

A Study of Awareness Regarding Network Marketing Among Youth

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Abstract

In the present era of intense competition, businesses are continually exploring innovative strategies to maintain their presence in the market. Traditional distribution systems, known for their rigidity and higher costs, often lead to increased prices of final products due to intermediary commissions. Network marketing, a business model originating in the United States in the 1950s, has since gained significant traction and recognition, particularly over the past decade. Currently, approximately 58 million people worldwide are actively involved in network marketing, contributing to global sales estimated at around \$109 billion USD. This study aims to investigate how young people perceive and understand network marketing. Conducted as an exploratory study, it focuses on final-year students enrolled in business and management programs at private institutions. Data were collected from 245 students using both primary (structured questionnaires) and secondary sources. The findings reveal that youth are well-informed about network marketing concepts and the products offered by such companies, often learning about them through friends and relatives.

Keywords- Direct Selling, Network Marketing, Youth, Perception, Awareness

These keywords encapsulate the main themes and focus areas of the study on network marketing among youth, their perceptions, and awareness.

Introduction

In today's fiercely competitive global market, businesses are increasingly exploring innovative strategies to sustain their presence. Conventional marketing and distribution systems involve intermediaries like wholesalers, retailers, and agents, which can drive up product prices due to added commissions. To mitigate these costs, direct selling has emerged, where goods and services are sold directly to consumers without intermediary involvement. Network marketing, a form of direct selling that began in the United States in the 1950s, exemplifies this approach by conducting sales outside traditional retail settings. Approximately 58 million people worldwide are involved in network marketing, contributing to a global sales volume of around \$109 billion. This illustrates the substantial scale and economic activity within the network marketing industry. Notably, China and the United States dominate global direct selling sales, collectively contributing over one-third of the industry's revenue in 2018. Leading companies such as Amway, Avon Products Inc., Herbalife, Infinites, and Vorwerk underscore the sector's robust growth. In India, the direct selling industry saw significant growth, reaching INR 130,800 million in 2018-19, fueled by favorable government regulations, adherence to industry guidelines, robust training programs,

career opportunities, supplemental income potential, and a focus on empowering women. This study explores students' awareness and perceptions of factors that influence the acceptance of network marketing.

Literature Review

The foundation of network or multilevel marketing organizations is built upon their distributors. These individuals form essential links within the network, fostering strong interpersonal connections crucial to the organization's operations (Constantin, 2009). Distributors are categorized into two roles: the upline, who recruits new distributors, and the down line, who are the recruits themselves (Antony, 2003). In network marketing, distributors fulfill multiple roles: they act as consumers by using the products themselves, as retailers by selling products directly to end consumers at retail prices, and as recruiters who expand their marketing network by enlisting new salespeople (Coughlan and Grayson, 1998). They serve as the backbone of these enterprises, underscoring the importance of studying the factors influencing the adoption of multilevel marketing, particularly among the youth.

Goals of the Research:

The present study aims at Exploring the awareness and viewpoint regarding network marketing among you.

Research technique

The current study employs an elaborate approach, drawing on both primary and secondary data sources. Primary data were collected via a structured questionnaire developed after a comprehensive literature review. Secondary data were sourced from various websites, journals, and newspapers. Convenience sampling was employed, focusing on postgraduate students from diverse academic backgrounds. A total of 245 students from Rohtak city, Haryana, constituted the sample size for this study. Data analysis utilized descriptive statistics such as mean and standard deviation to summarize the collected data. Exploratory Factor Analysis was employed to identify the key factors influencing youth adoption of network marketing. The reliability of the data was assessed using Cronbach's alpha coefficient ($\alpha > 0.60$).

Interpretive analysis

The study's determination reveals that out of the total respondents, 138 individuals (56.3%) identified as female, whereas 107 respondents (43.7%) identified as male. The majority of participants fall within the 18-30 age bracket. Additionally, most respondents have completed either graduate or postgraduate studies. Regarding awareness of network marketing, 151 respondents (61.7%) indicated they are familiar with the concept, whereas 94 respondents (38.3%) stated they are not. Furthermore, responses were obtained solely from the 61.7% of respondents who reported awareness of network marketing.

Table No.1: Awareness for Various Network Marketing Companies

Amway	SHPL
Tupperware	E BIZ
Oriflame	FutureGroup
Modicare	Mi lifestyle marketing Pvt. Ltd
Avon	SARSO
Vestige	SVPSL
Appex	Siemens
RCM	Herbal life
Forever living products	

Report using these products on a regular basis. The primary sources of awareness about network marketing, according to the respondents, were friends, relatives, and existing distributors of network marketing companies.

The factors influencing the purchase of network marketing products included their effectiveness, special functions, recommendations from friends and relatives, high quality, and brand reputation. Among respondents, skincare and nutrition emerged as the most frequently repurchased product categories.

Conclusion

The study highlights that young people are highly informed about both the concept with friends and relatives serving as their primary sources of information. Additionally, it suggests that network marketing presents a viable career option for youth, whether pursued full-time or part-time. Many youth prioritize securing a stable future through employment that ensures financial stability. Network marketing offers them a pathway to entrepreneurship, supported by comprehensive training and development programs. These programs cover wealth creation, understanding. Domain for Further Research

Advanced research can be carried out to study the perception of youth regarding network marketing as a career prospect.

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