



## AVON IS MY BUSINESS

It's the business of 2.8 million women in 135 countries around the world. They are represen-

### AVON REPRESENTATIVES TAKE GREAT PRIDE IN OWNERSHIP OF THEIR SUCCESS. THAT'S WHY THEY ARE PROUD TO SAY, "AVON IS MY BUSINESS."

tatives of Avon. But, it's not just products like *Anew* or *Avon Color* they are sharing, it's belief in themselves.

Avon is more than something they do for money, more than something they do for fun, and more than something they do because they love the products. Avon is something they do for themselves. Representatives take great pride in

#### Customer and Representative/U.S.

In the United States and throughout the Avon world, representatives like Debbie Ajala (right) are business owners. They record sales and expenses and collect payments as well as educate consumers about the latest Avon innovations. These hardworking representatives are the heart of Avon, just as they were when David McConnell founded the business 113 years ago, and just as they will be in the future.



ownership of their success. That's why they are proud to say, "Avon is my business."

**Pride in Ownership** And as business owners, that means managing details: placing orders, collecting payments and making deliveries. They must stay up-to-date on all the latest product innovations and continue learning new ways to sell Avon in their area.

Because it is their business, and the company's, Avon is committed to their success. That means identifying problems, developing solutions that work and implementing those solutions, locally and globally.

Competition is intensifying, both for Avon as a company and for representatives as business owners. This competition comes from other beauty companies, retail stores selling competing products and from other direct-selling companies that compete for Avon's talented sales force.

#### ARCP/Taiwan (right) Taiwan's

Avon Representative Career

Program (ARCP) dealers recruit

new Avon representatives and

serve as mentors, helping them

build their business. The ARCP

helps retain and reward sales

leaders by tying compensation to

sales levels. In two-and-a-half

years, ARCP doubled the number

of dealers to 84,000 – a third

recruited by ARCP dealers them-

selves – leading to an 18%

sales jump and 2.5 million new

customers during that time.

But, perhaps the biggest success

has been increased pride. Says

S.K. Kao, Avon Taiwan's general

manager, "ARCP Dealers now

call Avon 'our company.'"





**Avon Express Center** The Washington, D.C. Avon Express Center gives representatives easy access to thousands of Avon products, six days a week. Located in a new shopping center, the Express Center is a 6,000 square-foot mini-store, where representatives can fill orders immediately, rather than wait for campaign deliveries. Even more important than the convenience is the increased sales volume for the area's 5,000 representatives, who can now quickly meet customer needs and build their businesses faster.

As standards of living improve in markets around the world, women have more income options than ever before. Therefore, it's important for the earnings opportunities with Avon to continue to appeal to women from New York to Taipei to Moscow.

**Encouraging Entrepreneurship** To ensure Avon continues to be a viable business opportunity for serious, career-minded direct-sales people, the company has launched initiatives in markets like the United States, Taiwan and Malaysia, among

others. The programs were developed to address issues in these local markets, but they are part of Avon's global strategy to contemporize its sales force by offering women several ways to grow with the company.

Avon U.S., the company's largest and most developed market with 465,000 representatives, in 1998 revamped its network marketing program, called the Leadership Opportunity. Avon has added updated training and support materials to help Leadership representatives recruit, appoint, train and mentor their own organizations. It is Avon's premier earnings opportunity as Leadership representatives earn from their personal product sales, plus receive bonuses based on the performance of their organizations.

The Leadership Opportunity gives career-minded representatives the opportunity to be their own bosses, to grow a substantial business and to earn more with Avon.

Taiwan's Avon Representative Career Program (ARCP) is a similarly inspired initiative encouraging top dealers to recruit and train new representatives by giving them a commission from the recruits' sales.

Zone Managers, who previously only recruited representatives, have eagerly adopted the voluntary program. As more of them tried it out, they



**Malaysia** Malaysia is helping successful representatives like Lyn Soraya and her mother, Noor Hayati, expand their Avon business through small franchise outlets called Avon Beauty Boutiques, which require a modest initial investment by the franchisee. "Avon brings out the entrepreneurship in individuals through their franchises," says Soraya. Representatives eager for their orders can pick up products any time without waiting for the next campaign or mail delivery.

saw the program boosted sales and recruiting, and freed them up to spend more time motivating top-performing representatives.

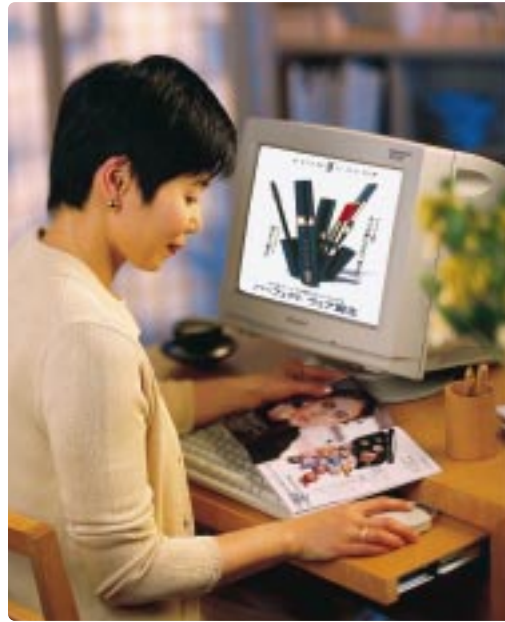
Yet another innovation is taking place in Malaysia, where Avon Beauty Boutiques rapidly

## IMPROVING CUSTOMER SERVICE MEANS DEVELOPING NEW AND BETTER WAYS TO BE MORE ACCESSIBLE TO REPRESENTATIVES.

are opening up around the country. These small franchise stores are owned by entrepreneurial women, who see tremendous business potential in selling Avon products. These franchises exclusively sell Avon products, giving representatives and customers instant access to the company's core offerings. Malaysia is proof that

### Ordering Center/Japan Avon

Japan's representatives now have several new ways of ordering that have given new momentum to traditional direct selling. They are reaping the rewards of technology, with telephone, fax and interactive computer voice ordering, which allows 24-hour ordering. They can also stay connected and place orders via Avon Japan's website. Easy ordering is accompanied by speedy delivery – usually one to two days. In turn, customer service levels have increased dramatically. Says one satisfied representative, "In terms of the company's support, I appreciate the fact we now have more choices when ordering and the period between placing orders and receiving products has been greatly reduced. This is very encouraging for us."



what's best for women is what's best for Avon: There are already nearly 200 Avon Beauty Boutiques in Malaysia, accounting for 68% of Avon Malaysia's sales.

The U.S. market is testing a similar concept – Avon Beauty Centers – freestanding shopping mall kiosks, which may also be offered as franchises to representatives. The fixed-access locations offer representatives additional earnings opportunities and a way for Avon to break into new markets that were previously tough to enter and where representative coverage is low.

**Rallying Around Customer Service** Avon representatives the world over are focused on one thing – customers. They want to reach more customers, and better serve the ones they have. It's Avon's duty to help them do that, which is why the company is embarking on a company-wide customer service initiative to tackle problems that can potentially damage Avon's relationship with its customers and representatives.

Such issues can range from a missing product in a representative's order due to a supply shortage to a misprint in a brochure. By reducing these errors the company's relationship with representatives, and the representative's relationship with her customers, will grow stronger.

But, improving customer service means more than just eliminating mistakes. It also means developing new and better ways to be more accessible to representatives.

Avon Japan is doing just that with several ordering innovations: allowing representatives to order more than once during a campaign, reducing how long they must wait to receive orders and adding new ways to order like telephone, fax and interactive computer voice ordering. Also, representatives can now order directly from Avon Japan over the Internet.

Customer service was certainly top-of-mind for the more than 6,000 representatives attending the United States' first-ever Representative National Convention in August. The convention focused on training and motivation with a product expo, marketing show and seminars to help representatives grow their businesses and be inspired.

Of course, there is no one initiative, program or strategy that by itself will enable representatives to reach more customers and build their businesses. Everything Avon does is with the customer and representative in mind.

Avon representatives are not only the foundation on which this business is built, they are the builders themselves. That's why 2.8 million women around the world are proud to say, "Avon is my business."