



DO NOT BIND THE MOUTHS OF THE KINE

FOR MOST DIRECT-MARKETING companies, the internet has proved to be a godsend. Apart from the fact that it has increased the effects of competition dramatically as people are able to shop around extremely easily, the internet has meant that companies can reduce their workforces dramatically as people can order online and have goods delivered by carrier. Some companies even did away with their largely self-employed sales forces—the people operating from their own homes, often for small amounts of money.

Many of those firms came to regret their rashness—sometimes the on-the-ground sales force was the only factor differentiating them from millions of other online retailers, many of whom were more experienced at internet trading and could therefore compete more effectively. On the other hand, many of the salespeople became disaffected when they found the customers they had recruited were being lured into buying online, thus cutting the salespeople out of the picture and (more importantly) cutting them out of their commission. It doesn't take a marketing genius to figure out that a disaffected sales force not only doesn't produce: it can also cause a great deal of damage.

The idea

Betterware distribute household products through a network of home-based distributors, mostly working in their spare time. The basic Betterware selling system is based on a catalog: the distributors put the catalogs through letterboxes in their designated area, then call back later to take orders and (eventually) to deliver the goods. This system means that there is little or no high-pressure selling, distributors are

usually selling to neighbors, and eventually a good social rapport is obtained between the distributor and the consumers.

Obviously Betterware cannot ignore the internet revolution, any more than any other firm: in fact, there are distinct advantages in taking orders online. However, the company has recognized that the main drawback of the internet is the lack of human contact, and in fact Betterware are already far better placed than most other companies to inject a human element. Therefore, Betterware not only pay commission to the salespeople for any sales made in their area, even if the orders are placed by telephone or online: they also arrange for the salespeople to deliver those orders to the customers. This establishes the salesperson in a position where he or she is able to sell more to the customer.

From the salesperson's viewpoint, this system is eminently fair. After all, the customer may well have taken the email address from the brochure the salesperson had dropped off—so the bulk of the work had already been done. From the company's viewpoint, paying the commission means the sales force are quite happy to recommend customers to buy online, rather than fighting against the company in order to take the orders themselves. From the customer's point of view, Betterware company and salespeople show a united front, which can only enhance the brand.

In practice

- Independent sales forces need to be given very precise territories in which to operate, otherwise it is impossible to allocate the commission.
- Make sure that salespeople are aware that they can actually encourage customers to shop online.
- This idea works best when salespeople are making the deliveries, because that way they make direct contact with the customers.