



DIRECT SELLING ASSOCIATION

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Growth & Outlook Survey Questionnaire

U.S. Direct Selling in 2007

*Covering direct selling activities in the United States
in calendar year 2007 only unless otherwise stated.*

Confidentiality	Individual company responses will not be available to anyone outside of Nathan Associates. We will report results only in an aggregate, summary form.
Due Date	Please complete and return as soon as possible, <u>but not later than Friday, April, 11, 2008.</u>
How to Respond	Send completed questionnaire to Paul Bourquin of Nathan Associates: <ul style="list-style-type: none">▪ by email to pbourquin@nathaninc.com.▪ by fax to 703-351-6162.▪ by mail to 2101 Wilson Blvd., Suite 1200, Arlington, Virginia 22201.
Questions?	Contact Paul Bourquin of Nathan Associates at 703-516-7776 or at pbourquin@nathaninc.com .

-----*We will remove this coupon before data entry in order to preserve the anonymity of your response.*-----

Company _____

Address _____

Person to whom we should direct any questions:

Name & Title _____

Phone _____ Email _____

Person to whom you'd like us to send the survey results via email:

Name & Title _____

Email _____

Section A — Sales Data

1 What were your company’s net sales of consumer products and services in the United States that were generated via direct selling for the following calendar years?

Exclude (1) the sales of sales aids and materials to your direct sellers/distributors, (2) shipping revenue, and (3) revenue from retail customers purchasing directly from your company where no direct seller/distributor was compensated.

a. 2006 \$ _____ b. 2007 \$ _____

2 Please provide your **best estimates** of the wholesale value of your net sales provided in question 1. (Your answers for questions 1 and 2 may differ. For example, a company’s direct sellers/distributors may operate on a commission basis and not on a buy/resell basis. In this case, the wholesale value would equal the sales dollars received by the company less commissions paid to the direct sellers/distributors for their sales. The wholesale value should be net of any wholesale commissions paid out to direct sellers.)

a. 2006 \$ _____ b. 2007 \$ _____

3 Please provide your **best estimates** of the value of your net sales provided in question 1 at suggested retail price. In other words, what would have been the retail sales dollars had all the products/services sold at retail at the suggested retail price?

a. 2006 \$ _____ b. 2007 \$ _____

4 Please provide your **best estimates** of the total **actual** dollars paid by the ultimate consumers (i.e., end users) for the consumer products and services that are accounted for by your net sales provided in question 1. For products and services consumed by a direct seller, the value of the product/service is the dollars paid by the direct seller to your company.

a. 2006 \$ _____ b. 2007 \$ _____

5 What percentages of your 2007 net sales dollars (as provided in question 1b) were accounted for by face-to-face (in-person) selling in the following places or by remote selling via the following media:

Face-to-Face Selling

- In the home (including self-consumption by direct sellers)..... a. _____ %
- In the work place (such as an office or factory)..... b. _____ %
- At a fair, exhibition, shopping mall, or other temporary location c. _____ %
- Other locations (please describe) _____ d. _____ %
- Subtotal: face-to-face selling e. _____ %

Remote Selling

- Phone f. _____ %
- Internet (World Wide Web, e-mail)..... g. _____ %
- Other (please describe) _____ h. _____ %
- Subtotal: remote selling i. _____ %
- Total (2007 net sales dollars = 100%)..... 100%

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6 What percentages of your 2007 U.S. net sales dollars (as provided in question 1b) were accounted for by each of the following products/services?

1. Clothing & Accessories

Clothing	a.	%
Lingerie/sleepwear	b.	%
Shoes	c.	%
Jewelry	d.	%
Fashion accessories	e.	%
Subtotal Category 1	f.	%

2. Personal Care

Cosmetics	a.	%
Skin care	b.	%
Fragrances	c.	%
Hair care	d.	%
Nail care	e.	%
Toiletries/daily care/oral care.....	f.	%
Subtotal Category 2	g.	%

3. Home & Family Care

Home care/cleaning products.....	a.	%
Animal & pet care products	b.	%
Auto care products	c.	%
Gourmet foods & beverages	d.	%
Subtotal Category 3	e.	%

4. Home Durables

Cookware	a.	%
Cutlery	b.	%
Crystal/china	c.	%
House/kitchen wares	d.	%
Tableware.....	e.	%
Christmas decorations	f.	%
Gifts & decorative accessories & decorative collectibles.....	g.	%
Gardening.....	h.	%
Furniture/furnishings.....	i.	%
Art/framing	j.	%
Home appliances	k.	%
Air filters/air filtration systems	l.	%
Water treatment systems/filters.....	m.	%
Vacuum cleaners	n.	%
Bedding & linens	o.	%
Subtotal Category 4	p.	%

5. Wellness Products

Weight mgmt products/programs (wgt mgt supplements, meal replacement bars & drinks)	a.	%
Nutritional supplements (vitamins, minerals, dietary supplements, herbals & specialty)....	b.	%
Sports/energy & body-building (body-bldg supplements, energy bars, sports & protein drinks).....	c.	%
Health foods & beverages.....	d.	%
Children's supplements	e.	%
Exercise equipment.....	f.	%
Health/nutrition/fitness instructional materials.....	g.	%
Subtotal Category 5	h.	%

6. Leisure/Educational Products

Books	a.	%
CDs/cassettes/videos/DVDs	b.	%
Encyclopedias	c.	%
Educational publications.....	d.	%
Computer software.....	e.	%
Non-decorative collectibles	f.	%
Crafts	g.	%
Toys and games	h.	%
Scrap booking/photo albums/ photography	i.	%
Sporting goods	j.	%
Subtotal Category 6	k.	%

7. Services/Miscellaneous

Financial services.....	a.	%
Telecomm/long-distance srvcs	b.	%
Legal services	c.	%
Internet services (e.g., ISP, Web site design, e-mail services)	d.	%
Subtotal Category 7	e.	%

8. Other (please specify)

.....	a.	%
.....	b.	%
Subtotal Category 8	c.	%

Total (2007 net sales dollars) = 100%

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- 7 What percentages of your 2007 net sales dollars (as provided in question 1b) were accounted for by sales that took place in the following four U.S. Census regions:
- **Northeast** (CT, MA, ME, NH, NJ, NY, PA, RI, VT) a. _____ %
 - **South** (AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, VA, WV)..... b. _____ %
 - **Midwest** (IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI) c. _____ %
 - **West** (AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY) ... d. _____ %
- Total (2007 net sales dollars = 100%) 100%
- 8 What percentages of your 2007 net sales dollars (as provided in question 1b) were derived from:
- Individual/person-to-person/door-to-door selling a. _____ %
 - Party plan selling/group selling/classes b. _____ %
 - Retail customer placing order directly with company in follow-up to a prior face-to-face solicitation c. _____ %
 - Other (please describe) d. _____ %
- Total (2007 net sales dollars = 100%) 100%
- 9 With your U.S. net sales dollars in 2007 (as provided in question 1b) equal to 100%, what percentage do you estimate was derived from the sales of products and services for personal consumption by direct sellers and their families?
- _____ %

Section B — Salesforce Data

Provide your best estimates of the number of direct sellers or of distributorships for the following items for calendar 2006 and 2007. The answers to questions 10b and 13a should be equal. Circle below what type of numbers you are reporting (i.e., direct sellers or distributorships).

- a. Direct sellers (i.e., individuals) b. Distributorships (may consist of one or more persons)

	---Number of Direct Sellers or Distributorships ---	
	2006	2007
10 Number eligible to submit an order on January 1	a. _____	b. _____
11 Plus: number recruited/added during the year	a. _____	b. _____
12 Less: number dropped during the year	a. _____	b. _____
13 Equals: number eligible to order on December 31	a. _____	b. _____
14 Number who actually submitted orders during the year (provide best estimates).....	a. _____	b. _____
15 Number who received bonuses or other cash compensation from your company during the year (provide best estimates)	a. _____	b. _____

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- 16 Provide your best estimates of what percentages of your direct sellers (or of primary persons in distributorships) in 2007 were:
- Full-time (30 hour per week or more) a. _____ %
 - Part-time..... b. _____ %
 - Total 100%

- 17 Provide your best estimates of what percentages of your direct sellers in 2007 were in:
- One-person distributorships a. _____ %
 - Two-person distributorships (count as 2 people) b. _____ %
 - Multi-person distributorships (count 3-person team as 3 people, 4-person team as 4 people, etc.) c. _____ %
 - Total 100%

- 18 Provide your best estimates of what percentages of your direct sellers (or primary persons in distributorships) in 2007 were:
- Female..... a. _____ %
 - Male b. _____ %
 - Total 100%

Section C — Company Profile Data

- 19 Does your company offer a plan that compensates participants not only for their own sales, but also for the sales of their recruits and the recruits of those recruits? Circle one choice.
- a. Yes b. No

20 In what month and year did your firm first start direct selling in the United States?

Month _____ Year _____

- 21 What is your **predominant** distribution method? Circle one choice.
- a. Individual/person-to-person/door-to-door b. Party plan selling/group selling/classes

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Section D — Corporate Outlook

22 What changes do you anticipate in the U.S. direct selling industry over the next three years?

23 What do you see as the greatest threat to the U.S. direct selling industry? The greatest opportunity?

Please complete and return by Friday, April 11, 2008.

Thank you for participating!