

Multi-Level Marketing and the Beauty Industry - US - September 2019

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This report looks at the following areas:

- Competition in the larger market poses a threat to direct sellers
- Don't forget about men
- Product expansion and innovation are necessary to compete and stay relevant

Inadequate or disengaged sales representatives not only can cost companies sales opportunities, they also can weaken brand awareness or perceptions. Those shopping this portion of the beauty market have mostly high awareness and many positive experiences, but some still have issues with sales environments or credibility, and they purchase at other retailers that are category experts or more convenient. Direct sales companies, new and old, need to focus on having better-informed and more inclusive sales representatives in order to better serve a wider group of consumers. Finding new ways to interact with customers throughout the product discovery and purchase process, regardless of how or where they're shopping, will be imperative to improving brand perceptions and increasing loyalty.



"Multi-level marketing is one section of the beauty industry, which consists of direct sales companies, that uses referral-based or peer-to-peer selling. The nature of the business structure creates opportunities, with customers having the ability to represent companies, but also challenges, as sales can largely depend on salespeople."

- Alexis DeSalva, Retail & Apparel Analyst

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