

"Billion Dollar Markets"
Article in Direct Selling News
Monday Call, October 6, 2014

- Mannatech Now – Tuesday Oct 14th 7:30 Pm CT at Mannatech Corp Offices or www.mannatechlive.com
- Building Champions Call – Saturday 10 AM CT - 800-768-2983 – Access code 4717417#
- Mannatech Leadership Event – November 7-10 - Frisco, TX... You need to be there. Registration is open... don't wait to register.
www.events.mannatech.com
- MannaTea and Ambrostart Special

Direct Selling News magazine October 1, 2014
Great info in prospecting...selling our industry

1. Statistics

- a. "Direct selling is an industry proving its mettle as it prepares to take advantage of major growth opportunities fueled by technology, increased entrepreneurial support and the new emerging market consumer."
- b. 2013: global estimated direct sales topped \$178 billion, up 8.1% from 2012 worldwide sales force grew to 96 million, up 7.2%!
Both of these are RECORD numbers!
- c. 2013: 23 countries with annual sales above \$1 billion
The industry has had a 6.8% 3 year cumulative growth rate.
This figure reinforces direct selling's strength and shows its potential. CAGR shows a sustained growth of direct selling.
- d. Top 5 countries: each shows a positive CAGR except 1:
US 4.6%
China 23.3%
Japan -4.4%
Korea 8.0%
Brazil 8.6%
"China could be the #1 market in the next year or two."
- e. New frontier: Asia Pacific and Africa
"Africa is a place where everyone should put a seat now because in 15 years it will be very relevant." Allesandro Carlucci, CEO of Natura Cosmetics and Chairman of the WFDSA.

f. "Business From Home" article October 1, 2014: "Everyday 70,000+ prospects worldwide are looking to find the best opportunity available."

2. Powerful New Markets: 7 of the top 10 are emerging markets!

a. Why lesser developed?

The retail industries are not fully developed so can not readily put products onto Wal-Mart shelves. Also, a lot of skepticism among consumers about quality and counterfeiting products. "If items are sold by someone they trust, very powerful."

Example: Avon derives 85% of its business outside the U.S...75% of its business comes from Emerging Markets!

b. Why China?

Huge with infinite opportunity just due to population and money. The interpersonal interaction is quite effective at low-tier cities.

c. Latin America

Still a developing region with an entrepreneurial middle class that is seeking ways to maximize individual and household incomes. Note in the top 20 countries in direct sales, #5: Brazil, #7: Mexico, #12: Colombia, #17: Argentina, #18: Peru, #20: Venezuela

3. Emerging Market Consumers

a. Who are they?

A diverse group: some are affluent and ready to spend their new robust income on fulfilling their dreams and ensuring a better life for their children. Others are just beginning to realize their buying power. "The middle class in Indonesia, India, Nigeria, Ghana and Kenya are confident consumers who plan to buy more, save more and invest in education.

b. What are their desires? Travel, new cars, and some even can afford luxury items. The problem in less developed markets is something as simple as currency fluctuations and commodity pricing have major impact on consumer spending.

c. Change people's habits. In China, the direct selling of personal care items has had a major impact on use of these items daily, and also the quality of what they use.

d. Develop brand.

As these emerging markets grow in collective spending, local brands are critical. So getting yours prevalent today will just mean it will dominate consumer brand preferences tomorrow.

Consumers prefer supporting local brands. So if Mannatech wanted to really take off in one of these countries, support the local economy by utilizing local plants for ingredients in our products, showing economic buy in to their respective country.

4. Empowering Entrepreneurs

- a. "At the heart of direct selling is the ability to offer people the chance to take control of their lives AND add value to society. This fuels entrepreneurship, self-employment and microenterprises. Research shows that such ventures strengthen a country's economy."
- b. Women under 35 are a great market...many want to be their own boss and at the same time help others.
- c. Important that people know they need to put in the work...because experience can not be bought.
- d. Women especially are a great market since home based businesses as entrepreneurs gives them flexibility as well as helps to build a degree of independence. Especially true in less developed nations where opportunities are few.

5. The Younger Generation

- a. Importance to attract a younger generation (under 35). This is for sustainability as well as just increased reach. This means using a technology rich approach and being socially responsible.
- b. Need to equip with social media tools:
 - 1) Mannasocial
 - 2) aps: Uth, iPad
 - 3) Facebook presence on Jason Lester
 - 4) high class Mannatech corporate Facebook presence
 - 5) text messaging almost daily..."update from Mannatech""This will not replace the personal touch, but it will complement it" Arismendi says. "Direct communication and social networking can be much more effective than conventional sales and retail." He is Amway's Director General for the Andean area based in Bogota, Colombia.

