



DIRECT SELLING ASSOCIATION

INDEPENDENT INVESTIGATION. INCREASED OVERSIGHT. ACTIVE MONITORING.

DSA/CBBB Launch **Direct Selling Self-Regulatory Council**

Launched January 2019

WHO

The Direct Selling Association (DSA) and the Council for Better Business Bureaus (CBBB), the network hub for BBB's in the U.S., Canada, and Mexico, have created a third party, self-regulatory program for the direct selling industry that will launch in January 2019.

WHY

For more than five decades, the DSA has had a self-regulatory program for its members. This program articulates clear principles, but primarily was initiated and took action based on consumer complaints. The creation of a new, proactive program represents a dramatic step forward to raise the bar for the direct selling industry.

WHAT

The new, third-party, self-regulatory organization will monitor the entire U.S. direct selling industry and will embody the following principles:

- Clear industry standards on issues such as product and earning representations;
- Identification of relevant best practices from other self-regulatory models;
- Creation of a process that both monitors and enforces strict business principles; and
- Enacts measures to raise the bar of excellence for DSA members and the entire direct selling channel.

PROGRAM FOUNDATION



Comprehensive active monitoring of the direct selling marketplace, including websites and social media of both companies and the salesforce in the areas of income representations and product claims.



Independent investigation and reporting unresolved violations of non-compliant companies to the Federal Trade Commission.



Rigorous, competitive challenge process, enabling other companies to identify issues for the Direct Selling SRC.



Increased consumer protection that will compliment law enforcement with the hallmarks of successful self-regulation.



In 2018, 6.2 million
entrepreneurs in the U.S. sold products or services
through the direct selling channel, providing a
personalized buying experience for more than 36.6
million customers.

In 2018, direct selling generated
\$35.4 billion
in retail sales.



LEADERSHIP

Peter Marinello, vice president of the CBBB will serve as the executive director of the Direct Selling SRC, brings a wealth of legal and self-regulatory experience from the National Advertising Division and the Electronic Retailing Self-Regulation Program, and will oversee the direct selling program and its staff.

From Lee Peeler, former FTC deputy director, Bureau of Consumer Protect and current president and CEO of the Advertising Self-Regulatory Council (ASRC) and executive vice president, National Advertising, CBBB, “While the DSA has a long history of self-regulation for its members, it was time for a change. This new program represents a stronger, comprehensive program and will be applicable to non-members. We commend the DSA for taking this dramatic step forward to create a new self-regulatory program with clear standards, independent administration, transparent decision making and accountability for non-compliance.”

ABOUT THE DIRECT SELLING ASSOCIATION

The Direct Selling Association (DSA) is the national trade association for companies that offer entrepreneurial opportunities to independent sellers to market and sell products and services, typically outside of a fixed retail establishment. In 2018, direct selling took place across the United States, generating \$35.4 billion in retail sales. More than six million entrepreneurs in the U.S. are selling products or services through the direct selling channel, providing a personalized buying experience for more than 36.6 million customers.