

THE STUDY OF IMPACT OF MULTI-LEVEL MARKETING FMCG PRODUCTS ON CONSUMERS IN TERMS OF CONSUMPTION AND CONVENIENCE ASPECTS – SPECIAL REFERENCE TO KALYAN & DOMBIVLI REGION

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ABSTRACT

Since last 2-3 decades, multi-level marketing firms entered in India to practice business activities by providing consumer – related goods like food grains, cosmetics, durables etc. this new trending industry competing with the traditional giants like HUL, Godrej and many more who were serving goods and services from pre-independence to post independence period. Now a days, consumers are more educated and distinguish the products and services in terms of price, durability, usages, benefits, quality and many more factors. Competitive advantage help the firm to bring quality work in their business and try to provide the best products to the customers in good quality, maximum usage & benefits and reasonable price which is the primary necessity of Indian customers. Customization of goods and making availability of products and services in a convenient manner is the biggest challenge for any business faced in today's scenario for that reason they try to encounter and make contract deals with many stores, outlet, e-commerce businesses, distributors to market and make available their goods and services to the consumers for the purpose of consumption, satisfaction and generation of revenue for the business and their stakeholders. Customization and convenience factors are more to be focused for the acquisition of large market share can benefit the party i.e., consumers and commercial firm.

Keywords: multi-level marketing, customization, competitive advantage.

INTRODUCTION

Traditional fmcg companies like HUL, Dabur, Godrej, Nestle, Colgate, ITC limited and many more who have dominated the Indian market by providing the home based and body care products on continuous basis with the help of heavy promotion and efficient distribution channels like whole-sellers, retailers, malls and even e-commerce websites also. In the year 1995, Oriflame-India a network marketing business or multi-level marketing business stepped in India and deals in cosmetics, nutritional products and step by step they targeted the people or customers by providing Fmcg products like body care products, biscuits, tea-powder, food-grains and many more. As traditional Fmcg companies promotes their products and services through print and audio-visual media where as network marketing business follows referral marketing aspects in which people refer network marketing business products for the sake of selling and help them to earn income as a secondary source of monetary returns. Network marketing provides opportunities like self employment or entrepreneurship activities for the people which can help them to generate secondary source of income. Each and every firm wants to established their products and services in such a manner that consumers always prefers their products and services for consumption rather than selecting their competitor's product. Many firms who have established their business form many decades, but network marketing business which stepped in India in the 90's will definitely faces the challenges of competition and diverting the choice and preference of customers which is a difficult task

for network marketing or multi-level marketing business to provide goods and services efficiently, conveniently and satisfy the customers through their goods and services.

OBJECTIVES OF THE STUDY

1. To study the views of consumers towards consumption of network marketing business products and services.
2. To study the consumer's view towards accessing the products conveniently which saves their time and efforts.

SIGNIFICANCE OF THE STUDY

This study highlights the customer's satisfaction which the important and primary objective of marketing will be evaluated in a systematic manner. Convenience factor is also taken in to the consideration which denotes the saving time and efforts of consumers to get the access of network marketing products in a efficient manner.

HYPOTHESIS OF THE STUDY

1. H₀ – There is no significant relationship between consumption of multi-level marketing products and customer satisfaction towards MLM products.

H₁ – There is a significant relationship between consumption of multi-level marketing products and customer satisfaction towards MLM products.

LIMITATIONS OF THE STUDY

This study only covers the area of Kalyan and Dombivli region which does not give the accuracy and relevancy of the views of individuals were applicable to whole district, state or nation.

RESEARCH METHODOLOGY

This study focus on analyzing the impact of network marketing firms products which can be favorable or adversely affected the consumers during consumption. Primary data is required to analysis and interpret the study effectively and accurately. Random sampling method is going to used to select the samples for the collection of data. Face to face conversation, interview method will be considered while getting the data. Google form will help to generate questionnaire for the collection of data through social media platforms like whatsapp, telegram and email channels. Secondary data like newspaper, bulletins, websites, journals, books and magazines will provide support to research work efficiently as a references.

REVIEW OF LITERATURE

1. Keong and Dastane – 2019, Researcher conveyed through their research about the profile and working style of MLM business. They highlighted the factors like corporate image, product innovation, leadership, distributorship, reward system and training towards distributors. Researcher used judgmental sampling method and taken the data from 398 respondents. Research was conducted in Malaysia and provides the information on the basis of 398 respondents, that product innovation is not an important factor to sustain in competitive market. Leadership from distributorship is an important role which helps to generate sales. MLM mostly focus on dietary supplementary products rather than other product categories of MLM. They also convey that some MLM products are expensive and difficult to sale and hardly teach to their down-line for the purpose of pushing up the sale of MLM products. Transformational leadership to be practiced by MLM companies towards distributors which help them to comply with the pure knowledge of MLM business.

2. Kazmierczak, Labuz – 2018, Researchers conducted their research in Poland. Researcher conveys in their research that MLM is gaining importance in western countries. They highlighted the problems faced by MLM. Lot of myth was surrounded with MLM which states that half a day work will help to generate more income. Product distribution is a difficult job for the MLM. Lack of product and company

knowledge ruins the image of MLM. Unfair business practices are linked considered as network marketing business. The idea of MLM business is still unaware and confused with pyramid scheme which gain lot of negative remarks towards MLM products and its business model. People who still working as a distributor for MLM have to work more hard and try to provide positive side of MLM among the public.

3. **Williams - 2018**, Researcher proposes some strategies and retaining a productive multi-level marketing down line in New York city – USA. The data had taken from the participants who were dealing in MLM business as distributors since many years and generated income. Structured interview and open-ended questions were asked to collect the data from the participants. Researcher addresses through the research those 2-5 years will be required to push up the income growth for the distributors. MLM create new employment opportunities which reduce the problems of unemployment. Development of networking is essential to practice MLM business. Network marketers have to develop good inter-personal relationship with others to gain more income through MLM business model. MLM develops the entrepreneurial skills.

4. **Lesniewski, Dzienkanski, Duchala – 2022**, discusses in their research that multi-level marketing have to maintain competitive advantage, provide unlimited financial development opportunities to the network marketers. This business model have gain a lot of developing aspects in Poland, eastern and western Europe. They also pointed out that many people get confused with MLM business and money circulation pyramid schemes.

5. **Bhattacharjee – November 2016**, published in their research article titled “ consumer in direct selling – a case study of Assam” conveys that MLM products are too costly as compared to traditional products. Customer faces the challenges to access the products due to lack of distributorship and their outlets. Available network marketers hardly provide information about the products and services of MLM which lacks to build the trust among the customers. Customers expect demonstration but network marketers fail to provide the demonstration in front of the customers.

DATA ANALYSIS AND INTERPRETATION

Frequency Table

gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	female	20	54.1	54.1	54.1
	male	17	45.9	45.9	100.0
	Total	37	100.0	100.0	

age group				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	25	67.6	67.6	67.6
26 - 32	9	24.3	24.3	91.9
33 - 40	2	5.4	5.4	97.3
41-50	1	2.7	2.7	100.0
Total	37	100.0	100.0	

Qualification					
		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Doctoral	1	2.7	2.7	2.7
	Graduate	11	29.7	29.7	32.4
	Post - graduate	10	27.0	27.0	59.5
	Under - Graduate	15	40.5	40.5	100.0
	Total	37	100.0	100.0	

ANOVA – Test

		Sum of Squares	df	Mean Square	F
3. Does multi-level marketing (MLM) products provides utility and satisfaction during the usage and consumption?	Between Groups	3.268	1	3.268	1.307
	Within Groups	87.543	35	2.501	
	Total	90.811	36		
4. Did you face challenges to get access and availability of MLM products for consumption	Between Groups	3.558	1	3.558	.987
	Within Groups	126.171	35	3.605	
	Total	129.730	36		

ANOVA

		Sig.
3. Does multi-level marketing (MLM) products provides utility and satisfaction during the usage and consumption?	Between Groups	.261
	Within Groups	
	Total	
4. Did you face challenges to get access and availability of MLM products for consumption	Between Groups	.327
	Within Groups	

ANOVA

5. Does the distributor's provides the goods and services of MLM conveniently time to time?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.721	1	5.721	3.899	.056
Within Groups	51.360	35	1.467		
Total	57.081	36			

ANOVA Effect Sizes

		Point Estimate	95% Confidence Interval	
			Lower	Upper
5. Does the distributor's provides the goods and services of MLM conveniently time to time?	Eta-squared	.100	.000	.299
	Epsilon-squared	.075	-.029	.279
	Omega-squared Fixed-effect	.073	-.028	.274
	Omega-squared Random-effect	.073	-.028	.274

From the research study conveys that the significant level is less than 0.5 and hence it is determined that null hypothesis is rejected and alternative hypothesis is accepted stating that There is a significant relationship between consumption of multi-level marketing products and customer satisfaction towards MLM products.

RECOMMENDATIONS AND SUGGESTIONS

1. Multi-level marketing should work more on productivity and promotional policies.
2. Many respondents hardly access the MLM products for the usage due to lack of availability of distributorships. So they have to work on incentive policies which motivate the network marketers.
3. MLM focus should be more on competitive advantage and research and development should be highly practiced.
4. Utilization of social media by the distributors will play a significant role to attract people through demonstration and post customer's view definitely motivates the other people to purchase MLM products for the consumption.
5. word of mouth publicity only works when your product have some USP's which create utility and satisfy the customers.

CONCLUSION

As from the study I conclude that the multi-level marketing business can play a significant role in Fmcg product market and definitely create a good image in the mind of customers if they make available on continuous basis through distribution channel , motivates the people to become distributor through the help of providing the better incentives plan and concessions in policy towards return and refund of goods

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