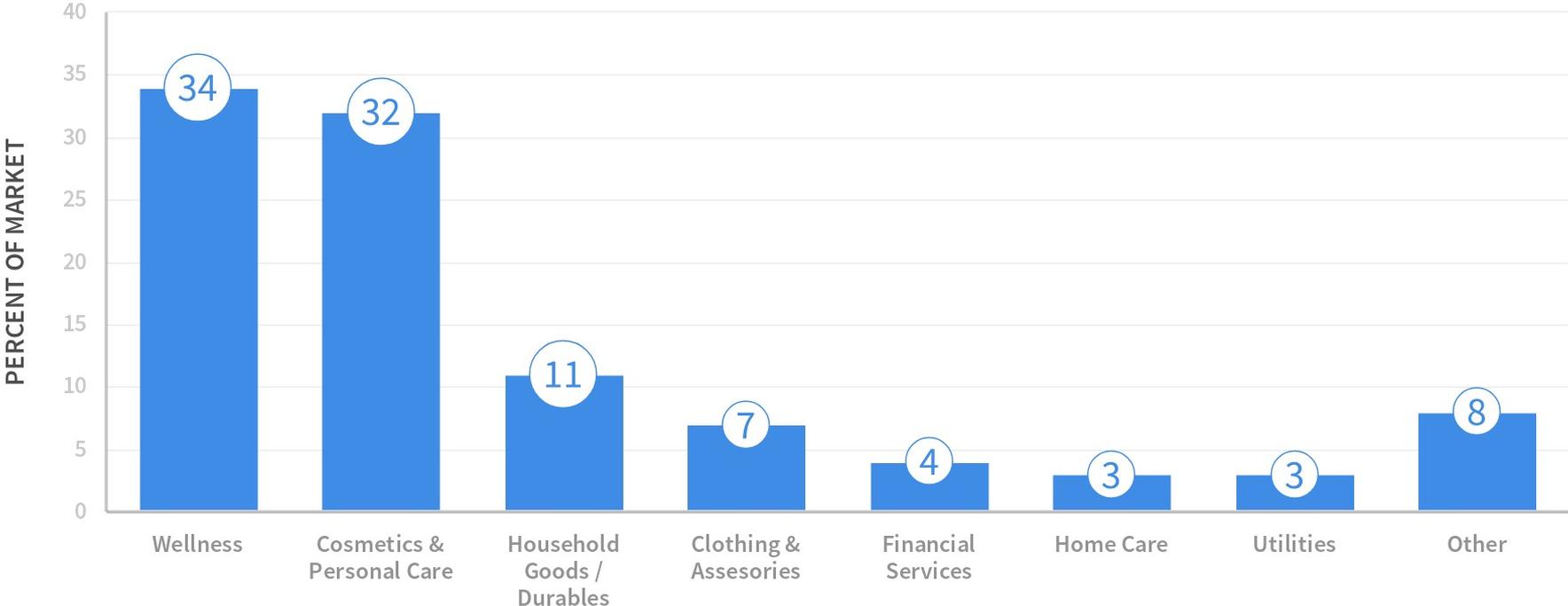


NORTH AMERICA
\$33.3B to \$36.8B



GLOBAL

2017 DIRECT SELLING GLOBAL SALES BY PRODUCT



SHIFTING MARKET SHARE FOR DIRECT SELLING

Future Growth: People in **emerging markets** are increasingly turning to Direct Selling





DIRECT SELLING
IS ONE OF THE
SIMPLEST PATHS TO
ENTREPRENEURSHIP

—Art Jonak
Mastermind Event
October 2010

DIRECT SELLING GLOBAL DISTRIBUTORS

Direct Selling reached a **RECORD 116.7 MILLION distributors** in 2017



Data Source: WfDSA • This does NOT include registered or retail customers.

3.7% COMPOUND ANNUAL GROWTH

Direct Selling is up nearly \$20 Billion since 2014, resulting in a 3.7% global compound annual sales growth rate (CAGR) over the 3-year period from 2014 to 2017. This shows sustained growth in the Direct Selling channel over time.

BOTH SALES AND DISTRIBUTOR NUMBERS SET NEW GLOBAL RECORDS

Further evidence of the popularity of Direct Selling as a convenient way for customers to shop and discover new products, and for Direct Selling distributors to earn additional income.



DIRECT SELLING DISTRIBUTOR CATEGORIES



Distributors include entrepreneurs building their own businesses.

Earning a full-time income — even a dream-lifestyle leveraged income.



Distributors include part-time entrepreneurs building a business.

Earning an extra or supplemental income to help them get ahead financially faster.



Some distributors choose only to enjoy and use the products — not to sell or build a team.

In the future, this class of distributors could be designated as customers.

THE CUSTOMER SHIFT

Many Direct Selling companies have taken or are taking steps to **clearly distinguish between distributors and customers** and to **increase their customer to distributor ratio** — this strengthens the business model and helps protect against potential government regulatory concerns.

In addition to creating more customers, placing “customer distributors” into the “customer” category can increase the “average sales volume per distributor” figure.



DISTRIBUTORS

Actively engaged in building their business
— and also enjoy and use the product.



CUSTOMER DISTRIBUTORS

Signed up as distributors but now only
buy product and don't build their business.



CUSTOMERS

Never signed up as distributors — only
want to buy and enjoy the product.

\$1600 per Distributor

Globally, on average, each distributor generates over \$1600 IN SALES VOLUME per year.
For every 100 distributors, that's \$160,000 in volume per year.

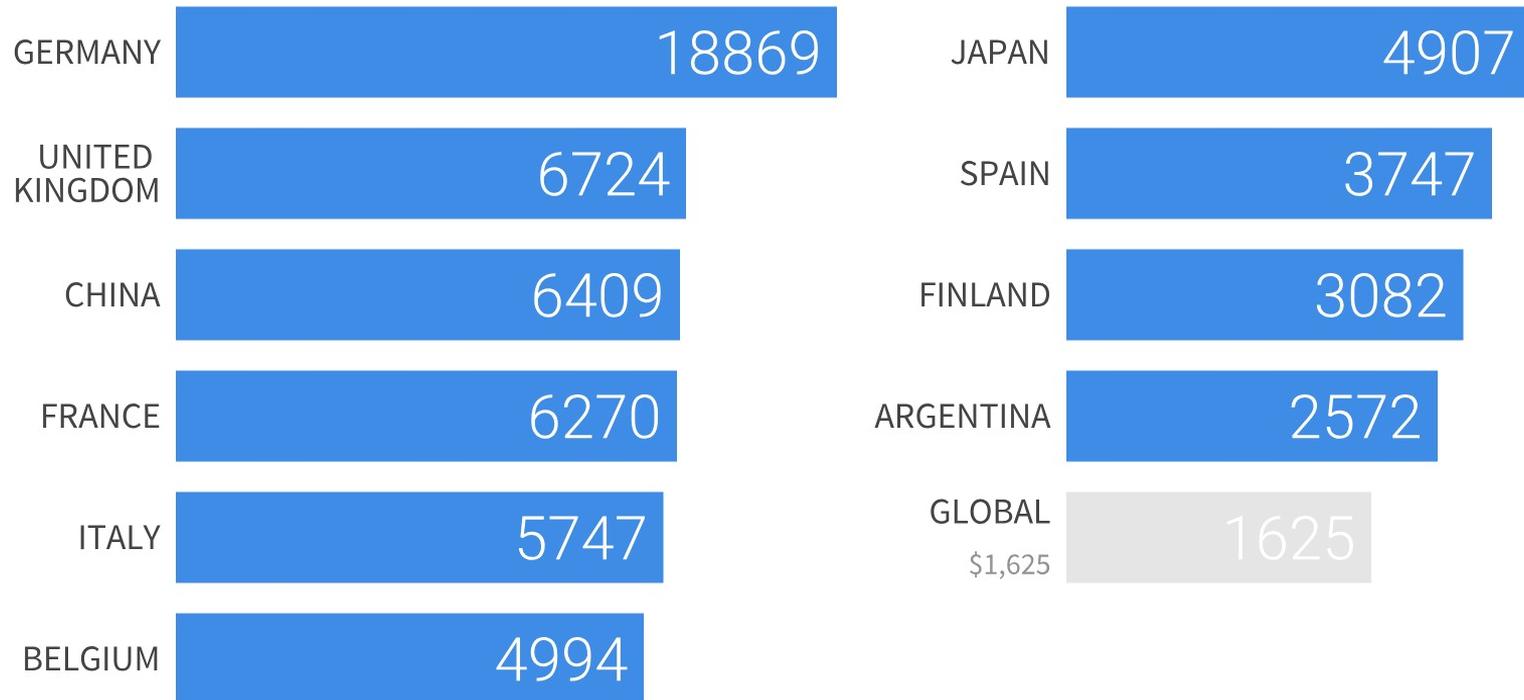
The \$1600 includes products purchased by the distributor and by their personal customers.
This figure should increase as distributors increase their number of active personal customers.



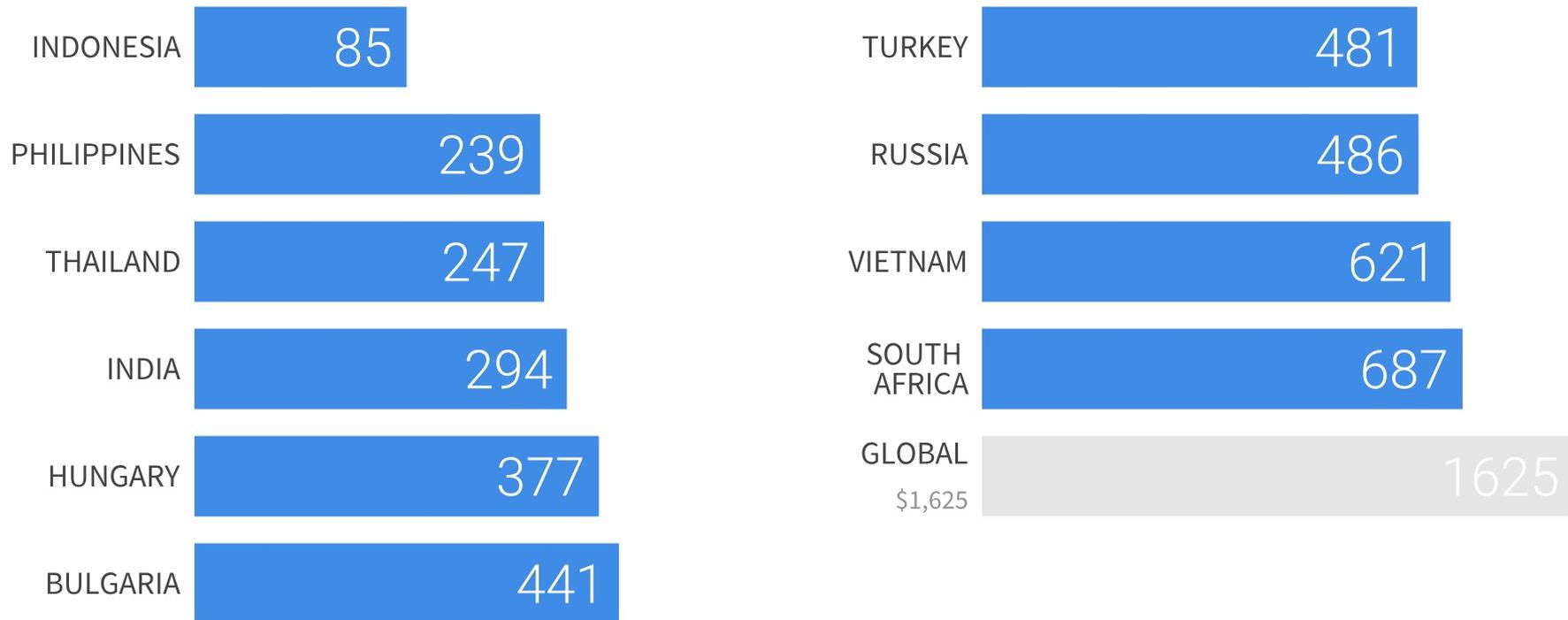
2017 SALES PER DISTRIBUTOR (BY REGION)



2017 SALES PER DISTRIBUTOR 10 HIGHEST (in US\$)



2017 SALES PER DISTRIBUTOR 10 LOWEST (in US\$)



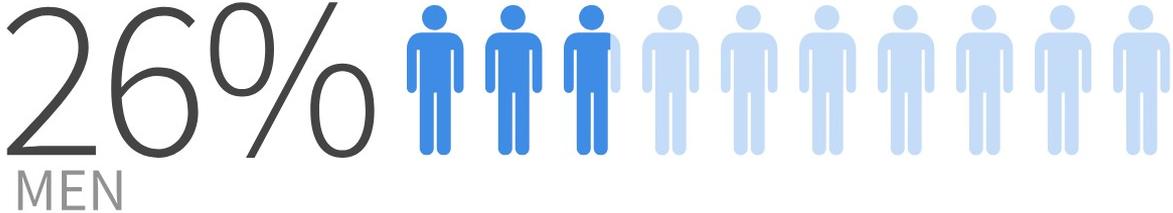
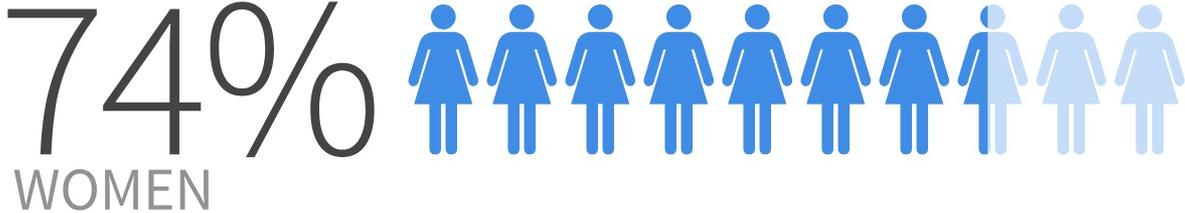


**DIRECT SELLING IS ONE OF THE
FEW PLACES WHERE WOMEN EARN
DOLLAR FOR DOLLAR WHAT MEN EARN**

ART JONAK
MASTERMIND EVENT MAY 2005

2017 DIRECT SELLING BY GENDER (GLOBAL)

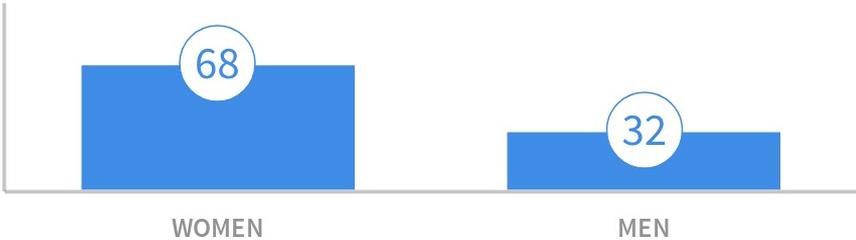
Data Source: WfDSA



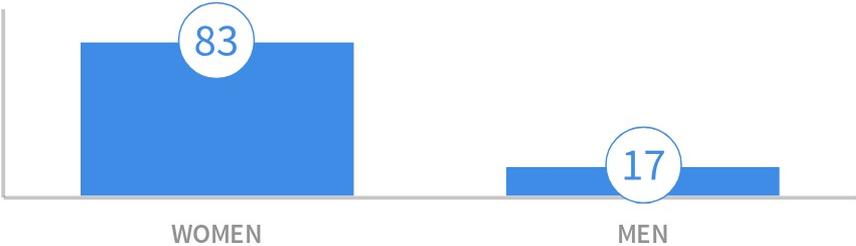
2017 DIRECT SELLING BY GENDER (BY REGION)

PERCENTAGE OF WOMEN AND MEN

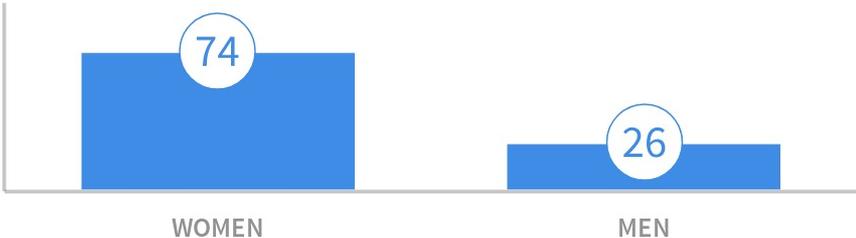
ASIA



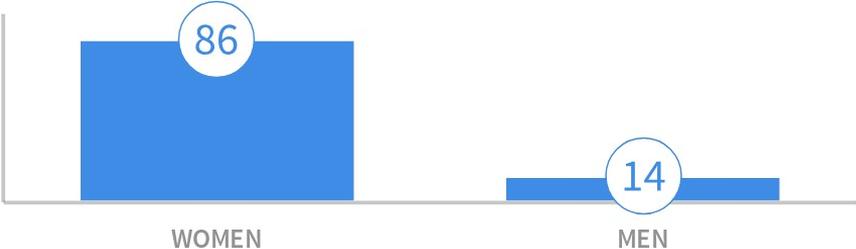
EUROPE



N. AMERICA



S. AMERICA



WHO ARE THE **TOP EARNERS** IN DIRECT SELLING?



- The majority of **Top 20% income earners** in Direct Selling are **women** and **couples**.
- Men are more likely to seek “income recognition” and to speak publicly about their earnings. This could create the misconception that “most top earners are men.”
- Direct Selling is a “merit-based income system,” one where team sales volume directly determines commissions. This levels the playing field and helps to **minimize the Gender Pay Gap** still common in many professions.

“Men want statues of themselves, women don't.” —Ann Jonak

DIRECT SELLING IN THE UNITED STATES



DIRECT SELLING SALES (UNITED STATES)

In 2017, Direct Selling Retail Sales hit an estimated **\$34.9 BILLION** in the United States



Data Source: DSA

DIRECT SELLING DISTRIBUTORS (UNITED STATES)

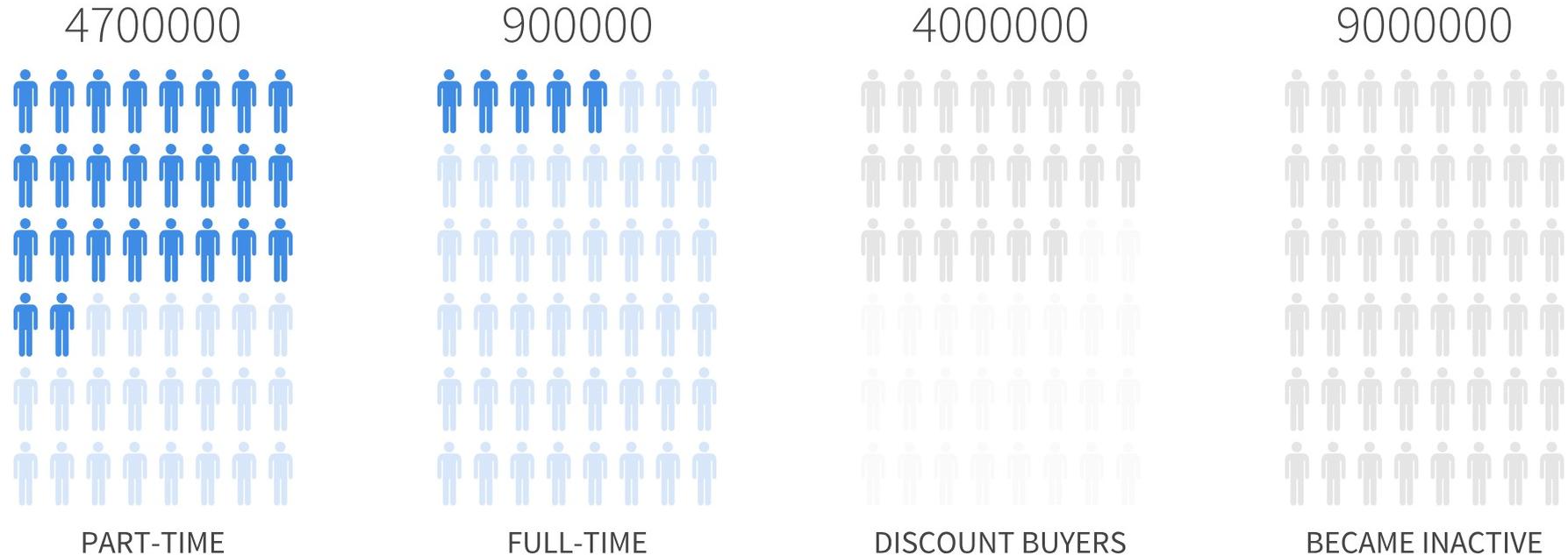
In 2017, there were approximately **18.6 MILLION Direct Selling distributors** in the United States



Data Source: DSA • This does NOT include registered or retail customers.

DIRECT SELLING BUSINESS ACTIVITY (U.S.)

In 2017, approximately **5.6 million distributors** were part-time or full-time business builders
(This does not include preferred, registered or retail customers)



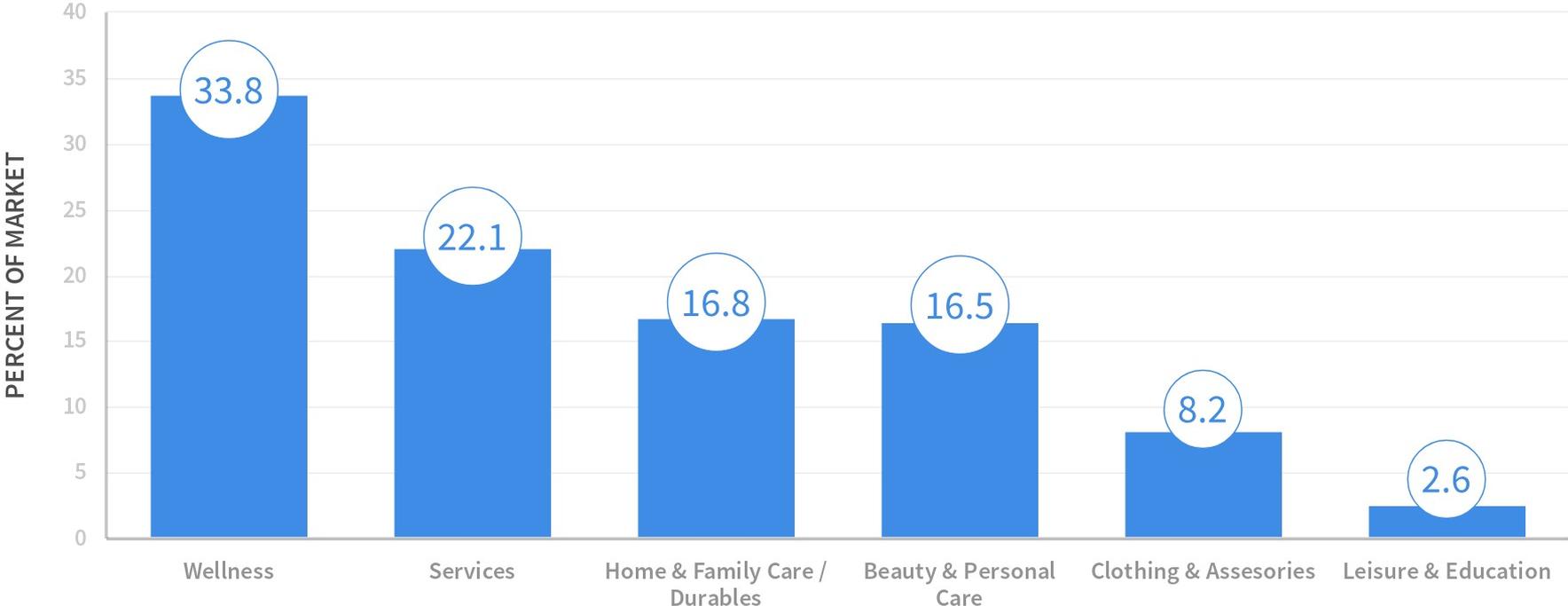
\$6200+ per Distributor

In the United States, on average, each distributor generates over \$6200 IN SALES VOLUME per year.
For every 100 distributors, that's \$620,000 in volume per year.

The \$6200 includes products purchased by the distributor and by their personal customers.
This figure should increase as distributors increase their number of active personal customers.



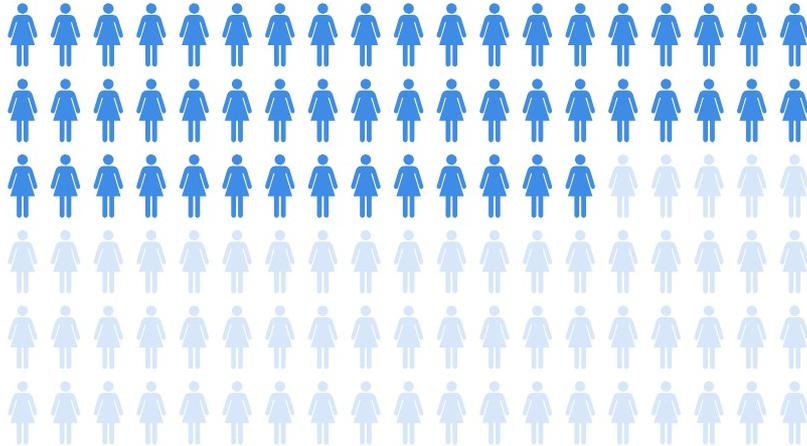
2017 DIRECT SELLING SALES BY PRODUCT (U.S.)



DIRECT SELLING **BY STATE** (UNITED STATES)

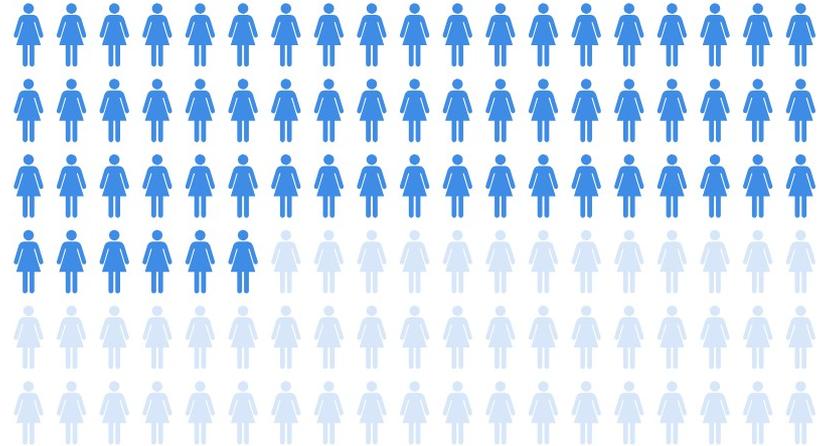
The TOP 5 STATES were Texas, California, New York, Florida and Illinois and collectively accounted for nearly 45% of all U.S. sales in 2017 with \$16.1 Billion.

TEXAS, CALIFORNIA, NEW YORK,
FLORIDA and ILLINOIS



45%

ALL OTHER U.S. STATES AND
TERRITORIES

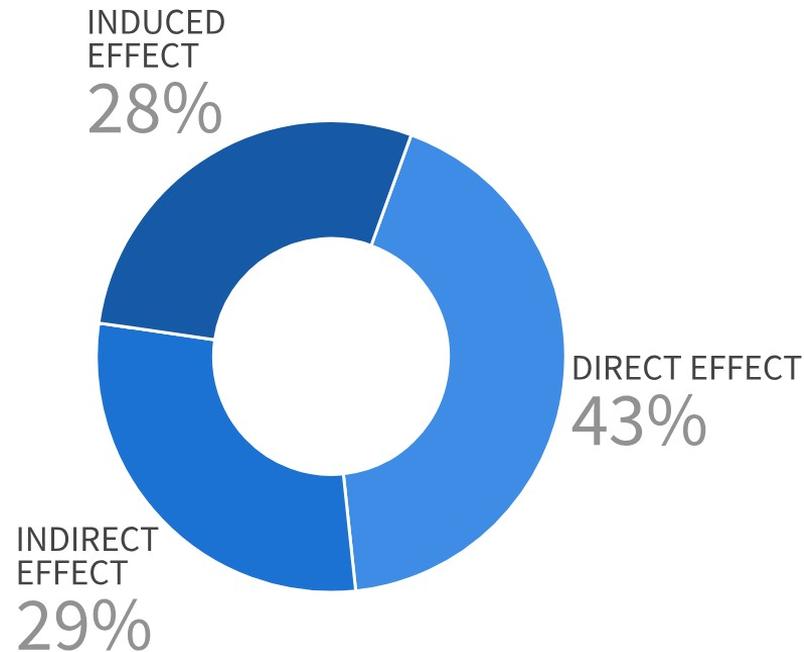


55%

TOTAL ECONOMIC IMPACT: **\$83.11 BILLION**

The \$35.54 Billion in Direct Selling sales in the U.S. contributed \$83.11 billion to the economy in 2016.

Direct Effect: \$34.54 Billion • Indirect Effect: \$24.06 Billion • Induced Effect: \$23.52 Billion

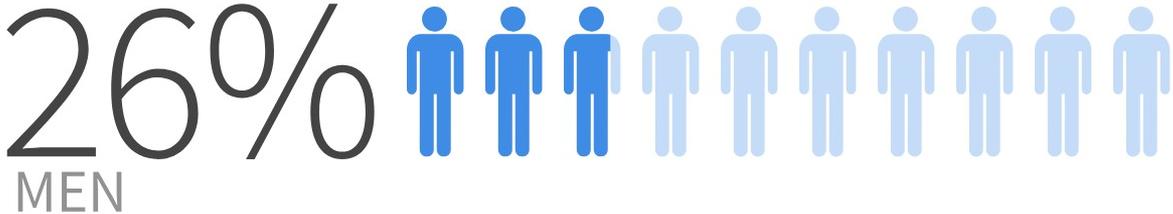
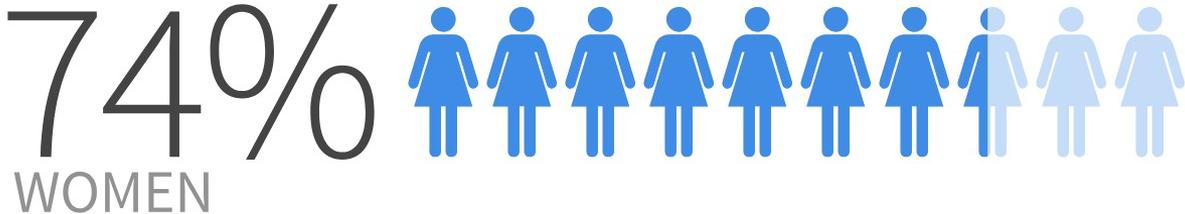




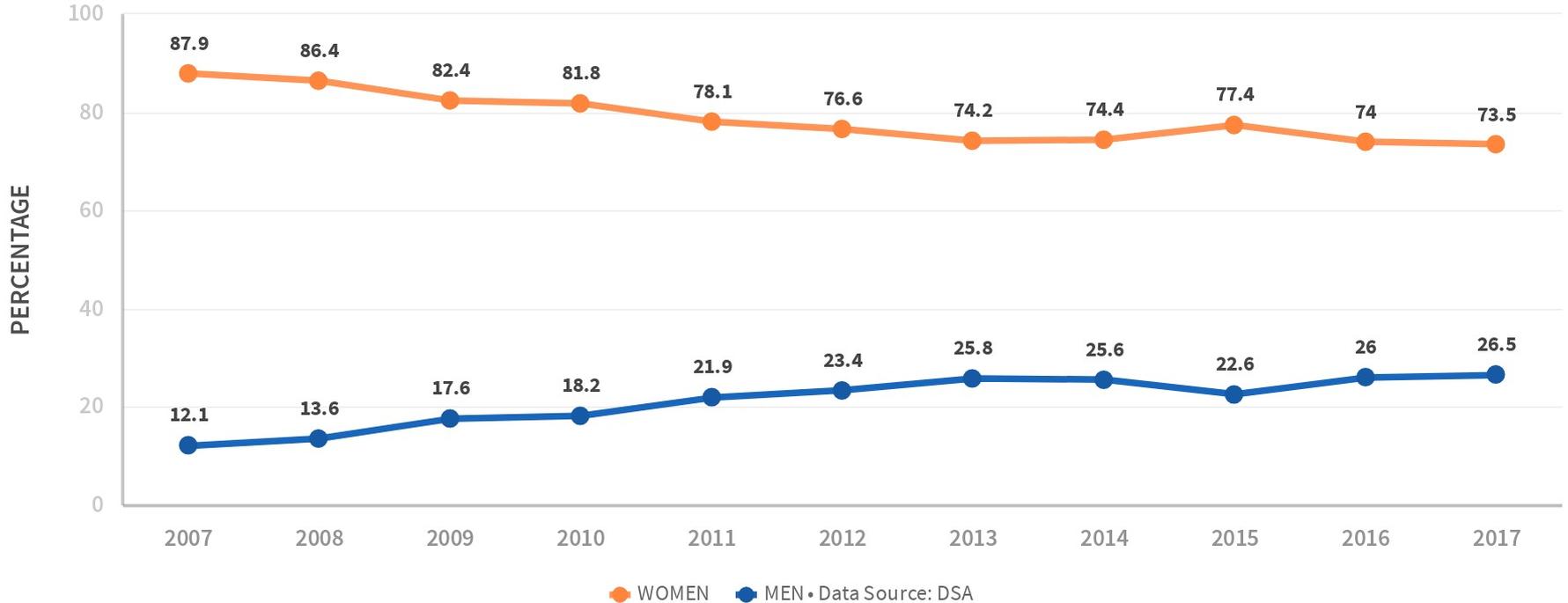
**DIRECT SELLING OFFERS
EVERYONE AN EQUAL OPPORTUNITY,
REGARDLESS OF AGE, SEX, RACE,
RELIGION OR LEVEL OF EDUCATION.**

—Art Jonak
Mastermind Event
May 2005

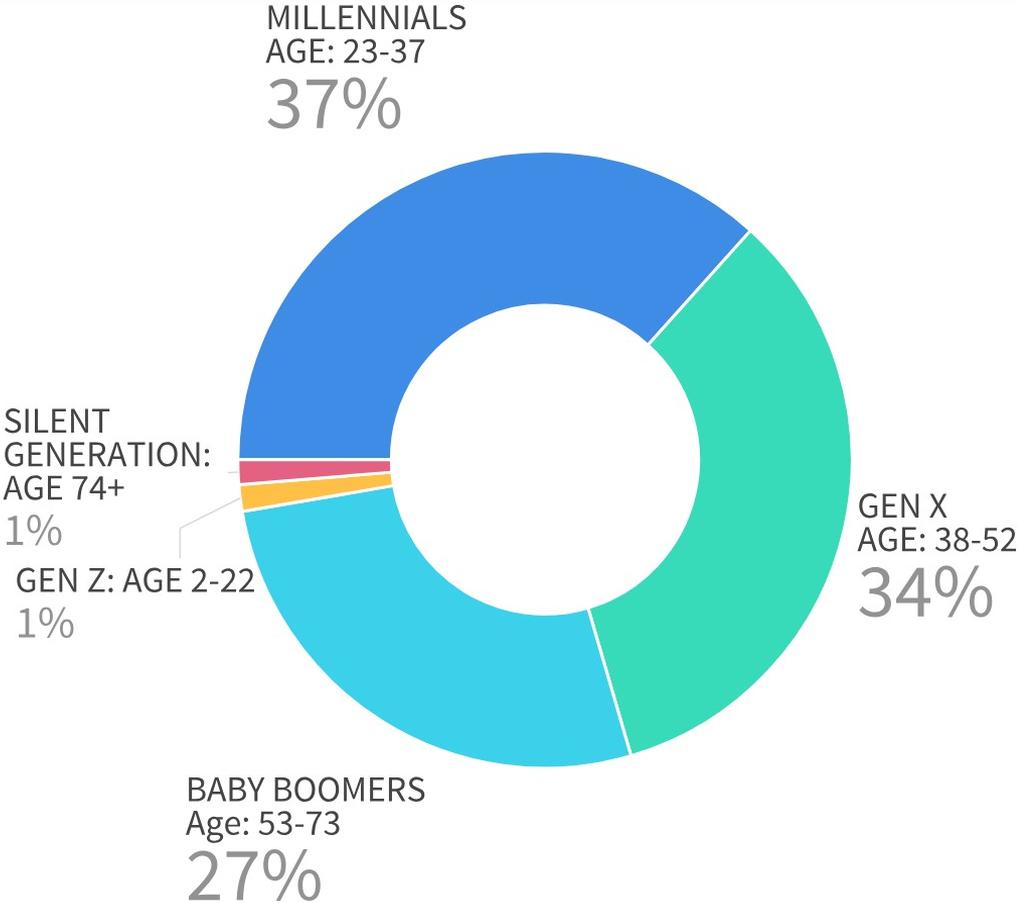
2017 DIRECT SELLING BY GENDER (UNITED STATES)



DIRECT SELLING BY GENDER (UNITED STATES)



2017 DIRECT SELLING BY AGE (UNITED STATES)



DIRECT SELLING IS GEARED FOR GROWTH

\$1 TRILLION
NEXT 5 YEARS

Direct Selling is on pace to generate over
1.5 TRILLION dollars in sales over the next 5 years.

\$400 BILLION
IN COMMISSIONS

Direct Selling DISTRIBUTORS are on pace to earn over
\$400 BILLION in commissions over the next 5 years.

Direct Selling is No Longer on Trial

It's a proven and viable profession.

A profession that's helping millions of people get ahead financially and moving many closer to their dreams. —Art Jonak



TO ALL DIRECT SELLERS IN THE WORLD

THANK YOU

The Mastermind Event®



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