

IMPACT OF MOTIVATIONAL FACTORS ON THE WILLINGNESS TO ADOPT MULTILEVEL MARKETING AS A SOURCE OF INCOME

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Abstract: The Indian direct selling industry has been beating the economic slowdown, notching up remarkable growth over the years and has been expanding its horizons in India as a rapidly emerging alternate distribution channel. Indian direct selling industry has provided employment to 40.31 lakh distributors in 2015-16. In FY 2015-16, the direct selling industry had sales of Rs 8,308.5 crore as against Rs 7,958.3 crore of FY 2014-15 by registering a growth rate of 4.4 per cent and are expected to grow to Rs. 2,58,261 million by 2024-25. Multilevel marketing (subset of direct selling) is the most merest and powerful way of setting up own business and to create sales revenue and profits. It offers true wealth, financial independence, and personal time freedom. This research paper proposes to examine the influence of motivational factors on the willingness to adopt Multilevel marketing as a source of income. The present research work follows descriptive research design. The sample of the research work consisted 381 registered distributors of different Multilevel marketing companies like Amway, Modicare, Oriflame, Tupperware, Avon etc. from Delhi/NCR. which have been chosen by applying purposive judgmental sampling design The findings designate that Multilevel marketing products attributes, personal and social factors have a significant positive influence on the willingness to adopt Multilevel marketing as a source of income. Multilevel marketing company attributes do not have a significant positive influence on the willingness to adopt multilevel marketing as a source of income.

IndexTerms - Direct Selling, Multilevel Marketing, Multilevel Marketing Distributors, Motivational Factors.

Introduction

Whilst the economy is showing signs of slowdown, Multilevel marketing industry is gearing up on its mission to make its presence felt in the global arena. Multilevel marketing industry is spreading its wings to one of the world's leading business economies. In the light of growing health concerns in the world, Multilevel marketing industry is also working extensively to expand its product range to give the consumer the best in terms of health and product satisfaction. Multilevel marketing is a paradigm shift in terms of distribution of products; bypassing the intermediaries in the traditional channels by going direct to the ultimate consumers. It is a process of working up a Multilevel of consumers getting unique and better quality products at a reasonable price. Multilevel marketing industry is seen as an opportunity to shift wealth from the hands of the big giant conglomerates to the hands of the man in the street. Multilevel marketing industry aims to build a long-term asset that will provide participants with a residual and passive income for a long time to come (Tan and See, 2005). The success of any Multilevel marketing company depends on its strong background and sound system. The low joining amount and the potential to earn as much as one wants attracts the distributors. A Multilevel marketing system that has a perfect balance between quality and price in product range, best in the industry marketing plan, wonderful education system and a highly supportive management on a single platform, ensures the stability as well as growth of a Multilevel marketing company.

Direct Selling

Direct selling is the marketing and selling of products directly to consumers away from a fixed retail location (Peterson *et al.*, 1989). According to the World Federation of Direct Selling Association (WFDSA), consumers get benefits from direct selling because of the convenience and services it provides, including personal demonstration and explanation of products, home delivery, and generous satisfaction guarantees. Direct selling benefits individuals who desire to get an opportunity to earn income and also build their own business, and it benefits customers who seek an alternative to regular shopping methods. Direct selling companies market their products through person to person method, away from fixed retail locations, through a Multilevel of independent sales people. Some common types of direct selling methods are telemarketing, direct mail, and direct response (www.idsa.co.in retrieved on 19 August, 2015).

Growth Outlook of Direct Selling Industry in India

The Indian direct selling industry is expanding and flourishing at a very fast speed. It has been beating the economic slowdown, notching up remarkable growth over the years and has been expanding its horizons in India as a rapidly emerging alternate distribution channel, boosting self employment and holds immense importance to the economic system, contributing to the exchequer, providing financial stability and encouraging women empowerment. Over the last two decades, direct selling industry has made it approach to every turn and strata of the country and it is becoming trendy with every passing day. According to the survey conducted by IDSA and PHD Chamber, Indian direct selling industry has provided employment to 40.31 lakh distributors in 2015-16. In FY 2015-16, the direct selling industry had sales of Rs 8,308.5 crore as against Rs 7,958.3 crore of FY 2014-15 by

registering a growth rate of 4.4 per cent and are expected to grow to Rs. 2,58,261 million by 2024-25 (<http://timesofindia.india.com/business/india-business/direct-selling-industry-to-grow-around-3-folds-by-fy25/article/57294768.cms>).

Direct selling companies include two types: Single level marketing (SLM) and Multilevel Marketing (NM) or Multilevel marketing (MLM).

➤ Single Level Marketing – This type of marketing rewards the sellers for their personal sales activity. They are not permitted to sponsor any other distributorship or sales personnel. The income comes only in the form of commission or bonus.

➤ Multilevel Marketing or Multi Level Marketing - Multilevel marketing is a subset of direct selling and is also known as 'multilevel marketing' or 'multilevel direct selling' (Muncy, 2004). It is a method of distribution of products or services from manufacturer to end users directly through distributors using word of mouth marketing (Coughlan and Grayson, 1998). It includes both selling of products or services as well as recruitment of other sales people as down line (Clements, 2002). Under Multilevel marketing, distributors get commission at multiple levels. They get commission on their individual sales as well as on the sales made by their recruits and their recruits' recruit (Brodie *et al.*, 2002). It is not only for those who need the products, but also for who need an additional income (Bloch, 1996).

Focus of the Study

The key participants for the existence, success, and growth of Multilevel marketing organizations are the distributors. There is currently lack of studies related to the impact of motivating factors on the willingness to undertake Multilevel marketing as a source of income. Therefore, an exploratory research work has been done with a sample of 381 active distributors working in different Multilevel marketing companies in Delhi/NCR to answer the following research questions:

RQ1) What is the influence of the perception of Multilevel marketing company attributes/characteristics on the willingness to undertake Multilevel marketing as a source of income?

RQ2) What is the influence of the perception of Multilevel marketing company products on the willingness to undertake Multilevel marketing as a source of income?

RQ3) What is the influence of the personal factors on the willingness to undertake Multilevel marketing as a source of income?

RQ4) What is the influence of the social factors on the willingness to undertake Multilevel marketing as a source of income?

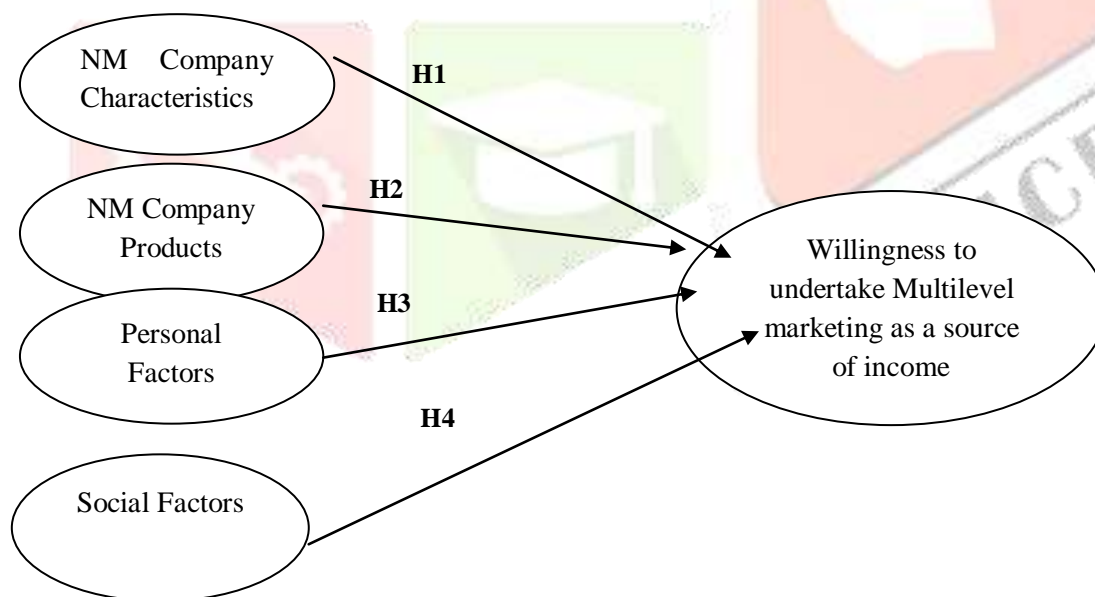


Figure 1: conceptual framework

Literature Review

Multilevel marketing is a particular form of direct selling. Direct selling includes selling consumer goods to private people in contexts in which retail selling does not usually occur, such as in homes and workplaces (Berry, 1997). Basically, Multilevel marketing is a product distribution system in which products are moved through independent distributors (Bloch, 1996; Coughlan and Grayson, 1998; Koroth and Sarada, 2012; Msweli and Sargeant, 2001).

Many researchers have come up strongly in favor of Multilevel marketing, as the marketing system of 21st century (Hedges, 2001; King and Robinson, 2000; Kiyosaki, 2004; Poe, 1999). Hossan *et al.*, (2012) conceptually evaluated the traditional and multilevel

marketing and found significant difference between both methods. They found that multilevel marketing requires little start up cost in comparison of traditional marketing. Other important advantages of multilevel marketing over traditional marketing are no employees, work from home, no storage, unlimited resources, immediately realization of profits etc. Multilevel marketing is seen as an opportunity that provides residual income, which is not attainable by those who only enjoy linear income (Hedges, 2001; Kiyosaki, 2004; Peterson and Wotruba, 1996). It is a business that assures financial independence with personal and social freedom (Brodie *et al.*, 2002; Krige, 2012; Kiyosaki, 2004; Wotruba and Tyagi, 1995). Products of high quality, good image, culture and attitude of the management are the crucial factors for the prosperity of Multilevel marketing companies (Chen *et al.*, 2000). Most Multilevel marketing companies promise to offer 'friend's benefits and incentives', 'business development', 'product quality and credibility', 'social benefits' and 'product benefits' to the customers (Kiaw and Run, 2007). It has been found that 'making money', 'trend of opportunity in business' and 'business experience' are the effective factors of student decisions to join Multilevel marketing business (Chouyrod, 2009)

Nga and Mun (2011) found a significant influence of MLM Company and agent attributes on the willingness to undertake MLM as a career option except MLM schemes. General agent attributes showed a significant negative influence. Keun (2004) concluded that social satisfaction is the most commanding factor effecting the decision making of respondents to adopt Multilevel marketing while financial satisfaction is the least commanding one. Chen *et al.* (1998) found that the main reasons to join MLM business are 'establishing one's own business', 'needs for products', 'increasing incomes', 'effectiveness of the products', 'good company image', and 'bright future prospects of the industry'. Vyas & Batish (2009) investigated the participation of women in different direct selling enterprises. It has been assessed that 'good reputation of the company' followed by 'success of friends', 'easiness to start the business', 'success of friends' 'popularity of products' and 'low investment' are the reasons to adopt Multilevel marketing. Dai *et al.*, (2009) identified and measured motivational factors for conducting Multilevel marketing business by Chinese immigrants. Four motivational factors were extracted which are 'extrinsic motivation', 'intrinsic motivation', 'low financial risk' and 'self-satisfaction'. It was concluded that successful Multilevel marketers are intrinsically motivated.

Thus, there is no deficiency of studies regarding factors leading to the adoption of Multilevel marketing. However, not much work could be traced specifically focused on impact of motivating factors on the willingness to undertake Multilevel marketing as a source of income in Indian context. Therefore, the present study is a little attempt to bridge this research gap.

Keenness to carry out Multilevel marketing as an income option

Multilevel marketing is an important way to leverage the time. It is the most merest and powerful way of setting up own business and to create sales revenue and profits. It is a system for creating a large, lasting, royalty income through getting involved with an exciting Multilevel of people and sharing a unique and volatile business idea. Multilevel marketing offers true wealth, financial independence, and personal time freedom. Multilevel marketing is the art of using the knowledge and experience of others. It takes the frustration out of buying. People hate waiting in line. Nobody wants to go to stores anymore. As the person-to-person deliverers get classier, better and more trusted, everything –from baskets to insurance – will be sold interactively, person-to-person ... the retail environment is going to just have to close up. Nobody wants to go there. Multilevel marketing is the solution. Four hypotheses have been developed for the present research work to investigate the influence of different motivating factors on the willingness to undertake Multilevel marketing as an income option.

To address RQ1), H1 has been stated. The rationale behind this hypothesis has been provided below:

Legitimate Multilevel marketing companies involve transparent and reliable system, financially and operationally stability, legality and ethicality in operations (Cava *et al.*, 1997; Taylor, 2000; Sheffield, 2000). The success of Multilevel marketing companies also depends on training and motivation system provided to the distributors and reputation of the company with which distributors feel an association (Chen *et al.*, 1998).

H1: The perception of Multilevel marketing company characteristics (NM_COMPANY) will have an influence on the willingness to undertake Multilevel marketing as a source of income (INCOME).

To address RQ2), H2 has been stated. The basis behind this hypothesis has been provided below:

Existence and growth of any Multilevel marketing company depends on the products offered to its customers. Multilevel marketing distributors also play the role of a consumer. They buy the products for their own consumption as well as for resale to their customers. Products of high quality, good image, culture, and attitude of the management are the crucial factors for the prosperity of Multilevel marketing companies (Chen *et al.*, 2000; Croft *et al.*, 2000).

H2: The perception of Multilevel marketing company products (NM_PRODUCT) will have an influence on the willingness to undertake Multilevel marketing as a source of income (INCOME).

To address RQ3), H3 has been stated. The rationale behind this hypothesis has been provided below:

Most of the people join Multilevel marketing due to personal growth, sense of self satisfaction and achievement and time freedom. Respondents agreed that flexible working hours result in higher efficiency in their sales performance (Wotruba, 1992; Berry, 1997; Brodie *et al.*, 2002; Dai *et al.*, 2009).

H3: The perception of personal factors (PERSONAL) will have an influence on the willingness to undertake Multilevel marketing as a source of income (INCOME).

To address RQ4), H4 has been stated. The justification behind this hypothesis has been provided below:

Keun (2004) analyzed the relationship between motivational factors (financial satisfaction, flexibility, job satisfaction and social satisfaction) and respondents' decision to become the part time distributors of Multilevel marketing companies. He found significant relationship between all motivational factors and decision to become a distributor. It was also found social satisfaction is the most commanding factor effecting the decision making of respondents while financial satisfaction is the least commanding one.

H4: The perception of social factors (SOCIAL) will have an influence on the willingness to undertake Multilevel marketing as a source of income (INCOME).

Research Methodology

Sampling Design

The present research work follows descriptive research design. It has been undertaken to examine whether there any theoretical links between the constructs of the study illustrated on the conceptual model in Figure 1 and hence takes over purposive judgmental sampling design (Cavana *et al.*, 2000). The scale for all the constructs used in the present study has been developed on the basis of review of literature. The five-point Likert Scale has been used with 1 indicating strongly disagree to 5 strongly agree. The population comprised of registered distributors of different Multilevel marketing companies like Amway, Modicare, Oriflame, Tupperware, Avon etc. from Delhi/NCR. In all, 450 respondents had been contacted; out of which 381 were patient enough to give the answer of all questions. Finally, a sample of 381 respondents has been finalized for further analysis.

Measurement Assessment

Validity

The convergent and discriminant validity of the independent and dependent variables or constructs of the study has been accessed via exploratory factor analysis (EFA) adopting the principle component analysis (PCA) method. The Direct Oblimin factor rotation method has been used as the factors have been expected to be related to each other. Factor loadings of 0.30 and above based on the pattern matrix have been considered significant. Significance of the factor loading depends on the sample size. For a sample size of 300 factor loading should be greater than 0.298 (Stevens, 2002; Hair *et al.*, 2010). Eigenvalues related with a construct indicate the substantive importance of that factor. Constructs with eigenvalues 1 and more have been retained as it represents the substantial amount of variation explained by a factor (Kaiser, 1960). The Kaiser-Meyer-Olkin measure of sample adequacy (KMO) is used to represent the ratio of the squared correlation between variables to the squared partial correlation between variables. It varies between 0 and 1 (Kaiser, 1970) and values between 0.8 and 0.9 are enormous (Hutcheson and Sofroniou, 1999). The Bartlett's test of sphericity is used to test for the adequacy of the correlation matrix i.e., the correlation matrix has significant correlations among at least some of the variables (Ho, 2006).

Reliability

Reliability means that a measure should consistently reflect the construct that it is measuring. The reliability of all the constructs of the present study has been measured through Cronbach's alpha as it is an estimate of the average of all the correlation coefficients of the variables within a test (Ho, 2006). The touchstone for Cronbach's alpha of above 0.60 has been followed for the present study.

Data Analysis

The hypotheses of the present study in the conceptual framework have been tested by using multiple linear regression (MLR) method. The dependent construct of the study is the readiness to undertake Multilevel marketing as a source of income (INCOME). The independent constructs are Multilevel marketing company characteristics/attributes (NM_Company), NM company Products (NM_Product), Personal and Social factors.

Model fit is deemed to be achieved if the *F*-statistic generates a *p*-value of less than 0.01. The critical value of 0.01 has been adopted to approach the significance of the *t*-values coupled with each of the hypotheses of the present study.

Findings

Descriptive Statistics

The sample incorporates 381 respondents selected from Delhi/NCR including 50.1 percent females and 49.9 percent males representing almost equal distribution of females and males. Majority of the respondents (26.5 percent) belong to 32-38 age group 74.5 percent respondents are married, 34.1 percent are self employed. Table I shows the descriptive statistics for the independent and dependent constructs of the study. It is clear from the Table I on an average personal, income and social factors are the most influencing factors, but, there is very much less variance in the values (levels of agreement).

Table 1: descriptive statistics

	N Statistic	Minimum Statistic	Maximum Statistic	Mean Statistic	SD Statistic	Variance Statistic	Skewness	Kurtosis

							Statistic	SE	Statistic	SE
Income	381	1.44	5.00	3.66	0.68	0.46	-0.57	0.12	0.35	0.24
NM_Company	381	1.00	5.00	3.17	0.91	0.84	0.12	0.12	-0.55	0.24
NM_Product	381	1.00	12.00	3.15	1.01	1.02	1.64	0.12	14.09	0.24
Personal	381	1.67	5.00	3.82	0.73	0.54	-0.61	0.12	0.19	0.24
Social	381	1.33	5.00	3.60	0.79	0.63	-0.23	0.12	-0.28	0.24
Valid N (listwise)	381									

Source: Primary Data

Most of the respondents of the study consider Multilevel marketing as an opportunity for supplementary income with a mean of 4.27, source of financial independence with a mean of 3.94 and low investment prospect with a mean of 3.80 as shown in Table II.

Table II: income option survey items

	N	Minimum	Maximum	Mean
I consider NM as a source of supplementary income prospect	381	1.00	5.00	4.27
I consider NM as a source of residual income prospect	381	1.00	5.00	3.64
I consider NM as a source of infinite income prospect	381	1.00	5.00	3.70
I consider NM as an opportunity to set up one's own business	381	1.00	5.00	3.71
I consider NM as no money down deal prospect	381	1.00	5.00	3.47
I consider NM as low investment prospect	381	1.00	5.00	3.80
A career in NM provides life time security of job	381	1.00	5.00	3.25
A career in NM provides financial independence	381	1.00	5.00	3.94
I consider NM as a money back guarantee prospect	381	1.00	5.00	3.19

Source: Primary Data

Validity

The tests of assumptions for the EFA were satisfied with the KMO measure of sample adequacy of 0.87 and Bartlett's test of sphericity χ^2 returning a value of 3368.79 (df=300; p-value<0.05). Table III depicts the independent and dependent constructs of the study. All the constructs have eigenvalues of above 1 indicating that they are valid factors and the cumulative percentage of variance explained by all the constructs is 55.01 percent.

**Table III
pattern matrix for exploratory factor analysis**

	Constructs of the Study				
	NM_Company	Income	NM_Product	Personal	Social
Transparent and Reliable system	0.875				
Financially and operationally stable	0.865				
Working with a company with which proud to be associated	0.846				
Legal and ethical in operation	0.679				
Support system for training and motivation	0.494				
Setting up own business		0.724			
Infinite income potential		0.708			
Residual income		0.633			
Opportunity for supplementary income		0.606			
Life time security of job		0.589			
Financial independence		0.552			
Money back guarantee		0.483			
No money down deal		0.442			
Low investment		0.434			
Quality products			0.724		
Wholesale/retail rebates			0.674		
Convenience in buying of products			0.651		
Personal time freedom				0.763	
Flexibility to work at one's own pace and time				0.673	
Personal growth and development				0.506	

Make use of skills one have				0.417	
Opportunity to make friends					0.730
Opportunity to work closely with others in a team					0.670
To have influence over and create a positive impact upon community					0.503
Opportunity to teach and learn					0.450
Eigenvalues	6.657	3.021	1.763	1.287	1.025
Percentage of Variance Explained	26.63	12.08	7.05	5.15	4.10
Cumulative Percentage of Variance Explained	26.63	38.71	45.76	50.91	55.01
Cronbach Alpha	0.852	0.812	0.634	0.675	0.672
Scale Mean	3.15	3.66	3.82	3.51	3.13
Scale Standard Deviation	0.97	0.68	0.73	0.72	1.12
KMO Measure of Sample Adequacy	0.878				
Bartlett's test of sphericity χ^2	3368.79				
Degree of Freedom	300				
p-value	0.00				

Source: Primary Data

Reliability

The Cronbach's alpha for the independent constructs of the study namely NM_COMPANY, NM_PRODUCT, PERSONAL AND SOCIAL factors are 0.852, 0.634, 0.675, and 0.672 respectively. As for the dependent construct, INCOME the Cronbach's alpha is 0.812. Since, these figures are above 0.60, they have satisfied the assessment of reliability for exploratory research (Hair *et al.*, 2010).

Motivational factors leading to the acceptance of Multilevel Marketing

Table III indicates that five motivational factors have been extracted through exploratory factor analysis leading to the acceptance of Multilevel marketing.

Factor I: Multilevel Marketing Company attributes (NM_Company)

The pattern matrix has disclosed that Multilevel marketing distributors have perceived this factor to be the most significant factor with the highest explained variance of 26.63%. This factor has been dominated by items such as 'transparent and reliable system (factor loading=0.875)', 'financially and operationally stable (factor loading=0.865)', and 'working with a company with which proud to be associated (factor loading=0.846)'. It reflects that most of the distributors who adopted Multilevel marketing considered the NM company's attributes like its stability, reliability, transparency, ethicality as well as legality and also image of the particular company.

Factor II: Income Opportunity

It has been discovered to be the next important factor with explained variance of 12.08%. Multilevel marketing distributor emphasized on 'setting up own business (factor loading=0.724)', 'Infinite income potential (factor loading=0.708)' and 'residual income (factor loading=0.633)'. They reported that they look for an income opportunity to set up their own business with infinite income potential. They considered Multilevel marketing as an additional source of income through which residual income (money that keeps coming long after completion of initial work) can be generated without interfering present job or business.

Factor III: Multilevel marketing Product (NM_Product)

The next crucial factor, which accounts for 7.05% of the total variance, is Multilevel marketing product attributes. The success of every marketing company primarily depends on the quality of the products or services. Respondents attracted towards 'product quality (factor loading=0.724)', 'wholesale/retail rebates (factor loading=0.674)' and 'convenience in buying (factor loading=0.651)'. Most of the distributors also play the role of a consumer. They buy the products at discount (wholesale/retail rebates) for resale as well as their personal consumption. In this way, such discounts or rebates also lead to the adoption of Multilevel marketing. Due to home delivery, convenience is felt in buying the products through Multilevel marketing.

Factor IV: Personal Factor (PERSONAL)

Respondents stated that their desire for own personal development directed them toward Multilevel marketing. This factor explains 5.15% of the total variance. The most commanding personal attributes are 'personal time freedom (factor loading=0.763)' and 'flexibility to work at one's own pace and time (factor loading=0.673)'. Majority of the respondents expressed that Multilevel marketing is that platform which allows working freely at anytime from anywhere. It does not lay down any time or place restrictions. They also emphasized on 'personal growth and development (factor loading=0.506)'. Majority of the female respondents indicated that they got a chance to create their own identity by using their skills and to contribute in their family income.

Factor V: Social Factor (SOCIAL)

The last but not the least contributing factor leading to the adoption of Multilevel marketing which accounts for 4.10% of the total variance is 'social factor'. Distributors considered Multilevel marketing as an 'opportunity to make friends (factor loading=0.730)' and 'Opportunity to work closely with others in a team (factor loading=0.670)'. It reflects that most of the distributors who adopted Multilevel marketing had a burning desire to be developed personally as well as socially and they wanted to focalize their selling skills to influence others for creating a positive impact upon community.

Table IV reflects that correlation among all the constructs. NM_COMPANY has positive correlation with all the constructs except PERSONAL. INCOME and NM_PRODUCT both have negative correlation with PERSONAL and SOCIAL constructs.

Table IV: component correlation matrix

	NM_COMPANY	INCOME	NM_PRODUCT	PERSONAL	SOCIAL
NM_COMPANY	1.00				
INCOME	0.15	1.00			
NM_PRODUCT	0.01	0.24	1.00		
PERSONAL	-0.27	-0.29	-0.15	1.00	
SOCIAL	0.34	-0.23	-0.04	-0.20	1.00

Source: Primary Data

Results of Hypotheses Testing

The MLR model for the testing of the hypotheses of the present research work is as follows:

$$\text{INCOME} = \alpha + \beta_1 \text{NM_COMPANY} + \beta_2 \text{NM_PRODUCT} + \beta_3 \text{PERSONAL} + \beta_4 \text{SOCIAL}$$

Table V: table of coefficients of mlr

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	1.28	0.18		6.97	0.00		
NM_Company	0.01	0.03	0.10	0.20	0.83	0.68	1.46
NM_Product	0.26	0.04	0.27	6.05	0.00*	0.84	1.17
Personal	0.25	0.04	0.28	5.73	0.00*	0.70	1.42
Social	0.16	0.03	0.23	4.44	0.00*	0.67	1.50
Adjusted R ²	0.323						
F-Statistic	46.349*						

*p-value<0.01

Source: Primary Data

The significance of model fit has been achieved with an observed *F*-statistic of 46.349 with a *p*-value of less than 0.01. The adjusted *R*² is 0.323 which indicates that all the four motivational factors account for 32.3% of the total variation in dependent construct i.e., INCOME. This means that 67.7% of the variation in INCOME cannot be explained by these four motivational factors alone. Therefore, there must be other variables that have an influence also. The variance inflation factor (VIF) indicates whether a predictor has strong linear relationship with other predictor(s) (Field, 2009). The variance inflation factors are below the suggested threshold of ten indicating acceptable degree of collinearity (Hair *et al.*, 2010). Based on Table V product related attributes exerts a significant positive influence on the willingness to undertake Multilevel marketing as a source of income (INCOME) (t-statistic=6.05, *p*<0.01), H2 is supported. Personal and social factors also have a significant positive impact on the willingness of distributors to adopt Multilevel marketing as an income source (PERSONAL) (t-statistic=5.73, *p*<0.01) and (SOCIAL) (t-statistic=4.44, *p*<0.01), H3 and H4 are supported. However, H1 failed to be supported as the factors related to Multilevel marketing company attributes did not exert a positive significant influence on income option (COMPANY) (t-statistic=0.20, *p*>0.01).

Overall, all of the constructs, PERSONAL factor is the most important explanatory variable in the model with a β -value of 0.28 followed by NM_PRODUCT (0.27) and SOCIAL factor (0.23).

Discussion

The present research work has been carried out to analyze the impact of different motivating factors on the willingness to undertake Multilevel marketing as a source of income. Five motivational factors have been extracted through factor analysis using principal component analysis method. The findings indicate that 'NM_Company attributes' is the most attracting as well as motivational factors leading to the acceptance of Multilevel marketing. Distributors influenced by stability, reliability, ethicality as well as legality of NM companies (Nga and Mun, 2011) and (Vyas & Batish, 2009). The second motivating factor is 'Income Opportunity'. In this era of inflation, it is very hard to survive for the middle as well as lower class of the society. Everybody wishes an additional source of income. Distributors considered Multilevel marketing as one of the alternatives to supplement their livelihood. This finding is supported by the findings of Kiaw and Run (2007), Fujii and Taji (2005) and Wotruba and Tyagi

(1991). Multilevel marketing is a viable career option for youth and they need to be furnished with adequate training in direct selling, entrepreneurship, and soft skills (Nga and Mun, 2011). Third factor is 'Multilevel marketing product (NM_Product)'. It indicates that distributors perceive the products offered by their Multilevel marketing companies more positively and enthusiastically. The other factors are 'personal' and 'social' factors. This finding is in agreement with Dai's *et al.*, (2009) and Keun's (2004) findings but contradict Kuntze's (2001) finding about the motivations to conduct the Multilevel marketing business. Kuntze's (2001) finding proposed that Multilevel marketers are motivated extrinsically. Overall, it has been dissected that all the factors i.e., 'NM_Product', 'Personal' and 'Social' except Multilevel marketing company characteristics have a significant influence on the willingness to undertake Multilevel marketing as a source of income. Multilevel marketing companies must be equipped with the qualities of financial and operational stability, transparent and reliable system, ethicality and legality in operations and effective support system for training and motivation. Muncy (2004) examined the ethical and legal issues connected with multilevel marketing. He suggested that if any company satisfies the criterion of legality it does not mean that such company is also working ethically. The criteria of legality and ethicality is related with the issues like process of making money, legitimacy of the product, cost involved and work requirement. It should also be considered how old the particular company is? Legal Multilevel marketing schemes provides a business opportunity at minimum costs for selling high quality products adopting the ultimate goal of consumer satisfaction. Legal Multilevel marketing schemes also include buy-back as well as refund policy and such schemes focus on selling of products rather recruitment (Rani and Kumar, 2013). The success and growth of all Multilevel marketing companies depend on the products or services provided to its customers. As it has been found in the present study, quality of the products, wholesale/retail rebates and convenience in buying are the motivational factors positively affecting the choice of adoption of Multilevel marketing as a source of income. They also suggested that the management of MLM companies should look more into the development and promotion of the product rather than the method of selling. Similar results have been found in the research work done by (Sargeant and Msweli, 2008) and (Attri and Chaturvedi, 2011). Multilevel marketing is a business opportunity which is beyond the limitations of time and place. It can be performed by any one at anytime from anywhere. It has been found that most of the housewives conduct their Multilevel marketing operations from home (Albaum and Peterson, 2011; Attri and Chaturvedi, 2011; Barnowe and McNabb, 1992). Respondents agreed that flexible working hours result in higher efficiency in their sales performance. Wotruba (1992) concluded that most of the people join adopt Multilevel marketing due to social rewards and sense of self satisfaction and achievement. The reputation of a Multilevel marketing company also plays an important role to attract more and more distributors as well as consumers (Vyas and Batish, 2009). Social satisfaction also affects the choice of Multilevel marketing. Multilevel marketing gives an opportunity to make friends through working in a team (Keun, 2004). Every Multilevel marketing company provides competent, effective, and repetitive training to its distributors which put the odds of success in their favor. In this way distributors get an opportunity to teach and learn.

Opportunities for Multilevel Marketing Industry

As can be determined from the results and discussion of the present research work mentioned above, Multilevel marketing industry is being considered as a source of income. Due to rise in cost of living, it has been observed that not only women but also men are also adopting it as a supplementary income prospect as consumption basket of the families has puffed up over the years. Multilevel marketing industry could undertake the opportunity to attract more and more distributors through strengthening its credibility and reliability. It can be enlarged by following legal as well as ethical path. Government should also take necessary and sufficient actions to create a positive as well as legal identity of Multilevel marketing industry.

Limitations and Areas for Further Research

The respondents for the present research work were registered distributors of different Multilevel marketing companies. Further research can be conducted by taking non-distributors (only consumers) into consideration and considering impact of demographic dynamics on the willingness to join Multilevel marketing as a source of income.

Conclusion

NM_Product, Personal and Social factors have been found to influence the willingness to join Multilevel marketing as a source of income significantly. Multilevel marketing industry is being considered as the business of 21st century as it is providing huge employment opportunity simultaneously contributing in development of Indian economy in the form of direct and indirect taxes. It has been responsible in not only contributing to a household income, but also helps to develop entrepreneurial skills amongst people. With a sizable workforce and with many people wanting to become independent entrepreneurs, this sector will undoubtedly become one of the India's fastest growing sectors.

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