

A STUDY ON AWARENESS REGARDING MULTI- LEVEL MARKETING AMONG YOUTH IN INDIA

Submitted in partial fulfillment of the requirements for the award of
MASTER OF BUSINESS ADMINISTRATION

by

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SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119**

APRIL 2022



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of MOHAMED IMRAN BAIG Y 40410098 who carried out the project entitled — A Study on Awareness Regarding Multi-Level Marketing Among Youth in India || under my supervision from January 2022 to March 2022.

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DECLARATION

I MOHAMED IMRAN BAIG Y (40410098) hereby declare that the Project Report entitled — A Study on Awareness Regarding Multi-Level Marketing Among Youth in India || Done by me under the guidance of DR.M.LAVANYA is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE: 30.03.2022

PLACE: Chennai

MOHAMED IMRAN BAIG Y

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to the Board of Management of SATHYABAMA for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to Dr. G. Bhuvaneswari, Dean - School of Management Studies and Dr. A. Palani, Head - School of Management Studies for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide DR.M.LAVANYA for her valuable guidance, suggestions and constant encouragement paved the way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the School of Management Studies who were helpful in many ways for the completion of the project.

MOHAMED IMRAN BAIG Y

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ABSTRACT

The study focuses on Multilevel marketing (MLM) is a retail channel of distribution that has a negative image in the minds of many individuals and is under increasing scrutiny by government regulatory agencies around the globe. It is frequently alleged that multilevel marketing companies may have illegal pyramid schemes, and that such companies are unethical.

One major concern being raised increasingly is the extent of so-called internal consumption.

This paper addresses those characteristics of multilevel marketing that are under attack and argues from an objective, not emotional, perspective that claims that MLM organizations are inherently pyramid schemes and unethical are misplaced.

The study was conducted in different areas of the Chennai city and a sample of 175 respondents was collected to identify their appreciation level.

KEYWORDS : Multi Level marketing, Direct selling, Internal consumption, Pyramid schemes, Ethics

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

In India Multi-Level Marketing has been around more than 2 Decades, The growth of MLM increased by selling directly to consumers via in person as a single-level marketing which is literally as an easy method to convince customers to buy and sell products with pitching method. As far as the products which are selling have a vast majority of consumer's needs for daily life. The main idea for MLM business is to gain profits. To achieve it the person must know how to sell the product to the customer.

The sales are mainly through word of mouth, their personal relationships with their families and acquaintances and their referrals. The source will be getting more distributors for the product rather than selling the product to the customers. Besides that in 1988, the total revenue generated by MLM was \$ 12 billion, which doubled to \$ 24 billion by 1998. The direct-marketing industry in India was about Rs 6 billion in 1999. The Indian market has been rapidly in growth with MLM business and the future statistics about direct selling in India by 2025 is around Rs 64,500 crore moreover the industry has a growth while in pandemic 10% in FY21. As well as the schemes for MLM it varies in different companies. The basic principle is to sell the product to the consumer and bring in more customers for which the incentive will be raised. The most reputed MLM companies in India are Amway, Oriflame, Tupperware, Quantum, RMP, Modicare and Goodways. The part of the network marketing is a distribution center for product based MLM and weekly meetings of members and prospective members to explain the business plan, demonstrate products, recognize the achievers. The Single-level of marketing is a strategy to a key of success.

Quite well, The Indian market standards are different in direct selling method. The new type of MLM business in India is from Insurance companies. For example, many small companies have joined hands with leading insurance companies to promote their products along with the assortment of their own products. At the same time MLM gives employment opportunities to lakhs of people and enhances their social status.

In Tamilnadu, there are more than 10 MLM industries which are operational in different districts namely: Tranzindia corporate network pvt. Ltd, M/s Daehsan Trading India Pvt Ltd, Cluster Organic Cottonz India Pvt. Ltd, KKrowten India Enterprises Private Limited, MI Lifestyle Marketing Global Private Limited, Mi Lifestyle Marketing Private Limited, Oriens Global Marketing Private Limited, Noni Biotech Pvt. Ltd., DXN Marketing India Private Limited, K-Link Healthcare (India) Private Limited, RIONN INDIA PRIVATE LIMITED, Enagic India Kangen Water Pvt. Ltd., Magnessa Enterprises Pvt. Ltd., Conybio Healthcare (India) Pvt. Ltd., Arjana Products Pvt. Ltd., VEVETOS WELLNESS PRIVATE LIMITED

The Multi-Level Marketing is making profit for Indian economic development and it has a social impact for MLM. It is a tool which can influence society through generation, mobilizing long term funds and improving the quality life of people. The business will not be down because of the larger number of direct selling opportunities around the world so the growth will be rapidly growing to the end of the situation until there is no decline in direct selling marketing in India.

1.2 INDUSTRY PROFILE

The Multi-level marketing business, also known as network marketing, is a business strategy used to direct sales to distributors or independent business owners to recruit others into their business or downline. The common sales tactics in MLM are to start your own business, be your own boss, promising unlimited income potential, promising financial freedom and the ability to help others.

There are two ways to make money in (MLM) business commission from sales made by the owner and commission from people who they referred to start their own business under them. People who refer others into the business opportunity build are commonly known as a downline.

About one in 27 adults have participated in multilevel marketing. The MLM industry grossed over \$45 billion billion in 2021. Wellness and cosmetic/personal care are the top direct selling categories.

Today there are several companies that are practicing multi-level selling and compensation methods to sell their products. Numerous brands such as Avon, Tupperware, Electrolux, Herbalife and Kleenez have been successful in growing their business throughout the world using this concept of sales. The companies often using MLM business models have been a frequent subject of criticism and lawsuits. Legal claims are as provided by the companies if it is charge sheeted. The gain and losses will be there in MLM business but no one is assured to gain more money and be a millionaire.

The MLM business is sometimes profitable and eventually a total loss. The company which has a reputation among other competitors are straight up to market value and has a backscore to their distributors. The Multi-level is going upline in India and is growing strong among the customers.

According to the new rules, direct selling companies will be responsible and accountable for the products or services sold on their behalf.

- Government has also issued notification of new rules
- New rules have been notified as Consumer Protection (Direct Selling) Rules, 2021
- Companies related to direct selling will have to implement these rules within 90 days and will have to inform the government
- If such companies use the e-commerce platform, then they will have to follow the rules of e-commerce
- States were also asked to create mechanisms to monitor such companies.
- Every company should have at least one registered office in the country
- Companies will have to give an affidavit that they are working according to the rules
- Must have a clear contract with direct selling people
- Selling people should have complete training, knowledge of rules
- All necessary documents should be with
- Grievance Redressal must be arranged
- There should be a tracking system for that
- Full details of the price of the product, tax on it, related breakup, convenience fee, delivery charge will have to be given.
- Information about the return process will have to be given before selling
- Refund, exchange policy must be clarified
- No agent will go to the customers without the identity card
- Misleading practice must be avoided

1.3 OBJECTIVES OF THE STUDY

The main Objectives of the Research study are stated as follows:

- To understand the concept of Network Marketing among youth.
- To study the concept of Multi-Level Marketing and Direct Marketing under the scope of awareness.
- To compare different aspects of Multi-Level Marketing and Direct Marketing.

1.4 NEED FOR THE STUDY

- The present study aims to investigate the awareness and perception regarding network marketing among youth.
- To study how youth has been deliberately affected by network marketing and falling into scam fraudulent activities.
- To analyze the cost of time and money on network marketing is false down to fake promises on customers.
- To find out the potential difference between unemployment opportunity and network marketing employment opportunity.
- To know the lack of training and support in youth for network marketing.

1.5 SCOPE FOR THE STUDY

- To identify whether Multi-Level Marketing will give economic growth to India.
- To seek the youth's are losing the time and money investing in fraudulent activities.
- To overcome the outcomes in Network marketing and make the marketing in a better way for future growth in India.

CHAPTER-2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

The purpose of this study is to examine the relevance of Direct Selling in India. A literature review resulted in identification of selected papers, books, journals, articles and surveys in the category. India is one of the largest markets in the world with its huge population and this Direct Selling concept has opened the door to youth keen to learn, act and develop the skill in oneself through the skill development and training programs as done in the developed countries in the world.

(Coughlan and Grayson, 1998) Distributors play different roles in a network marketing organization. As a consumer, they consume the product themselves offered by network marketing companies. In the role of a retailer, they use to sell the products to ultimate consumers at list price. As a recruiter, distributors employ other salespersons in the form of their marketing network who further perform the same functions.

(Oksanen, 2000-Brodie et al, 2002) Network marketing is solely based on word of mouth marketing which is done by the network marketing distributors. Further, the survival, growth and success of the network totally depends on the trust and cooperation among the distributors.

(Antony, 2003) The relationship between the distributors is of up line and down line. The sponsor who recruits a distributor is called an up line. Recruited distributor is called down line.

(John R. Sparks and Joseph A.Schenk, 2006) made a study on "The Socialization Communication, Organizational Citizenship Behaviors and Sales in a Multilevel Marketing organization". Sparks and Schenk MLMs as network of member distributors whose earning come both from selling products and recruiting new members. According to Peterson and Wotruba MLMs fall under the more general category of direct selling organization meaning any face to face selling activity away from a fixed retail location. Data was collected from medium sized MLM corporate producers. Using its national membership database, the MLM corporate producer randomly selected respondents for this study which includes sponsoring and recruiting members. Corporate producers provided 2,221 members' names, consisting of 1,883 recruits and 338 sponsors. Sponsors received a questionnaire for each of their recruits and were asked to evaluate their recruits' organizational citizenship behavior

(P. Sreekumar, 2007) made A Study of “Multi-Level Marketing (MLM), as a Potential Tool for Socio-Economic Development” in the International Marketing Conference on Marketing and Society. A depth study of the MLM concept is conducted using literature survey and interview with company personnel. Data on the business plan with respect to incentives or total earnings is analyzed in comparison with a traditional entrepreneurship business. He concluded that a MLM member who is actively participating and involved in the business will get opportunities to attend weekly meetings, share his success stories with other members, and get reward for performance.

(Robert A Peterson and Gerald Albaum, 2007) focused on the ethicality of internal consumption in MLM in his study “On the Ethicality of Internal Consumption in Multilevel Marketing”. Internal consumption means when IBOs in an MLM organization purchase and consume the products and services of their organization. The research paper emphasizes on internal consumption are common, everywhere in any organization and such criticism of this aspect of multilevel marketing as being unethical and fraudulent are misplaced. The study concludes that there does not seem to be anything inherently unethical about IBOs purchasing products and services from MLM organization or any other organization at discounted rate.

(Constantin, 2009) The key participants for the success of network or multi-level marketing organizations are the distributors. The functioning of multilevel marketing organizations depends on the strong relationship among the distributors.

(Abdul assis korothe, 2011) Relevance of multi level marketing about how the concept of multilevel marketing system is perceived by distributors and assess the influence of demographic variables such as gender, age, marital status, monthly income, education level, and employment status of respondents on their perception level towards multilevel marketing system. He also examined the involvement of distributors in MLM practices, and how the involvement is adding value to their business. The study concluded that there is a positive relation between met expectations and job satisfaction in MLM business. The study shows that the expectations of many MLM distributors still remain as a dream and hence they were not satisfied with their present distributorship.

(Rajendra W. Bhadale and Sachin A. Bargave, 2012) Conducted a study on “An analytical study of independent business owner’s involvement in multilevel marketing business: A case of India in Pune”. The main objective of the study was to analyze the perceptions of IBOs towards multi level marketing and to assess growth of IBOs. The primary data for the study were collected from 542 independent business owners who are actively or in actively doing business and are registered with Amway India. The study concluded that the multi level marketing business is commission and incentive earning oriented which can be expanded in the group by exploiting the social networks of the people.

(Mr. Rajendra Wamanrao Bhadale, 2016) made a study on “Comparative study of development of independent business owners (IBOs) with special reference to the role of Tupperware India enterprises in Pune and Pimpri-chinchwad area”. The objectives of the study was to study the determinants of development of Independent Business Owners with respect to Tupperware India Enterprises and to examine comparative opinion of IBOs from Pune and Pimpri- Chinchwad area on different parameters of development of IBOs.

(Muhammed Juman.BK and Dr. J Christopher, 2017) conducted a study on “Direct selling business (Quantum India ltd) in South India: A case study of Calicut district of Kerala”. The main objective of the study was to study the present and upcoming marketing trends. For this purpose 50 direct sellers are chosen for an interview using stratified sampling. The study concluded that direct sales have become so popular in our country because it offers everyone the chance of becoming a successful self-employed with the freedom to win.

(Dr. A Hamil and ED Priyadharshini, 2019) made a study on “Buyers preference on oriflame products in south india. The main objective of the study was to find out the factors influencing customer preference towards products and to measure the level of opinion toward Oriflame. For this purpose data were collected from 70 respondents by using structured questionnaires. The study concluded that the consumer preference towards the Oriflame products. They are mainly motivated by the quality of the products.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The descriptive research design is adopted for this project for the present study. To measure awareness regarding Multi-Level marketing among youth in India in India has been considered in the study.

3.2 SAMPLING TECHNIQUES

Convenience Sampling Technique

- A convenience sample is one of the main types of non-probability sampling methods.
- A convenience sample is made up of people who are easy to reach.

3.3 SOURCES OF DATA

DATA COLLECTION METHOD :

Data collection is the term used to describe a process of preparing and collecting data.

- **Primary data:**

The primary data are collected from the customers of Multi Level Marketing Products with the help of the questionnaires; the respondents are 175 members.

- **Secondary data:**

The secondary information will be collected by the websites and online journals published reports and review of literature from published articles.

3.4 STRUCTURE OF QUESTIONNAIRE :

A questionnaire consists of twenty five questions that the respondents or collected from the respondents from throughout India.

3.5 SAMPLE SIZE :

The total sample size was fixed as a Maximum of 175 Necessary data were collected from different ages of people and analyzed in terms of the objectives set for the study.

3.6 LOCATION TARGETED PEOPLE OF STUDY :

The research location is India, and the targeted people are the customers of Multi-Level Marketing Products in India.

3.7 TOOLS FOR ANALYSIS :

Percentage analysis

CHAPTER 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

TABLE 4.1.1 : TABLE SHOWING AGE OF RESPONDENTS

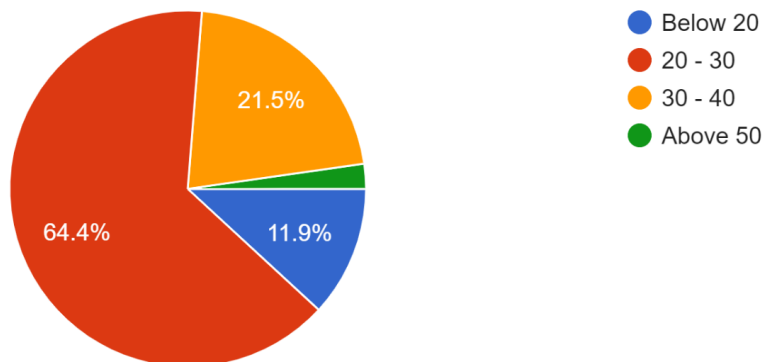
AGE	NO OF RESPONDENTS	PERCENTAGE
BELOW 20	21	11.9
20-30	114	64.4
30-40	38	21.5
ABOVE 50	4	2.2
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.1 : CHART SHOWING AGE OF RESPONDENTS

Age?

177 responses



INTERPRETATION

As per the table given above, 11.9% of respondents are the age group of below 20, followed by 64.4% of respondents are the age group of 20–30, followed by 21.5% of respondents are the age group of 30–40, followed by 2.2% of respondents are the age group of above 50.

INFERENCE

Therefore, the majority of 64.4% of the respondents are in the age group of 20–30 years.

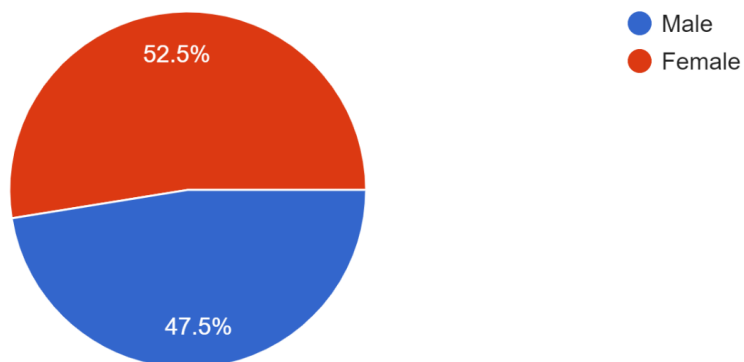
TABLE 4.1.2 : TABLE SHOWING THE GENDER OF RESPONDENTS

GENDER	NO OF RESPONDENTS	PERCENTAGE
MALE	84	47.5
FEMALE	93	52.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.2 : CHART SHOWING AGE OF RESPONDENTS

Gender?
177 responses



INTERPRETATION

As per the table given above, 47.5% of respondents are male and followed by 52.5% of respondents are female.

INFERENCE

From the sample it can be concluded that the majority 52.5% of respondents are female compared to male.

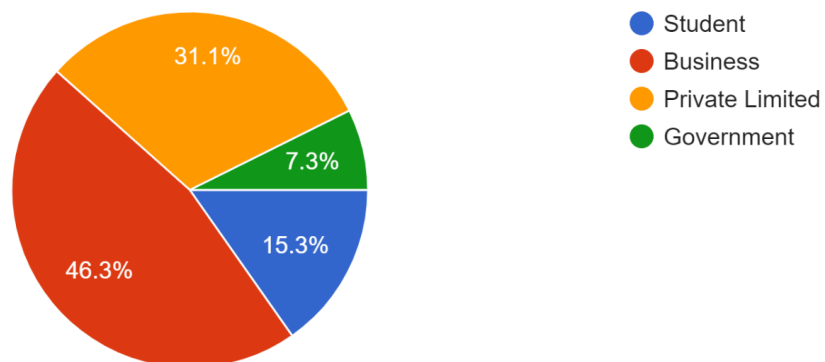
TABLE 4.1.3 : TABLE SHOWING OCCUPATION OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
STUDENT	27	15.3
BUSINESS	82	46.3
PRIVATE LIMITED	55	31.1
GOVERNMENT	13	7.3
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.3 : CHART SHOWING OCCUPATION OF RESPONDENTS

Occupation?
177 responses



INTERPRETATION

As per the table given above, 15.3% respondents are Student, followed by 46.3% respondents are Business, followed by 31.1% respondents are Private limited, followed by 7.3% respondents are Government.

INFERENCE

Therefore, The majority of respondents are 46.3% business.

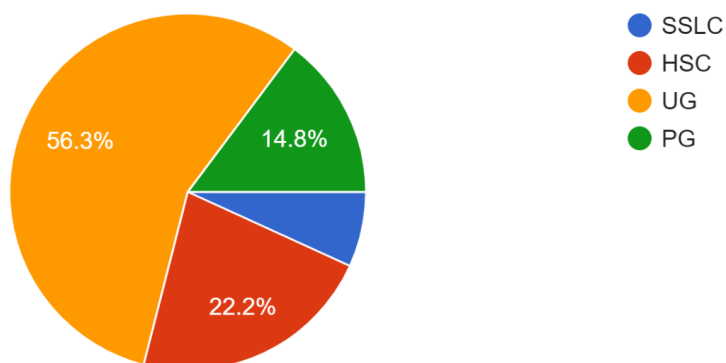
TABLE 4.1.4 : TABLE SHOWING EDUCATIONAL QUALIFICATION OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
SSLC	12	6.8
HSC	39	22.2
UG	99	56.3
PG	26	14.8
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.4 : CHART SHOWING EDUCATIONAL QUALIFICATION OF RESPONDENTS

Qualification?
176 responses



INTERPRETATION

As per the table given above, 6.8 % respondents are HSC, followed by 22.2% respondents are HSC , followed by 56.3% respondents are UG and 14.8% respondents are PG.

INFERENCE

Therefore, The majority of respondents are 56.3% UG.

TABLE 4.1.5 : TABLE SHOWING MONTHLY INCOME OF RESPONDENTS

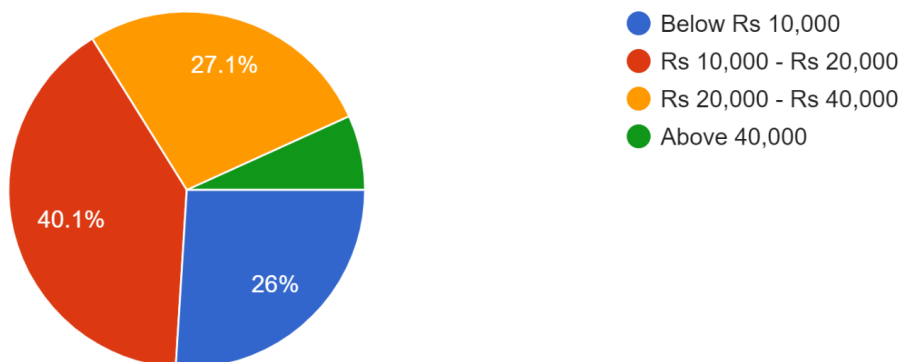
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
BELOW 10,000	46	26
RS 10,000-RS 20,000	71	40.1
RS 20,000-RS 40,000	48	27.1
ABOVE 40,000	12	6.8
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.5 : CHART SHOWS MONTHLY INCOME OF RESPONDENTS

What is your monthly income?

177 responses



INTERPRETATION

As per the table given above, 26% respondents are Below Rs 10,000, followed by 40.1% respondents are Rs 10,000-Rs 20,000, followed by 27.1% respondents are Rs 20,000-Rs 40,000 and 6.8% respondents are Above 40,000.

INFERENCE

Therefore, the majority of respondents are 40.1% Rs 10,000-Rs 20,000.

TABLE 4.1.6 : TABLE SHOWING CURRENTLY INVOLVED IN MULTI-LEVEL OR HAVE YOUR EVER BEEN INVOLVED IN MULTI-LEVEL MARKETING OF RESPONDENTS

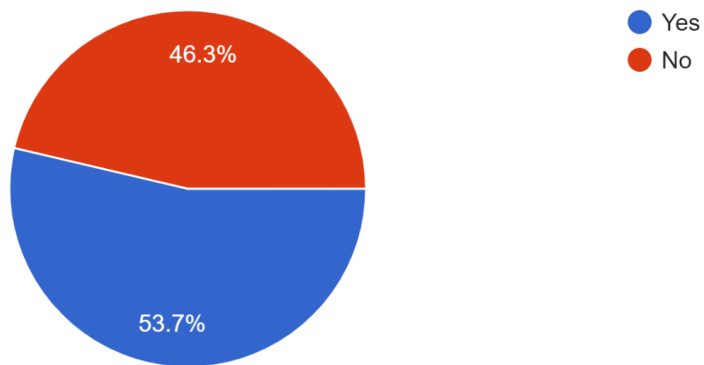
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	95	53.7
NO	82	46.3
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.6 : CHART SHOWING CURRENTLY INVOLVED IN MULTI-LEVEL OR HAVE YOUR EVER BEEN INVOLVED IN MULTI-LEVEL MARKETING OF RESPONDENTS

Are you currently involved in a Multi-Level Marketing company or have you ever been involved in Multi-Level Marketing?

177 responses



INTERPRETATION

As per the table given above, 53.7% respondents are Yes, followed by 46.3% respondents are No.

INFERENCE

Therefore, the majority of respondents 53.7% are Yes.

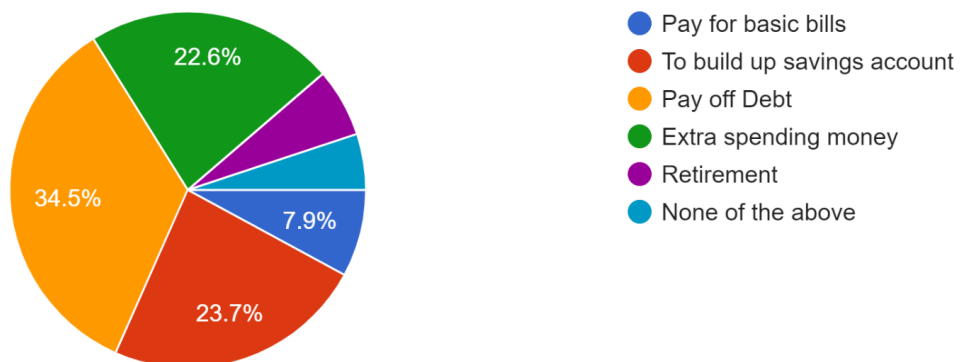
TABLE 4.1.7 : TABLE SHOWING MAIN REASON TO EARN MONEY THROUGH MULTI-LEVEL MARKETING OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
PAY FOR BASIC BILLS	14	7.9
TO BUILD UP SAVINGS ACCOUNT	42	23.7
PAY OFF DEBT	61	34.5
EXTRA SPENDING MONEY	40	22.6
RETIREMENT	11	6.2
NONE OF THE ABOVE	9	5.1
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.7 : CHART SHOWING MAIN REASON TO EARN MONEY THROUGH MULTI-LEVEL MARKETING OF RESPONDENTS

What was the main reason you wanted to earn money through Multi-Level Marketing?
177 responses



INTERPRETATION

As per the table given above, 7.9% respondents are Pay for basic bills, followed by 23.7% respondents are To build up savings account, followed by 34.5% respondents are Pay off debt, followed by 22.6% respondents are Extra spending money, followed by 6.2% respondents are Retirement and followed by 5.1% respondents are None of the above.

INFERENCE

Therefore, the majority of respondents 34.5% are showing to Pay off debt.

TABLE 4.1.8 : TABLE SHOWING WHAT LEVEL DO YOU CONSIDER YOURSELF IN MLM OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
BEGINNER LEVEL	32	18.1
FEW PEOPLE WORKING UNDER MY GUIDANCE	79	44.6
HIGHER UP IN BUSINESS AND RECRUITED LOT OF PEOPLE	58	32.8
EXECUTIVE	8	4.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.8 : CHART SHOWING WHAT LEVEL DO YOU CONSIDER YOURSELF IN MLM OF RESPONDENTS

What level do you consider yourself in MLM?
177 responses



INTERPRETATION

As per the table given above, 18.1% respondents are Beginner level, followed by 44.6% respondents are Few people working under my guidance, followed by 32.8% respondents are Higher up in business and recruited a lot of people and 4.5% respondents are Executive.

INFERENCE

Therefore, the majority of respondents are 44.6% Few people working under my guidance.

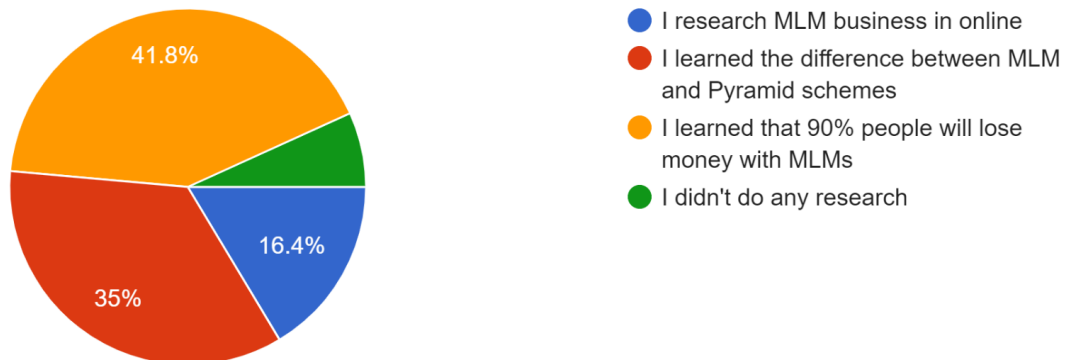
TABLE 4.1.9 : TABLE SHOWING KIND OF RESEARCH BEFORE INVOLVING IN MULTI-LEVEL MARKETING OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
I RESEARCH MLM BUSINESS IN ONLINE	29	16.4
I LEARNED THE DIFFERENCE BETWEEN MLM AND PYRAMID SCHEMES	62	35
I LEARNED THAT 90% PEOPLE WILL LOSE MONEY WITH MLM	74	41.8
I DIDN'T DO ANY RESEARCH	12	6.8
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.9 : CHART SHOWING KIND OF RESEARCH BEFORE INVOLVING IN MULTI-LEVEL MARKETING OF RESPONDENTS

What kind of research did you do on Multi-Level Marketing in general before you got involved?
177 responses



INTERPRETATION

As per the table given above, 16.4% respondents are I research MLM business in online, followed by 44.6% respondents are I learned the difference between MLM and Pyramid schemes, followed by 41.8% respondents are I learned that 90% people will lose money with MLMs and 6.8% respondents are I didn't do any research.

INFERENCE

Therefore, the majority of respondents are 44.6% I learned the difference between MLM and Pyramid schemes.

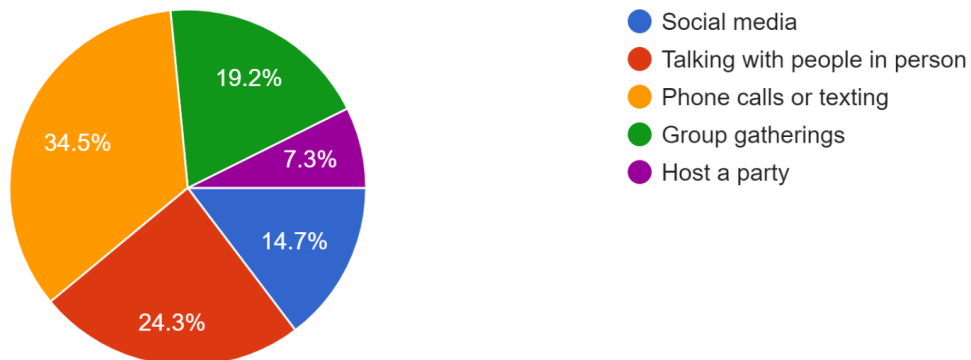
TABLE 4.1.10 : TABLE SHOWING BEST WAY FOR YOU TO FIND AND REACH PEOPLE TO BUY YOUR PRODUCT OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
SOCIAL MEDIA	26	14.7
TALKING WITH PEOPLE IN PERSON	43	24.3
PHONE CALLS OR TEXTING	61	34.5
GROUP GATHERINGS	34	19.2
HOST A PARTY	13	7.3
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.10 : CHART SHOWING BEST WAY FOR YOU TO FIND AND REACH PEOPLE TO BUY YOUR PRODUCT OF RESPONDENTS

What is the best way for you to find and reach people to buy your product?
177 responses



INTERPRETATION

As per the table given above, 14.7% of respondents are Social media, followed as 24.3% of respondents are Talking with people in person, followed as 34.5% respondents are Phone calls or texting, followed as 19.2% of respondents are Group gatherings and followed as 7.3% of respondents are Host a party.

INFERENCE

Therefore, the majority of respondents are 34.5% of Phone calls or texting.

**TABLE 4.1.11 : TABLE SHOWING PEOPLE LOSING ACCORDING TO STUDY OF
FEDERAL TRADE COMMISSION OF RESPONDENTS**

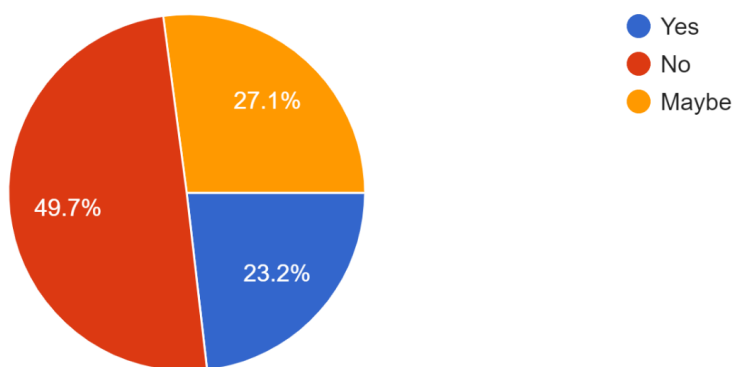
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	41	23.2
NO	88	49.7
MAYBE	48	27.1
TOTAL	177	100

SOURCE : PRIMARY DATA

**CHART 4.1.11 : CHART SHOWING PEOPLE LOSING ACCORDING TO STUDY OF
FEDERAL TRADE COMMISSION OF RESPONDENTS**

Are you aware of 90% of people lose money according to study's from Federal Trade Commission?

177 responses



INTERPRETATION

As per the table given above, 23.2% of respondents are Yes, followed as 49.7% of respondents are No and followed as 27.1% respondents are Maybe

INFERENCE

Therefore, the majority of respondents are 49.7% unaware of federal commission trade.

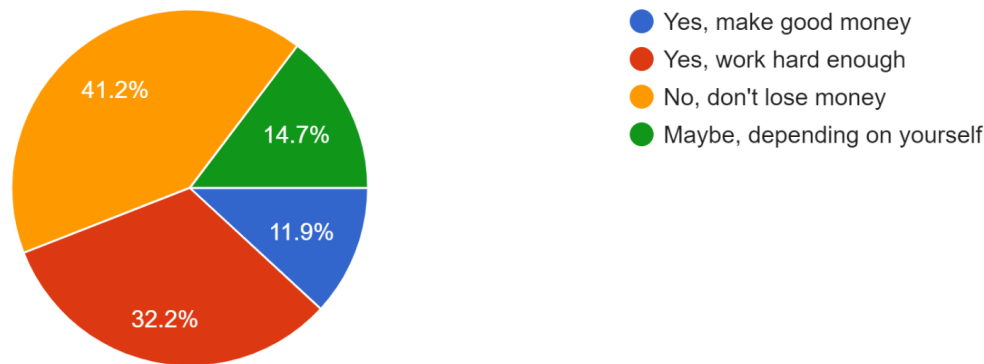
TABLE 4.1.12 : TABLE SHOWING ENCOURAGING FRIENDS TO INVOLVE IN MLM BUSINESS OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES, MAKE GOOD MONEY	21	11.9
YES, WORK HARD ENOUGH	57	32.2
NO, DON'T LOSE MONEY	73	41.2
MAYBE, DEPENDING ON YOURSELF	26	14.7
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.12 : CHART SHOWING ENCOURAGING FRIENDS TO INVOLVE IN MLM BUSINESS OF RESPONDENTS

Would you encourage your friends to get involved?
177 responses



INTERPRETATION

As per the table given above, 11.9% of respondents are Yes, make good money, followed as 32.2% of respondents are Yes, work hard enough, followed as 41.2% respondents are No, Don't lose money, and followed as 14.7% of respondents are Maybe, depending on yourself.

INFERENCE

Therefore, the majority of respondents are 41.2% of respondents are No, don't lose money.

TABLE 4.1.13 : TABLE SHOWING GENERATING BIG INCOME IN MULTI-LEVEL MARKETING BUSINESS RATHER THAN BEING UNEMPLOYED OF RESPONDENTS

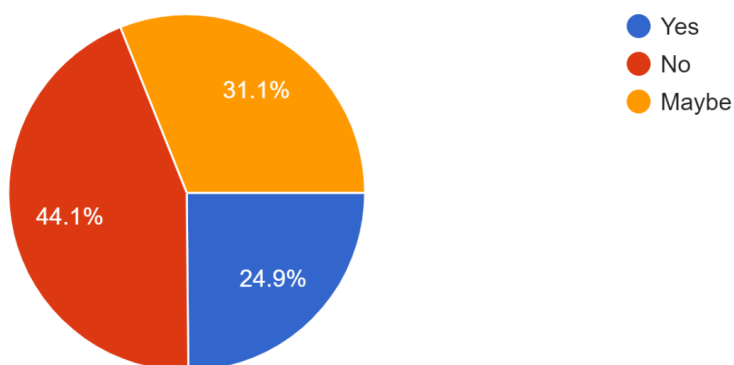
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	44	24.9
NO	78	44.1
MAYBE	55	31.1
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.13 : CHART SHOWING GENERATING BIG INCOME IN MULTI-LEVEL MARKETING BUSINESS RATHER THAN BEING UNEMPLOYED OF RESPONDENTS

Do you believe that you can generate big income in Multi-Level Marketing business rather than being employed?

177 responses



INTERPRETATION

As per the table given above, 24.9% of respondents are Yes, followed as 44.1% of respondents are No and followed as 31.1% respondents are Maybe.

INFERENCE

Therefore, the majority of respondents are 44.1% of respondents are said No.

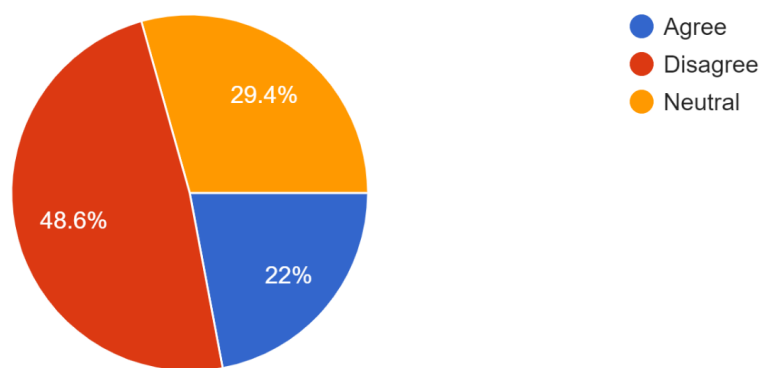
TABLE 4.1.14 : TABLE SHOWING NETWORK MARKETING CAN HELP PEOPLE TO EARN AN EXTRA INCOME BESIDES CURRENT JOBS OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
AGREE	39	22.2
DISAGREE	78	44.1
NEUTRAL	55	31.1
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.14 : CHART SHOWING NETWORK MARKETING CAN HELP PEOPLE TO EARN AN EXTRA INCOME BESIDES CURRENT JOBS OF RESPONDENTS

Network Marketing can help people to earn an extra income besides current job?
177 responses



INTERPRETATION

As per the table given above, 24.9% of respondents are Yes, followed as 44.1% of respondents are No and followed as 31.1% respondents are Maybe.

INFERENCE

Therefore, the majority of respondents are 44.1% of respondents with No.

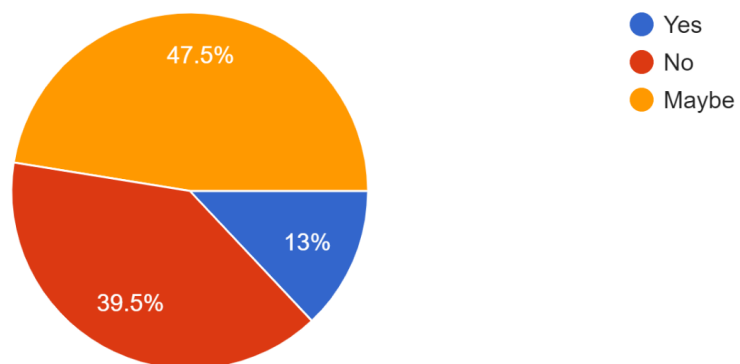
TABLE 4.1.15 : TABLE SHOWING NETWORK MARKETING IS A BIG SCAM OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	23	13
NO	70	39.5
MAYBE	84	47.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.15 : CHART SHOWING NETWORK MARKETING IS A BIG SCAM OF RESPONDENTS

Does Network Marketing is a big scam?
177 responses



INTERPRETATION

As per the table given above, 13% of respondents are Yes, followed as 39.5% of respondents are No and followed as 47.5% respondents are Maybe.

INFERENCE

Therefore, the majority of respondents are 47.5% of respondents with Maybe.

TABLE 4.1.16 : TABLE SHOWING MULTI-LEVEL MARKETING IS ONE OF THE MOST COST-EFFECTIVE ROUTES TO MARKET OF RESPONDENTS

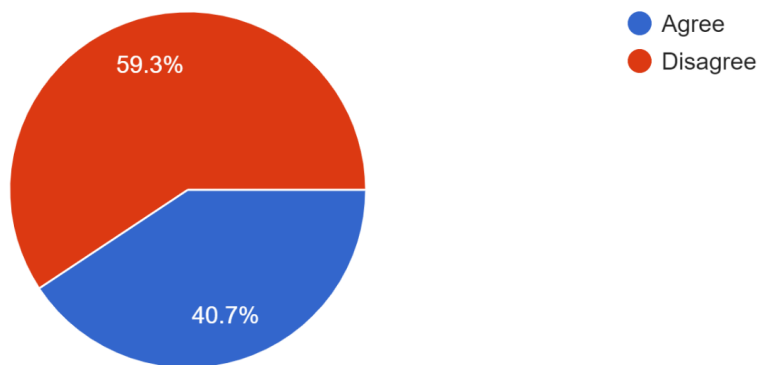
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
AGREE	72	40.7
DISAGREE	105	59.3
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.16 : CHART SHOWING MULTI-LEVEL MARKETING IS ONE OF THE MOST COST-EFFECTIVE ROUTES TO MARKET OF RESPONDENTS

Multi-Level Marketing is one of the most cost-effective routes to market?

177 responses



INTERPRETATION

As per the table given above, 40.7% of respondents are Agree and followed as 59.3% of respondents are Disagree.

INFERENCE

Therefore, the majority of respondents are 59.3% of respondents with Disagree.

TABLE 4.1.17 : TABLE SHOWING FOUNDER OF MULTI-LEVEL MARKETING OF RESPONDENTS

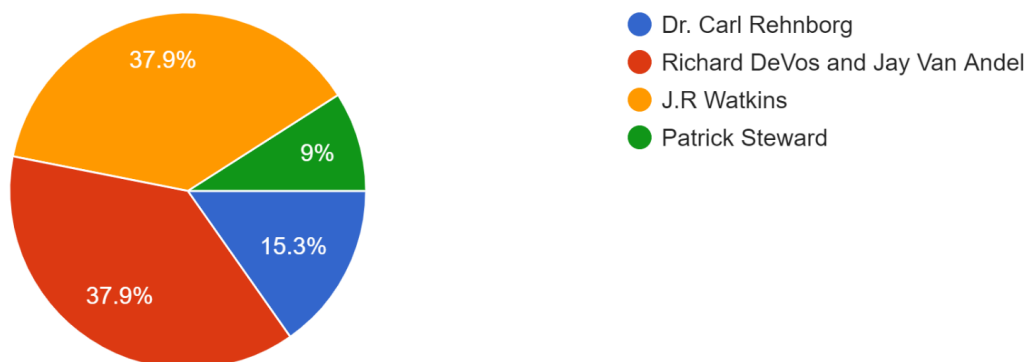
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
DR CARL REHNBORG	27	15.3
RICHARD DEVOS AND JAY VAN ANDEL	67	37.9
J R WATKINS	67	37.9
PATRICK STEWARD	16	9
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.17 : CHART SHOWING FOUNDER OF MULTI-LEVEL MARKETING OF RESPONDENTS

Who is the founder of Multi-Level Marketing?

177 responses



INTERPRETATION

As per the table given above, 15.3% of respondents are Dr Carl Rehnborg, followed as 37.9% of respondents are Richard Devos and Jay Van Andel, followed as 37.9% respondents are J R Watkins and followed as 9% of respondents are Patrick Steward.

INFERENCE

Therefore, the majority of respondents are 37.9% of respondents with Richard Devos and Jay Van Andel.

TABLE 4.1.18 : TABLE SHOWING MOST LIKED IN MULTI-LEVEL MARKETING OF RESPONDENTS

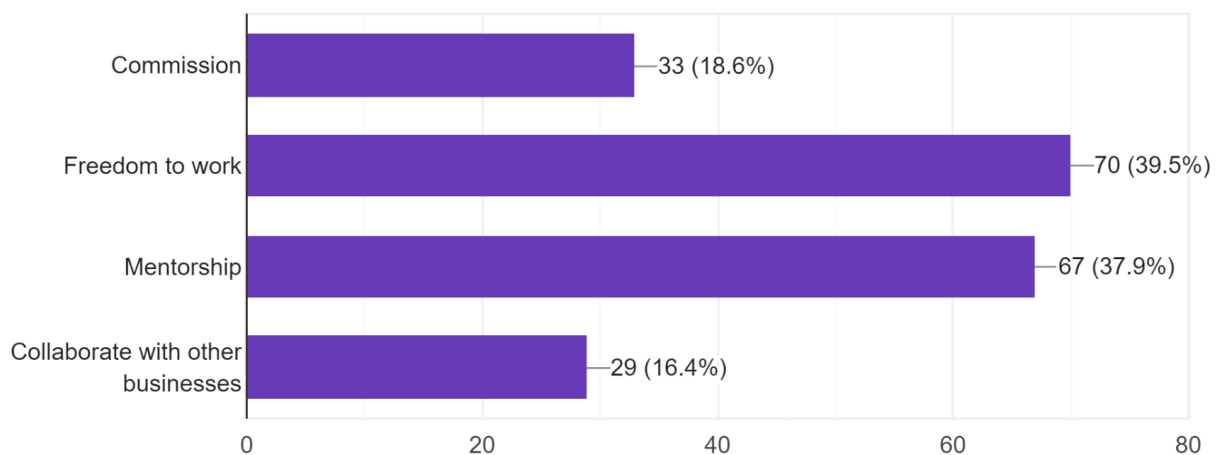
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
COMMISSION	33	18.6
FREEDOM TO WORK	70	39.5
MENTORSHIP	67	37.9
COLLABORATE WITH OTHER BUSINESSES	29	16.4
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.18 : CHART SHOWING MOST LIKED IN MULTI-LEVEL MARKETING OF RESPONDENTS

What do you like the most in Multi-Level Marketing?

177 responses



INTERPRETATION

As per the table given above, 18.6% of respondents are Commission, followed as 39.5% of respondents are Freedom to work, followed as 37.9% respondents are Mentorship and followed as 16.4% of respondents are Collaborate with other businesses.

INFERENCE

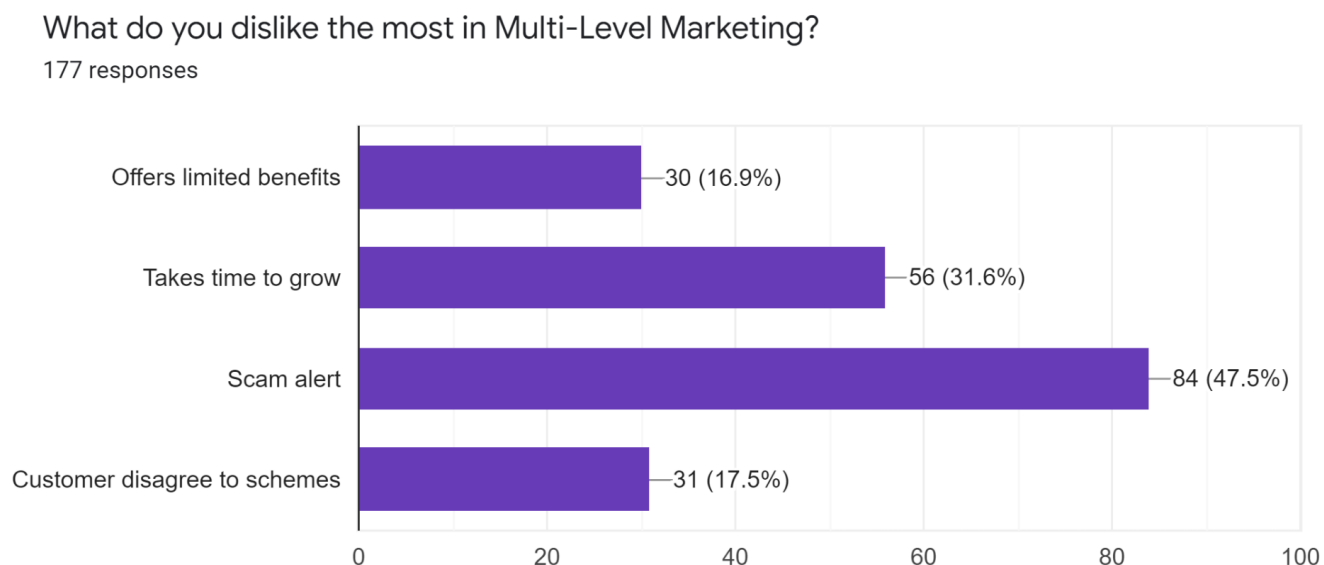
Therefore, the majority of respondents are 39.5% of respondents with Freedom to work.

TABLE 4.1.19 : TABLE SHOWING MOST DISLIKED IN MULTI-LEVEL MARKETING OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
OFFERS LIMITED BENEFITS	30	16.9
TAKES TIME TO GROW	56	31.6
SCAM ALERT	84	47.5
CUSTOMER DISAGREE TO SCHEMES	31	17.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.19 : CHART SHOWING MOST DISLIKED IN MULTI-LEVEL MARKETING OF RESPONDENTS



INTERPRETATION

As per the table given above, 16.9% of respondents are Offers limited benefits, followed as 31.6% of respondents are Takes time to grow, followed as 47.5% respondents are Scam alert and followed as 17.5% of respondents are Customer disagree to schemes.

INFERENCE

Therefore, the majority of respondents are 47.5% of respondents with Scam alert.

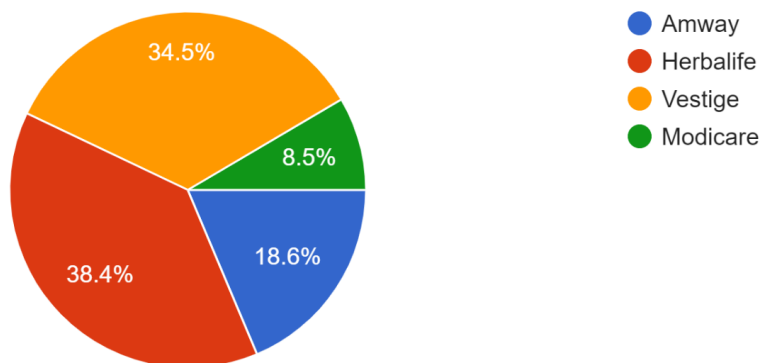
TABLE 4.1.20 : TABLE SHOWING NUMBER ONE MULTI-LEVEL MARKETING COMPANY IN INDIA OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
AMWAY	33	18.6
HERBALIFE	68	38.4
VESTIGE	61	34.5
MODICARE	15	8.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.20 : CHART SHOWING NUMBER ONE MULTI-LEVEL MARKETING COMPANY IN INDIA OF RESPONDENTS

The number one Multi-Level Marketing company in India?
177 responses



INTERPRETATION

As per the table given above, 18.6% of respondents are Amway, followed as 38.4% of respondents are Herbalife, followed as 34.5% respondents are Vestige and followed as 8.5% of respondents are Modicare.

INFERENCE

Therefore, the majority of respondents are 38.4% of respondents with Herbalife.

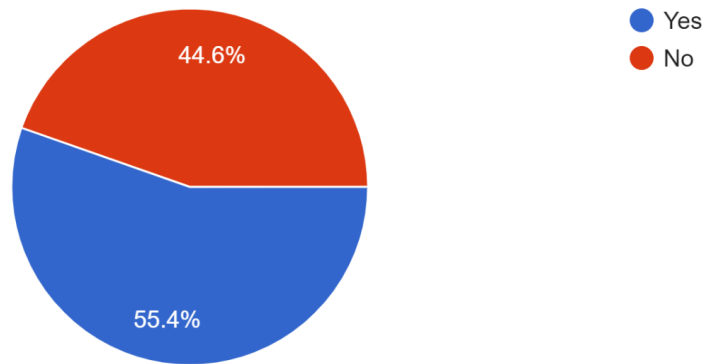
TABLE 4.1.21 : TABLE SHOWING GOT SCAMMED BY NETWORK MARKETING AGENCY OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	98	55.4
NO	79	44.8
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.21 : CHART SHOWING GOT SCAMMED BY NETWORK MARKETING AGENCY OF RESPONDENTS

Have your ever been got scammed by Network Marketing agency?
177 responses



INTERPRETATION

As per the table given above, 55.4% of respondents are Yes and followed as 44.6% of respondents are No.

INFERENCE

Therefore, the majority of respondents are 55.4% of respondents with Yes they got scammed by network agency.

TABLE 4.1.22 : TABLE SHOWING HOW PYRAMID SCHEMES WORK IN SIMPLE WAY OF RESPONDENTS

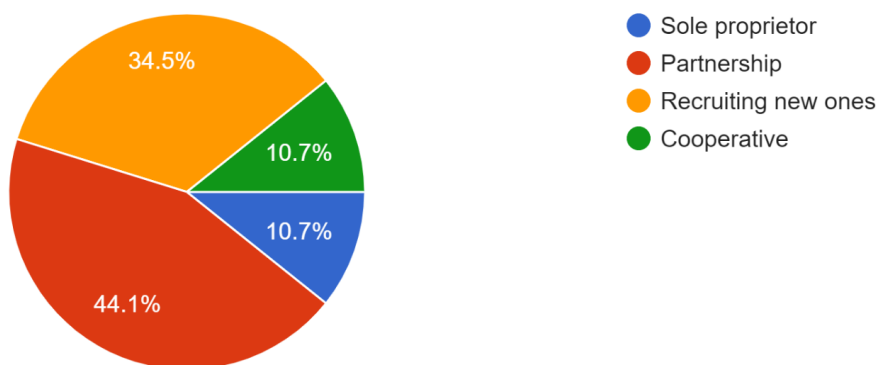
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
SOLE PROPRIETOR	19	10.7
PARTNERSHIP	78	44.1
RECRUITING NEW ONES	61	34.5
COOPERATIVE	19	10.7
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.22 : CHART SHOWING HOW PYRAMID SCHEMES WORK IN SIMPLE WAY OF RESPONDENTS

How the Pyramid Scheme works in a simple way?

177 responses



INTERPRETATION

As per the table given above, 10.7% of respondents are Sole proprietor, followed as 44.1% of respondents are Partnership, followed as 34.5% respondents are Recruiting new ones and followed as 10.7% of respondents are Cooperative.

INFERENCE

Therefore, the majority of respondents are 44.1% of respondents with Partnership.

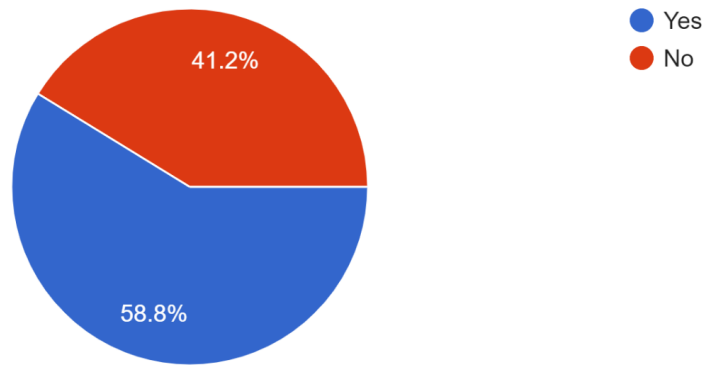
**TABLE 4.1.23 : TABLE SHOWING MULTI-LEVEL MARKETING IS ILLEGAL IN INDIA
OF RESPONDENTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
YES	104	58.8
NO	73	41.2
TOTAL	177	100

SOURCE : PRIMARY DATA

**CHART 4.1.23 : CHART SHOWING MULTI-LEVEL MARKETING IS ILLEGAL IN
INDIA OF RESPONDENTS**

Does Multi-Level Marketing is illegal in India?
177 responses



INTERPRETATION

As per the table given above, 58.8% of respondents are Yes and followed as 41.2% of respondents are No.

INFERENCE

Therefore, the majority of respondents are 58.8% of respondents with Yes to illegal in India.

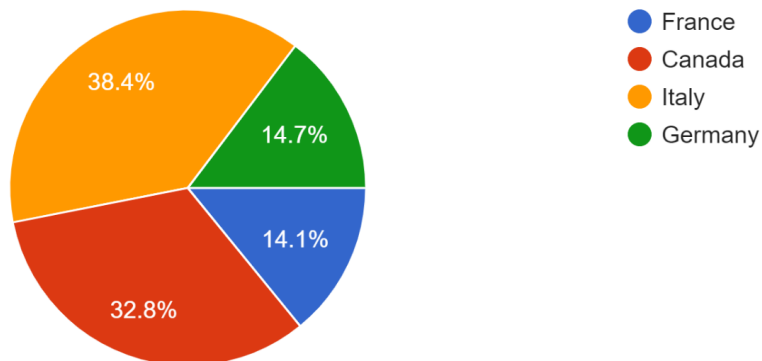
**TABLE 4.1.24 : TABLE SHOWING WHICH COUNTRY HAS MOST MLM
DISTRIBUTION CHAIN OF RESPONDENTS**

OPTIONS	NO OF RESPONDENTS	PERCENTAGE
FRANCE	25	14.1
CANADA	58	32.8
ITALY	68	38.4
GERMANY	26	14.7
TOTAL	177	100

SOURCE : PRIMARY DATA

**CHART 4.1.24 : TABLE SHOWING WHICH COUNTRY HAS MOST MLM
DISTRIBUTION CHAIN OF RESPONDENTS**

Which country has most MLM distribution chain?
177 responses



INTERPRETATION

As per the table given above, 14.1% of respondents are France, followed as 32.8% of respondents are Canada, followed as 38.4% respondents are Italy and followed as 14.7% of respondents are Germany.

INFERENCE

Therefore, the majority of respondents are 38.4% of respondents with Italy.

TABLE 4.1.25 : TABLE SHOWING PROFIT GAINED IN MULTI-LEVEL MARKETING INDIA TILL 2021 OF RESPONDENTS

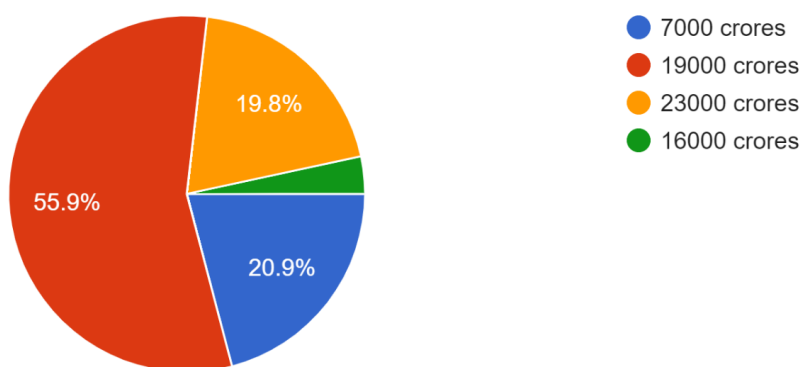
OPTIONS	NO OF RESPONDENTS	PERCENTAGE
7000 CRORES	37	20.9
19000 CRORES	99	55.9
23000 CRORES	35	19.8
16000 CRORES	6	3.4
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART 4.1.25 : CHART SHOWING PROFIT GAINED IN MULTI-LEVEL MARKETING INDIA TILL 2021 OF RESPONDENTS

How much profit has India gained in Multi-Level Marketing till 2021?

177 responses



INTERPRETATION

As per the table given above, 20.9% of respondents are 7000 crores, followed as 55.9% of respondents are 19000 crores, followed as 19.8% respondents are 23000 crores and followed as 3.4% of respondents are 16000 crores.

INFERENCE

Therefore, the majority of respondents are 55.9% of respondents with 19000 crores.

STATISTICAL ANALYSIS

4.2.1 Chi-Square

HYPOTHESIS:

Null Hypothesis (H₀): There is no significant difference between age of respondents and their favorite MLM Products in India.

Alternate Hypothesis (H₁): There is a significant difference between age of respondents and their favorite MLM Products in India.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Age * favorite_MLM_products	177	100.0%	0	0.0%	177	100.0%

Age * favourite_MLM_Companies Crosstabulation						
Count						
		favourite_MLM_Companies				Total
		Amway	Herbalife	Vestige	Modicare	
Age	Below 20	25	23	6	6	61
	20 - 30	28	31	9	14	82
	30 - 40	13	7	3	9	32
	above 50	1	2	0	0	2
Total		67	63	18	29	177

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.993 ^a	10	.595
Likelihood Ratio	8.112	11	.636
Linear-by-Linear Association	1.785	2	.273
N of Valid Cases	177		
a. 5 cells (32.6%) have expected count less than 5. The minimum expected count is .10.			

INTERPRETATION

Since p value 0.5 is greater than 0.05 null hypothesis is accepted and alternate is rejected Hence, there is no statistically significant association between age of the respondent and which is the MLM Companies in India.

4.2.2 Chi-Square Test 2

HYPOTHESIS:

Null Hypothesis (H0): There is no significant difference between gender of respondents and profit of India gained in MLM.

Alternate Hypothesis (H1): There is a significant difference between gender of respondents and profit of India gained in MLM

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Gender * profit of India gained in MLM	177	100.0%	0	0.0%	177	100.0%

Gender * Profit gained in India by MLM business in 2021? Crosstabulation							
			How much do India gained in MLM Business in 2021?				Total
			7000 cr	19000 cr	23000 cr	16000 cr	
Gender	male	Count	14	40	36	19	109
		Expected Count	17.9	38.0	33.3	19.7	109.0
	female	Count	15	22	18	13	68
		Expected Count	11.1	24.0	20.7	12.3	68.0
Total		Count	29	61	54	32	177
		Expected Count	29.0	60.0	54.0	32.0	177.0

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.345 ^a	3	.392
Likelihood Ratio	3.171	3	.397
Linear-by-Linear Association	.677	1	.477
N of Valid Cases	177		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 12.01.			

INTERPRETATION

Since p value 0.3 is greater than 0.05 null hypothesis is accepted and alternate is rejected Hence, there is no statistically significant association between gender of the and how much profit gained in MLM Business in India till 2021.

4.2.3 ANOVA

ANOVA					
gender					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.687	3	.234	.962	.432
Within Groups	40.701	173	.243		
Total	41.367	175			

Descriptives								
gender								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Social Media	38	1.3158	.47107	.07642	1.1610	1.4706	1.00	2.00
Phone calls or texting	67	1.503	.49588	.07023	1.2897	1.5347	1.00	2.00
Group gatherings	52	1.3462	.48038	.06662	1.2124	1.4799	1.00	2.00
Host a party	20	1.5298	.51317	.11786	1.2813	1.7812	1.00	2.00
Total	177	1.3856	.48778	.03701	1.3117	1.4578	1.00	2.00

INTERPRETATION

Since p value 0.432 is greater than 0.05. we accept the null hypothesis and reject the alternative hypothesis. Hence there is no significant difference between age of the respondents and finding and reaching people to buy products.

CHAPTER 5

FINDINGS SUGGESTIONS AND CONCLUSION

5.1 FINDINGS

- Majority (64.4) of the respondents are in the age group of 20-30 years
- Majority (52.5) of the respondents are female compared to male
- Majority (46.3) of the respondents are business persons in occupation
- Majority (56.3) of the respondents are educational qualification is UG
- Majority (40.1) of the respondents are earning around Rs 10,000 – Rs 20,000
- Majority (46.3) of the respondents are currently involved or ever been involved in MLM business
- Majority (34.5) of the respondents are pay off debt reason for earning in MLM
- Majority (44.6) of the respondents are fewer people working under my guidance
- Majority (41.8) of the respondents are I learned that 90% people will lose money with MLM business
- Majority (34.5) of the respondents are phone calls or texting find and reach people to buy product
- Majority (49.7) of the respondents are said No to people lose money in MLM under federal commission

- Majority (41.2) of the respondents are said No, don't lose money in encouraging friends in MLM business
- Majority (44.1) of the respondents are said No generate big income in MLM business
- Majority (48.6) of the respondents are disagree to earn extra income besides current job
- Majority (47.5) of the respondents are Network marketing is a big scam
- Majority (59.3) of the respondents are disagree most-effective routes to market in MLM business
- Majority (37.9) of the respondents are richard devos and jay van andel are founder of MLM business
- Majority (39.5) of the respondents are freedom to work most liked in MLM
- Majority (47.5) of the respondents are scam alert most disliked in MLM
- Majority (38.4) of the respondents are Herbalife is the number one marketing company in India.
- Majority (44.6) of the respondents are got scammed by network marketing agency
- Majority (44.1) of the respondents are simple way of pyramid scheme is partnership
- Majority (58.8) of the respondents are said Yes MLM is illegal in India
- Majority (38.4) of the respondents are Italy has most MLM distribution chain

5.2 SUGGESTIONS

- Ensure the MLM business has the potentiality that its direct sellers have verified identities and physical addresses and documents only to such direct sellers.
- It has a good reputation on the market if any company involved in MLM business strategy and direct selling not induce consumer to make purchase based on representation that they can reduce or recover the price referring prospective to customers to the direct sellers for similar purchases.
- The MLM business should have Information available payment methods, the security of those payment methods, the fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider to be available and should be tagged and be ensured in all payment modes.

5.3 LIMITATIONS

- Since the project duration was limited to three months
- My Study was limited in India and Chennai zone
- During the survey most of the respondents contacted in mobile phone
- The sample size was limited to minimum of 150 and maximum of 200 in this study

5.4 CONCLUSION

The study shows that youth is much aware about the concept as well as the products offered by the network marketing companies. Friends and relatives are the major source of information for the youth to acquaint them with the concept of network marketing.

Further, it can be concluded that network marketing can be a viable career prospect among youth which can be considered as a full time or part time career prospect. The main objective of youth is to secure their future in terms of a good job resulting in earning money.

Network marketing is one of the options which provide the business opportunity to become an entrepreneur. Training and development system of these organizations helps to learn how to create wealth, to study human psychology, sales and marketing, personality development, public speaking, leadership, and success principles. Therefore, youth can take over the network marketing as a career.

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APPENDIX

NAME?

AGE?

- **BELOW 20**
- **20-30**
- **30-40**
- **ABOVE 50**

GENDER?

- **MALE**
- **FEMALE**

OCCUPATION?

- **STUDENT**
- **BUSINESS**
- **PRIVATE LIMITED**
- **GOVERNMENT**

QUALIFICATION?

- **SSLC**
- **HSC**
- **UG**
- **PG**

WHAT IS YOUR MONTHLY INCOME?

- **BELOW RS 10,000**
- **RS 10,000 - RS 20,000**
- **RS 20,000 - RS 40,000**
- **ABOVE 40,000**

ARE YOU CURRENTLY INVOLVED IN A MULTI-LEVEL MARKETING COMPANY OR HAVE YOU EVER BEEN INVOLVED IN MULTI-LEVEL MARKETING?

- **YES**
- **NO**

WHAT WAS THE MAIN REASONS YOU WANTED TO EARN MONEY THROUGH MULTI-LEVEL MARKETING?

- **PAY FOR BASIC BILLS**
- **TO BUILD UP SAVINGS ACCOUNT**
- **PAY OFF DEBT**
- **EXTRA SPENDING MONEY**
- **RETIREMENT**
- **NONE OF THE ABOVE**

WHAT LEVEL DO YOU CONSIDER YOURSELF IN MLM?

- **BEGINNER LEVEL**
- **FEW PEOPLE WORKING UNDER MY GUIDANCE**
- **HIGHER UP IN BUSINESS AND RECRUITED LOT OF PEOPLE**
- **EXECUTIVE**

WHAT KIND OF RESEARCH DID YOU DO ON MULTI-LEVEL MARKETING IN GENERAL BEFORE YOU GET INVOLVED?

- **I RESEARCH MLM BUSINESS IN ONLINE**
- **I LEARNED THE DIFFERENCE BETWEEN MLM AND PYRAMID SCHEMES**
- **I LEARNED THAT 90% PEOPLE WILL LOSE MONEY IN MLM**
- **I DIDN'T DO ANY RESEARCH**

WHAT IS THE BEST WAY FOR YOU TO FIND AND REACH PEOPLE TO BUY YOUR PRODUCT?

- **SOCIAL MEDIA**
- **TALKING WITH PEOPLE IN PERSON**
- **PHONE CALLS OR TEXTING**
- **GROUP GATHERINGS**
- **HOST A PARTY**

ARE YOU AWARE OF 90% OF PEOPLE LOSE MONEY ACCORDING TO STUDY'S FROM FEDERAL TRADE COMMISSION?

- **YES**
- **NO**
- **MAYBE**

WOULD YOU ENCOURAGE YOUR FRIENDS TO GET INVOLVED?

- **YES, MAKE GOOD MONEY**
- **YES, WORK HARD ENOUGH**
- **NO, DON'T LOSE MONEY**
- **MAYBE, DEPENDING ON YOURSELF**

DO YOU BELIEVE THAT YOU CAN GENERATE BIG MONEY IN MULTI-LEVEL MARKETING BUSINESS RATHER THAN BEING EMPLOYED?

- YES
- NO
- MAYBE

NETWORK MARKETING CAN HELP PEOPLE TO EARN AN EXTRA INCOME BESIDES CURRENT JOB?

- AGREE
- DISAGREE
- NEUTRAL

DOES NETWORK MARKETING IS A BIG SCAM?

- YES
- NO
- MAYBE

MULTI-LEVEL MARKETING IS ONE OF THE MOST COST-EFFECTIVE ROUTES TO MARKET?

- AGREE
- DISAGREE

WHO IS THE FOUNDER OF MULTI-LEVEL MARKETING?

- **DR CARL REHNBORG**
- **RICHARD DEVOS AND JAY VAN ANDEL**
- **J R WATKINS**
- **PATRICK STEWARD**

WHAT DO YOU LIKE THE MOST IN MULTI-LEVEL MARKETING?

- **COMMISSION**
- **FREEDOM TO WORK**
- **MENTORSHIP**
- **COLLABORATE WITH OTHER BUSINESSES**

WHAT DO YOU DISLIKE THE MOST IN MULTI-LEVEL MARKETING?

- **OFFERS LIMITED BENEFITS**
- **TAKES TIME TO GROW**
- **SCAM ALERT**
- **CUSTOMER DISAGREE TO SCHEMES**

THE NUMBER ONE MULTI-LEVEL MARKETING COMPANY IN INDIA?

- **AMWAY**
- **VESTIGE**
- **HERBALIFE**
- **MODICARE**

HAVE YOU EVER BEEN GOT SCAMMED BY NETWORK MARKETING AGENCY?

- YES
- NO

HOW THE PYRAMID SCHEME WORKS IN A SIMPLE WAY?

- SOLE PROPRIETOR
- PARTNERSHIP
- RECRUITING NEW ONES
- COOPERATIVE

DOES MULTI-LEVEL MARKETING IS ILLEGAL IN INDIA?

- YES
- NO

WHICH COUNTRY HAS MOST MLM DISTRIBUTION CHAIN?

- FRANCE
- CANADA
- ITALY
- GERMANY

HOW MUCH PROFIT HAS INDIA GAINED IN MULTI-LEVEL MARKETING TILL 2021?

- 7000 CRORES
- 19000 CRORES
- 23000 CRORES
- 16000 CRORES

A STUDY ON AWARENESS REGARDING MULTI-LEVEL MARKETING AMONG YOUTH IN INDIA

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1.ABSTRACT

The study focuses on Multilevel marketing (MLM) is a retail channel of distribution that has a negative image in the minds of many individuals and is under increasing scrutiny by government regulatory agencies around the globe. It is frequently alleged that multilevel marketing companies may have illegal pyramid schemes, and that such companies are unethical.

One major concern being raised increasingly is the extent of so-called internal consumption.

This paper addresses those characteristics of multilevel marketing that are under attack and argues from an objective, not emotional, perspective that claims that MLM organizations are inherently pyramid schemes and unethical are misplaced.

The study was conducted in different areas of the Chennai city and a sample of 175 respondents was collected to identify their appreciation level.

KEYWORDS : Multi Level marketing, Direct selling, Internal consumption, Pyramid schemes, Ethics

2.INTRODUCTION

In India Multi-Level Marketing has been around more than 2 Decades, The growth of MLM increased by selling directly to consumers via in person as a single-level marketing which is literally as an easy method to convince customers to buy and sell products with pitching method. As far as the products which are selling have a vast majority of consumer's needs for daily life. The main idea for MLM business is to gain profits. To achieve it the person must know how to sell the product to the customer.

The sales are mainly through word of mouth, their personal relationships with their families and acquaintances and

their referrals. The source will be getting more distributors for the product rather than selling the product to the customers. Besides that in 1988, the total revenue generated by MLM was \$ 12 billion, which doubled to \$ 24 billion by 1998. The direct-marketing industry in India was about Rs 6 billion in 1999. The Indian market has been rapidly in growth with MLM business and the future statistics about direct selling in India by 2025 is around Rs 64,500 crore moreover the industry has a growth while in pandemic 10% in FY21. As well as the schemes for MLM it varies in different companies. The basic principle is to sell the product to the consumer and bring in more customers for which the incentive will be raised. The most reputed MLM companies in India are Amway, Oriflame, Tupperware, Quantum, RMP, Modicare and Goodways. The part of the network marketing is a distribution center for product based MLM and weekly meetings of members and prospective members to explain the business plan, demonstrate products, recognize the achievers. The Single-level of marketing is a strategy to a key of success.

Quite well, The Indian market standards are different in direct selling method. The new type of MLM business in India is from Insurance companies. For example, many small companies have joined hands with leading insurance companies to promote their products along with the assortment of their own products. At the same time MLM gives employment opportunities to lakhs of people and enhances their social status.

In Tamilnadu, there are more than 10 MLM industries which are operational in different districts namely: Tranzindia corporate network pvt. Ltd, M/s Daehsan Trading India Pvt Ltd, Cluster Organic Cottonz India Pvt. Ltd, KKrowten India Enterprises Private Limited, MI Lifestyle Marketing Global Private Limited, Mi Lifestyle Marketing Private Limited, Oriens Global Marketing Private Limited, Noni Biotech Pvt. Ltd., DXN Marketing India Private Limited, K-Link Healthcare (India) Private Limited, RIONN INDIA PRIVATE LIMITED, Enagic India Kangen Water Pvt. Ltd., Magnessa Enterprises Pvt. Ltd., Conybio Healthcare (India) Pvt. Ltd., Arjana Products Pvt. Ltd., VEVETOS WELLNESS PRIVATE LIMITED

The Multi-Level Marketing is making profit for Indian economic development and it has a social impact for MLM. It is a tool which can influence society through generation, mobilizing long term funds and improving the quality life of people. The business will not be down because of the larger number of direct selling opportunities around the world so the growth will be rapidly growing to the end of the situation until there is no decline in direct selling marketing in India.

3.REVIEW OF LITERATURE

The purpose of this study is to examine the relevance of Direct Selling in India. A literature review resulted in identification of selected papers, books, journals, articles and surveys in the category. India is one of the largest markets in the world with its huge population and this Direct Selling concept has opened the door to youth keen to learn, act and develop the skill in oneself through the skill development and training programs as done in the developed countries in the world.

(Coughlan and Grayson, 1998)

Distributors play different roles in a network marketing organization. As a consumer, they consume the product themselves offered by network marketing companies. In the role of a retailer, they use to sell the products to ultimate

consumers at list price. As a recruiter, distributors employ other salespersons in the form of their marketing network who further perform the same functions.

(Oksanen, 2000-Brodie et al, 2002)

Network marketing is solely based on word of mouth marketing which is done by the network marketing distributors. Further, the survival, growth and success of the network totally depends on the trust and cooperation among the distributors.

(Antony, 2003) The relationship between the distributors is of up line and down line. The sponsor who recruits a distributor is called an up line. Recruited distributor is called down line.

(John R. Sparks and Joseph

A.Schenk, 2006) made a study on The Socialization Communication, Organizational Citizenship Behaviors and Sales in a Multilevel Marketing organization". Sparks and Schenk MLMs as network of member distributors whose earning come both from selling products and recruiting new members. According to Peterson and Wotruba MLMs fall under the more general category of direct selling organization meaning any face to face selling activity away from a fixed retail location. Data was collected from medium sized MLM corporate producers. Using its national membership database, the MLM corporate producer randomly selected respondents for this study which includes sponsoring and recruiting members. Corporate producers provided

2,221 members' names, consisting of 1,883 recruits and 338 sponsors. Sponsors received a questionnaire for each of their recruits and were asked to evaluate their recruits' organizational citizenship behavior.

(P. Sreekumar, 2007) made A Study of "Multi-Level Marketing (MLM), as a Potential Tool for Socio-Economic Development" in the International Marketing Conference on Marketing and Society. A depth study of the MLM concept is conducted using literature survey and interview with company personnel. Data on the business plan with respect to incentives or total earnings is analyzed in comparison with a traditional entrepreneurship business. He concluded that a MLM member who is actively participating and involved in the business will get opportunities to attend weekly meetings, share his success stories with other members, and get reward for performance.

(Robert A Peterson and Gerald Alba, 2007) focused on the ethicality of internal consumption in MLM in his study "On the Ethicality of Internal Consumption in Multilevel Marketing". Internal consumption means when IBOs in an MLM organization purchase and consume the products and services of their organization. The research paper emphasizes on internal consumption are common, everywhere in any organization and such criticism of this aspect of multilevel marketing as being unethical and fraudulent are misplaced. The study

concludes that there does not seem to be anything inherently unethical about IBOs purchasing products and services from MLM organization or any other organization at discounted rate.

(Constantin, 2009) The key participants for the success of network or multi-level marketing organizations are the distributors. The functioning of multilevel marketing organizations depends on the strong relationship among the distributors.

(Abdul assis koro, 2011) Relevance of multi level marketing about how the concept of multilevel marketing system is perceived by distributors and assess the influence of demographic variables such as gender, age, marital status, monthly income, education level, and employment status of respondents on their perception level towards multilevel marketing system. He also examined the involvement of distributors in MLM practices, and how the involvement is adding value to their business. The study concluded that there is a positive relation between met expectations and job satisfaction in MLM business. The study shows that the expectations of many MLM distributors still remain as a dream and hence they were not satisfied with their present distributorship.

(Rajendra W. Bhadale and Sachin A. Bargave, 2012) Conducted a study on “An analytical study of independent business owner’s involvement in multilevel marketing business: A case of India in Pune”. The main objective of the study was to analyze the perceptions of IBOs towards multi level marketing and to assess growth of IBOs. The primary data for the study were collected from 542 independent business owners who are actively or in actively doing business and are registered with Amway India. The study concluded that the multi level marketing business is commission and incentive earning oriented which can be expanded in the group by exploiting the social networks of the people.

(Mr. Rajendra Wamanrao Bhadale, 2016) made a study on “Comparative study of development of independent business owners (IBOs) with special reference to the role of Tupperware India enterprises in Pune and Pimpri-chinchwad area”. The objectives of the study was to study the determinants of development of Independent Business Owners with respect to Tupperware India Enterprises and to examine comparative opinion of IBOs from Pune and Pimpri- Chinchwad area on different parameters of development of IBOs.

(Muhammed Juman.BK and Dr. J Christopher, 2017) conducted a study on “Direct selling business (Quantum India Ltd) in South India: A case study of Calicut district of Kerala”. The main

objective of the study was to study the present and upcoming marketing trends. For this purpose 50 direct sellers are chosen for an interview using stratified sampling. The study concluded that direct sales have become so popular in our country because it offers everyone the chance of becoming a successful self-employed with the freedom to win.

(Dr. A Hamil and ED Priyadharshini, 2019) made a study on “Buyers preference on oriflame products in south india. The main objective of the study was to find out the factors influencing customer preference towards products and to measure the level of opinion toward Oriflame. For this purpose data were collected from 70 respondents by using structured questionnaires. The study concluded that the consumer preference towards the Oriflame products. They are mainly motivated by the quality of the products.

4.OBJECTIVES OF THE STUDY

The main Objectives of the Research study are stated as follows:

- To understand the concept of Network Marketing among youth.
- To study the concept of Multi-Level Marketing and Direct Marketing under the scope of awareness.
- To compare different aspects of Multi-Level Marketing and Direct Marketing.

5.NEED FOR THE STUDY

- The present study aims to investigate the awareness and perception regarding network marketing among youth.
- To study how youth has been deliberately affected by network marketing and falling into scam fraudulent activities.
- To analyze the cost of time and money on network marketing is false down to fake promises on customers.
- To find out the potential difference between unemployment opportunity and network marketing employment opportunity.
- To know the lack of training and support in youth for network marketing.

6.SCOPE FOR THE STUDY

- To identify whether Multi-Level Marketing will give economic growth to India.
- To seek the youth's are losing the time and money investing in fraudulent activities.
- To overcome the outcomes in Network marketing and make the marketing in a better way for future growth in India.

RESEARCH DESIGN

The descriptive research design is adopted for this project for the present study. To measure awareness regarding Multi-Level marketing among youth in India in India has been considered in the study.

SAMPLING TECHNIQUES

Convenience Sampling Technique

- A convenience sample is one of the main types of non-probability sampling methods.
- A convenience sample is made up of people who are easy to reach.

SOURCES OF DATA

DATA COLLECTION METHOD :

Data collection is the term used to describe a process of preparing and collecting data.

The primary data are collected from the customers of Multi Level Marketing Product with the help of the questionnaires; the respondents are 175 members.

STRUCTURE OF QUESTIONNAIRE

A questionnaire consists of twenty five questions that the respondents or collected from the respondents from throughout India.

SAMPLE SIZE :

The total sample size was fixed as a Maximum of 175 Necessary data were collected from different ages of people and analyzed in terms of the objectives set for the study.

LOCATION TARGETED PEOPLE OF STUDY :

The research location is India, and the targeted people are the customers of Multi-Level Marketing Products in India.

TOOLS FOR ANALYSIS :

Percentage analysis

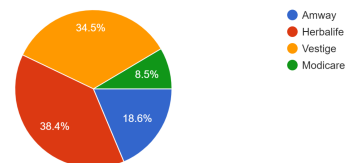
7.TABLE SHOWING NUMBER ONE MULTI-LEVEL MARKETING COMPANY IN INDIA OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENT AGE
AMWAY	33	18.6
HERBALIFE	68	38.4
VESTIGE	61	34.5
MODICARE	15	8.5
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART SHOWING NUMBER ONE MULTI-LEVEL MARKETING COMPANY IN INDIA OF RESPONDENTS

The number one Multi-Level Marketing company in India?
177 responses



INTERPRETATION

As per the table given above, 18.6% of respondents are Amway, followed as 38.4% of respondents are Herbalife, followed as 34.5% respondents are Vestige and followed as 8.5% of respondents are Modicare.

INFERENCE

Therefore, the majority of respondents are 38.4% of respondents with Herbalife.

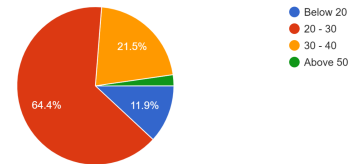
8.TABLE SHOWING AGE OF RESPONDENTS

AGE	NO OF RESPONDENTS	PERCENT AGE
BELOW 20	21	11.9
20-30	114	64.4
30-40	38	21.5
ABOVE 50	4	2.2
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART SHOWING AGE OF RESPONDENTS

Age?
177 responses



INTERPRETATION

As per the table given above, 11.9% of respondents are the age group of below 20, followed by 64.4% of respondents are the age group of 20-30, followed by 21.5% of respondents are the age group of 30-40, followed by 2.2% of respondents are the age group of above 50.

INFERENCE

Therefore, the majority of 64.4% of the respondents are in the age group of 20-30 years.

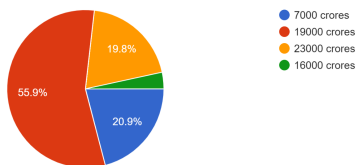
9.TABLE SHOWING PROFIT GAINED IN MULTI-LEVEL MARKETING INDIA TILL 2021 OF RESPONDENTS

OPTIONS	NO OF RESPONDENTS	PERCENT AGE
7000 CRORES	37	20.9
19000 CRORES	99	55.9
23000 CRORES	35	19.8
16000 CRORES	6	3.4
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART SHOWING PROFIT GAINED IN MULTI-LEVEL MARKETING INDIA TILL 2021 OF RESPONDENTS

How much profit has India gained in Multi-Level Marketing till 2021?
177 responses



INTERPRETATION

As per the table given above, 20.9% of respondents are 7000 crores, followed as 55.9% of respondents are 19000 crores, followed as 19.8% respondents are 23000 crores and followed as 3.4% of respondents are 16000 crores.

INFERENCE

Therefore, the majority of respondents are 55.9% of respondents with 19000 crores.

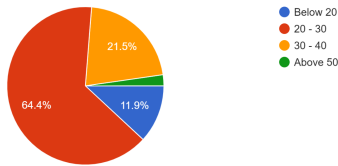
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20-30	114	64.4
30-40	38	21.5
ABOVE 50	4	2.2
TOTAL	177	100

SOURCE : PRIMARY DATA

CHART SHOWING AGE OF RESPONDENTS

Age?
177 responses



20, followed by 64.4% of respondents are the age group of 20-30, followed by 21.5% of respondents are the age group of 30-40, followed by 2.2% of respondents are the age group of above 50.

INFERENCE

Therefore, the majority of 64.4% of the respondents are in the age group of 20-30 years.

INTERPRETATION

As per the table given above, 11.9% of respondents are the age group of below

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.993 ^a	10	.595
Likelihood Ratio	8.112	11	.636
Linear-by-Linear Association	1.785	2	.273
N of Valid Cases	177		
a. 5 cells (32.6%) have expected count less than 5. The minimum expected count is .10.			

INTERPRETATION

Since p value 0.5 is greater than 0.05 null hypothesis is accepted and alternate is rejected Hence, there is no statistically significant association between age of the respondent and which is the MLM Companies in India.

ANOVA					
gender					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.687	3	.234	.962	.432
Within Groups	40.701	173	.243		
Total	41.367	175			

INTERPRETATION

Since p value 0.432 is greater than 0.05. we accept the null hypothesis and reject the alternative hypothesis. Hence there is no significant difference between age of the respondents and finding and reaching people to buy products.

11.FINDINGS

- Majority (64.4) of the respondents are in the age group of 20-30 years
- Majority (52.5) of the respondents are female compared to male
- Majority (46.3) of the respondents are business persons in occupation
- Majority (56.3) of the respondents are educational qualification is UG
- Majority (40.1) of the respondents are earning around Rs 10,000 - Rs 20,000
- Majority (46.3) of the

respondents are currently involved or ever been involved in MLM business

- Majority (34.5) of the respondents are pay off debt reason for earning in MLM
- Majority (44.6) of the respondents are fewer people working under my guidance
- Majority (41.8) of the respondents are I learned that 90% people will lose money with MLM business
- Majority (34.5) of the respondents are phone calls or texting find and reach people to buy product

- Majority (49.7) of the respondents are said No to people lose money in MLM under federal commission
- Majority (41.2) of the respondents are said No, don't lose money in encouraging friends in MLM business
- Majority (44.1) of the respondents are said No generate big income in MLM business
- Majority (48.6) of the respondents are disagree to earn extra income besides current job
- Majority (47.5) of the respondents are Network marketing is a big scam
- Majority (59.3) of the respondents are disagree most-effective routes to market in MLM business
- Majority (37.9) of the respondents are richard devos and jay van andel are founder of MLM business
- Majority (39.5) of the respondents are freedom to work most liked in MLM
- Majority (47.5) of the respondents are

scam alert most disliked in MLM

- Majority (38.4) of the respondents are Herbalife is the number one marketing company in India.
- Majority (44.6) of the respondents are got scammed by network marketing agency
- Majority (44.1) of the respondents are simple way of pyramid scheme is partnership
- Majority (58.8) of the respondents are said Yes MLM is illegal in India
- Majority (38.4) of the respondents are Italy has most MLM distribution chain

12.SUGGESTIONS

- Ensure the MLM business has the potentiality that its direct sellers have verified identities and physical addresses and documents only to such direct sellers.
- It has a good reputation on the market if any company involved in MLM business strategy and direct selling not induce consumer to make purchase based on representation that they can reduce or recover the price referring prospective to customers to the direct sellers for similar purchases.
- The MLM business should have Information available payment methods, the security of those payment methods, the fees or charges payable by users, the procedure to cancel regular payments under those methods, charge-back options, if any, and the contact information of the relevant payment service provider to be available and should be tagged and be ensured in all payment modes.

13.CONCLUSION

The study shows that youth is much aware about the concept as well as the products offered by the network marketing companies. Friends and relatives are the major source of information for the youth to acquaint them with the concept of network marketing.

Further, it can be concluded that network marketing can be a viable career prospect among youth which can be considered as a full time or part time career prospect. The main objective of youth is to secure their future in terms of a good job resulting in earning money.

Network marketing is one of the options which provide the business opportunity to become an entrepreneur. Training and development system of these organizations helps to learn how to create wealth, to study human psychology, sales and marketing, personality development, public speaking, leadership, and success principles. Therefore, youth can take over the network marketing as a career.

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