

**A STUDY ON THE CHALLENGES FACED BY WOMEN DISTRIBUTORS IN MULTI LEVEL  
MARKETING WITH RESPECT TO SINGLE LINE PRODUCTS IN CHENNAI CITY**

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Research Article

**A Study On The Challenges Faced By Women Distributors In Multi Level Marketing With  
Respect To Single Line Products In Chennai City**

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**ABSTRACT**

Direct selling is the selling of products in a non-retail setting, for example, at home, online, or other venues that are not a store. It eliminates middlemen who are involved in distribution, such as wholesalers and regional distribution centres. Instead, products are sent directly from the manufacturer to the sales company, then to the rep or distributor, and finally to the consumer. Products sold via direct sales are not typically found in traditional retail locations. In India more than 5 million people are involved in this business out of which 60% of them are women. As this is a convenient means of business, majority of the housewives are getting involved for an additional source of income. Every business has its own challenges Similarly Multi-Level Marketing has few challenges faced by women distributors. This paper addresses such challenges in order to give a suitable way to address it.

**Keywords:** Direct Selling, Multi-Level Marketing, distributors, Single line Products.

**INTRODUCTION**

**DIRECT SELLING**

According to the global federation of direct selling associations, the World Federation of Direct Selling Association (WFDSA) “Direct Selling is a retail channel by top global brands and smaller, entrepreneurial companies to market products and services to consumers. Companies market all types of goods and services, including jewellery, cookware, nutritional’s, cosmetics, house wares, energy and insurance and much more. The direct selling channel differs from broader retail in an important way. It isn’t only about getting great products and services into consumers hands. It’s also an avenue where entrepreneurial-minded people can work independently to build a business with low start-up and overhead costs

**PRODUCTS OFFERED BY DIRECT SELLING INDUSTRIES**

Direct Selling industry offers a wide range of Products namely

- Cosmetics and Personal Care

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- Health and Wellness Products
- Household Appliances
- Cloth and Accessories
- Home Care Products
- Books, Toys and Stationery
- Home Improvement products
- Financial Services
- Insurance Packages
- Utilities
- Food and beverages

### **MULTILEVEL MARKETING**

MLM is also known as network marketing or person-to-person marketing. In an MLM plan, direct sellers recruit, train, and supervise other direct sellers, who become part of the recruiter's network. In return, the recruiting direct sellers receives compensation on the sales of network members as well as on his or her sales. The MLM plan allows direct sellers to enrol new distributors and create a down line of direct and indirect distributors/sellers.

All direct distributors receive Commissions/bonuses on the sales made by them and the sales made by their downline direct sellers. The commissions, drawn at different levels, usually vary and are based on the front-ending and back-ending of the plan benefits (percentage of commissions at different levels). Globally, more than 80 per cent of the plans in the industry are multi-level because the structure facilitates rapid growth of networks that lead to a faster growth in sales volumes. A few of the globally recognized direct selling companies that uses multi-level marketing plans are Amway, Herbalife, QNET and Oriflame. These companies have been successful in establishing efficient and fair business models in various countries by tweaking their original business models based on local regulations in these countries.

### **COMPANIES WITH SINGLE LINE PRODUCTS IN INDIA:**

Amway  
Avon  
Oriflame  
Tupperware  
Herbalife  
Mi Lifestyle marketing global Private Limited  
Modi care  
Vestige

### **REVIEW OF LITERATURE**

**Mindy Lilyquist (2019)** according to the article the researcher has suggested that it is essential to research and investigate the Company and its Products thoroughly to make sure of the genuineness of the Company and the Products sold (Federal Trade Commission, Consumer Information (2019). According to the Trade Commission, the members must consider certain facts

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like knowing more about the Company, Distributors Views, Understanding of the Cost involved and enquiry about refunds etc. before getting registered in this business.

**Claudia Grob and Dirk Vriens (2019)** The researcher suggested that the headquarters of MLM Companies must provide training and education as it is already stated in the industry code of ethics, the headquarters must provide correct understandable and appropriate data in order to educate Consumer about MLM industry. the MLM industry has proven an important player in the distribution of goods and services and a popular retail channel. The focus of this paper, however, was on the problematic side of the industry as we set out to (a) explicate the role of the DN in the persistence of legal and ethical problems and (b) discuss potential, but limited, measures to deal with these problems.

**Ashok Kumar & Dr. Akshay Kumar Satsangi (2018)** The paper throws light on the role of MLM business in India. According to the study, the MLM is a prominent business model of direct selling which helps in the development of the Country socially and economically. The MLM has lot of potential to provide employment. The Monetary benefits influence the distributors.

**Dr. Meena Kumari and Dr.I. Nagarajan (2018)** The researchers in their article on Women's buying behaviour towards Tupperware Products in Madurai City found that durability of the Product, reasonable price, quality, convenience in usage are the factors influencing buying behaviour. The study also showed that the frequent replacement of the products does not influence the buying behaviour

**Rini Suryati Sulong, Caroline Caneza, Caroline Geetha (2017)** The authors in their study on finding the factors influencing intention to become Avon dealers found the Product quality, Social influence etc., are the motivational factors which influence the dealer's attention whereas there are certain hygiene factors which prevent dissatisfaction among the dealers.

### **OBJECTIVES OF THE STUDY**

1. To Study the extent of involvement of Women as distributors in Multi-Level Marketing
2. To find out the challenges faced by them in Multi-Level Marketing
3. To give valuable suggestions based on the study.

### **RESEARCH METHODOLOGY**

The Study was Conducted in Chennai City. A sample size of 250 women distributors as respondents were surveyed through a pre-tested questionnaire through Convenient Sampling method. The respondents are the registered distributors of direct selling. These respondents are the distributors under MLM Scheme selling single line Products of Amway, Oriflame, Vestige, Avon and Tupperware Companies. Among the large Population of Companies only selected Companies distributors were given the questionnaires because the majority of the distributors in these Companies are women. The collected data was coded, tabulated and analysed statistically and the results were interpreted. The Period of the study was one month that is April 2021.

### HYPOTHESIS OF THE STUDY

1. There is a Significant relationship between the challenges faced by women distributors in MLM and the inadequate Marketing Skills.
2. There is a Significant relationship between the challenges faced by women distributors in MLM and the Communication Problems faced by them.
3. There is a Significant relationship between the challenges faced by women distributors in MLM and the lack of education among them.
4. There is a Significant relationship between the challenges faced by women distributors in MLM and the lack of network
5. There is a Significant relationship between the challenges faced by women distributors in MLM and the inadequate training offered by Companies

### ANALYSIS OF DATA

**Table 1. Demographic Profile of the Respondents**

Demographic details	Frequency	Percent (%)
Age		
21-30	96	38.4
31-40	82	32.8
41-50	37	14.8
51-60	23	9.2
Above 60	12	4.8
Marital Status		
Single	34	13.6
Married	216	86.4

*Source: Computed from primary survey*

The study respondents comprise of Women respondents who sell Single Line products through MLM Scheme. Table 1 shows the demographic profile of the respondents. From a total of 250 responses, Majority of the respondents were between 21-30 years old (38.4). Majority of the respondents are married i.e., 86.4%.

### TESTING OF HYPOTHESIS

Null hypothesis	Test	Significance	Decision
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The categories of Age occurs with equal Probabilities	One sample Chi square test	.000	Reject the null hypothesis
The categories of marital status occurs with equal Probabilities	One sample Chi square test	.000	Reject the null hypothesis
The categories defined by inadequate marketing skills	One sample binomial test	.000	Reject the null hypothesis
The categories defined by Communication problems	One sample binomial test	.000	Reject the null hypothesis
The categories defined by Lack of education	One sample binomial test	.000	Reject the null hypothesis
The categories defined by Lack of network	One sample binomial test	.000	Retain the null hypothesis
The categories defined by inadequate training	One sample binomial test	.000	Reject the null hypothesis

The above table is extracted through SPSS statistical tool after entering the data based on the responses of the respondents. It shows that there is a significant relationship between the challenges faced by women entrepreneur with their inadequate marketing skills, communication issues, lack of education, inadequate training. The test also shows that the null hypothesis is accepted with respect to network issues. Which means distribution do not face any problems regarding their contact and network.

### **Findings**

- It is examined from the analysis that the majority of the women distributors who are into MLM scheme of business are house wives. Though this is a business which can be undertaken without much efforts but it is completely based on marketing skills namely thorough knowledge about the Product, introducing the products to the prospective customers, clarifying their queries and closing the sales. Therefore, majority of them feel this as a challenge as there is no adequate guidance regarding how to market the products.
- As majority of the respondents are house wives and feel comfortable with their local language. So, they face communication issues at the time of marketing the Products.
- As this is a business which can be taken over from home itself it is been taken majorly by the women respondents who possess education up to school level.
- As the general public already treat the MLM scheme as unethical scheme due to various irregularities in the past. This is found as a challenge to the women distributors in building their network. But this does not pose a challenge for the distributors because they create the network with the friends and relatives.
- Most of the Companies does not offer adequate training to their members after registration. So with inadequate training most of the distributors either fail in the market or loose the interest after a point of time.

### **Suggestions**

It is concluded from the study that there is a significant relationship among all the factors influencing the sales in MLM scheme except inadequate network. Therefore, it is suggested based on the analysis and findings that the MLM Companies must provide training frequently to the respondents with respect to areas like marketing the Products, Communication with the customers. Companies must also give complete information about the products with their features, benefits and the commission package to the downlines etc., Companies must conduct mock sessions regularly to bring confidence among the house wives who are into this business.

### **Conclusion**

From the research it is concluded that as the women distributor face challenges while marketing the Products through MLM scheme it is the bounded responsibility of the Companies to guide and assist their own distributors by giving them adequate training as to how to market the products, what is to be communicated, how it is to be communicated. The companies must bridge the Communication gap between distributors and the Customers. This will change the perspective of those customers who have a wrong opinion about the scheme due to irregularities and experiences from the past and will lead to prosper in the business.

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