

Purchasing Products and Services from a Direct Selling Company at a Discount is Legitimate

One motivation for becoming involved in direct selling is to purchase a company's products or services at a discount. People involved in all types of retail sales – not just direct selling – engage in internal consumption (self use), because they enjoy what's offered, or want to familiarize themselves with various product and service lines.

Internal consumption or use of a product or service by oneself is a legitimate practice; however, inventory loading, where individuals are convinced to buy large amounts of products or services that cannot be easily sold to others or returned, harms people involved in direct selling and is often a pyramid scheme warning sign.



Internal Consumption



Inventory Loading



DSA's Code of Ethics protects direct sellers by prohibiting inventory loading and requiring all DSA members to purchase unused marketable inventory from independent salespeople within 12 months at 90% or more of the original cost. These policies help protect salespeople against significant financial loss.



Furthermore, DSA members must also undertake clear and reasonable steps to ensure their independent salespeople are consuming, using or reselling products and services.

To learn more about how DSA's Code of ethics protects people involved in direct selling, visit dsa.org/consumerprotection.