



High Tech/High Touch UNIVERSE

by Jane Edwards Creed

As Internet technology began to boom in the mid-1990s, direct sales companies looked on with a certain amount of trepidation. Was the swiftly expanding e-commerce world going to destroy the old business model and be the end of the direct sales industry? Would people rather shop online than attend a party? Gloomy forecasts abounded. A decade and a whole lot of creative energy later, the home party business has been transformed to meet the challenges of a new marketplace. More and more

direct sellers are integrating cutting-edge technology with their traditional, personalized sales methods to create a new high-tech, high-touch universe.

Talk About a Revolution...

It's not your mom's old-fashioned home party any more. Using technology makes the party process even easier. No longer are party hosts required to make multiple phone calls, hand-address scores of invitations, and record and

track their sales by hand. E-guest lists, e-invitations, e-reminders and e-thank yous are sent instantly. Guests can e-mail their responses, and if they accept, can invite all their friends. Potential guests who cannot attend are encouraged to join the party anyway by browsing the online catalog, placing an order and investigating hosting a party of their own.

The new home party model appeals to those for whom the computer is an indispensable tool not only for shopping but for keeping up with family and friends all over the world. "There is a new breed of computer-savvy consultants and hostesses," says Harold Zimmerman, founder and CEO of Next Wave Logistics. "There is nothing like a friend-to-friend connection, and technology makes that connection easier, faster, more professional and more fun."

For direct sellers, making sales to people who, for some reason, cannot attend a party is a new and integral part of their business, a market segment that used to be lost. "Direct sellers were traditionally limited by the number of buying guests they were able to bring out to attend the party," Zimmerman says. "Today, new technologies can offer salespeople the ability to invite people who can't be there in person to attend as virtual guests, and browse and buy online—even host a party themselves—no matter where they live. Millions of dollars were lost to companies simply because not everyone could attend a home party."

New technologies can make it infinitely easier and faster for everyone involved: from consultants (who recruit and train hosts and are the stars of the party demonstration) to hosts (who are responsible for inviting guests) to guests (who respond to e-invitations and invite their own friends on the Internet). "New technologies have the ability to prompt the right activities at the right time, enabling people to stay on track with their businesses and take the right business-building step at just the right time," Zimmerman says. "With these technological advances, today's direct sales representatives can, with the click of a mouse, book their party, coach their hosts, offer custom invitations and turn in their orders, all in a day's time. They can be up and running a professional, home-based business from Day One."

Zimmerman believes that today's party plan companies want to be on the cutting edge. "Forward-thinking companies," he says "have sought ways to revitalize and ramp-up the party experience to make it relevant, easy and more customer-focused than ever before." Today, savvy direct sellers take the best from the Internet shopping world—speed—and combine it with the best of the direct selling world—customer service. Today's party plan business can be more like a global block party, allowing everyone around the world to be a guest at the party if they choose—and buy!

What does Zimmerman see as the next frontier? "Technology will become more and more of a 'silent

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partner,' allowing direct sellers to become closer to customers than ever before. This great business will become even more direct, personal and exciting than we ever dreamed possible."

Using Technology to Build Relationships

Building relationships based on trust and knowledge is critical in direct selling. These relationships are what allow sales representatives to serve each individual customer better, thus increasing sales and impacting the bottom-line. New technology allows companies to produce e-newsletters that can now be analyzed to provide *instant* feedback on customer preferences and offer summaries on what customers have found of particular interest. This kind of feedback allows both companies and their sales representatives to better understand what their customers are interested in and then reach out quickly and proactively with more of what they want in the way of products, information and services.

David A. Fish, CEO of IMN—iMakeNews Inc.—headquartered in Waltham, Massachusetts, finds the direct selling industry's combination of enthusiasm and relationship-driven philosophy unique and compelling. "What's refreshing about direct selling," he says, "is that this industry totally gets the importance of relationships. They are enthusiastic and passionate about relationships. What comes naturally for the direct selling industry doesn't necessarily come naturally to other businesses." And, adds Fish, "the rest of the business world has a great deal to learn from direct sellers. Selling anything is all about building relationships."

So where is technology heading? "In the near to mid-term, sending video messages will become important," Fish says. "Video is such a warm medium—it is made for direct selling." Fish imagines pushing the party experience into the virtual stratosphere—gathering people together for an online party experience. "In direct selling there are many kinds of great parties out there," Fish says, "tailgate parties, soccer parties, you name it. Why not a virtual party where the whole world is invited?" Now, that's a party!

Face-to-Face 24/7 Anywhere in the World

The ability to tell a consistent story—about a product, a career opportunity, or a training program—is vital in today's competitive direct selling world. How many times have direct selling companies invested thousands and thousands of dollars into branding their product, or creating a dynamite conference, only to have the message diluted, muddled or lost in translation? Direct sales companies can now use technology to blaze a new communications path through the use of live video and on-demand media, distributed globally over a network, ensuring consistent and personal communication throughout a company's entire business model.

Imagination Is the Only Limit

What better way to excite and train a salesforce and connect the customer directly to new products than face-to-face! New technologies allow direct sales companies to invite the world to view and participate in all the excitement they have to offer, from the corporate conference in Paris to a home office in Iowa, where a sales representative can be front row center for the unveiling of the company's new product line. Rick Stambaugh, President of Fionda Group, says, "Today, with new video technology, all the emotion and excitement of any event can be captured—from a motivational speech to an entire conference—and viewed live on the Internet." Imagination is the only limit in today's direct selling world.

Technology also allows direct sellers to archive video content and put it on their corporate Web site or a representative's personal Web page. Direct sellers do not have to go to a studio to produce their content. They can shoot their footage in an office with green paper hung as a backdrop and send it in on a CD or DVD, to be transformed into a finished product ready to motivate and excite.

Today's high-tech direct sellers are not necessarily multimillion-dollar companies. In fact, many start-ups are entering direct selling with a keen knowledge of what their sales organizations—as well as their customers—want and need. And they find they definitely want to use technology! However, Stambaugh cautions, "You need to keep it simple. High-tech offerings need to be grandma-friendly, meaning anyone can use them." And, he adds, "We respect grandmothers a great deal!"

Through the Looking Glass

With new technologies, direct selling is exploding with possibilities for the future. "Imagine a representative being able to send out a personalized video e-mail about a new product launch to 500 of her customers," Stambaugh says, "That is a powerful way to communicate." Through the looking glass, Stambaugh envisions a future of constant connection, be it with handheld devices or moving from wireless hotspot to hotspot. "I've been in the direct selling industry for 24 years," Stambaugh says. "The issues facing our industry at the time I started were how representatives could balance business and family. In a constantly connected universe, representatives can balance their business and family life easily and seamlessly. With the help of our swiftly changing Internet universe, we truly can be in two places at once."

Many fine high-tech, high-touch companies serve the direct selling industry. To learn about more companies, go to www.dsa.org for a directory of supplier members or refer to your copy of *Direct Selling News 2006 Annual Review*. 🌐



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