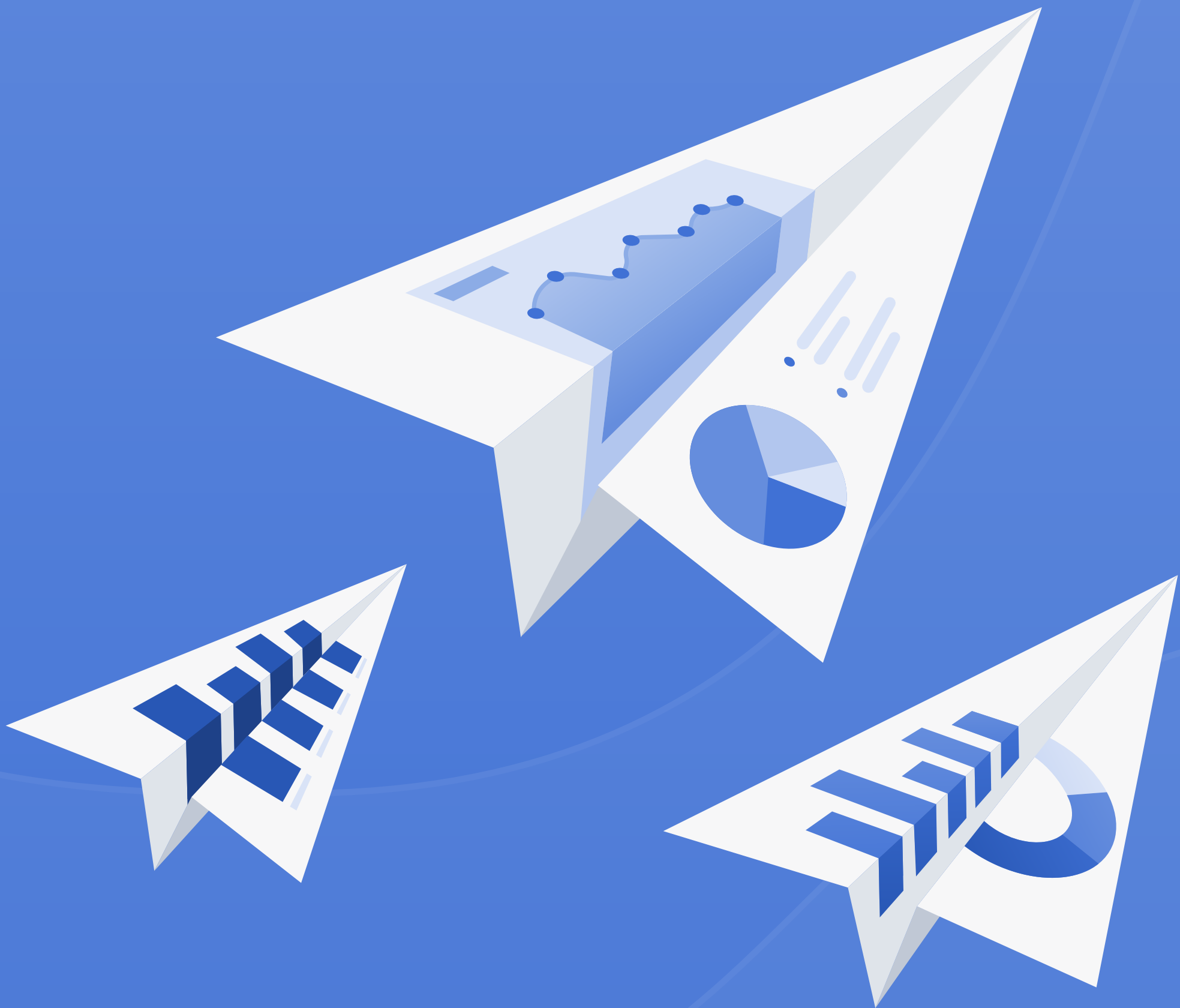


# Direct Selling Industry Trends



 ***Rallyware***

2021 Annual Report

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# Direct Selling Industry Trends 2021

In direct selling, 2021 was a year of growth and evolution that, viewed under a microscope, presents us with significant questions about the post-pandemic future of the industry. While according to the Direct Selling Association's (DSA) data sheet, direct selling revenue was up in 2020 by \$13.9 million overall (the latest year for which such data are available), Rallyware's analysis shows that this figure could be higher if direct selling companies were to orient themselves toward the high-tech digital transformation in a manner similar to the top, largest gig work companies.

Rallyware has amassed and studied direct selling customer data, allowing us to draw some insightful inferences about trends in the industry writ large. Trusted by over 50 companies in 60+ countries, including major direct selling players like Avon, Senegence, Pampered Chef, Tupperware, Yanbal and others, this high-quality data reflects the realities of some of the most innovative and largest direct selling corporations – industry leaders and paragons.

In this industry report for 2021, we focus on what our customers experienced last year and what the hard numbers say about the growth and change in direct selling for a post-COVID economy. It is the hope of Rallyware's leadership that this report will serve as a guide for direct selling organizations seeking strategies and ideas around digital transformation in the future.



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# Overview – PEP Adoption Analysis

At the start of 2022, Rallyware's analytics experts extracted and ran the numbers on aggregated and anonymized customer data. These were mixed data of various types based on the majority of Rallyware's customers. Our analytics team compared and contrasted their results to the corresponding data from 2020, interpreting the data based off of the differences between the years. It should be said as well that all data sets in this report have been cleaned before analysis, the outliers excluded and abnormalities expunged.

It must be kept in mind when speaking about these data that 2020 and 2021 were pandemic years, with 2020 being the more serious transformation of the global economy and 2021 being the year of vaccine distribution, great resignations, and further shifts in remote work arrangements.

**+14%**

**new users in 2021**

Rallyware saw **14% more new users in 2021 logging into the system**; the number of new users who logged in rose as well. Where 2020 showed huge user growth over the previous year – in terms of users created, roughly **30% more than 2019** – this was in large part due to the emergence of the pandemic, as the number of new users leveled out for 2021. However, users were generally more active and committed in 2021, demonstrating that direct selling reps craved an alternative to their work-style in the first year of the pandemic and by 2021 were ready to engage with it fully.

## Our Inference:

2021 saw continued growth in performance enablement platform (PEP) adoption compared to 2020. Even as the pandemic tapered off – or became more normalized – reps continued to use PEPs like Rallyware to discover new ways to learn and flourish in building their businesses.



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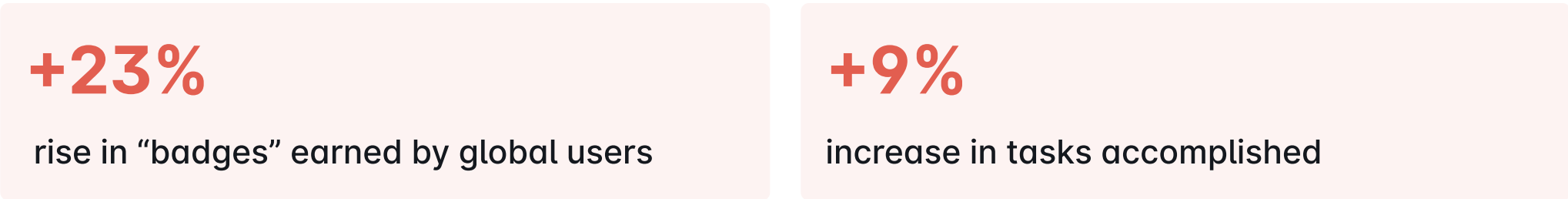
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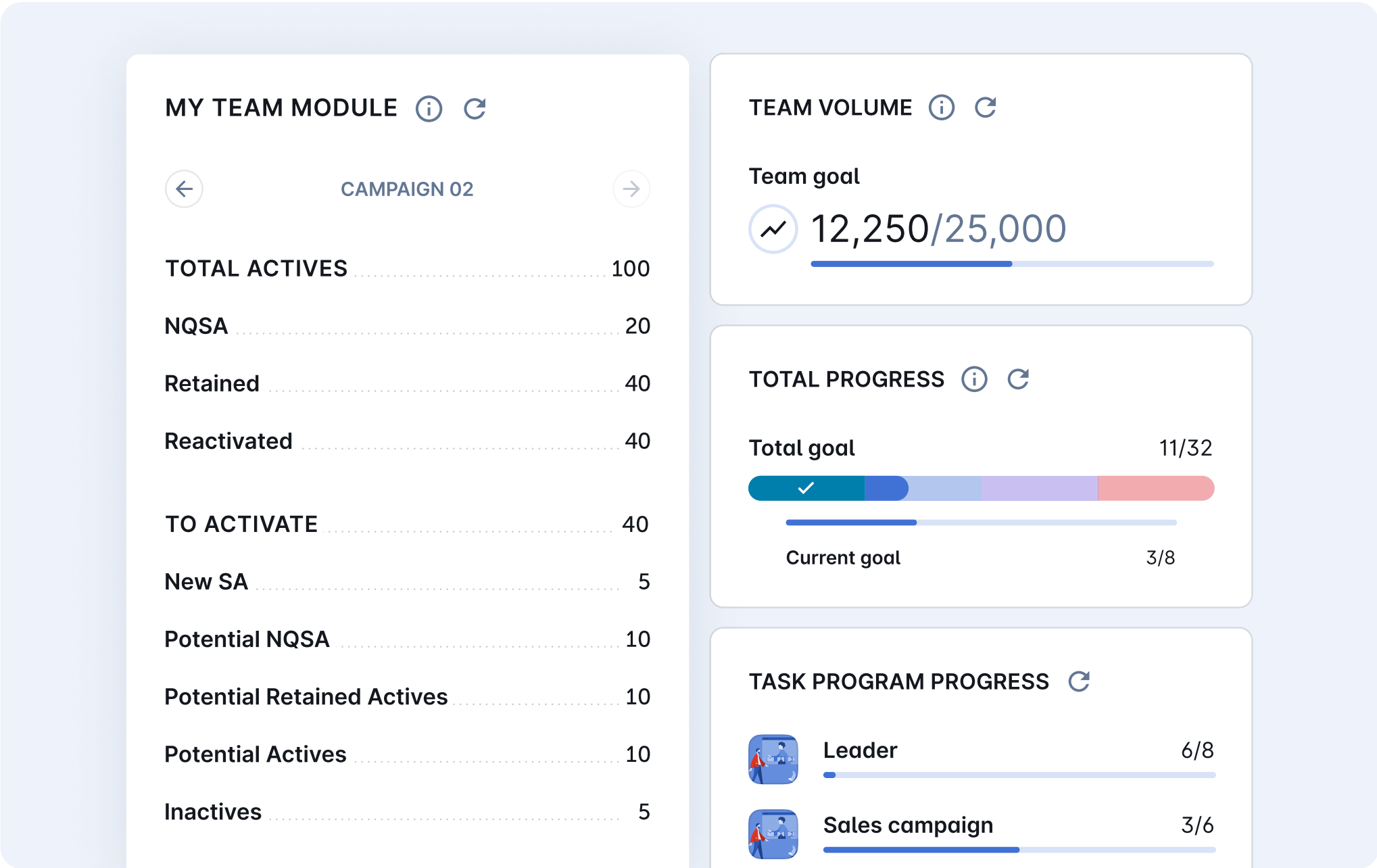
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# Recognition and Learning

Rallyware’s 2021 saw the introduction of, among other new features, **progress visualization tools for distributors** – solutions that show users a step-by-step plan to reach their personal goals. A related system visualizing task completion progress helped consultants keep their attention fixed on the immediate goal and how to achieve it. These new forms of direct user engagement and stimulation contributed to a **23% rise in “badges” earned by global users** and a **9% increase in tasks accomplished**, where tasks completed is directly correlated with an increase in the reps’ performance.



Users were more engaged, completing more tasks and receiving the recognition they deserved, led by a system of visual signposts that helped them see where they were and where they had to go.

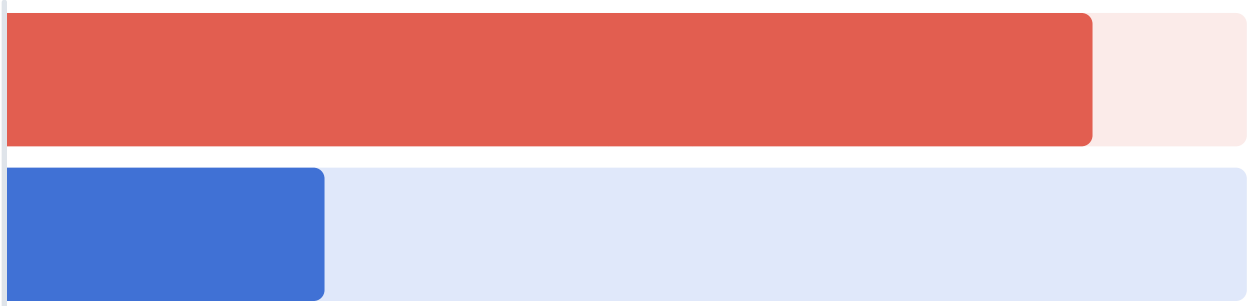


Likewise, user enthusiasm for learning grew as consultants became more active relative to 2020. They wished to engage in more field selling and so turned to learning modules to become more educated about their companies’ products. Learning tasks – product trainings, selling tips, deep dives – comprised nearly ⅓ of all completed tasks on the platform, a rise in over 20% compared to 2020, which was defined by business-building tasks.

Across all tasks, Rallyware saw a **3.4x rise overall in task completion** – presumably after users saw how effective tasks were in helping them reach and blow beyond their KPIs.

3.4x

rise in overall  
task completion



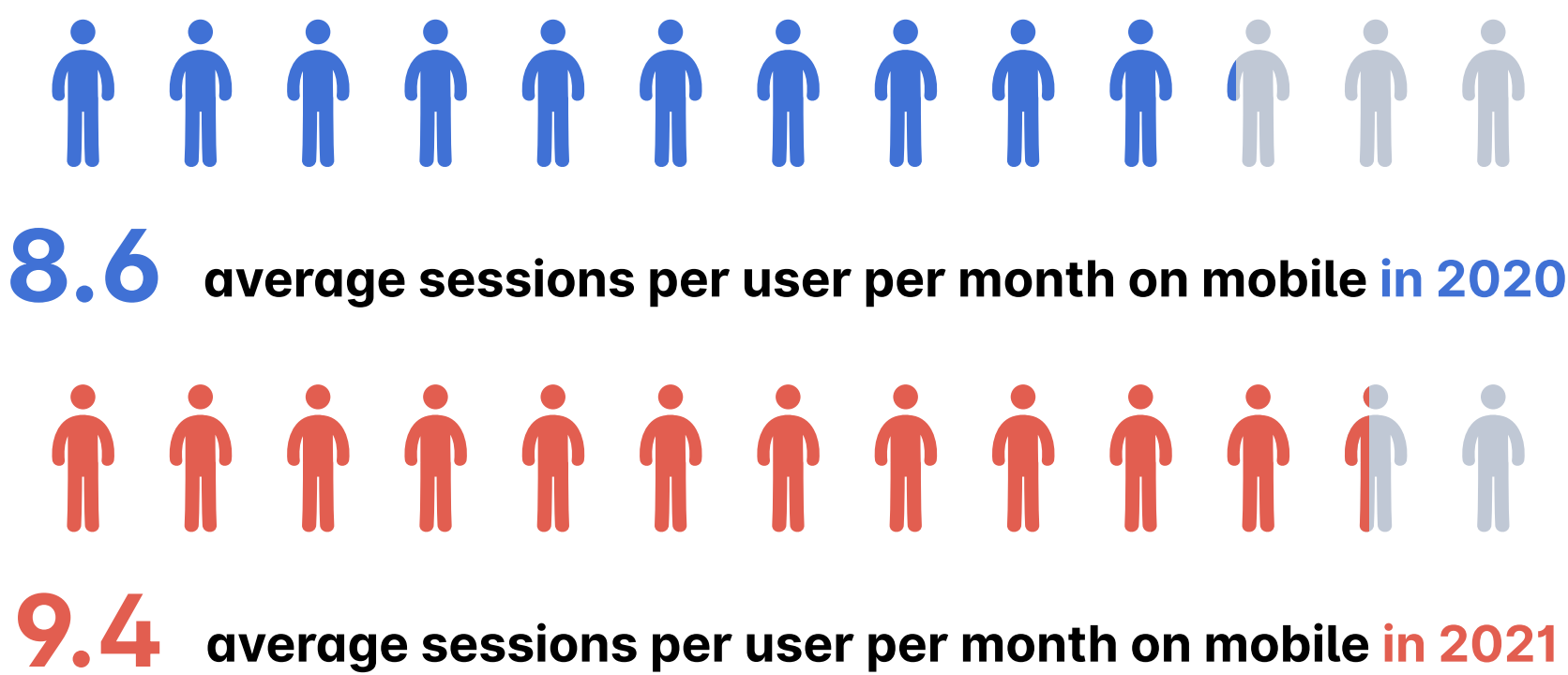
Knowledge was the average distributor’s focus in other senses as well. The digital library – each company’s repository of learning materials – received over 6 million views and 2 million downloads. All in all, users went out of their way to learn and grow productively using the easy resources their PEP made available to them.

**Our Inference:**

After a dormant 2020 of joining direct selling companies while learning the building blocks of the industry, distributors were ready to act – and act they did. Aided by visualization tools which mapped goal progress and the journey toward achievement, distributors hit more milestones and completed more business activities in their PEP. They wanted to become independent experts of their product lines and so spent a lot of time and effort versing themselves in their associated company’s full offerings.

# PEP Usage Trendlines: Web Solutions and Mobile Apps

In 2021, web solution usage stayed consistent with 2020, while mobile app use increased in frequency. (Read our [recent explainer](#) to see a breakdown of the differences between them.) Focusing on the numbers for Rallyware’s native, white-labeled mobile app:



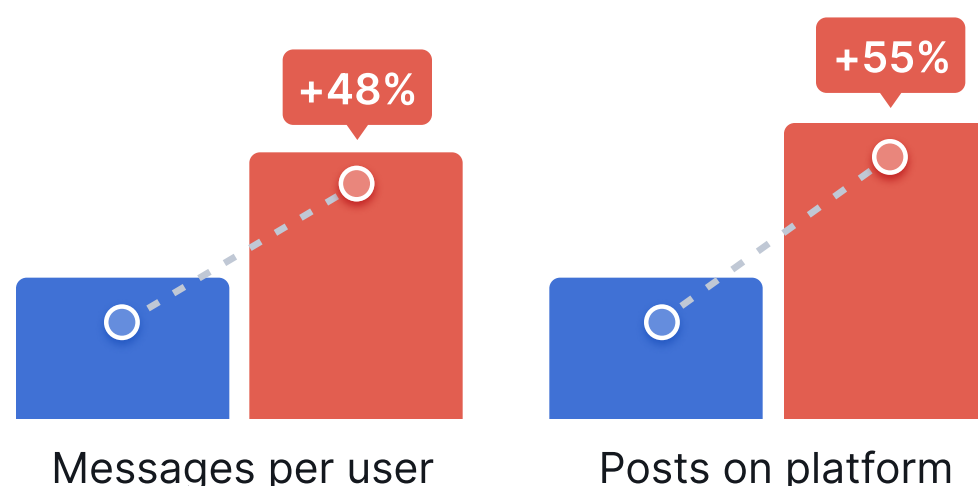
We have also noticed that users stick around for longer on mobile apps, with 32 minutes on average for users for mobile apps compared to 7 for the web. For Rallyware customers who deliver their programs both on the mobile app and via the web, users vastly preferred the mobile app, spending 10x more time on mobile.

## Our Inference:

For performance enablement and productivity platforms in direct selling, the centrality of web solutions has continued to erode, while mobile apps have become dominant. This is in line with the general app-focused structure of gig work, and direct selling companies would do well to emphasize modern mobile apps in delivering their PEP, especially those grounded in a centralized User Experience (UX).

# Social Engagement, Communications and Networking

As everyone knows, 2021 saw a further downtick in the availability of face-to-face personal interaction, and so as a result, we saw online social communication among consultants go up. In Rallyware, users sent nearly **48% more messages** than in 2020 and made over **55% more posts on the platform**. This shows that after the fear and anxiety which so many felt throughout 2020, many were ready to begin socializing and interacting again – and were grateful to have a platform on which to do it on while, using the same platform, furthering their business goals.



Rallyware's platform did not only connect users to each other, but also to their business goals. Rallyware triggers smart, data-driven notifications to show users the right information at the exact right moment – badges, tasks, and other updates to their business lives. Throughout 2021, nearly **176 million smart notifications were delivered** to users across the world – **with almost 104 million of those encouraging users to absorb new information** or take specific actions to achieve their personalized goals.

## Our Inference:

Though in 2021 many users were still not fully able to embrace face-to-face communication, they compensated by having access to communication tools that allowed them to build communities around their business activities – productive and satisfying relationships. Additionally, data-driven notifications helped them stay connected to and fulfilled by their workforce activities – another keystone to distributor engagement, and thus retention. We encourage companies to build a social element into their distributed workforce, as well as using smart app-based technology to promote engagement with relevant updates.

# Sales Success and Milestones for 2021: a Strong Year

Partly as a result of a reopened economy and partly due to renewed engagement, distributors saw their sales volume go up in 2021.

Rallyware's data analysts dove deep into the numbers – we wanted to account for users' personal qualities, knowing that some distributors might simply be more active and engaged than others by nature, in order to account for the effect of the Rallyware platform in itself. We compared users' sales from 30 days before their learning activities began and their sales from a parallel 30-day period after their onboarding had been completed. **After onboarding, in 2021 users had 133% more sales volume – an increase over 2020's number of 81%.**



**+133%**

More sales volume



**+47%**

Sales growth for  
new users

This trend held for every user group, with each segment shooting upward anywhere **from 25% to 50%**. Even brand-new users showed **47% sales growth, a 9% uptick compared to 2021**.

## Our Inference:

Linking sales volume data to personalized training and incentives dynamics based on each individual's goals, we see that irrespective of individual users' character traits, folks were more likely to make more sales.

We can attribute this to the trends we saw throughout 2021 – more engagement, more learning, more enthusiasm, all of it driven by a central PEP hub – adding up to higher returns. The lesson is clear.



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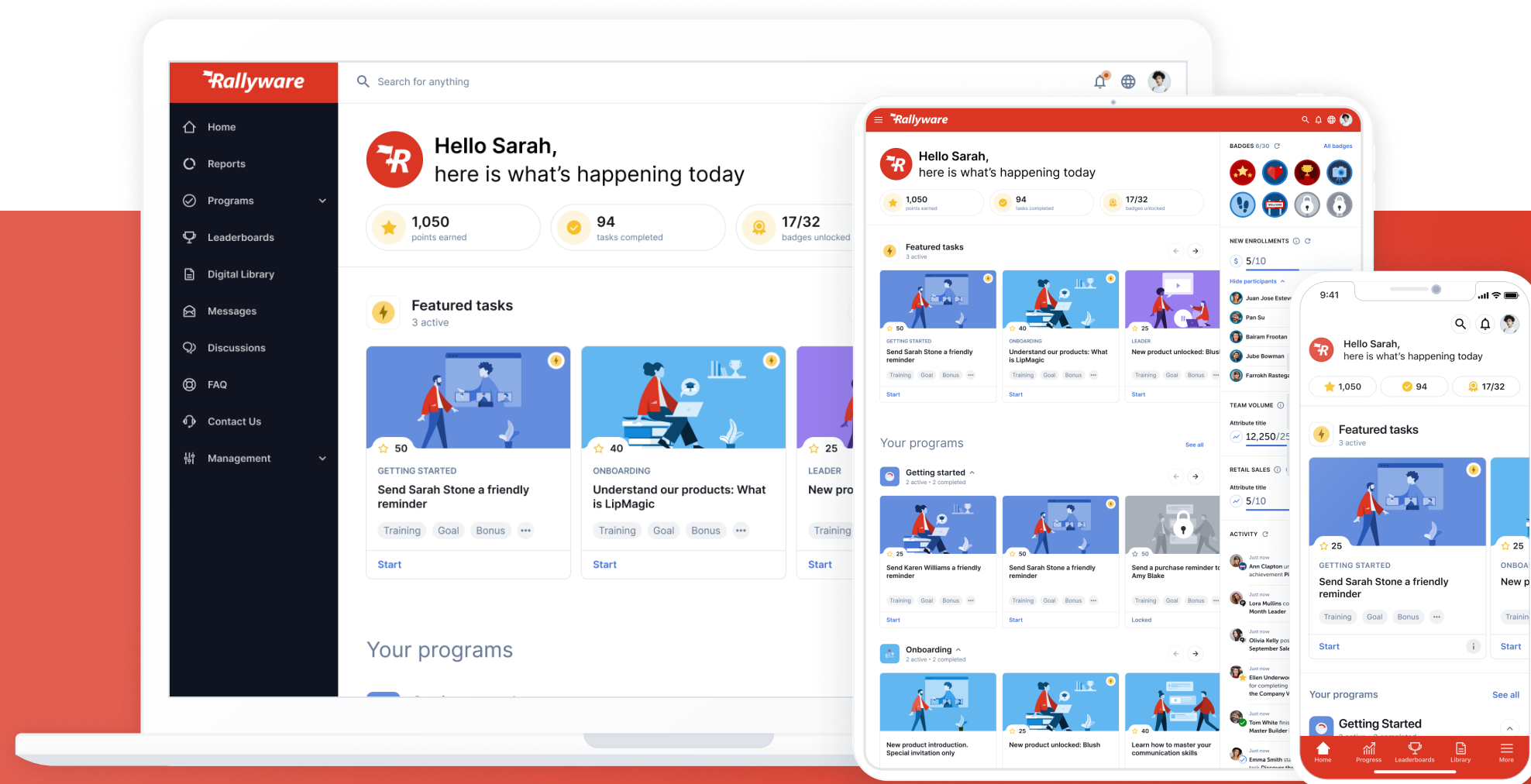
# Digital Transformation for Direct Selling: 2022 and Beyond

Companies who embraced the digital transformation saw more gains in the field – in large part because this gave their consultants a centralized UX in which all tasks could be set and accomplished, from onboarding to learning and opportunity management, from within the platform.

The most successful companies performed more like large gig economy platforms than ever. They provided their field with digital apps which showed them the right steps to take at the right moment to drive performance and reach goals. These PEPs helped people learn and sell more, then rewarded them when they did – a positive feedback loop that consultants have craved in stressful times and will continue to desire.

We expect this trend to hold steady, if not increase, across 2022 and beyond, as the economic and technological changes of 2020-21 become more embedded in the lives of potential or active field distributors.

These expectations include a reliance on end-to-end digital technology (for instance – all-in-one PEPs) to help build businesses; an assumption of ease of use while using such apps; and a desire to enjoy new work arrangements from the comfort of a single entrepreneurial hub.



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# About Rallyware

For leaders who are seeking to optimize distributor performance and retention, Rallyware’s end-to-end performance enablement platform uses the latest advances in data-driven technology to centralize the user experience in a consolidated suite for learning, productivity, and engagement.

Rallyware transforms the direct selling distributor’s experience into a sleek, modern journey from onboarding and digital learning to personalized incentives & recognition programs, using multiple integrations and analytics. These data integrations spur the delivery of the just-right activity to the right person at the right time, driving desired behaviors and business KPIs.

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