

# Tackling the Payment Problems that Keep Your Direct Selling Business from Scaling

Direct selling is a booming industry. Thanks to the huge technological advances of recent years, more and more of us are building independent businesses as direct sellers or as part of a MLM network.

To give an idea of the sheer scale of these industries, the direct selling sector alone was worth \$36 billion in the U.S in 2017, and some 20.5 million people in the U.S. are now active in the industry. What's more, 5.3 million Americans have gone out independently to sell their products and services directly – this involving the management of huge customer bases and possibly the sponsorship of others to do the same.

Over the past few years, the rise of eCommerce and mCommerce have already played a huge part in turbocharging growth in these two sectors – providing direct sellers with the opportunity to reach new audiences, while providing the means for goods and services to be paid for with speed and efficiency regardless of geographical boundaries.

## New challenges facing direct selling

All this change presents huge opportunities for direct sellers, provided they are able to harness them. For many small businesses in the sector, scaling to take advantage of new channels and reach new customers poses challenges, especially when it comes to accepting payments from customers.

In an age of cashless payments, for example, direct sellers need the right tools to accept card payments for products and services, not just from customers in-country, but those overseas too. Given the number of start-ups that enter the sector, being able to accept card payments and hit the ground running can be 'make or break'.

In addition, as more and more payment methods are entering the market, such as eWallets or payment by invoice, it's important that direct sellers are able to accept a wide range of alternative payment types too, to ensure their customers are able to pay in the way they are comfortable with.

Incentivizing staff can be key too. Direct sellers need easy, straightforward ways to pay consultants working remotely with no mess and no fuss.

Most importantly, they need to have access to supportive relationships with payment partners that help them keep their business running smoothly and in a way that complies with financial regulations. This means getting access to a merchant account that meets the unique needs of small direct selling business, by offering the right risk and fraud support.

Many direct sellers can find it difficult to open a merchant account, as traditional providers can be reluctant to onboard and underwrite them. This is because these companies are associated with unpredictable growth patterns, as well as certain legal risks, such as chargebacks – when a card holder calls their issuing bank and disputes the charge, usually because they are unhappy with their purchase.

Chargebacks are not the same as refunds, because each dispute carries an associated fee, which can be costly for your business. Worse, if there are too many chargebacks in a short space of time, you can lose your merchant account.

Direct sellers are particularly at risk of high chargeback rates – like other small businesses, they can be a target for fraudsters making non-genuine claims, as they often lack the infrastructure to identify fraudulent behavior before it happens.

### So, what can direct selling businesses do to transcend these challenges?

The key to unlocking the potential of your direct selling business is to work with the right payments partner. Working collaboratively with a payments provider means you can leverage the right payment solutions and quickly take your business to the next level.

But what does the right payments partner look like? The ideal provider for a direct seller is one that understands the specific challenges facing the market. They should also be able to help and guide your business as it evolves from a start-up into a well-established enterprise, adapting its support as you expand, not just with solutions to help you reach new customers, but to help you manage your growing team effectively and efficiently.

In fact, it's this collaboration with merchants that we at Paysafe pride ourselves on. We have many years' experience in the direct selling industry, and understand the specific challenges your sector faces, as well as the issues affecting growing businesses. This expertise gives us the ability to provide you with the exact solutions you need to take full advantage of the growing opportunities in the domestic and international markets.

### What can Paysafe offer?

We offer a host of benefits to help direct sellers make the most of their booming sector, and scale their business:

#### **Cross-border and Domestic Payment Processing –**

Paysafe enables your business to plug into global markets by providing you with the ability to accept a wider range of payment types and currencies.

#### **Innovative Fraud & Risk Management Tools –**

Our specialist underwriting team will ensure your payments are protected. Coupled with our innovative fraud and risk management tools, your business – no matter how big or small – is in safe hands.

#### **Commission Payouts & Direct Deposit –**

Paysafe is able to support you in providing a smooth seamless commission payout process for your employees, to help you keep your team happy and motivated at work.

#### **Dedicated Direct Selling Support Team & Industry Experience –**

Our dedicated Direct Selling Support Team will be with you every step along your journey. They'll help you reach your business goals by providing expert insight and knowledge on what payment solutions are right for your business.

### Fit for the future

The direct selling sector is full of potential right now. But direct sellers will struggle to harness opportunities if they are unable to get the support they need to help them grow their business.

With a payments partner that specializes in the direct selling sector, like Paysafe, you can be confident you have the help, guidance and tools you need to thrive and compete in a fast-paced market, taking your business from strength to strength.

### Get in touch today

So, whether you're just starting out or have been in the direct selling industry and are looking to scale up, we'd love to hear from you and see how we can help you take your business to the next level.

Feel free to contact us today by visiting:

[www.paysafe.com](http://www.paysafe.com) or [direct.selling@paysafe.com](mailto:direct.selling@paysafe.com)