

DIRECT SELLING
JOURNAL

D S J

In a memorable year marked by a global pandemic, sequestration, racial tensions, and a charged political environment, the direct selling channel thrived and positioned itself as a catalyst for positive change.

JANUARY 2021

A  PUBLICATION



DIRECT SELLING IN THE NEW NORMAL



Connie Tang, Former Princess House CEO & DSEF Board Member

As part of DSA's Change Makers virtual event last November, the Direct Selling Education Foundation held a live-streamed conversation featuring DSEF Fellows Dr. Sandy Jap and Kathy Korman Frey to discuss what success looks like in the "new normal." The session was moderated by Connie Tang, former Princess House CEO and DSEF Board Member.



Dr. Sandy Jap, Emory University

Dr. Jap is an award-winning marketing professor and holds the Sarah Beth Brown Endowed professorship at Emory University. She is published widely on the development of organizational relationships and go-to-market strategies.



Kathy Korman Frey, George Washington University School of Business

Korman Frey is a professor at the George Washington University School of Business, where she teaches Women's Entrepreneurial Leadership. She is also the founder of the Hot Mommas Project, the world's largest women's case study library providing access to diverse, teachable, scalable role models and mentors.

Connie Tang: By and large, the direct selling channel has thrived despite—and, in some cases, because of—the COVID-19 pandemic. What is going to be interesting for us to talk about is what makes direct selling and the companies involved in this channel poised for such success and, more importantly, poised for sustaining that success.

The first question takes into consideration the physical distancing and safety protocols that took place starting back in March. Businesses in and outside of the direct selling space pivoted from an offline business to an online business. Sandy, what three things have you identified that were once important but are now no longer relevant for business success, and how will they affect direct sellers going forward?

“A personal brand is so critical because it is the anchor point in any kind of prospecting you are doing online through social media.”

—Dr. Sandy Jap, Emory University

Sandy Jap: I think that the pivot to online or social media selling is not so much that any skills have become obsolete. It is more that you need to add new skills. For example, I think of direct sellers as being excellent at educating customers, engaging customers in groups, and, in the party plan space, gathering customers together and having important conversations. All those skills are important online as well. What we found is that the best sellers do three things.

1) Hunting

The way you gather potential prospects on social platforms is different from face-to-face. With face-to-face, you can rely on more prospects and friends of friends, but with social media, none of that is the case. The most successful sellers start with a practice we call “hunting,” which is scouring the internet. They will follow certain people on Facebook or on Instagram and they will try to relate and become a friend of those individuals. Or they might do hashtags, search on LinkedIn, and look for keywords. The practice of hunting is trying to find people who either have a common problem or are interested in issues that you are interested in as well. It is finding commonalities and trying to merge those networks together.

2) Casting

The second important practice is something that we call “casting.” We call it casting because it is like casting a wide net. The idea is that you might put out some engaging videos or you might have some live Facebook events that anybody has access to where you are featuring products. And you might say something like, “Hey, can your lipstick do what this does?” Then

you talk about the product(s). You are really trying to cast the net to pull people in and to have them follow you. More importantly, the goal of this is to get customers to potentially join the closed private Facebook group. It is in those closed private groups that you can do all the things that direct sellers do best—educate, demonstrate, engage, and create gatherings.

3) Cultivating Curiosity

The third practice is what we call “cultivating curiosity.” The difference between cultivating curiosity and casting is that in casting, you might feature your products and you might be clear that you are selling something. In cultivating curiosity, it is especially important to not feature products, to not feature brands, and just talk about who you are and what topic you are interested in, such as weight loss or body toning. The goal in cultivating curiosity is to get people to say, “Hey, I’ve been following you for a while, and why is it that your skin glows?” or “What is it that you’re using that is helping with your hair?” You are trying to get people to reach out and to connect with you. At that point, you invite them into your closed group in Facebook.

So those are three key practices that are different from what direct sellers might have done face-to-face or in personal networks in the past. Now, the secret sauce to all this is:

The most successful sellers online are people who have cultivated a strong personal brand.

This research, done in collaboration with my co-author, Eileen Fisher, a professor at New York University in Canada, found that a personal brand is so critical because it is the anchor point in any kind of prospecting you are doing online through social media. It is the anchor point in your closed Facebook groups as you are engaging with customers and closing out sales.

What makes a good personal brand? People who are exceptionally good at being authentic. You do not want to be picture perfect. Some of the most successful sellers online are people who might appear with no makeup on. Honesty is also key—revealing who you are over time in an interesting way.

The key to being successful selling online is managing what I call micro interactions. Hunting, casting, and creating curiosity, and funneling customers into that closed Facebook group, where the sales can really happen. The people who are the best at this have amazing personal brands. They can move from direct selling and use those set of skills in other contexts. They are massive social influencers.

We also see a few important practices that organizations can adopt. For example, getting your consultants to share best practices among

themselves. We see a lot of consultants, especially at SeneGence, sharing best practices on how to create great online parties, virtual events, and demos. They have even come up with tools to insert interesting videos. I think SeneGence really stands out from those we have talked to in our research.

Another important best practice is looking to Gen Z and Gen Y for innovation, especially when it comes to social media. One company that stood out in this regard was Southwestern. As you know, Southwestern sells door-to-door, and when COVID-19 hit, they had to pivot to online. They very bravely looked to some of the youngest experts and said, “Find a way”—and they did. It is amazing.

Connie Tang: Kathy, you are passionate about working with women and women leaders. All of us in some way, professionally and personally, have been impacted by COVID-19. Most significant has been the financial impact on women, which has been coined, devastatingly so, the “women’s recession.” The DNA of direct sales companies consists of providing equal opportunity to all—men and women, from all walks of life. Prior to COVID-19, almost 75 percent of our country’s independent salesforce were women. I suspect those numbers have increased during these past eight months. What are some ways that companies—and female leaders, in particular—can contribute to the solutions for sustainable growth and play a role in addressing or alleviating, to whatever extent possible, this women’s recession?

Kathy Korman Frey: Three primary factors play into the women’s recession:

- childcare
- the environment in which a lot of women are employed (where they must show up more in person, be it retail, restaurant, etc.)
- not enough opportunities to telework in jobs that women hold

I can imagine brains turning out there in the direct selling world saying, “Oh, we’ve pivoted to allow people to work online.” But the two primary words that come to mind for me as action items are *mentorship* and *support*. Our research shows that women who are the most successful in their careers have support in two places—at home and at work.

When you ask women, as we did, “To what do you attribute your success or achievement?” it is not a fancy degree. It is not some amazing skill they just learned or a certificate program they enrolled in during COVID-19. It is the support system in their lives and work. So, if you are supporting somebody at home, think about ways you can continue to do that so you are both successful.

The second thing is support at work. Are we instituting ROWE—Results Oriented Work Environments? Are we having mentorship groups on

a peer level? Are we doing huddles in the morning to help rev up our employees? Are we featuring our superstars in some sort of way, whether it is a quick article or on a webinar? What we have found—and research shows—is that access to mentors and role models increases confidence and increases success. If we can access mentors and role models within our own networks—and that’s where direct selling really has an advantage—we have a built-in network. Ninety percent of women entrepreneurs are solo-preneurs. This is a massive advantage for the direct selling channel because you have a built-in network support system and mentorship. Direct selling companies should continue to focus on that.

“What we have found, and that research shows, is that access to mentors and role models increases confidence and increases success.”

—Kathy Korman Frey, George Washington University School of Business

Connie Tang: What do you see in your research and in the encounters you have with businesses in and outside of our channel as some potential trip wires or blind spots we should be aware of, especially in this time when many companies are growing very quickly? What could we be missing because we are so focused on today that it is going to catch us and bite us in the future?

Kathy Korman Frey: This is a great time to engender massive loyalty by supporting your consultants. Instituting something like a daily huddle, a weekly huddle, or featuring a star could be really inspiring. Use that network for good.

I do think there could be some hiccups such as accessing product due to import restrictions. I am sure companies are addressing that, but do not just keep it at the senior level. There might be some interesting things you can share to make consultants in the field solve those problems with you. At the very least, make them aware that you are struggling, too, and that you are looking out for them. Constant communication is helpful. We all know people who do not constantly communicate, and that feels very lonely at a time like this.

Sandy Jap: The biggest blind spot I see is that so many companies simply try to transfer whatever they are doing offline or in face-to-face situations online. The people who do that are not getting results. They are not highly effective, and it can be a frustrating process. It is important to understand what critical skills matter most in selling online and make sure you can master them. The blind spot is thinking that you do not have to change what you are currently doing to get there. 