

“A STUDY ON TRENDS IN MULTILEVEL MARKETING”

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Abstract

This is a study about network marketing and the main significances of network marketing can be the following .The objective is to being a weakness in people about network marketing. Also makes them understand about network marketing by giving information .By providing proper knowledge about history scope of network marketing .it help common people by an explanatory statement for the entry into multilevel marketing era and the new opportunities behind that wall. By this entry of each person it merely not changing the individual but also leads to economic growth.

Keywords: Network Marketing, Direct marketing, Franchising

Introduction

Multilevel marketing (**MLM**) also called as network marketing (**NM**) or matrix marketing or pyramid selling or referral marketing. It is a business model which utilizes the combination of direct marketing and franchising. Typically

independent business owners become associated with a parent Company in a contract like relationship. Independent business owner receives remuneration for shopping within their own business, for selling products and expanding their network of people (**down lines**) doing the same. Indian Direct Selling Association defines MLM as “Multilevel Marketing allows seller to build a business through their own sales efforts and by inviting others to become sellers. Personal sales and on the combined sales of those people they have sponsored trained and motivated.

MLM sales people are therefore, expected to sell products directly to end-users retail consumer by means of relationship referral and word of mouth marketing, but most importantly they are incentivized to recruit others to join the Company's distribution chain as fellow sales people so that these can become down lines distributors. MLM derived from a non-salaried work force, selling the Company's products/service while the earnings of the participants are derived from a pyramid shaped or a binary compensation system.

Network marketing also helps utilize the efficiency of the market by helping the industries to introduce the new product to the marketing without investing any huge amount in advertising or any huge promotional activities. This makes the products ran into customers in cheaper prices than they avail in the market in my personal opinion the scope of network marketing in vast also makes us to explore new peoples, locations, around the world and teaches us the reality of the world.

Definition

A business model in which a distributor network is needed to build the business. Usually such businesses are also multilevel marketing in nature in that payouts occur at more than on level.

Objectives

- Study to know the emerging trends in network marketing
- To identify the challenges faced by the distributors while marketing

Research Methodology

The primary data for study was collected by using a structured questionnaire. The sample size for the study consists of 50 respondents. The questionnaire was prepared in such a way so as to gather data from the respondents, which will be

helpful in attaining the objectives of the study. The collected data was carefully scrutinized, tabulated and analyzed using simple statistical techniques.

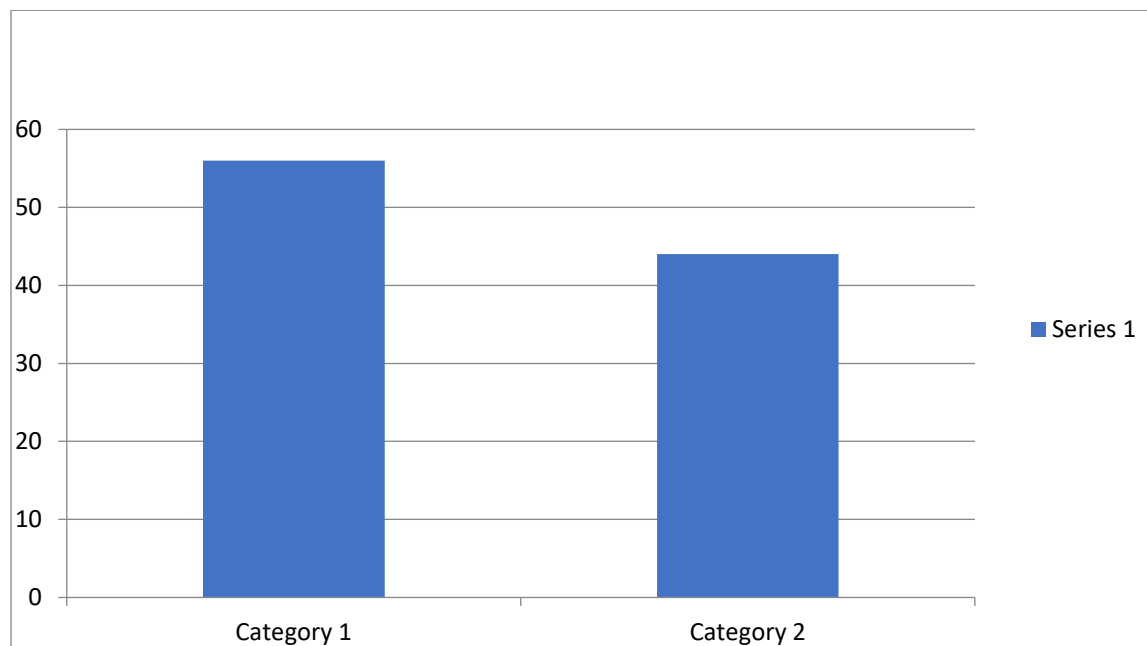
Data Analysis and Interpretation

Respondents which are classified on the basis of the gender classification. Most of the respondents are male (56%) and females is about (44%).

(Table (4.1) frequently which are showing the gender classification

STATUS	NO. OF RESPONDANTS	PERCENTAGE
MALE	28	56%
FEMALE	22	44%
TOTAL	50	100%

(Chart (4.1) frequency which are showing the (%) gender classification

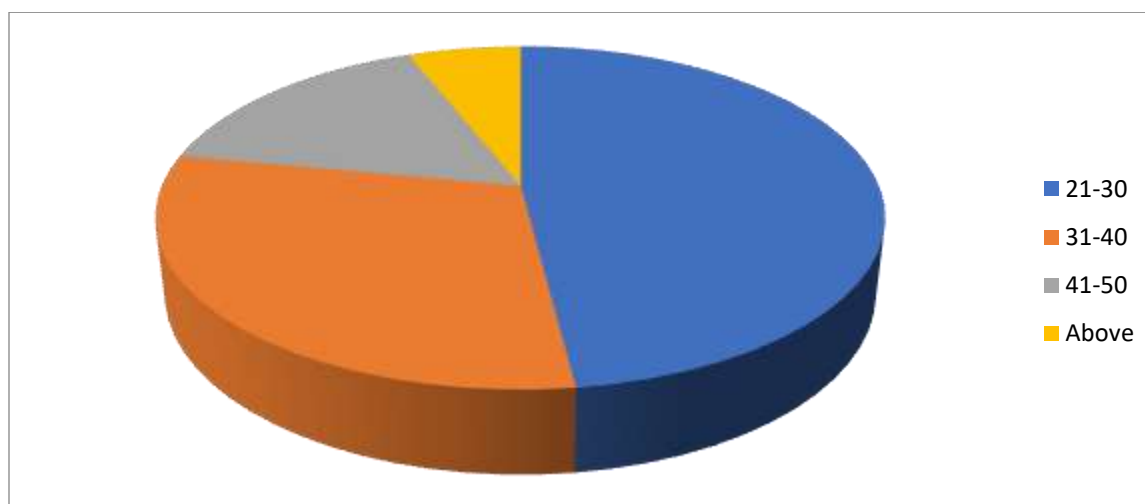


Respondents are classified based on their age. The data are shown in table (4.2) and chart (4.2). Majority of the respondents belongs to the categories of 21-30years and 31-40 years age groups as 24 and 50 number of respondents respectively. And remaining 8 and 3 respondents belongs to the category 41-50 and above.

(Table (4.2) Frequency for age classification)

Basis	Frequency	Percentage
21-30	24	48%
31-40	15	30%
41-50	8	16%
Above	3	6%
Total	50	100%

(Chart (4.2) Frequency in term of (%) for age classification)

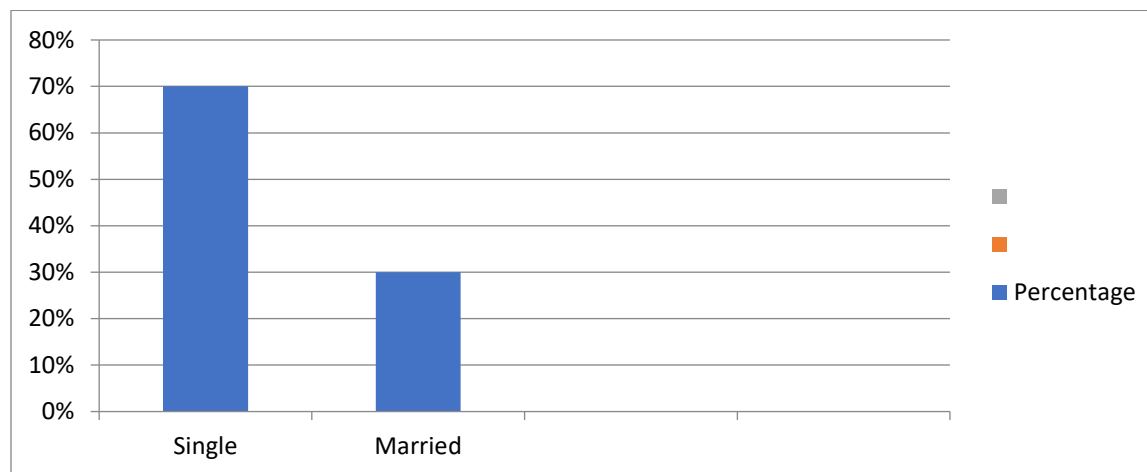


Respondents are classified on the basis of marital status. The data are shown in the table (4.3) and chart (4.3). The majority of respondents are singles (70%). And remaining (30%) respondents are married.

(Table (4.3) Frequency for marital status)

BASIS	FREQUENCY	PERCENTAGE
SINGLE	35	70%
MARRIED	15	30%
TOTAL	50	100%

(Chart (4.3) frequency in term of (%) for marital status)

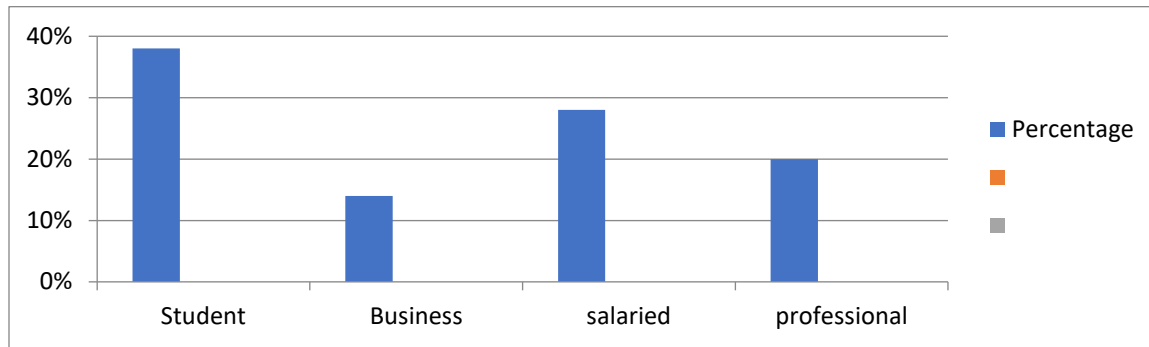


Respondents are classified on the basis of the occupation. The data are shown in the table (4.4) and chart (4.4). The most respondents are belongs to the category to the students and salaried categories is with (38%) and (28%) respectively. Remaining (20%) and (14%) are business man and professionals.

(Table (4.4) Frequency for occupation)

BASIS	FREQUENCY	PERCENTAGE
STUDENT	19	38%
BUSINESS	7	14%
SALARIED	14	28%
PROFESSIONAL	10	20%
RETIRED	0	0
TOTAL	50	100%

(Chart (4.4) frequency in term of (%) for occupation)

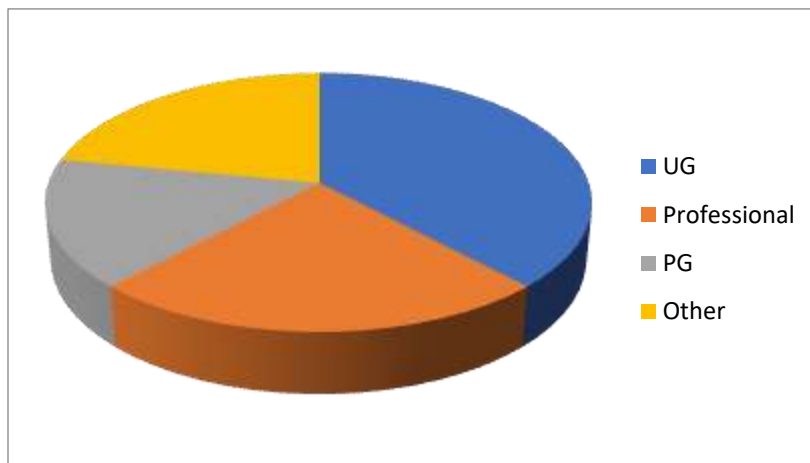


The respondents are classified on the basis of qualification. The data are shown in the table (4.5) and chart (4.5). The most respondents are belongs category to the UG and Professionals is with (38%) and (24%). And the remaining categories are PG and Others (16%) and (22%). Others are included that the category of SSLC, +2, and low educated.

(Table (4.5) frequency in terms of qualification)

Basis	Frequency	Percentage
UG	19	38%
PROFESSIONAL	12	24%
PG	8	16%
OTHER	11	22%
TOTAL	50	100%

(Chart (4.5) frequency in terms (%) of qualification)



The respondents are classified on the basis of Tax Paid. In the data are shown in the table (4.6) and chart (4.6). The most of the respondents are Tax payers (76%). And the remaining (24%) respondents are non-payers.

(Table (4.6) frequency for tax paid)

BASIS	FREQUENCY	PERCENTAGE
YES	38	76%
NO	12	24%
TOTAL	50	100%

(Chart (4.6) frequency in term of (%) for Tax Paid)

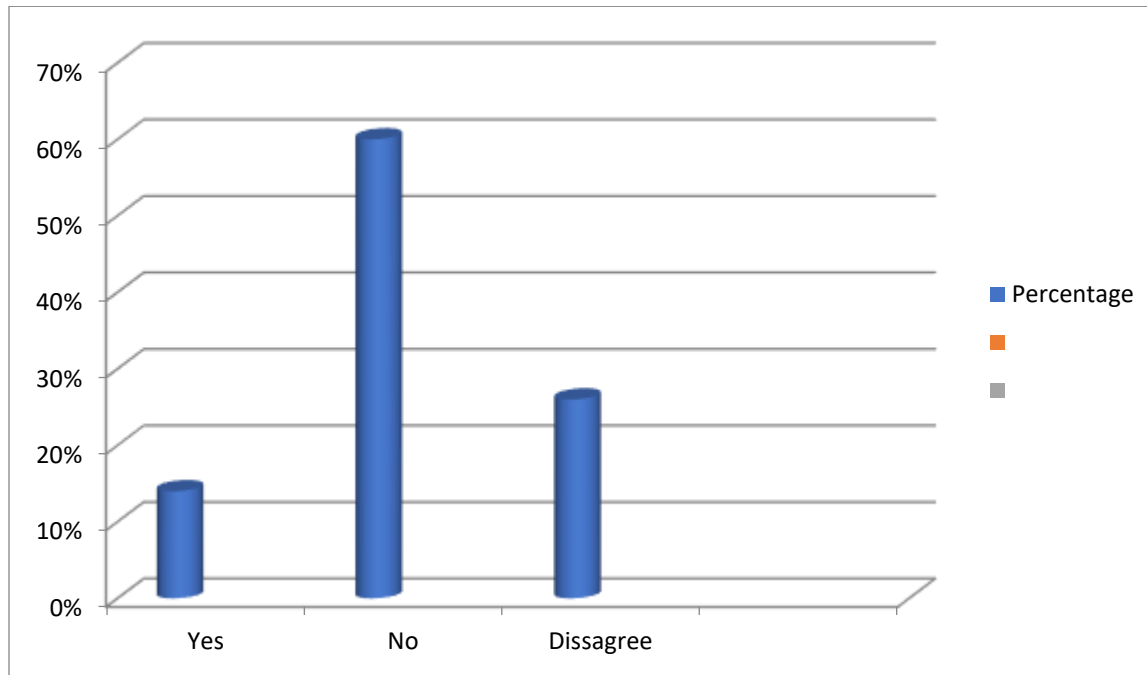


The respondents are classified on the basis of experience in network marketing. The data are shown in the table are not experienced (60%). And most of them are not interested in the in network marketing (26%). And only few respondents are experience (14%) in network marketing.

(Table (4.7) frequency for experience in Network marketing)

BASIS	FREQUENCY	PERCENTAGE
YES	7	14%
NO	30	60%
DISAGREE	13	26%
TOTAL	50	100%

(Chart (4.7) frequency for (%) experience in Network Marketing)



Respondents are classified on the basis of the products which are purchased from the network marketing. Most of the respondents are purchased the cosmetics items (40%) and electronics (30%). And few respondents are purchased food product and textiles (20%), (10%).

(Table (4.8) frequency for product purchasing)

BASIS	FREQUENCY	PERCENTAGE
COSMETICS	20	40%
TEXTILES	5	10%
ELECTRONIC	15	30%
FOOD PRODUCT	10	20%
TOTAL	50	100%

(Chart (4.8) frequency (%) for product purchasing)

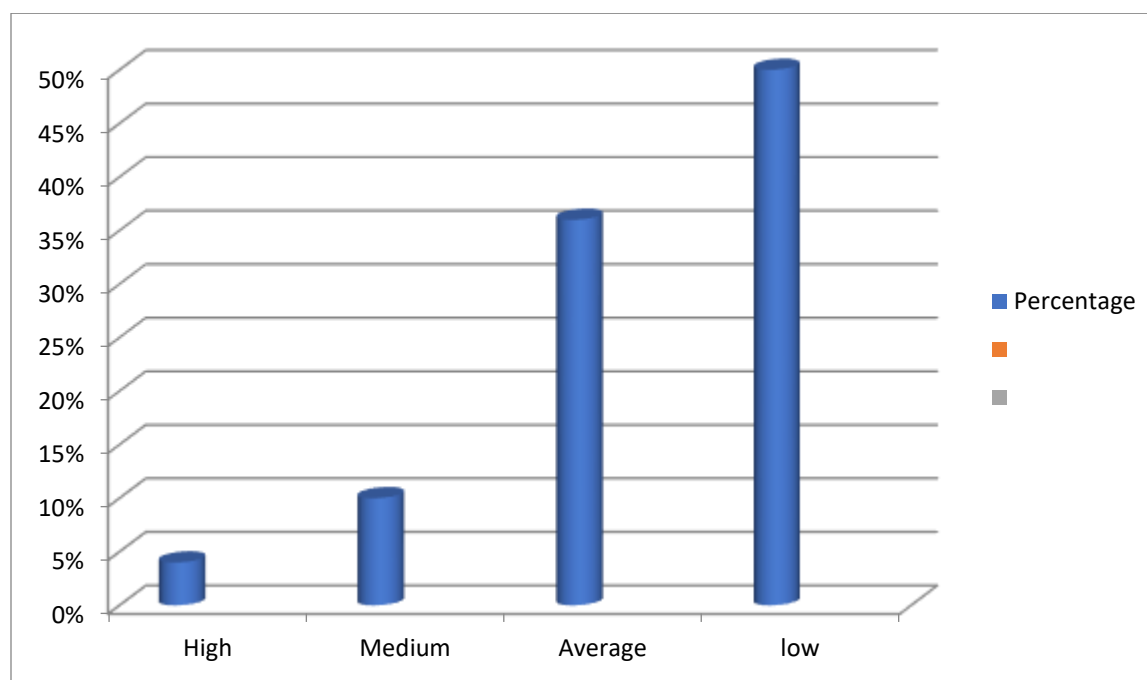


Respondents are classified on the basis of the knowledge about network marketing. Most of the respondents have no previous knowledge about the network marketing (50%). And few respondents have little knowledge about the network marketing (36%).and others are well knowledge about the network marketing (10%) and (4%).

(Table (4.9) frequency which are showing the knowledge about the network marketing

BASIS	FREQUENCY	PERCENTAGE
HIGH	2	4%
MEDIUM	5	10%
AVERAGE	18	36%
LAW	25	50%
TOTAL	50	100%

(Chart (4.9) frequent which are showing (%) the knowledge about the network marketing.

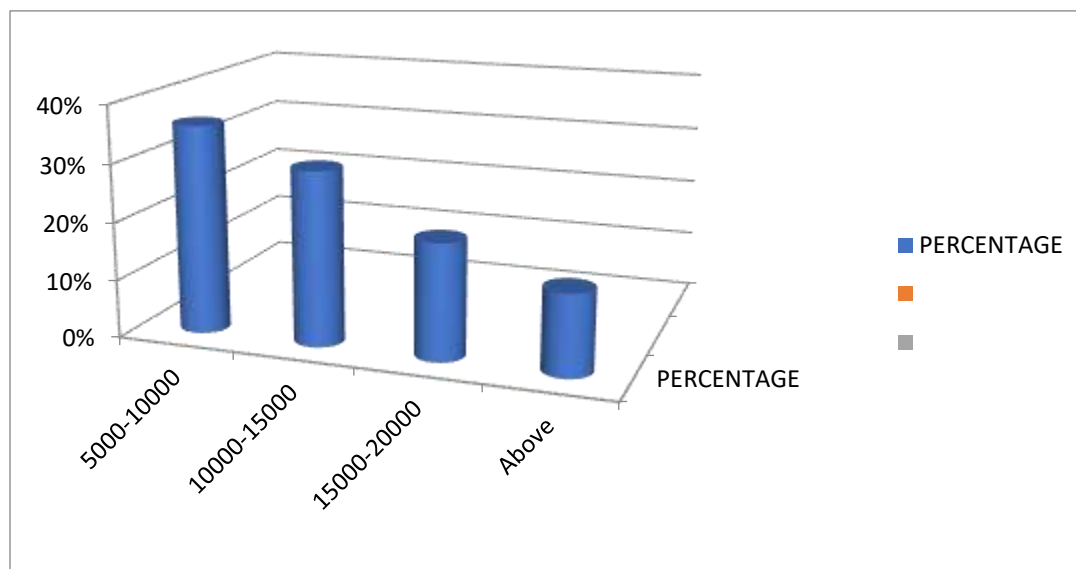


Respondents are classified on the basis of the price range of the products which are purchased by the respondents. Most of the respondents are purchased low price range (36%) and (30%). And few people purchased about high price than others (20%) and (14%).

(Table (4.10) frequency which are showing the Price range of the products)

Basis	Frequency	Percentage
5000-10000	18	36%
10000-15000	15	30%
15000-20000	10	20%
Above 20000	7	14%
Total	50	100%

(Chart (4.10) frequency which are showing the price range of the products)

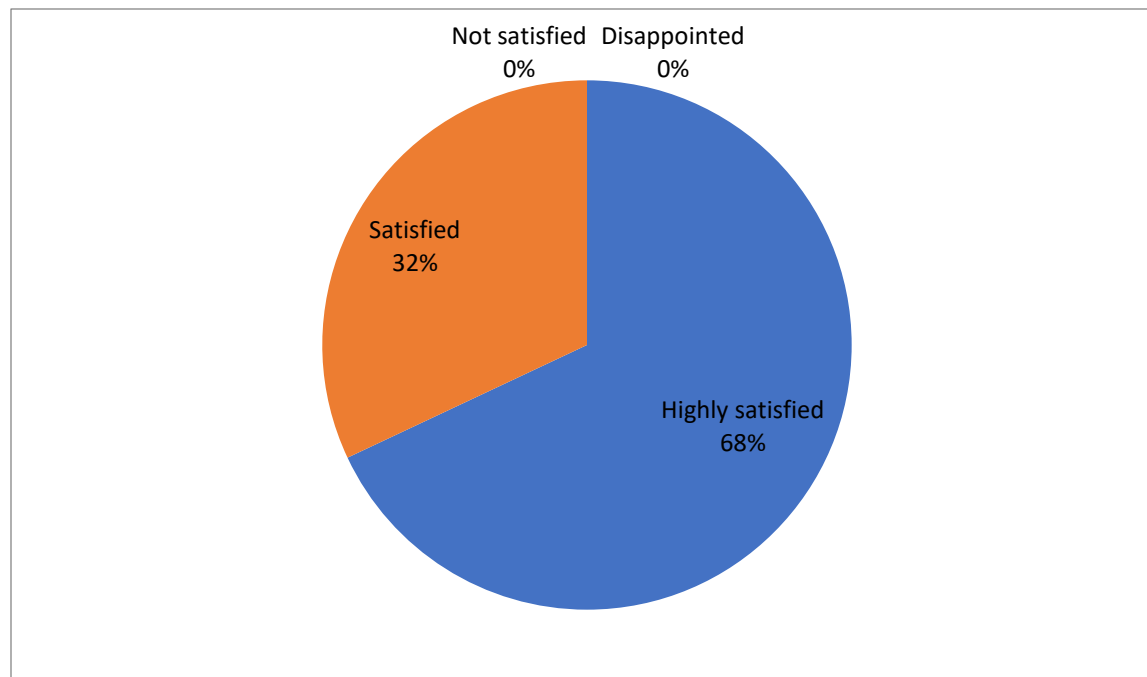


Respondents which are classified on the basis of the satisfaction of the quality of the production. Most of the respondents are highly satisfied in the quality of the products (68%) and (32%).

(Table (4.11) frequency which are showing the satisfaction of quality of products)

BASIS	FREQUENCY	PERCENTAGE
HIGHLY SATISFIED	34	68%
SATISFIED	16	32%
NOT SATISFIED	0	0%
DISAPPOINTED	0	0%
TOTAL	50	100%

(Chart (4.11) frequently which are showing the (%) the satisfaction of the quality of the products)

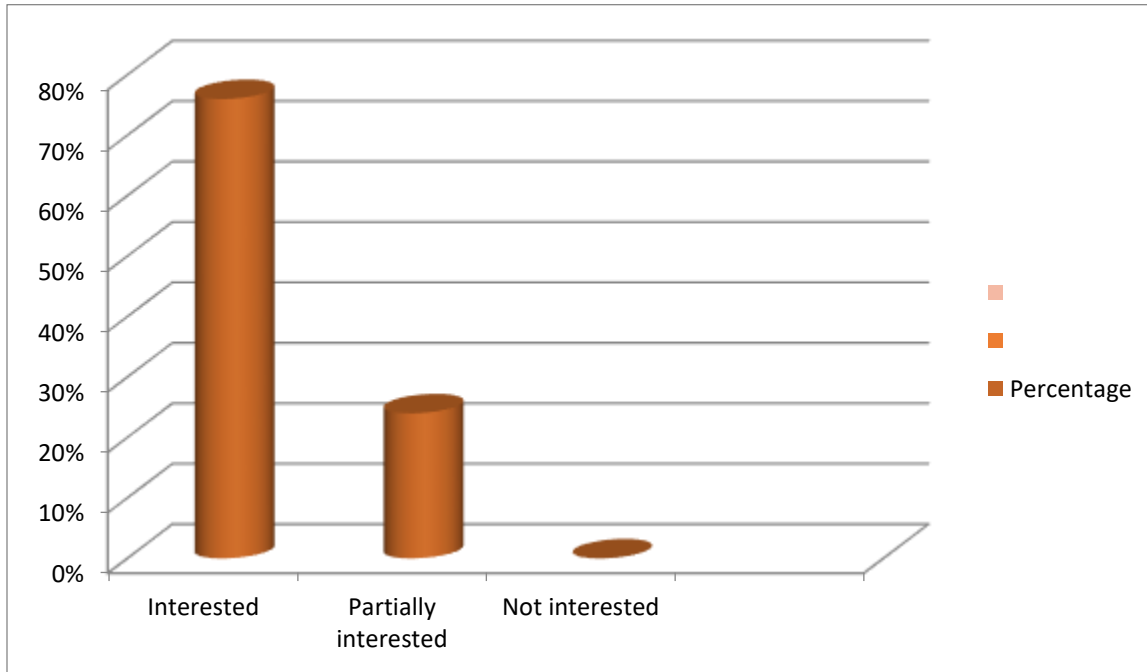


Respondents are classified on basis of the interest of re-purchase of the products. And the most of the respondents are highly interested in the re-purchase from network marketing (76%) and (24%). And respondents which are part of network marketing are very satisfied and non-members are satisfied in the quality and brand of the products.

(Table (4.12) which are showing the interest of the re-purchase)

BASIS	FREQUENCY	PERCENTAGE
INTERESTED	38	76%
PARTIALLY INTERESTED	12	24%
NOT INTERESTED	0	0%
TOTAL	50	100%

(Chart (4.12) frequently which are showing the interest of re-purchase)

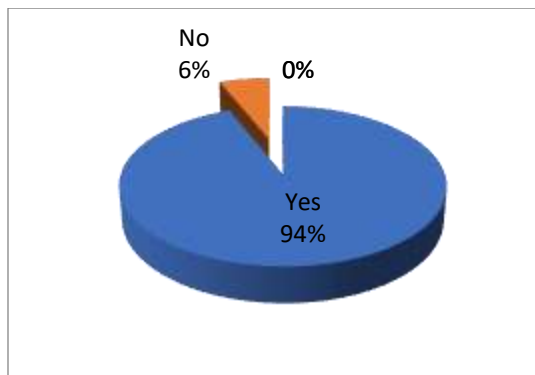


The next classification is believed this industry becomes future in India shown in the table (4.13) and chart (4.13). Most respondents believe (94%). And (6%) respondents are not believed.

(Table (4.13) Frequency for believe this industry becomes future of India)

BASIS	FREQUENCY	PERCENTAGE
YES	47	94%
NO	3	6%
TOTAL	50	100%

(Chart (4.13) Frequency in term of (%) for believe this industry future in India)

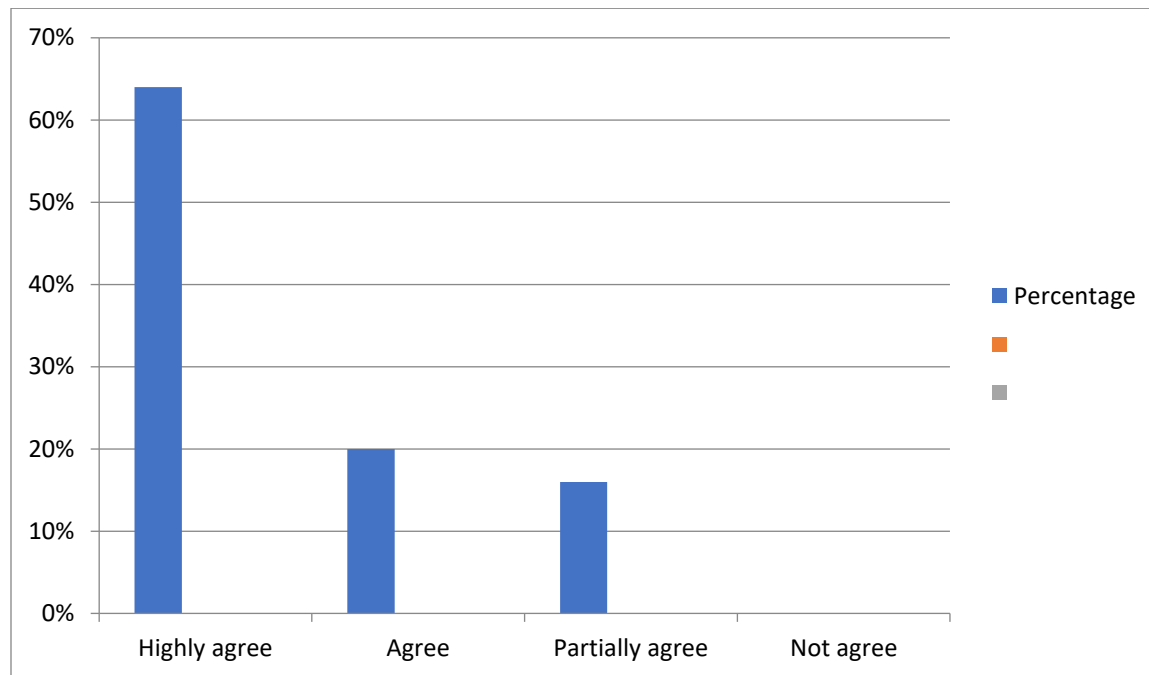


The classification on basis of agree with the concept of the business are shown in table (4.14) and chart (4.14). Majority of the respondents in highly agree and agree as 64% and 20%. And remaining the 16% is partially agreed. Not agree is 0%.

(Table (4.14) Frequency for Agree with the concept)

BASIS	FREQUENCY	PERCENTAGE
HIGHLY AGREE	32	64%
AGREE	10	20%
PARTIALLY AGREE	8	16%
NOT AGREE	0	0%
Total	50	100%

(Chart (4.14) Frequency in term of (%) for Agree with the concept)



FINDINGS

- It is a business model which utilizes the combination of direct marketing and franchising.
- Most of the respondents are male (56%) and females is about (44%)

- Most of the respondents belongs to the categories of 21-30years and 31-40 years age groups as 24 and 50 number of respondents respectively
- The majority of respondents are singles (70%). And remaining (30%) respondents are married.
- The most respondents are belongs to the category to the students and salaried categories is with (38%) and (28%) respectively. Remaining (20%) and (14%) are business man and professionals.
- The most respondents are belongs category to the UG and Professionals is with (38%) and (24%). And the remaining categories are PG and Others (16%) and (22%). Others are included that the category of SSLC, +2, and low educated.
- The most of the respondents are Tax payers (76%). And the remaining (24%) respondents are non-payers.
- Most of the respondents have no previous knowledge about the network marketing (50%). And few respondents have little knowledge about the network marketing (36%).and others are well knowledge about the network marketing (10%) and (4%).
- Most of the respondents are highly satisfied in the quality of the products (68%) and (32%).

Conclusion

The “ease of money” appeal of MLM is often couched in terms such as “time freedom” (to do what you want), perpetual or “residual income” (like author’s royalties or annuities), and “unlimited income possibilities “, with the success of recruits limited only by their efforts. MLM programs (MLMs) typically sell pills , potions, or lotions” or other products that are consumable , that have unique appeal, and that and be claimed to deliver benefits not available elsewhere. One sees a strong sense of belonging, or an “us versus them” cultish mentality

World wide feed-back suggests that MLMs are also extremely viral and predatory. MLMs weekly spread from state to state and often into vulnerable foreign markets. Most of the omissions are paid to those at or near the top levels in the hierarchy of participants (TOPPs). It is this extreme concentration of commission paid to TOPPs that motivates them to work tirelessly to expand and maintain their down lines, thereby assuring the MLMs survival and growth.