



Future Of Network Marketing Business In India 2025

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Abstract: Network Marketing Business or Multi-level Marketing in India is not unwelcoming and shows highly inspiring business information. Most successful business persons and economic analysts have forecasted and reported that Network marketing businesses are a way of developing the market in India by 2025. This is why the future of network marketing in India looks bright.

This paper will look into the Future of Network Marketing Business in India by 2025 and determine whether Network Marketing is legal in India.

Keywords: History, Legality of NMB, New rules of NMB in India.

I. INTRODUCTION:

As we want to know about the history of NMB or MLM, it started in the year 1934 in California by the company called California vitamin, which comes with the concept of Network marketing. In the year of 1943, this company changed into Nutrilite Corporation which implemented the first MLM Plan for which different levels of income have been defined. 1949 Jay Van Andel and Richard Marvin DeVoss enter Nutrilite Corporation and joined as members of Nutrilite Corporation within 10 years, they observed the company's tremendous growth. After the realization of NMB, they started a company called Amway in the year 1959 and this company become the first foot stepper in India and started a self-established direct marketing association called IDSA- Indian Direct Selling Association.

Network marketing is essentially just another way of selling products to the end-user. In traditional business, products are made by the manufacturer; they are then sold to a wholesaler and from him to a retail shop and then sold on again to the end-user. Network marketing is different as the product is manufactured by the firm and then sent straight to the end-user cutting out all the channels used in traditional marketing. The companies use the money that would have been spent on a lot of advertisement channels for recommending the products. It is a much cleaner way of doing business.

Network Marketing or MLM is a legitimate form of marketing in India. However, many illegal and fake MLM work in India that operates a Pyramid scheme network to bring more people into the business. But a successful NMB works under conventional procedure letdown by the government. So moreover, in a

traditional country like India, it is hard to identify legal NMBs from unauthorized MBs. Therefore, it is necessary to recognize legal NM companies from their characteristics and methods of promotion.

1.1 Development/Growth of Network Marketing Business in India in the last decade

From the above discussion, we came to know how the Network marketing business started in India. Now we will examine the growth of NMBs in India by investigating the gain and losses of last years.

- In 2016 almost double the benefits of network marketing

The direct selling industry in India appears to be engaging in the elided benefits when it correlates with the year 2011.

- Predicts to reach 173.3 billion dollars in 2025

World Federation of Direct Selling Association and Assocham record evidence Network Marketing Business will touch the record of around 173.3 billion dollars in 2025. The average sale of each person is improving, and it is almost about 300 dollars yearly.

- Suitable and well-equipped market condition like never before

The insight study shows that there is a lot of technological advantage for network marketing business and huge space available for marketers which they can make a contributory platform to develop and enhance network marketing business in India.

1.2 The way NMB gives growth to startup India

Network marketing is an essential factor for digital India or startup India's mission. the direct selling companies need to implementation of guidelines at the central and state levels and also require relaxation under the Foreign direct investment (FDI) policy. To support NMB and DM the government of India passed a 100% FDI policy in favor of NMB by forecasting future developments. So, this clearly states that Network marketing sounds very good and this sector will provide huge job opportunities. And people can join any reliable Network marketing companies in India to start making some additional income.

1.3 Network marketing business global growth rate

NMB is spread over more than 170 countries.

The network marketing business is a trending and loyal industry which successfully running and operating its business in more than 170 countries with an extensive size of the market. i.e around 179.3 billion USD.

- Direct selling is a USD 179.3 billion industry worldwide that encompasses 125.4 million independent representatives. These independent representatives affiliate with a direct selling company but enjoy the freedom of building a business on their terms and time. Many joins because they love a company's products or services and want to purchase them at a discount. Others sell to their friends, family, and, communities and earn commissions on their sales. The most successful sponsor other independent representatives and mentor them into building successful businesses, too.

- A KPMG and FICCI study notes that by 2025, India's direct sales enterprise will expand to Rs 645 billion. According to the report, over 16 percent of direct sales company's growth registered in the past five years and is expected to rise in the future.

- the MLM industry has excellent potential to develop Network Marketing's success in India further. The social and economic parameters have been affected in India. At around 159,3 bn by the end of 2021, it is estimated, and by 2025 the amount will be INR 645 bn.

- Several government schemes like Digital India, Make in India, and Skill India supported the attributes and growth of network marketing in India.

- 78% of global sales are generated by the Top 10 countries they are US, China, Germany, Korea, Japan, Brazil, Malaysia, Mexico, France, and Taiwan.

1.4 Key characteristics of NM companies

Some of the principal points of a legal MLM company in India are:

- To achieve financial benefits in Network marketing only legal companies provide fixed time for their members
- well-defined MLM compensation plan will be provided by the legal companies to its members to sell their products.
- Legal NM companies provide its customers supported by quality certificates and high-quality services.
- The legal NM companies provide a fixed percentage of the f amount as MLM commission or incentives to its members as per their business achievements.

1.5 New Indian government rules in Network marketing

The government has recently banned network marketing or direct selling companies from promoting pyramid schemes.

The new notification and rules set by the government would help legitimate MLM companies to get properly distinguished from other illegal MLM companies that operate on scams and pyramid schemes.

1. it's mandatory to maintain a grievance redressal system in network marketing companies
2. Compulsorily a distributor should identify with an ID card
3. All NM companies must provide complete information about their products, services, prices, and credit terms.
4. Product return and exchange policy and terms have to be specified
5. All direct marketing companies should monitor their states
6. And all these changes with rules should fully comply within 90 days.

These new rules are visioned to give more growth to the MLM industry by giving it a proper line of distinction from companies scamming through pyramid schemes

1.6 The effect of these rules enhances Direct selling businesses

- ❖ Maintaining a strong grievance redressal system in companies can increase trust and transparency in the network marketing business.
- ❖ The stringent rules can properly distinguish illegal NM companies from legal ones
- ❖ Better dealing with products and services, credits and grievances can protect consumers and safeguard the consumer rights
- ❖ Under the surveillance of government network marketing or direct marketing business and its distributors will help to avoid scams and pits reaching the public.

1.7 Benefits of network marketing business

- Minimal Risk Involved

Startup costs are low, don't need for an office, and no need for employees. Here you are the boss to develop your business.

- Can make a huge income

NMB offers its members huge income. There is no limit, a member can generate income on how much he/she does the business. Various income plans can also make more income.

- No employees and managers

No need to hire any employees or work under anyone, everyone works as a team and generates their income through various income plans like binary and trinary systems.

- Work flexibility

There is no time zone, being your way of bossism, your talent can develop or increase your business.

- Develops community

Network marketing is a controversial marketing strategy where you bring your friends, neighbors, and relatives through your relationship with them and joins them in the business and make money for yourself and also for them through a variety of business income plans like commission or incentive on their business value. This can build a good community environment can make you successful.

1.8 Growth of NMB during covid 2019-2021 pandemic

Well, many businesses have seen loss and dull phase in business but Only network marketing business has seen the rise during the covid pandemic situation. This could be because of:

- ❖ People got a chance to work remotely during a pandemic
- ❖ Availability of work time took place to gain passive income
- ❖ A lot of social media impacts for attraction of people
- ❖ Support by celebrities towards the Network marketing
- ❖ More demand for health and wellness products
- ❖ People spend more time at home
- ❖ Infection problem leads to high demand for products etc.

1.9 Future of network marketing business in India by 2025

Before entering the future of NMB in India I would like to glance the history of the growth of MLM in India. So that provides a clearcut picture of sustainability and development of NMB.

Around 1934 the network marketing concept was introduced by a California vitamin company and before itself, the NMB has emerged with USA and Avon companies established.

And from 1939 to 1951 many companies were established under the same concept and saw a lot of development in their business. And sales volume has increased by 300 to 500 USD dollars.

And upcoming years brought a lot of companies into the same concept and with many alternative products. like wellness products, household products, and food items started growing to attract potential customers.

Between 1990 and 1996-Many major MLM companies like Avon, Amway, and Tupperware spread their service globally to make massive customers for their MLM business. They commenced their MLM business in India, Korea, and China.

This is how the Network marketing business entered India.

On this basis, we can forecast network marketing business in India by investigating the up and down of the previous years.

II. CONCLUSION

The above discussion, based on the information clearly states that the NMB industry has remarkable potential to involving in success in the future of network marketing in India by 2025. Along with industrial, and business development, NMB influenced the socio-economic parameters in India. It was expected that the turnover will reach around 159.3 billion dollars by the end of 2021 and INR 645 billion by 2025. On this, we can conclude that Network marketing has a huge opportunity and encouragement in India.

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