



Bundesverband Direktvertrieb Deutschland

Trust on both sides



BENEFITS OF BEING A MEMBER

OF THE GERMAN DIRECT SELLING ASSOCIATION,
THE BUNDESVERBAND DIREKTVERTRIEB DEUTSCHLAND (BDD)



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WELCOME

Dear reader,

more and more businesses are opting for direct selling - either on its own or as an additional sales channel within multi-channel concepts. And this is a decision that makes absolutely sound sense: direct selling puts personal consultation for customers at the forefront. The special trust that this creates lays the foundations for customer loyalty and helps to form lasting business relationships. This means benefits for customers and businesses alike - a classic win-win situation.

We live in an age of constant societal change. Innovations in professional and working life, coupled with the trend towards sideline jobs or combining work with family responsibilities, bring new challenges and opportunities. These are precisely the circumstances that pave the way for direct selling. The German Direct Selling Association ([DSA] BDD) has been serving the industry for more than fifty years. We are the umbrella organisation bringing together the best-known and most diverse businesses in the direct selling industry which act in different product segments.



The benefits of being a member of our association are clear: joint representation of your interests vis-à-vis the media and policy-makers, a permanent exchange of information, networking opportunities and the use of synergies and coordinated lobbying are just a few of the many arguments in favour. To give emerging companies the chance to see how they could benefit from everything that we offer, and our wide range of industry-specific services, we have created the option of a trial membership. We'd like to use the next few pages to give you an overview of the portfolio of services, contacts and other membership benefits that could be yours.



We trust you will enjoy this interesting and exciting insight into what we do.

Best wishes

Jochen Clausnitzer

BDD General Manager



1. BDD - STRONGER TOGETHER!

The German DSA (BDD) was founded back in 1967 in Frankfurt am Main, originally as the workshop 'Gut beraten - zu Hause gekauft' ('Buying at home - a sensible choice'). The objective was to inform the public, in particular customers and trading partners, as well as representatives from politics and the media extensively about direct selling.

Alongside this central task, today's BDD addresses a whole host of ever more complex issues around direct selling.

Our number one task is to promote our members. To do this, the BDD effectively and efficiently brings member businesses' interests together by means of a continuous exchange of information and experience and joint work within committees.

This enables the BDD to produce joint stances and position papers, as a way of securing a high-profile platform for airing our concerns to the public at large, but in particular, the media and political decision-makers at both national and international levels.



The BDD sees its role as championing the serious face of the direct selling industry. We aim to establish fair and honest competition, along with customer-friendly general sales conditions right across Germany. Strong cooperation supports the association's work.

Read on and take a look!



2. THE BDD LOGO: YOUR GUARANTEE

Any direct selling business which seeks to offer services and goods for sale in such a sensitive arena as the customer's own home is very definitely going to need to rely on customer confidence. This gained confidence and the related long-term success of the industry, are closely tied to the extent to which the individual direct selling businesses feel themselves bound by the ethical standards. That is why, as long ago as 1980, the BDD developed the set of permanent rules governing competition known as the 'Direct Selling Code of Conduct'. This is the voluntary pledge by the BDD members to deal fairly with their customers.



The Code of Conduct stands for transparency and reliability. Long before the legislators recognised the idea of consumer protection in direct selling, for example, the BDD member businesses were already voluntarily offering the right to cancel. On top of that, the Code of Conduct governs the way that direct selling businesses treat their field workforce and competitors.

The right to return defect-free goods if a sales partner steps away from the contract is a central plank in this industry-specific Code of Conduct. Compliance with the Code of Conduct is constantly monitored by the independent BDD Control Commission, involving the Centre for Countering Unfair Competition and the Consumers' Centres.

As an easily recognisable symbol of their voluntary commitment and compliance with the Code of Conduct, the BDD member businesses also use the association's familiar logo. You can use the widely recognised BDD logo to give your customers a feeling of confidence when they buy from you and create trust in your business dealings.

By using the logo, the BDD member businesses also draw a clear line between themselves and the 'black sheep' players in the direct selling industry, and fly the flag for serious, fair dealings.

„Why not capitalise on the strategic competitive edge that the BDD logo guarantees you, and help to contribute towards gaining a permanent positive image for the direct selling industry!“



3. SPEAKING UP FOR DIRECT SELLING IN BERLIN AND BRUSSELS

One of the BDD's main missions is to represent the interest of its member businesses vis-à-vis the political decision-makers at national and European level.

The German DSA offers you tried and tested know-how backed up by many years of experience in representing its members' interests. In addition, we have access to a trustworthy network and contacts with the political decision-makers of relevance to the direct selling industry.

Through our constant lobbying work, we make sure that the voice of the direct selling industry as a whole, and therefore every individual member business, gets heard by political parties, institutions and authorities, and in this way, we see to it that our economic and legal policy interests are pushed forwards.



This is done at both national and international level. As a member of European direct selling's umbrella organisation, Direct Selling Europe (DSE) in Brussels, in the founding of which the BDD played a major role in 2007, the BDD enjoys some important additional influence. Networking at European level is crucial, because this is increasingly where the legislative plans are being decided.

The BDD is also a member of the World Federation of Direct Selling Associations (WFDSA). Within this organisation we are committed to globally high standards of protection, in order to improve perception of the direct selling industry beyond national borders.



We work closely with organisations and associations pursuing similar interests and goals. Prominent among these are the Association of German Chambers of Commerce and Industry (DIHK), the German Franchise Association (DFV), the German Insurance Association (GDV), the Association of Private Housing Finance and the Central Organisation of German Economic Associations for the mediation of trade and sales (CDH), the leading national federation that represents the interests of German commercial agents and distributors.

To protect the industry - for example against overregulation - and to help shape the political framework conditions in a way that proactively fosters direct selling, a strong player and competent partner with industry-specific know-how is needed. And that's what the BDD stands for!



4. SUCCESS THROUGH EXCHANGES OF EXPERIENCE

Committees and Working Groups

Our Committees and Working Groups provide you with a forum for continuous exchanges of knowledge and experience. Our member businesses share examples of best practice, which offer your business some key advantages. Thanks to the member businesses' commitment within these internal bodies, you can help to proactively shape the association's lobbying work. This means that our industry can represent our joint interests more effectively and win political traction.

These bodies suggest solutions and offer recommendations for daily practice, as well as providing strategic corporate decision-making tools. The BDD members are kept exclusively abreast of current political initiatives. This gives the association a stronger and more focused influence over the legislative processes both nationally and at European level, helping members effectively to shape the framework conditions.

Last but not least, networking via these bodies also provides the BDD with some important findings, which have a fundamental bearing on political decision-making.

The work of the Committees and Working Groups, who meet every six months, relies on exchanges of experience and also on the two-way traffic of ideas between the association and its member businesses. Why not add your stances and opinions to the mix, and enjoy the benefits of other businesses' experiences?

PR Committee

The PR Committee is where the BDD member businesses' communications experts team up with the BDD itself to develop projects and measures for successful press and publicity work for the industry. The main role of the Committee is the coordination, consultation and development of internal and external communication strategies.



Working Group on Field Service Recruitment and Further Training

Direct selling depends heavily on the quality of its field staff. Training, remuneration and other incentive systems play a key role here. The focus in the Working Group on Field Service Recruitment and Further Training is on attracting and motivating as well as training sales force manager. This Working Group has created along with the IHK-organisation (the Association of German Chambers of Commerce and Industry) the online certification course 'Direct Selling Consultancy' and got it established in practice.



Member-exclusivity: Online Certification Course 'Direct Selling Consultancy'.

Since May 2020 field staff has the possibility to complete the online certification course 'Direct Selling Consultancy'. This training is offered in cooperation with the research community Darmstadt and the IHK Darmstadt (the Association of the German Chambers of Commerce and Industry).



Working Group Sustainability

Whether in politics, business or society: sustainability is on everyone's lips and is increasingly becoming a success factor in all business areas. The working group deals with industry-specific issues that are associated with a corresponding orientation, e.g. topics such as CO2 reduction, waste avoidance and packaging optimization. The primary goal is to jointly drive forward implementation.



Working Group MICE (Meetings, Incentives, Conventions & Events)

Events play a very important role in direct sales. As a result, our member companies have extensive know-how that they share in the working group. This means that everyone benefits from the exchange of information about challenges and approaches to solutions, technical aids (e.g. apps), participant management, event formats, red threads and dramaturgy, speakers and other service providers, appropriate locations, as well as a certain 'wow' factor.



Working Group IT and the Internet

The internet, apps and software solutions (e-mobility) can make for significant improvements to sales activity and customer contacts, as well as delivering potential for service and savings. Customer Relationship Software (CRM) and multi-channel strategies offer businesses the possibility of responding even

better to customers' wishes. These subjects, as well as technological trends and e-learning, are addressed in the Working Group on IT and the internet. Involvement in these groups is equally beneficial to all participants.

Legal Committee

The Legal Committee devises solutions to corporate practice, in particular against the background of ever more complex EU legislation. As a BDD member, you can get the answers to all your legal questions concerning direct selling. The BDD supports your business when it comes to making important decisions, and shows you how to protect yourself better against warning notices from competitors and expensive legal disputes. The work here revolves around exchanges of views and legal advice.



Working Group on the Future of Direct Selling

The Future of Direct Selling Working Group, which was founded in 2012, goes beyond the day-to-day business of the company to deal with strategic issues relating to the future of direct selling and is aimed primarily at the managing directors and board members of the member companies. The results of the other Working Groups and Committees are also incorporated here. The working group sees itself as an important source of impetus for medium- and long-term strategic planning and corporate decision-making.



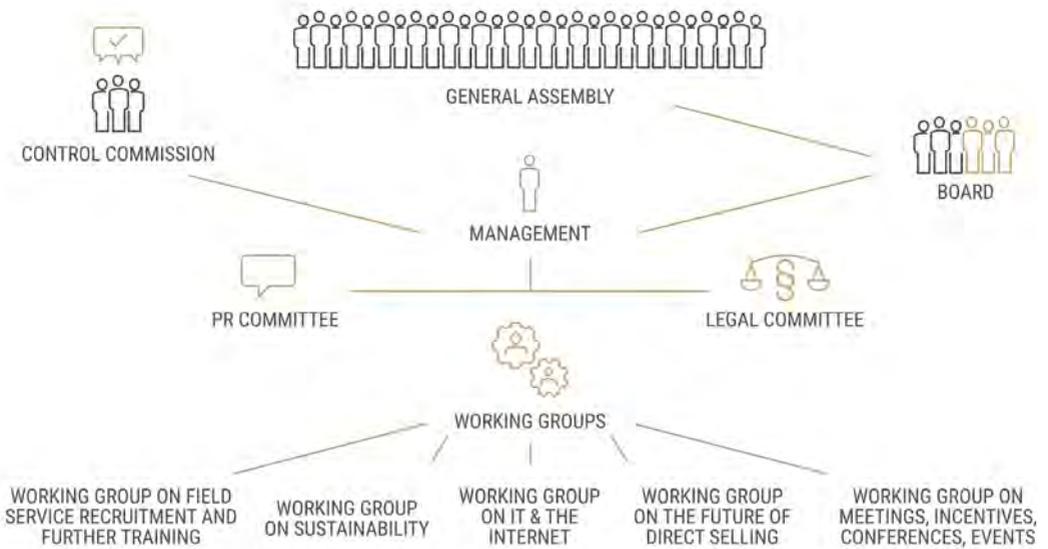
General Assembly / Direct Selling Congress

The big date in the BDD's calendar every year is the General Assembly. This also serves to a large extent as an opportunity to exchange experience, and helps to knit the industry together. Across two full days, with an interesting framework programme of speeches, workshops and opportunities to socialize, this event will be an efficient, focused way to promote networking among all stakeholders.

This is why guests and other interested potential new members are also invited along to the General Assembly to give them the opportunity to get to know the member businesses and the BDD team and its work. Invited sponsors and cooperation partners expand the circle and create the perfect conditions for the exchange of information and synergies.



BDD Organization Chart



Together with its members, the BDD is shaping the future of direct selling in Germany.

5. TAKING THE LEAD ON LEGAL ISSUES

The BDD is your expert go-to source for all legal questions of relevance to direct selling. During the application process, the distinguished members of the BDD Control Commission and the legal experts at the BDD office will review your contractual documents. In this way, the BDD supports your business in taking important strategic decisions

The BDD's regular lobbying newsletter keeps its members constantly up to date about legal changes and the latest court decisions with a bearing on the direct selling industry.

When it comes to corporate practice, the legal experts from the member businesses in the association's Legal Committee work together to come up with joint solutions. There is an intensive exchange, in particular against the background of ever more complex European and national legislation. The BDD gives its members concrete recommendations here on how to proceed.

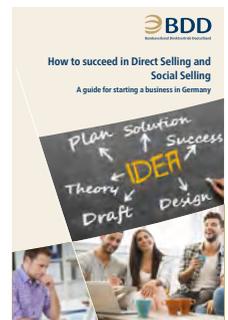
BDD conciliation procedure

Customer satisfaction is particularly important to the companies organized in the BDD. As part of its cooperation with the Universalschlichtungsstelle (General Conciliation Body), the BDD encourages its member companies to voluntarily declare their willingness to participate in the dispute resolution procedure of the Universalschlichtungsstelle. The BDD assumes the costs of the arbitration proceedings for the first complaint concerning a member company in the respective calendar year.

Legal publications from the BDD

The BDD's legal publications keep its members up to date about important legislation. Current legal publications on which the BDD has worked include:

- Annually updated sample fact sheets on social security and other legal conditions for the self-employed
- BDD start-up guide: How to succeed in Direct Selling & Social Selling - A guide for starting a business in Germany
- Compatibility of a prohibition under competition law of unsolicited agency visits with the Unfair Commercial Practices Directive, *Zeitschrift für Wettbewerb in Recht und Praxis*, 2019, p. 1529.
- The EU consumer rights directive - Practical questions and answers on the European Commission directives (Part 2), *Zeitschrift für Vertriebsrecht*, 2014, p. 3
- The EU consumer rights directive - Practical questions and answers on the European Commission directives (Part 1), *Zeitschrift für Vertriebsrecht*, 2014, S. 34
- The law implementing the consumer rights directive - informational duties and right of cancellation in direct selling, *Zeitschrift für Vertriebsrecht*, 2014, p. 3
- The new law on consumer contracts - 'Leitfaden für die Beratungspraxis', Verlag Dr. Otto Schmidt, Köln 2014



6. KEEPING A FINGER ON THE PULSE OF THE INDUSTRY

The BDD holds expertise and up-to-date information about developments in the industry in Germany. For example, in the framework of our research cooperation alliance going back to 2012, our association commissions an annual market study by the University of Mannheim. This surveys all German direct selling businesses. The results of the survey are published in the annual market study 'Situation of the direct selling industry in Germany'. The use of the study results in various publications helps in particular to support the PR work in favour of direct selling.

Not least, this approach also clearly illustrates the economic value of the direct selling businesses in Germany, and the independently produced research findings are made available to the media, politicians and other important recipients.

UNIVERSITÄT
MANNHEIM



Direct selling turnover since in Germany since 2009



Start-up assistance for business founders

Since 2013, the BDD has been running an annual seminar for business creators on how to break into direct selling and social selling. The focal points include managing sales partners, building IT solutions and the legal aspects of getting involved in direct selling. The seminar is also explicitly aimed at businesses which are not yet active in direct selling. This creates a further platform for the BDD, enabling it to gain a higher profile for the association itself and its member businesses, as well as to exchange experiences and expertise.

7. PROFESSIONAL PUBLIC RELATIONS

The BDD is the mouthpiece of the direct selling industry in Germany. We make sure that the issues of concern to our member businesses, as well as the advantages of direct selling and the economic importance of the industry, are delivered into the public domain.

To do this, we at the BDD use external communication tools such as the association's website www.direktvertrieb.de, as well as online and offline publications. The BDD regularly publishes articles in the specialist press and produces press releases for the media and interested parties. We also talk to journalists and representatives of the press, to constantly reinforce positive perceptions and thereby the image of direct selling and the businesses using this channel.



The BDD attaches great importance to the association's internal communications. In the regular newsletters, devoted to various topical affairs, we bring our members up to date. This keeps them involved in the ongoing developments and helps them get ahead of the game, for example when they need to adapt to new legal conditions. In addition, the association's PR committee serves as a communication platform. It supports exchanges and the strong ties between the association and its member businesses, enabling us to coordinate and efficiently carry out joint projects.

The awarding of special achievements, whether by our members or young scientists, sustainability, innovation and further training for sales partners are further topics of our diverse association work.

Science Award

Every year, the BDD awards the Science Award to economic or legal papers dealing with direct selling issues. This is intended to support research activities on the subject of direct selling at German universities. As an industry association, the BDD would like to encourage scientists and students of economics and law to take a closer look at direct selling.



The prize is awarded for the best doctoral dissertation or outstanding article in a scientific journal in the field of economics or law, as well as for master's, diploma and bachelor's theses dealing with economic issues relating to direct selling/ social selling.

Business Award and Innovation Award

Each year, awards are presented to the member companies that have achieved the strongest sales growth. The BDD also presents the Innovation Award. Awards are given for social media campaigns, innovative new products and solutions to challenges in everyday work.



Sustainability Award

The approaches to sustainable management, environmentally friendly production and social responsibility in direct sales are as diverse as the member companies of the BDD. What they all have in common is to become active themselves and to take the initiative.

Since 2021, an annual award has been presented to the best sustainability project of the association members in order to intensify the exchange of best practices.

Certification course 'Direct Selling Consultancy (IHK)'

The practical training is aimed exclusively at sales partners of member companies and can be completed with the prestigious certificate 'Direct Selling Consultancy (IHK)'.

The aim of this program is to prepare the students for a successful career in direct sales by imparting the necessary specialist knowledge and methodological and social skills. The aim is to provide a sound and effective qualification by teaching relevant key qualifications, specialist knowledge, and methodological and social skills.

With the help of practical content, the participants are put in a position to plan their commercial and sales activities independently and to carry them out successfully. The BDD Code of Conduct, which ensures fair and reputable direct sales, also plays an important role here.

Faces of Direct Sales

Every year, the BDD celebrates the Direct Sales Month with, among other things, the 'Faces of Direct Sales'. The campaign very clearly reflects the versatility of the industry and shows what makes it tick: the people who work in and for it. In addition to the opportunity to earn money, sales partners particularly appreciate the flexibility and freedom they have in managing their time.



„We want to show that everyone who likes to communicate with others can take their opportunity.“

- Jochen Clausnitzer, BDD-General Manager -

9. STRONG RECOMMENDED BUSINESS PARTNERS



In 2013, the BDD introduced its Recommended Business Partner Programme. This is a directory of service providers who are already working successfully with a BDD member business which is happy to recommend them. This is a way for others to find out which service providers have already successfully worked on projects with businesses in the direct selling industry.

The objective of the Recommended Business Partner Programme is to intensify the collaboration between the BDD and external partners. The resulting win-win situation for the external service providers and the association and its member businesses alike helps the industry to penetrate more deeply into public consciousness, and to develop and consolidate structures and partnerships. A list of our Recommended Business Partners can be found on our internet site at www.direktvertrieb.de.

There are regular lively exchanges with the national industry associations in EU countries such as Austria, Switzerland, Italy, Belgium and France, during which we look in particular at topical cross-border questions relevant to direct selling. This system puts the BDD in a position to lend its members expert support when they wish to access international markets.

10. MILESTONES IN ADVOCACY

- 1967 Foundation of the workshop 'Gut beraten - zu Hause gekauft' ('Buying at home - a sensible choice') with seven founder members, including Avon, Vorwerk and Tupperware
- 1980 Introduction of the BDD Code of Conduct
- 1982 Creation of the BDD Control Commission.
- 1986 Improved image thanks to the new law providing the right to cancel doorstep deals
- 2000 BDD secures exemptions for self-employed sales partners with regard to compulsory pension insurance.
- 2003 BDD stops a ban on doorstep credit deals
- 2004 Unsolicited sales visits continue to be permitted and are not classified as nuisance advertising.
- 2005 BDD ensures greater possibilities for sideline income among people in receipt of ALGII unemployment benefits.
- 2007 Legal status of self-employed field staff clarified so that even self-employed staff with only one contractor are genuinely self-employed
- 2011 Standardised Europe-wide informational obligations and right of cancellation in directselling
- 2012 Start of cooperation with the University of Mannheim, including the production of annual market studies.
- 2013 Creation of the conciliation procedure, adaptation of the BDD Codes of Conduct.
- 2014 Restriction of the cooling off period in the event of defective information.
- 2016 BDD successfully advocates that the definition of self-employed commercial representatives under the new law governing employment contracts and temporary work remains unchanged.
- 2019 BDD demands are heard: minimum contributions to health and long-term care insurance for the self-employed are cut by more than half
- 2020 Introduction of IHK online certification course in 'Direct Selling Consultancy'
- 2021 Demand for a ban on unsolicited home visits can be successfully fended off

11. BEING A BDD MEMBER

In principal, all direct selling companies with a registered office in Germany or with their (main) registered office in other EU and EFTA member states and doing business in Germany can become BDD members.

Applicants for membership are intensively examined by the BDD Board of Directors and the independent Control Commission. Compliance with our Code of Conduct for direct selling is a mandatory prerequisite for a membership. If a recommendation for admission is made, the member companies of the association make the final decision on membership. Both trial members and full members have the right to use the BDD logo. They can participate in all committee meetings and have access to all services of the association. If the trial member has been a member of the association for at least two years, the general meeting decides on admission as a full member.

Definition of direct selling

„Direct selling is the sale of goods and services to consumers primarily in the area of a private home or at the workplace or at other locations outside of permanent business premises following personal consultation and demonstration by a sales partner.“

(Source: BDD „Standards of Conduct for Direct Selling“)

Becoming a member in two ways:

- **Full membership**

It can be applied for by companies that have already been active in direct sales in Germany for more than two years.

- **Trial membership with limited voting rights**

It can be applied for by direct sales companies that have been active in direct sales in Germany for less than two years .

Take advantage of the benefits - become a BDD member!



12. THE ADMISSION PROCESS

As a direct sales company, you initiate the admission process by submitting an admission application. The BDD office will be happy to send you this application form. Before the board and the member companies decide on admission, the BDD Control Commission is consulted. This commission monitors compliance with the Code of Conduct for direct sales.

The application for admission must be accompanied by the following documents at least four weeks before the Control Commission meeting:

- Forms for contracts with end-users or order forms for end-users
- Forms for contracts with distributors (all functions and levels)
- Description of the distribution system
- Guidance for distributors
- Advertising materials (catalogs, brochures, leaflets, price lists, etc.)
- Advertisements

„The advantages of membership in our association are obvious: joint representation of interests vis-à-vis politics and media, a constant exchange of information, networking and the use of synergies as well as coordinated lobbying are just a few among a multitude of arguments.“

- Jochen Clausnitzer, BDD-General Manager -

At the meeting of the Control Commission, you will have the opportunity to present your company in person and receive valuable legal advice on your contract documents. As soon as the Control Commission approves the admission without conditions, the board of directors and then the member companies decide on the admission. If three quarters of the members agree, your company is a member of the BDD.



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