

# Multi-level Marketing- A Stepping or Stumbling Stone

Ashesh Amrit Mahapatra<sup>1\*</sup>, Dhimaan Dutta<sup>1</sup>, Amal Uday<sup>2</sup>

<sup>1</sup>Delhi Metropolitan Education, Law, New Delhi, Delhi, India

<sup>2</sup>Fairfield Institute of Management & Technology, Law, New Delhi, Delhi, India

## Abstract

MLM also known by various names; is about leadership, consistency and an ability to create a powerful downline. It is one of the finest ways of promoting a product/service, the structure of this model of business treats all their members as the business owners, giving rise to problem of their own. A major chunk of people associated with MLM companies belongs to student backgrounds, home-makers or people take it up as a part-time job. Even the finest marketing strategy is notorious for its scheme and scams due to a particular technique called a pyramid scheme, forcing many countries to restrict on its use. Over the years this industry has grown many folds across the globe. The article is contributing significantly to the existing literature by comparing the traditional and the multi-level marketing at a glance. The SWOT analysis of the MLM industry provides useful insight and implications.

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### \*Correspondence:

Ashesh Amrit  
Mahapatra  
asheshamrit09@  
gmail.com  
Delhi Metropolitan  
Education

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## INTRODUCTION

Multi-level Marketing is a strategy used by some direct sales companies to sell products and services. The revenue of the company is made from a non-salaried working force who sell the products or services of a company. This strategy spurs the existing members to promote and sell their offerings to other individuals and bring on recruits into the business. The existing members who bring recruits into the business are paid a certain per cent of the sales made by the recruit. Now the recruits are in turn encouraged to make sales to earn money. Many MLM schemes are legal but there are illegal operations that are run as pyramid schemes. In Multi-Level Marketing, payments to the participants are made from 2 revenue streams. The first one is sales commission received directly from selling the product or the service and the second revenue stream is from the wholesale purchases made by the other sellers whom the participant has recruited to also sell the product. This multi-level marketing program involves the use of networks for sales and to recruit new participants. Thus, also known as network marketing. There can be even thousands of participants according to the size of the company. All members at all levels receive some form of commission as long as they keep on recruiting people. It takes the shape of a pyramid. The people sitting at the top earn the most money out of it and the other people earn less as it moves towards the bottom. Thus, it can

be also called pyramid selling. Multi-level Marketing is also a very controversial marketing strategy and is often compared to pyramid schemes. Since the pyramid scheme is illegal, this marketing strategy frequently becomes a subject of lawsuits. When an organization more focuses on recruitment than selling its products or services, then it can be doubted that maybe it is working under a pyramid scheme. There are a lot of examples of multilevel marketing in the corporate world. Multi-level Marketing is a fast-growing phenomenon all over the world. The thing which attracts people of all age groups is the fact that anybody can become a member of this chain and build a network by connecting more people and they can start earning without having to sacrifice their current occupation nor there is a requirement of any additional investment. This article attends to the basic outlook on the MLM industry as a whole, its history and structure, the industry vis-a-vis the world, MLM vis-à-vis India.

## **LITERATURE REVIEW**

MLM is a rapid growing phenomenon, making a buzz during 1980's in the American corporation, from selling cosmetics to vitamins and insurances. The industry is expected to double in next five to six year and the industry is slowly turning into a white-collar business. (Paul, Rama 2008)

Multilevel Marketing has a negative image in the minds of many individual and is often under the radar of government regulatory agencies across the globe. MLM companies have oftentimes been alleged of running a illegal pyramid scheme, and that such companies are unethical. (Albaum, Peterson 2011)

## **History**

Multi-level Marketing does not have a documented history about its origin but it is generally believed that the concept of origin goes back to a brand named 'Nutralite' formerly known as 'California Vitamin Company' producing food supplement products. In the 1940s the company was involved with direct selling. It is believed that the concept of network selling emerged accidentally when the distributors realised the fact that the company generated more sales by referring their friends

and known people to the business opportunity available with Nutralite. But this period distributors were not recognized or rewarded for their efforts to recruit other distributors for the company. With time the company realised that the distributors are an important asset to the company, a system was developed in which the distributors were paid a 2 per cent bonus for the sales that were achieved and the network created by them; leading to the birth of the present-day system of 'pyramid selling'. Due to the fast-growing network selling, strategy Nutralite accomplished high growth and profits in the following decades not only in the US but also in other parts of the world. It was in the early 1960s when 2 distributors of the Nutralite company, Richard De Vos and Jay Van Andel left Nutralite and built their own company which became the biggest MLM business in the world called 'Amway'. This company started specialising in household and cleaning products and expanded to food supplements products after acquiring Nutralite.

In the present scenario, there are several companies that practice pyramid selling or network selling to sell their products or services. Numerous famous brands such as Avon, Tupperware, Electrolux, Discovery Toys, Herbal Life, Kleenez, Oriflame, Reliv etc have been very successful in growing their business using this concept all over the world. There have been massive penalties imposed against this system and many MLM companies over the years, resulting in heavy criticism by both the industrialists as well as the governments, but still, the concept has shown a successful growth of more businesses in recent years and still the Companies promote this selling concept with the help of successful individuals who became very rich after coming into this business, it is very important to note the fact that there is a growing concern among governments of various countries. One of the major questions raised is about the authenticity of the pyramid selling method which is believed to be a faulty model and it also has been claimed that a considerable part of the revenue or income generated is not due to the increase in sales of the product but because of recruitment of distributors.

Thus, Multi-level Marketing is a business that a person can venture into at any point in their life and start generating income. Many take up MLM along

with their main career and then some take it on a full-time basis. The advantage provided by this form of marketing is that it does not require any kind of qualification. Other than generating income, an individual gets to develop social connections which add as a benefit.

### Structure of MLM

MLM industry might be looking flashy on the outside but the very core of this strategy is as fluid as to the solid outer surface. Let's understand this structure by a simple illustration- Mr A opens a nutritional supplement business, names it as 'XYZ International' and approaches people mostly his friends or family members to join the initiative and become an entrepreneur earning a hefty amount of money by just working part-time or can join for full time if they like and a small part of what they earn would go to Mr A and he further adds that if they want to, they can individually add more people below them and likewise can collect a small amount from what they earn and this process continues (Figure 1).

The people whom Mr A had approached or people getting recruited under them are known as distributors; people who will buy the product from the company that is 'XYZ International' and sell it further. These people generally are students or home-makers who take it up as part-time work to earn extra and become financially independent. Unlike the traditional marketing style, these products are not found on a regular shopping shelf and have to be brought through a distributor. If we further analyze Mr A has bypassed the middlemen and allowed its distributors to directly purchase the

product from the company. Unlike the traditional marketing style, the MLM style eliminates the requirement of middlemen, the result being the cost saved is now directed to their distributors.

Adding down persons under oneself and further asking them to add is called creating a downline; the longer the downline better it is for the person sitting on the top. But creating a downline comes with its challenges. One must constantly work towards adding more links to their downline to increase their profits, adding the links is just one part of it the other part is motivation. Constant motivation is somewhat solved by making payout on a commission basis hence showing a different level of energy for earning a higher payout and the rest is solved by organizing big loud events to keep the downline happy and motivated. If we assume Mr A stresses more on creating a downline than on selling the products this might be a pyramid scheme. As the name suggests this scheme's sole motive is to only benefit the person sitting at the top of the pyramid.

When getting recruited people are told it is an easy task but, what they aren't been told is this chain can't continue forever otherwise it will someday cross the entire living population of this world. With time distributors feel the pressure from the upline to further elongate their downline, which has its complexity and perhaps, this is what one realizes as time progresses that the ground, they are standing is, in reality, a quicksand; people and have lost money and even destroyed relations joining these schemes. So, this is the basic architecture of an MLM company.

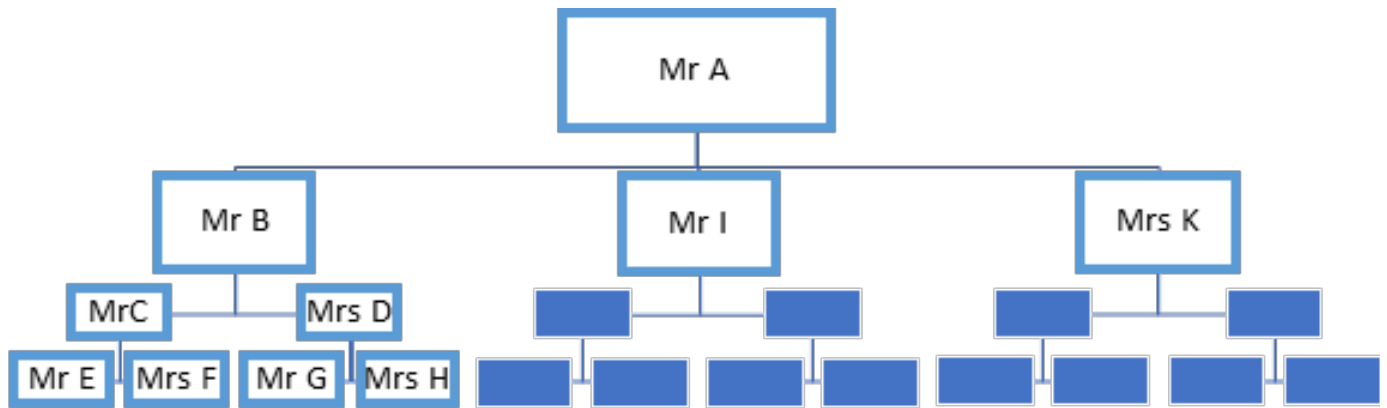


Figure 1: Structure of MLM  
Source: Developed by Authors

## MLM vis-a-vis World

MLM industry has been spread across most parts of the globe, one of the booming markets with a sales growth of 6% alone in the year 2020, when most parts of the world were experiencing lockdowns and businesses, was barely able to operate due to the COVID pandemic. An enormous number of people are engaged with the MLM industry creating a lot of job opportunities; approximately half a billion people are employed through various MLMs as distributors.

Looking at Figure 2 it can be easily inferred that there has been a constant rise in retail sales across the world, except in the years 2019 and 2020 due to long and strict lockdowns as a measure of containing the covid pandemic.

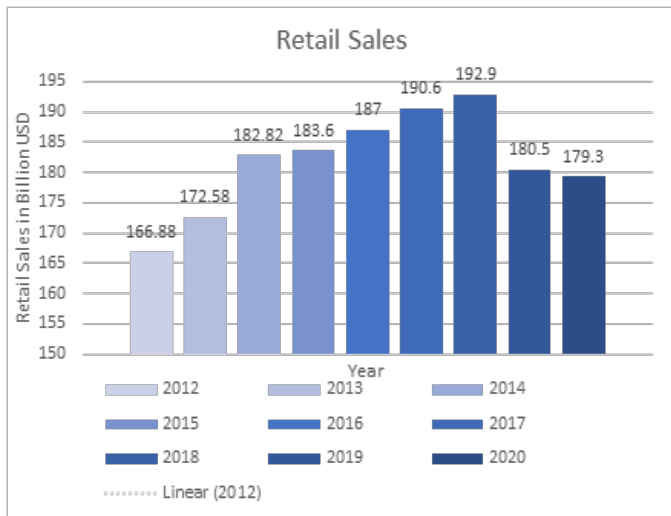
Both Figure 3 and 4 show how the industry has developed itself in The United States, which has the highest value of retail sales, as a result, it has the

highest market share. If we see one of the pioneers of MLM has started their business from the United States following a boom in the MLM industry.

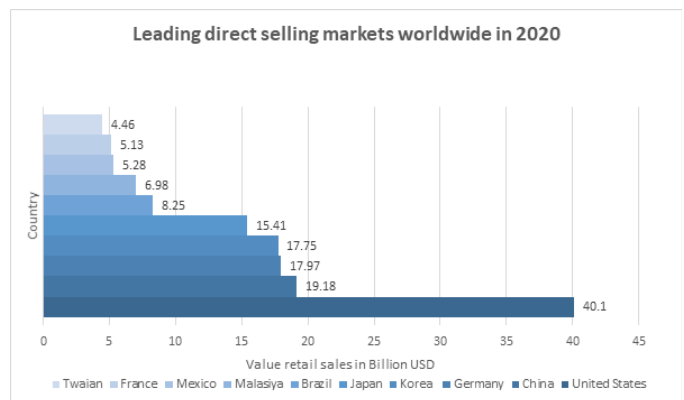
Looking into Herbalife, one of the leading companies in the MLM industry; manufactures and sells nutrition supplements around the globe with an employee strength of over 10,000. According to Figure 5 from from 2013 to 2019, there has been a slight reduction in sales which was significantly improved in the year 2020.

## India vis-a-vis MLM

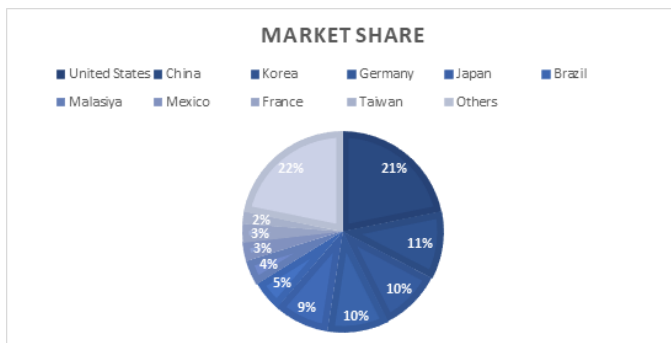
Multi-level marketing is becoming increasingly popular, with direct selling companies in India growing by the day. The question for many people in India is how does this type of business model impacts society? Is it ethical to work independently when social networks are making their members more dependent on one another? This article takes a closer look at these important questions.



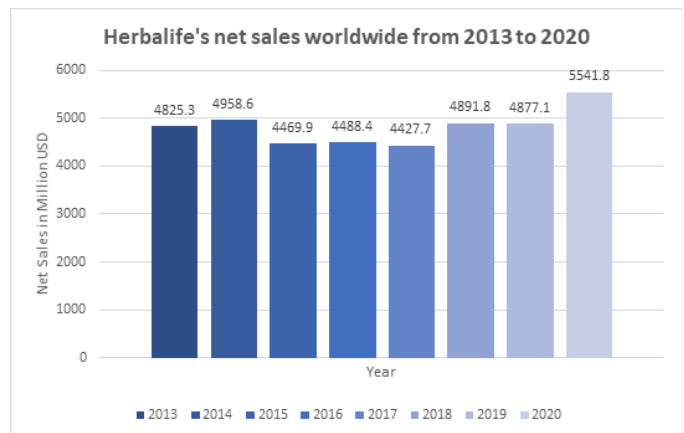
**Figure 2:** Retail Sales worldwide  
Source: Statista



**Figure 4:** Leading direct selling market worldwide in 2020  
Source: Statista



**Figure 3:** Market share of MLM worldwide  
Source: Statista



**Figure 5:** Herbalife's net sales worldwide from 2013-2020  
Source: Statista

In India, the MLM industry is one of the rapidly expanding non-store retail formats. It has created a significant number of job chances for diverse people in India, as well as increased the number of people who can work for themselves. In recent years, the Ministry of Consumer Affairs established an Inter-Ministerial Committee to examine and draught the necessary regulations and norms governing Multi-Level Marketing organizations in India.

This committee identified the following guidelines for regulating the MLM system in India:

- The Companies Act requires that all companies engaging in Multi-Level Marketing/direct selling be registered.
- Every company that registers under this programme must get the relevant licenses and authorizations.
- Payments must be traceable to goods sales and not be misused.
- Recruits in MLM must be able to advance in the sales system; companies must not waste unsold stocks and repurchase any unsold inventory
- Customers should be given the option to return unsold products at the end because supply and demand cannot be predicted ahead of time.

Because of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, MLM enterprises in India have been on the receiving end of the law for some time. The Act uses a broad definition of money circulation schemes, defining it as a plan that collects money from a new member and promises to pay the new member money if they recruit additional members, regardless of whether the money is paid. The Indian Direct Selling Association, the industry group representing the interests of MLM firms, had requested a modification to the law after the arrest of the CEO of a large MLM company for violations of the Act a few years ago. They claimed that the sale of merchandise is the most important aspect of the business. They differ from a pyramid scheme in that in an MLM business, members at each level make money for themselves and those in the levels above them through product sales rather than through the recruitment of new members. Direct sellers are companies who sell to clients outside of a retail context, such as a shop, a store, or a marketplace. Their sales are typically conducted through one-

on-one interactions, so it's only natural that they'd be on the lookout for more distributors or sales agents, as the case may be. Even in the age of the gig economy, the act of recruiting new members cannot be criminalized.

### ***The break of MLM in India***

The Prize Chits and Money Circulations (Banning) Act 1978, Section 2(c), has always been a source of concern for the industry. On the contrary, the Ministry of Corporate Affairs and the Ministry of Finance Department of Financial Services is closely monitoring the sector and clarifying the existing legislation. More than 40 years ago, the Prize Chits and Money Circulation Schemes (Banning) Act was passed. In the ensuing decades, India has made significant progress in the fields of corporate law and securities regulation and now has considerably more sophisticated tools and mechanisms at its disposal to detect and prevent pyramid schemes on a bigger scale. In its 21st report, submitted in September 2015, the Lok Sabha's Standing Committee on Finance proposed two moves concerning MLM and direct marketing organizations. First, a mandatory registration process for direct selling, aided by a central regulatory authority, is required. Second, the Standing Committee advised that direct selling be defined clearly to separate it from pyramid schemes. The Direct Selling Guidelines 2016 were created in response to this report. The definitions in the rules are a little confusing because a direct selling business relies on it not being a pyramid scheme, and a pyramid scheme relies on it not being a direct selling business. The definitions clash with the Prize Chits and Money Circulation Schemes (Banning) Act to some extent. While the laws ban any advantage or reward for the recruitment of new members, the rules allow it if the money originates from product sales. Furthermore, it would compound the public's lack of faith in this business model because they would be unable to distinguish between a legitimate MLM or direct selling organisation and a pyramid scheme. Implementation of the Standing Committee's recommendations, including resolving conflicts between the guidelines and the Act, possibly by enacting new legislation and repealing the 1978 Act, as well as a system of accreditation for



such schemes, would provide a much-needed boost to their business and image while also protecting the public's interests. Laws were drafted out to regulate this industry due to the various scams which have happened-Amway Scam, Speak Asia Scam, Stock Guru India Scam, Qnet Scam to name a few.

### **IDSAs**

The Indian Direct Selling Association (IDSA) is an autonomous, self-regulatory organization for the direct selling sector in India, founded in 1996. The Association serves as a conduit between the industry and government policy-making authorities, advancing the cause of the direct selling sector in India. IDSA works to develop and promote a suitable environment for the direct selling sector's growth

in India, collaborating with both business and government through advising and consultative initiatives. IDSA catalysis changes by collaborating closely with the government on policy problems, increasing efficiency, and establishing the credibility, clarity, and confidence that Direct Selling requires.

### **RESEARCH OBJECTIVES**

The objective of this article is to analyse and compare Multi-Level Marketing to traditional marketing on various grounds. The paper further talks about the strengths, weaknesses, opportunities and threats of the industry from both the view of the people associated and the industry itself, the prospects of MLM industry in Indian aspect furthermore it talks about the impact of COVID-19 on this industry.

## **FINDINGS AND ANALYSIS**

### **Comparing of Multi-Level Marketing to Traditional Marketing System**

<i>Basis</i>	<i>Traditional marketing</i>	<i>Multi-Level Marketing</i>
<i>Start-Up Cost</i>	A big amount of investment is always required. For even opening up a small Kirana Store these days the ad up cost of the renovation of the area, The products you purchase, and also much other capital building stuff are required.	In this scenario, the initial money investment is very low. A mere amount of money, in general, less than INR 10,000 is required for the basic plans of any company. The Companies provide you with basic features and a decent amount at the end of every sale.
<i>Employees</i>	As soon as you start growing your business, you need to get more employees as well. Then you pay salary and also, then take out profits from that.	Here, no such employee system exists. Only you can add downline, who start earning themselves by selling their product. When they earn a particular amount, then slowly and steadily you also gain a percentage of income.
<i>Inventory</i>	As the above example shows after opening a Kirana Store, you will need to manage an inventory. Without the inventory, you would not be able to sell things. You have to keep your stock ready and in hand.	In this marketing, you do not need any inventory. You just need to get orders and the address of the person who wants them. You can either deliver it on your own or by your downline or through any courier services.
<i>Territory</i>	There is a fixed territory from where you start your business. Like the Shop beneath your society or your house or a shop nearby your colony, has access to just a small part of the locality. Every locality has its kind of such shops.	There are no territories defined. You can just work with any person you want worldwide. No restrictions on selling/ marketing your products are there. To any part of the world, you can just spread your network.
<i>Flexibility</i>	You are your boss. Work as per your requirement or keep it closed. But at some desired time you will need to open the shutter of the shop, or need to go to the office to sit and govern other employees, or you will have to send at least one of your representatives.	In this also you are your boss, but you can work from anywhere around the global map. You don't have any such restrictions of place, amenities, etc.

Basis	Traditional marketing	Multi-Level Marketing
Failure Rate	It's your money and it's totally upon you whether you create it or dupe it.	Here also it's the same thing. But your money can be saved, how? It's like when you invest the amount, you get those products and if u feel the difference, then you recommend further. So, if at all you are unable to get a downline or are not able to sell properly, you have an option of just having those products with you.
Time dedication	You will need to work hard and sometimes even have to skip meals, work overnight to get succeeded in such a line of business. For example, to complete an order, you will require to work overnight and complete it however as you have already skipped the time allotted.	If you give 2-3 hours per day, then even though that you can earn a decent amount of money. If you want to earn well, then you need to work hard and more.

## SWOT Analysis of MLM Industry

### Strength

Low risk- This type of business often requires a lesser amount of money as compared to that what your startup or personal business would take. If u have the desired skill and are consistent towards your marketing strategies and selling continuously, then you can get a good number of commissions, and earn a good sum of money. We can take a look at Figure 1, Mr B and Mr C are good friends where Mr B is already into the MLM industry and influences Mr C to join under him. After Mr C joins he is required to pay a total of Rs. 10,000 and get the products. Mr C then continuously makes effort to market the products and earned a good amount of profit. Hence Mr C started earning a good amount of money, with a very low investment.

Huge Potential Income- Consistent hard work is the key to success. This industry with time has shown good growth in potential income (Figure 2). Day by day, the profit earned by the upline is increasing as more and more downlines are clubbing them. So, the outcome is more no. of downlines, will give you good and continuously increasing profits. Referring to Figure 1, after F and E join the downline to C, the income of Mr C rises, which automatically gives raised profits to Mr B. Subsequently when more downlines join, this cycle continues. A good source of passive income- Many people join MLM as a part-time job, to support the family conditions and also add on for the extra income in their family. No person needs to invest the whole day into this. Only an investment of some hours can give back a decent

amount of income. You can make a huge amount of money in very little time with your consistency and hard work. Portability and technology- In this covid-19 era, shifting to the internet, was not a mammoth task for this industry, as the industry not only survived but has shown growth in many parts of the globe. All the personal need is to have an internet connection and a device to operate. This work can be done remotely from anywhere in the world. Each nook and corner can be reached in no time.

### Weakness

Most people after joining expect profits without any work. They won't reach people out, would not be outspoken and also lack the skills of selling, which creates a problem from them amounting them not earning a decent income. Here, they then term this scheme as fraud or scam. Most people do not possess the proper or needful skills required for a direct seller, they neither can't influence people to buy their product, nor they can get a downline, hence amounting to not earning a good income. Also, there are sections of people who just come and sit unaware of the products, unaware of the company and just begin with the process, without any possession of knowledge. Then in the future, they are ignorant even to their customers and downlines and starts losing them, as they are unable to cater to their problems. There can be the biggest problem for not only the downlines but the company as well if the uplines or the cream line or the top line is not efficient or under the influence of red-tapism. This can lead to a problem for both the employees as well as the company. Both the entities are in grave danger.



## Opportunities

Multi-level marketing (MLM) is the fastest-growing direct selling industry in the world, with estimates that more than 12 million people in America and Canada alone joined a company. Why? Because of the multiple levels of potential income, it offers on top of regular employment. People who can make money doing what they love will always be drawn to MLMs. The Multi-level marketing strategies have the opportunities to create millionaires in no time. It is the best way to get rich in very little time. The easy time frame for work, hence giving the companies a greater number of employees and maximum of them. These Companies can generate a good level of employment for a country. MLMs provide products and services that people across all income levels can afford. MLM companies often provide low-cost, high-quality products and services such as food, nutritional supplements, personal care products, and household goods. MLMs create jobs for independent distributors who promote the company's products or services to other consumers. MLMs help people build long-term relationships by providing them with a community of like-minded individuals with whom they can share experiences and trading ideas for encouragement and support. MLM is the future of sales. It is not a new-age strategy but it can broaden your horizons. MLM, also known as multi-level marketing, has been around since the late 1800s. MLM is an excellent way for people with limited capital to start their own business with virtually no startup costs or fees involved. Additionally, MLM businesses are less risky than most other types of startups because they sell to more than just one customer and you never have to buy inventory upfront. MLMs are not just for certain groups of people - anyone who wants to earn more money can be successful with MLM. As long as they put in the work and follow the right steps, they will be on the fast track to earning more money faster than they ever thought possible.

## Threats

MLM is a system that has an unlimited supply of sales representatives to work with. This means that the salesperson needs to invest more and more to generate profit and the opportunity for profit

is diminishing for each new person recruited. This type of business model has been successfully used for decades and it still generates billions of dollars in revenue every year. But MLMs are not without their disadvantages. One such disadvantage is that because MLM relies on recruiting new reps to grow, there's an ever-dwindling pool of people at the lower levels who can recruit new reps as well as those who can sell products. The result: This type of business model has been successfully used for decades and it still generates billions of dollars in revenue every year, but MLMs are not without their disadvantages -one such. You must purchase merchandise, construct a website, and advertise your business beyond an initial membership fee, which is all related to start-up fees. Most businesses want to invest hundreds or thousands in being an advisor. MLM lies inside the framework of connections establishing and developing. Taping the network may often tighten your connections or perhaps make our loved ones avoid your conversations or ban social media postings. While a few experts believe that sales have taken on additional choices or have made no effect. Rather, they had more debt on credit cards and could not sell any more merchandise. It takes a lot of time to invest and endure in achieving desired results. You could be let down if you want to make a lot of money badly in a short time. Some firms enable sellers to return unwanted items for reimbursement in full or part. The business can also choose not to make refunds for any items, a shift that might abruptly leave many sellers in the negative. There are therefore important considerations in picking a firm with the best and most practical reward schemes.

## India's forward view towards MLM Industry

There has been a process of formation of new laws and are required at a huge level. So, here is where the government steps in. According to the proposed guidelines, any direct selling firm doing business in India must register with the industries department (DPIIT) and have at least one office in the country. The registration number must be displayed on the company's website and all invoices. They will be forced to have dedicated executives to deal with



complaints and follow government directives. To resolve their problems, such businesses will require a customer service number that is available 24 hours a day, seven days a week. The proposed rules state that no direct selling entity may promote the “Pyramid Scheme” or participate in the “Money Circulation Scheme” under the guise of a direct selling business model that recruits members through the promise of payments or services in exchange for enrolling others in the scheme, rather than through the sale of products or services. Authorities should not treat direct selling companies as pyramid schemes, according to the direct selling industry. It states that whereas direct selling enterprises are required by law to register with local regulatory agencies, pyramid schemes are not. According to the proposed guidelines, all businesses operating in the country must comply with the regulations within 90 days. According to the proposed laws, any direct selling business cannot refuse to accept back counterfeit goods or substandard services and must reimburse the amount paid for the items and services delivered. It also suggests that the agent or seller be given a “cooling off” time in which he or she can change his or her mind about a previously struck agreement. This will not result in a contract breach and/or a levy penalty. A buyback time or repurchase policy for “currently marketable” products that are not unpacked is also included in the draught rules.

## **India and the MLM industry during COVID-19**

The Indian direct selling business has defied the economic downturn, achieving impressive development over the years and expanding its boundaries in India as a fast-rising alternate distribution route. During 2011-12, the direct selling industry grew by 22%, with sales revenue increasing from INR 52,294 million in 2010-11 to INR 63,851 million in 2011-12. During 2011-12, 22.5 per cent growth in the organized and 17.7 per cent growth in the unorganized segments of the industry contributed to the segment’s substantial expansion. From INR 33,226 million in 2008-09 to INR 63,851 million in 2011-12, the industry has grown significantly. The direct selling industry’s sales revenue concentration in the southern area has begun to shift to other

parts of the country. Direct selling companies are now looking to the massive consumer market in the Northern and North-Eastern regions for their products, owing to large untapped markets and emerging growth potential. According to the poll, the Northern region’s part of sales income increased from 15% in 2010-11 to 20% in 2011-12, while the Southern region’s share of sales revenue decreased from 44 per cent in 2010-11 to 38 per cent in 2011-12. The Eastern region’s share climbed slightly from 14 per cent in 2010-11 to 15 per cent in 2011-12, while the North-East region’s portion increased from 7% in 2010-11 to 10% in 2011-12. During the same time, however, the western region’s share fell from 20% to 17%. According to regional sales estimates from 2011-12, the South provided INR 24,264 million to gross sales revenue, while the North contributed INR 12,770 million. The West region contributed INR 10,854 million, while the East region brought in INR 9,578 million, and the North East brought in INR 6,385 million.

It’s worth noting that the Northern region grew at a stunning rate of roughly 56 per cent in 2011-12, while the North-Eastern region grew at a healthy rate of 37 per cent. The Eastern region increased at a rate of 32%, while the Western region grew at a rate of 19%. The Southern direct selling market, on the other hand, has slowed by 2%. The direct selling business has contributed greatly to the creation of self-employment over the years, and the trend has continued this year. During 2011-12, the Indian direct selling industry had a total distributor base of 4,853,232, of which 3,980,016 were active. (PHD Chamber of Commerce and Industry, The Indian Direct Selling Industry Annual Survey 2011-12)

## **CONCLUSION**

MLM is one of the finest techniques to market a product but is known for its notorious scheme, scam and scandal. If we dig deeper and reflect on the origin of this technique the objective of MLM is not only to get customers to buy a product but also to entice a proportion of individuals to sell that product. As a result, the skill of persuasion is essential to MLM—an art that has been refined in marketing programmes across the country. As rightly said by Mr Tim Sanders “Your network is your net worth”. It is



not only a skill of selling but also a skill of being able to develop social relations. Apart from the earning one makes the model also boosts confidence and a feeling of self-content. Many people who have joined this industry have earned a fortune for themselves but, it is also a fact, only a small fraction of MLM representatives get the enormous incomes promised in advertising materials and at meetings; some people make no money at all, while others lose money.

This industry is presented to people like a lucrative piece of cake but, there it also comes with many grey areas which are not introduced to the person joining; the person joining the company would be able to reach a certain level and not beyond that due to simple mathematics that if this level continues after a certain limit, it would exceed the population of this planet. Most of the products sold are much more expensive than their traditional marketing peers reason being, the commission earned is also included in the price of that product.

Though, with time this model has developed huge popularity for itself, it is still an opaque industry with many companies following the infamous 'pyramid scheme' under the veil of selling products. People who wish to enter into this industry must research well about the company and must understand the clauses before investing in it.

The industry must be brought under continuous regulations and separate policies must be created for the same. This industry attracts people promising a great life but does not express the complete picture,

leaving a large portion of their agreement in the shadows. Policies on the protection of the people employed under these companies. It must also be included how this industry associates itself with the people working under them.

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